

Benefit of an elite at the expense of the poor majority



While some businessmen and investors cite GDP growth and higher efficiency as positive results of liberalisation, civil society finds that economic reform measures have reduced government services in communities, increased individual costs for social services, and caused job losses. The results have been regressive, as a small minority have benefited while the majority have become further impoverished and disenfranchised.

Notwithstanding rosy predictions of efficiency and investment, privatisation and structural adjustment have had adverse effects on Tanzania's rural poor. In 1992 the government adopted the Parastatal Reform Policy, whose objective was to help the private sector take advantage of business opportunities, while government fulfilled its traditional roles of maintaining law and order, and providing the economic and social infrastructure. The government had the task of creating a level playing field for economic competition and social development to take place under private sector control.

Retrenchment (downsizing) in public and private sectors has led to increased job insecurity, lower pay and high unemployment levels, with low-income women being the most vulnerable. Social inequality has escalated, especially in housing, education and healthcare.

Crops: once again, the colonial monopoly¹

Through ongoing privatisation initiatives, the government, in conjunction with external multinationals, is removing local resources from the hands of the majority of the people and putting them in the hands of the few, within as well as outside the country. Many multinationals tend to repatriate their profits to make new investments in other countries, hence the government benefits only from national taxes, which do not benefit the local poor communities since social services have been reduced.²

Smallholder farming and livestock keeping, on which the majority of rural people rely for their livelihoods, have been thrown into crisis because of liberalisation measures such as the withdrawal of price support, soft loans, and subsidies for farm inputs. The majority of farm households in many areas depend heavily on off-farm activities to supplement declining farm incomes. Real returns for export and food crops have declined in many areas. Small farmers lack access to subsidies and loans that would allow them to modernise and increase productivity. Their crops are consequently of lower quality than those of large-scale farmers and bring lower prices.

There are widening disparities between large and small farmers, and between different agro-economic zones. Economic reforms have tended to favour large-scale capitalist enterprises such as plantations and large ranches in Tanzania. They have regained their old colonial monopoly over support systems such as credit, extension services, and marketing channels – and a growing number are foreign investors, including white-owned companies from South Africa.³

As usual, harder for women

The feminisation of poverty has occurred side by side with increased female labour force participation and increased female access to and control over cash incomes.

Changes in women's economic activities, however, can only be understood in the context of the dramatic reduction of male employment and incomes. Most people employed in the formal labour market have been men, who have been most directly affected by retrenchment policies in the public sector and downsizing in the private sector.

At the same time, real wages in both the formal and informal sector have declined, as have real farm incomes. Many men, no longer able to provide for the cash needs of their families, are increasingly dependent on the incomes of women. Because of the decline in incomes and the economic hardships on small farms, urban migration has increased; the majority of the new city-dwellers are young people and women seeking extra and non-farm incomes. Child labour has become increasingly important to household economies.

In addition, because of user fees and withdrawal of government support, much of the burden for care of the sick and the elderly has been returned to the household level, primarily falling on women. It is estimated that women in the rural areas work more than 14 hours a day compared with 10 hours for men.⁴

Environmental degradation means water reserves dry up due to lack of forest cover, increasing the distance for the women fetching water. In all these experiences women are exploited further through the implementation of the IMF/government policies that demand increased crop yields without providing for technological innovations to facilitate them.

Trade liberalisation and the rise of unpaid labour

Both women and men increasingly depend on self-employment in the informal sector, which has no job protection, worker benefits, maternity leave, minimum wage or other worker support systems, and has been overlooked thus far by union organisers. The majority of informal sector workers earn extremely small incomes, which barely cover production costs. Women tend to be channelled into the least remunerative occupations within the informal sector; hence, women predominate in food manufacturing/ processing/sales work, whether they are small-scale operators or wage employees.

The twin policies of retrenchment and privatisation of parastatals have had a devastating impact on women, because of their greater dependence on the public sector for regular employment. Structural adjustment has resulted in the shrinking of less competitive sectors of the manufacturing industry such as tailoring and cloth manufacturing, and food processing, where, again, women employees were concentrated.

Unpaid labour of women, children and youth has increased in smallholder farming and informal sector activities, in order to reduce the costs of household economic activities. Unpaid labour is replacing paid wage labour, a backward step economically, socially, and politically. At the same time, the unpaid labour of women and children continues to provide the bulk of needs within the household and the community.

1 SAP-oriented measures have encouraged privatisation of local markets and reduced state financial support of the remaining few local marketing institutions, such as cooperative unions, which have deteriorated. Consequently, there is a growing trend for the prices of both food and cash crops in rural communities to be set by private traders, who have the means of reaching remote areas, and who enjoy direct access to foreign buyers.

2 Because it has not addressed problems such as transportation and extension services, trade liberalisation has exploited local farmers instead of supporting them.

3 Marjorie Mbilinyi, «Women Workers and Self-Employed in Rural Sector,» Report for ILO, Dar es Salaam, 1997.

4 Fenella Mukangara and Bertha Koda, *Beyond Inequalities: Women in Malawi* Harare: SARDC, 1997.

Increased poverty and rural-to-urban migration have also led to increased sex work among women, men and children, which is partly associated with the rise of sex tourism and expatriate workers. Young girls who move to the cities in search of a better life are recruited, as they get off trains and buses, to work in brothels or on the streets. Many others turn to sex work to escape from the low pay, harsh working conditions and sexual harassment experienced in domestic service, the other main job «opportunity» available to young rural girls in town.

The effects of adjustment reforms, therefore, have been especially harmful for most women: longer workdays, less access to basic resources like land and labour in some cases, reduced opportunities in formal wage employment and education, and increased financial responsibility for families and communities—too often in absence of support from the male partner.

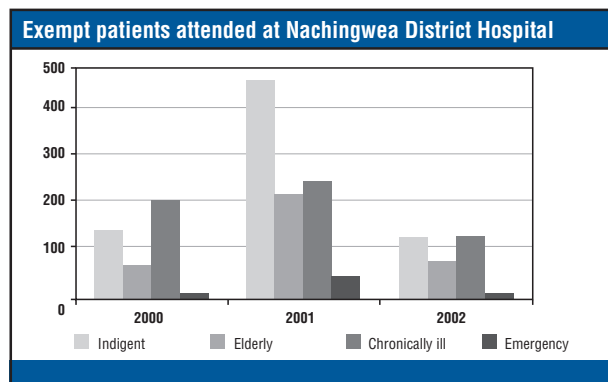
Health care: mothers and babies held hostage ⁵

The Tanzanian health budget is still very small. In the year 1998-1999 the health budget comprised less than 5% of total government expenditures. For many years healthcare services, including maternal healthcare, were provided freely and subsidised by the government. With the introduction of structural adjustment policies such as cost sharing in the mid-1980s, healthcare services now require a fee payment. About half of all Tanzanians earn below poverty level of USD 1 a day, and are unable to meet required fees for medical treatments.

Despite cost-sharing exemptions for vulnerable categories such as the elderly, pregnant women, and the indigent, facilities are scarce and of very low quality. In addition, the elderly must go through a very cumbersome procedure to acquire a certificate of exemption.

Often these exempted groups have to buy medicine prescribed to them by doctors from a pharmacy. They must either struggle for money to afford the high cost of profit-oriented private services or perish, thus rendering the exemption policy irrelevant. Research conducted in the Kondo district revealed that if a maternity patient fails to pay the required amount the normal procedure is that she will be given medical service but not discharged until costs are met.⁶

CHART 1



A recent research done in the Lindi region in southern Tanzania showed that the so-called «exempt» patients in Nachingwea District Hospital are actually paying consultation fees and still have to obtain drugs elsewhere outside the hospital. In summary, it appears that the whole process of cost sharing actually hinders accessibility of health services.

Water: just for the happy few

The privatisation of the water supply in the 1990s has led to higher prices for this essential commodity. The government depends on the taxes from the private companies, so they raise tariffs. In order to maximise profits while improving service, the companies raise costs. This has led many consumers to abandon—

or be cut off from— water services. In addition, private water providers have not promoted expansion of services to the rural areas. There are fewer sources of safe water, such as boreholes and protected streams in rural communities, many of which now have access to safe water only in areas where religious organisations or other NGOs have provided it.

Disseminating illiteracy

SAPs have had negative effects on the quality and availability of education. Cost sharing and the reduction in public spending on primary education tend to affect girls more adversely than boys. Structural adjustment required parents to contribute to the education of their children, but patriarchal customs favoured boys over girls in education. Enrolment in primary schools for both sexes had dropped since 1987, but now the trend is reversed since the Primary Education Development Policy in 2001 offers a free primary education to all children.

As women become more active in market-oriented non-farm activities, they have been forced to withdraw their children from school to work in the home. This has had an immediate effect on children's, particularly girls', access to schooling, and will have long-term social as well as individual costs.⁷

Tariffs that deplete forests

Private enterprises and investors, foreign or local, have the basic objective of earning maximum profits. The government's role, therefore, is to see to it that its citizens are not exploited and to provide basic services for them by taxing private businesses.

With the privatisation of parastatals that provide basic and essential services, such as water and electricity,⁸ in some cases a semi-monopoly has been created. Where electricity tariffs are very high the rural poor cannot even dream of accessing these services. Charcoal and firewood are their only options for fuel, so they cut down trees. The increase in the acreage of crops by small farmers trying to compete with the larger, subsidised farms, has led to more deforestation, due to the slash-and-burn system of agricultural production highly practised in rural Tanzania. Great expanses of land lie unused and barren. For most rural women, this represents a further burden, since they have to travel further in search of firewood. ■

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⁵ According to the Tanzanian reproductive report in 1999, life expectancy was 48 years; infant mortality was estimated to be 99 per 1,000 live births. Maternal mortality is also very high, estimated to be 529 per 100,000 live births.

⁶ TGNP, «Gender Budget Initiative (GBI)» Dar es Salaam, report, 1998.

⁷ The Social Watch Shadow Report in June 2000 showed that illiteracy for both men and women was on the rise.

⁸ Electricity was privatised in 2001/2002.