

Stabilization/Structural Adjustment/ Canadian Feminist Issues

by Ana Isla, Angela Miles, Sheila Molloy

Les auteures examinent les systèmes de marchés basés sur le profit qui requièrent la «modernisation» et le «développement» de l'économie du Sud. D'après les auteures, ces programmes de

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restructuration ne se portent garants ni de la croissance ni du bien-être des êtres humains et ils se cachent derrière un langage à double sens qui ne rend pas compte de la souffrance et de la destruction qu'ils causent. Les auteures tracent un parallèle avec les programmes de restructuration qui sont présentement mis sur pied dans le Nord.

The official United Nations Platform for Action endorsed by governments in Beijing is stronger than the draft that went into the Conference, thanks to powerful and consensual lobbying by the world's women. Many of the commitments made in the Platform can be useful reference points for continued local lobbying around the world. However the document in general and its framing presumptions in particular remain deeply problematic for the feminist project of women's liberation and social justice in an ecologically sound and harmonious world.

Probably the most serious limitation of the Platform for Action is its implicit and explicit endorsement of existing global economic and political relationships. Certainly women's attempts to have the destructive nature of this system recognized in the Platform for Action were fiercely resisted and ultimately failed. The economically powerful nations of the world closed ranks and rode herd on others to insulate the formal government deliberations from this profound challenge. Equally noteworthy, however, was the broad consensus among those lobbying in Beijing that the current global system is flawed at its deepest level and in its deepest logic. The shared determination of women that this system must change is not reflected in the official Platform but it is none the less real and powerful.¹

Women from the economic South have played a major role in developing feminist understanding of the deeply negative aspects of the global economy and the "growth" and "development" pursued as an unquestioned good in its name (see Anand; Antrobus; Bhasin; Dakar; D'Souza;

ISIS; Oliviera and Coral; Sen and Grown; Shiva). But feminists from the economic North increasingly share this understanding and have contributed to it (see Boulding; Bunch and Carillo; Leghorn and Parker; Mies; Mies and Shiva; Moraga; Pietilä; and Waring). The consensus that shaped women's economic lobbying in Beijing has been built over decades of global dialogue grounded in autonomous feminist networks and organizing and fostered by opportunities for exchange and common action at regional and international gatherings.² The political work at Beijing and its Preparatory Committee Meetings followed and built on the work of feminists at a whole series of previous United Nations conferences including the World Women's Congresses in Mexico City 1975, Copenhagen 1980, and Nairobi 1985, and Conferences on Environment and Development (the Earth Summit) in Brazil 1992, Human Rights in Vienna 1993, Population in Cairo 1994, and Social Development in Copenhagen 1995.

Feminists at all these conferences, and through their activism and networking in between, have come to reject the profit based market system which 1) compels private ownership of all the earth's goods; 2) recognizes as value only what is sold for profit on the market; and therefore 3) fails, by definition, to acknowledge the value of nature and of women's work. Asian feminists at a regional meeting said of this system:

Far from promoting broadly-based human development, this model has resulted in gross violations of human rights, continuing depletion of natural resources, increasing destitution of local communities, and violence against women. (Second Asian and Pacific Ministerial Conference on Women 31)


Feminists globally, are committed not only to resist the worst consequences of this system and its spread but to work towards totally different equal, cooperative, life sustaining, communal forms of social and economic organization. This involves recognizing the worth of women's work³ and of nature and the importance of women's and other traditional knowledges, all of which are currently denied, devalued, marginalized, and rendered invisible. Feminists not only recognize the worth of these things but do so in terms of an alternative logic grounded in the value of life rather than profit.

Measuring value in terms of what contributes to the sustenance of human and non-human life reveals the absurdity, even criminality, of the current system which measures only production for the market and for profit (Waring). It makes it possible to see that what is called

Restructuring in a Global Framework

progress/ growth/ modernization/ development has been a centuries long process, in both the economic North and economic South, of often violent colonization of nature, women, workers, Indigenous peoples, and traditional cultures and communities.

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“Modernization”/“development” has brought not only an enormous increase in production for profit, but also, and equally centrally, the relative and/or absolute deprivation of women, colonies, and marginal groups and communities. For expansion of the market and of production for exchange at the expense of production for use 1) removes the means of subsistence from individuals and communities; 2) institutionalizes men’s dependence on wages and women’s dependence on men; 3) reduces all of human and non-human life to a commodity, valuable only in so far as it contributes to profit for a few; 4) fuels the concentration of wealth and power in fewer and fewer hands, ultimately a few non-accountable transnational corporations.

The intensification of this process of homogenization, control, and commodification is the real agenda of the “globalization” we hear so much about today. Everywhere, the exigencies of global competition and the global market are used to enforce policies which put absolute priority on unfettered transnational profit-making at the expense of people and the planet.

In both North and South the spectre of debt and deficit is used to impose these punitive and destructive policies. In Canada, and in the economic North generally, relentless fear mongering about the size of government deficits and their damaging consequences is used to sell policies of selective fiscal austerity which leave intact and even augment subsidies to transnational business while cutting the much less substantial social spending. Prosperity is misleadingly equated with “growth” of market production and transnational profit and any resources which do not serve this end directly are defined as dangerous and insupportable “costs.”⁴

Countries of the economic South provide clear evidence that contrary to the dominant mythology, market forces are no guarantee of growth, welfare, and the devel-

opment of human potential. Rather the reverse. For, due largely to the depredations of a global market dominated by the rich nations of the economic North, these nations are deeply in debt to industrial countries and their financial institutions such as the International Monetary fund (IMF), World Bank (WB), commercial banks, insurance agencies. Unequal and deteriorating “terms of trade” and a huge jump in interest rates from 2.2 per cent in the 1970s when the debts were incurred, to 16.6 per cent in 1982 are the major causes of this debt. As a result of these factors countries which have repaid their debt many times over are still deeply in debt.

For instance, countries in Latin America and the Caribbean, Africa, and Asia which had received a total of US\$458.1 billion in loans and paid back US\$1.167 trillion in amortization and service charges as of 1988, still owe more than US\$2 trillion (World Bank 192). The IMF estimates that since 1987 the economic North has been enriched by US\$50 billion annually in net transfers from the South. In 1994 Latin America and the Caribbean alone sent US\$73 billion to the North in interest and amortization payments; in 1995 the figure was US\$87 billion (IMF).

Since 1982 most new borrowing has been used to service the debt. The money borrowed goes directly to creditors in the North even as the loans increase the indebtedness of the South. Nevertheless, their “debt” is used to impose on these countries policies which prioritize private (usually transnational) production for export and foreign currency earnings for debt repayment, over production for people’s needs and protection of the environment (Isla 1993a).

It is true that the global competitive market imposes conditions that are hard, often impossible, for local economies and producers to resist and erodes nation states’ power of economic management. Rising interest rates, for instance, are a large factor in the increase in the Canadian debt from US\$276.69 billion in 1988 to US\$592.9 billion in 1995. The fact that a large proportion of the Canadian debt is domestic rather than foreign (US\$482.5 domestic compared to US\$110.4 billion foreign debt in 1995) does not change this. Nor does it absolve Canada from the need to meet its IMF undertakings, because capital is international.

However, state power has not ceased to exist with the concentration of power in transnational capital. It is used to serve that concentration. The absolute dominance of the global market that restricts national options and is used to justify painful restructuring measures in the name of competitiveness, is itself the product of free trade and price liberalization policies dictated and imple-

mented by the governments of wealthy nations (G-7) and their multilateral institutions (International Monetary Fund, World Bank, World Trade Organization) with the collaboration of some ruling groups in the economic South.

These policies shift resources from people to profit and redistribute income and property to the wealthy in the name of reducing debt/deficit and increasing efficiency and competitiveness.

They are called "stabilization" and "structural adjustment" when imposed by external bodies on the nations of

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the economic South and "restructuring" when imposed by national governments on their own populations in the economic North. Whatever their name, they involve the privatization of public goods, tax cuts on business, cuts in social services, downsizing/layoffs by business, wage reductions.

The real anti-life and anti-women agenda of these policies is obscured by the powerful ideology that equates "growth" and "development" with human well-being, and "restructuring" with progress. The double speak that fosters these illusions is well illustrated in the World Bank's application of structural adjustment philosophy to health. In its *World Development Report 1993* the World Bank calls for governments to: foster an enabling environment for households to improve health; improve government spending in health; and promote diversity and competition in health services. David Werner provides an interpretation of this rhetoric:

"Foster an enabling environment" means requiring disadvantaged families to pay for their own health, in other words fee-for-service and cost-recovery through user-financing that shifts the burden of health costs to the shoulders of the poor.

"Improve government spending on health" means trimming government spending by reducing services from comprehensive coverage to a narrowly selective, cost-effective approach, or a new brand of selective primary health care.

"Promote diversity and competition" means turning over to private doctors and businesses most of those government services that used to provide free or subsidized care to the poor. This implies privatization of most medical and health services, thus pricing many medical interventions beyond the reach of those in greatest need. (13-14)

This philosophy/agenda is being relentlessly imposed around the globe in every area of life. Free trade and price liberalization, cut backs in spending, privatization, and fiscal austerity are key conditionalities of IMF stabilization and World Bank structural adjustment policies (SAPs). They are also the hallmark of federal and provincial government policy in Canada today. The resulting suffering and destruction is much more acute in the South but it is increasingly felt in the North as well. This is the basis for feminists' shared understanding of the destructive consequences of the global economic system, and their concerted if largely unsuccessful efforts at the Beijing Conference to have this acknowledged in the Platform for Action.

It is not by chance that none of this economic truth is to be found in the UN Platform for Action. It is powerful knowledge and we need it all the more because it is absent from the United Nations Agenda. For the Platform for Action is essentially and insistently about integrating women into existing structures rather than transforming them.

Understanding this global system and its consequences exposes the inadequacy of this frame for feminist action. It uncovers the common agenda that drives policy in Canada in apparently disparate areas and illuminates the links between our struggles and the struggles of women around the world.⁵ It reveals the connections, as well, between our struggles in Canada against the North American Free Trade Agreement (NAFTA); against violence against women; against environmental destruction; against cut backs to welfare, education, health, child care, transportation, housing, women's services and groups; against militarism; against the destruction of the fishery and the family farm; for Indigenous communities and Native rights; for the rights of migrant workers and refugees; for recognition of women's unpaid work in the census and many more.

All these issues are global as well as local in their causes and their solutions. They are all necessarily part of a larger struggle to change the defining value of our global economic system from profit to the sustenance of human and non-human life.

Women from all the regions of the economic South have lived for decades with "stabilization" and "structural adjustment" policies that have destroyed the social fabric and ecological balance in their countries, undermined the health of their populations, and left millions in abject poverty, imposing special burdens on women (Isla 1993b). In Canadian federal and provincial governments' restructuring policies, women from these countries now living in Canada are seeing a re-run of a bad movie they've already been to. It is already clear that the consequences will be similar here, for Canadians across the country are beginning to experience and resist their socially and ecologically destructive impact.

The consequences are more extreme and have been felt over a longer period in the economic South and in

depressed regions of Canada. But the parallels are indisputable and are illustrated in the accompanying sidebar. The columns list 1) the words that rationalize these policies in every region, 2) what these policies actually are, and 3) what the consequences are for women around the world. Women everywhere are clearly in the same life and death struggle. We need each other to change the world. Our success depends on our understanding this, and the future of humanity and the planet depends on our success.

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¹For an expression of this consensus at Beijing see Linda Christiansen-Ruffman's article "Pages From Beijing: A Woman's Creed and the NGO Beijing Declaration" in this issue. The alternative "NGO Beijing Declaration" was drafted over three days of intensive consultations at Beijing by participants from every region of the world, and is now available on the internet and being revised with input from women around the world.

²For descriptions of feminist global networks and organizing see Miles, Stienstra. For an indication of the nature of the consensus developing globally among feminists see the Women's Action Agenda 21 (World Women's Congress for a Healthy Planet), the published report of a Conference of 1,500 women from 84 countries held in Miami in 1991 in preparation for the United Nations Conference on Environment and Development.

³"Women's work" is used loosely here to refer to the enormous amount of diverse and changing subsistence work associated with women and done, with or without (low) pay, in dependent circumstances in hugely varied societies.

⁴Information on Canadian restructuring is widely available from various sources including: Barlow; Council of Canadians; CUPE; Goar. See also "Tax Critics Blast Corporate Dodge: Up to \$60 Billion in Foreign Cash Moves Unreported."

⁵We need not only to understand the global parameters of each of these issues, but to put global structures themselves on our political agenda. Solidarity with our sisters from the economic South, for instance, requires that we organize in the North against SAPs and pressure our banks and the multilateral agencies to abrogate the external debt that has already been paid many times over. This debt is, by the way, an important source, with the Canadian deficit, of the obscene profits announced every year by Canadian banks. Between 1986 and 1993, for instance, the Royal Bank gained assets worth CA\$33.163 billion and the Scotia Bank gained assets worth CA\$31.898 billion in Latin America and the Caribbean. In 1993 the Brazilian government paid CA\$335 million to Canadian banks (\$140 to the Royal Bank, \$30 to the CIBC, \$50 to the Bank of Montreal, \$100 to the Scotia Bank, and \$15 to the National) (Nesbitt Research).

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Correction ...

The abstract for Tonia Bryan's article in our "Lesbians and Politics" (Vol. 16, No. 2) issue should have read:

L'auteure jette un regard sur le classisme qui existe à l'intérieur des communautés lesbiennes et des communautés de femmes.

WHAT THEY SAY

The language of "restructuring," "stabilization" and "structural adjustment"

Strengthening the role of market mechanisms in the allocation of resources.

Globalization of the economy to enable countries to overcome the limitations of their small domestic markets.

Derive enormous benefits in terms of an expanded product and factor market, development finance, economies of scale.

Increase in productivity.

Reform measures to enhance private domestic resource mobilization, including market and price deregulations.

Increase the efficiency of capital and labour markets.

Market liberalization to eliminate discrimination against private industry.

Fiscal responsibility.

External financial flows would have the desired development impact if they were to be more focused, coordinated, and increased and guided by the development strategy.

The debt problem is not a matter of liquidity but one of solvency.