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The Impact of Economic Structural Adjustment Programs [ESAPs] on Women and Children: Implications for Social Welfare in Zimbabwe

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This study examines the impact of structural adjustment policy (SAP) on the welfare of Zimbabweans, particularly women and children and draws some parallels with economic policy in the US and its effect on social welfare programs and the poor. The paper argues that economic structural adjustment programs (ESAPs), introduced by the World Bank and the International Monetary Fund as major international financial institutions in economic globalization, have been an inappropriate public policy for Zimbabwe. These economic reforms inflate poverty, decrease the country's capability to develop a strong diversified domestic economy, increase the exploitation of workers through deregulation accompanied by environmental degradation. ESAPs' devastation of the poor translates into recurrences of socioeconomic crises that threaten peace and social justice and compounded by natural calamities and the relentlessness of the HIV/AIDS pandemic. Human helping professionals like social workers are left to scramble for diminishing resources to meet the basic needs of more clients with less.

INTRODUCTION

Approximately 80 percent of malnourished children in developing countries are found in countries where farmers have been forced by structural adjustment policies (SAPs) to shift their
agricultural production from subsistence to export production for industrialized nations (Global Exchange, 2000). Whereas Africa accounts for one tenth of the world population, it generates almost half of the world’s displaced people and refugees most of whom are women and children. The International monetary Fund (IMF) and World Bank (WB) capitalist model of development operationalized through economic structural adjustment programs’ (ESAPs) prescriptions to debtor countries and enforced by the World Trade Organization (WTO), prioritize export production over cultivating a diversified domestic economy. Such an approach is in contrast with the route taken by industrialized nations that created these organizations prescribing ESAPs for the South. This economic reform policy, which was designed to strengthen multinational corporations also ensures its operation efficacy by integrating elites from all developing countries through its reward-and-punishment system while alienating the masses of these countries.

Despite the fact that Zimbabwe and Ghana were economic success stories of the 1980s and early 1990s (Boafo-Arthur, 1991), they have both plunged into economic crises with the Zimbabwe’s GDP recording far much lower than before the adoption of the SAPs (French, 1998). Thus, problems of Africa are directly linked to ventures of Western exploitation of Africa. The African elites have become closer while alienating the majorities who have sunk into further impoverishment due to the strings attached to ESAPs’ policy prescriptions to the debtor governments allowing international corporations to gain easy entry and access into the countries’ labor force and resources unabated and at bottom line bargain prices compounded by privatization (selling of publicly owned assets to the private-sector/corporations).

The elitist governments that have historically and steadfastly manipulated the sentiments of the masses in order to gain the initial tacit approval that legitimize their regimes were pressured to adopt ESAPs, an ill-fated decision leading to what looks like the recolonization of Africa as the debtor governments loose the following of their own people, control over land, services and industries. Once independent, broad participation in the formulation and implementation of public policy such as structural adjustment programs (SAPs) dwindles, a major weakness across
Sub Sahara Africa. Additionally, African elites have lost their role in competitive imperialism of the cold war era, in which their role entailed playing off one imperial power against the other, but are now victims of monopolistic imperialism. Instead of propagating self-reliance, the African elites are now adopters and implementers of Western imposed SAPs (Mazrui, 1996).

With Africa's external debt rising from US$212.2 billion to US$271 billion between 1986-1990 (Jamal, 1994), it is not surprising even after independence, the post-colonial era mirrors the colonial one. The rising debt trend continues well into the 21st century, accompanied by sharp declines in living standards witnessed by increases in absolute poverty from 270 million in the mid-eighties to 335 million people in 1990 (Jamal, 1994; Global Exchange, 2000). The interests of primary beneficiaries, mostly Northern educated Africans and the skillful lobbyist-descendants of colonialists have flourished at the expense of the subordinate large classes of workers and peasants, women and children under the IMF and WB economic development model. Zimbabwe's proclamations of nationalism, indigenization, promotion of popular peace, social and human rights and environmental conservation have rarely been translated into practice. Worse still building sustainable democracy is difficult during periods of national economic difficulties. Also, given the mechanisms by which the WB and IMF used in the imposition of structural adjustment policies (ESAPs) on many African governments prior to the seal of approval to get loans for economic liberalization and globalization, and given the underpinnings of democracy, some policy analysts argue that the two processes are antithetical (Jeong, 1998; Jamal, 1994; Boafo-Arthur 1999).

Zimbabwe's economy had been characterized by weak growth in the productive sector with crises of varying degrees during the 1970s and with much more severity in the late 1980s when export performance declined as reflected in the falling shares of Zimbabwe exports in world trade and an unchanged export structure. Since pre-independence Zimbabwe's industrial base owed much to import-substitution (local production of goods as an alternative to imported ones) and to the incentives provided during its long period of isolation under international sanctions, there had clearly been economic benefits in past
industrial strategies. At independence in 1980, Zimbabwe had the advantage of a sophisticated industrial economy, higher levels of entrepreneurial talent and general human capital, which allowed it to use import substitution to better effect than its neighbors did and was considered a vibrant economy.

By the end of 1980, foreign debt rose sharply and the socioeconomic infrastructure deteriorated concurrently with environmental degradation. Debates on the causes of the crises centered on two sets of factors. The first comprised exogenous factors such as bad weather, deteriorating terms of trade, fluctuation of international interest rates, reduced inflows of foreign aid and non-performing state-owned enterprises as constituting a huge drain on government finances. The second emphasized endogenous factors such as inappropriate domestic policies and incentive structures, and the mismanagement of public resources. The crises had important implications for transforming Zimbabwe’s economy as envisaged by the WB and IMF who recommended SAPs under the second premises that endogenous policy measures would improve the nation’s economic growth. Zimbabwe’s adoption of ESAPs in 1991 was a reversal of a previous government’s position rejecting the same structural reforms with the same conditionalities in the 1980s, when many sub-Sahara Africa’s early birds to SAPs adopted them. Whereas government ministries that deal with education, health, social services and other social spending programs were not included, the process of ESAPs’ adoption was dominated by officials of commercial banks and finance ministry (the most conservative western educated and wealthy members of the government), and the experienced white lobbying groups (the economic backbone). All these participants would be the potential primary beneficiaries of ESAPs. Even these collaborators felt pressured by the IMF and WB, because countries that do not comply with these Washington-based institutions, controlled by the Group of Eight (G8) [US, UK, Japan, Germany, France Canada and Italy], would be isolated with their chances of getting loans and international aid thwarted. Thus, Zimbabwe’s adoption of economic policy reforms was considered compatible with contemporary style for achieving sustainable national economic development. As will be demonstrated in proceeding sections, the initial Zimbabwean
spurt of import-substituting industrial growth faltered not long after adopting ESAPs, a trend in many African countries.

This study examines the impact of ESAPs on the living standards of Zimbabwe people and draws some parallels between the impact of economic policy on social welfare of particularly impoverished women and children in Zimbabwe and the United States. The paper argues that SAP is an inappropriate public policy for Zimbabwe. The economic reforms that were introduced by the WB and IMF and adopted by the Zimbabwean government spelled mass economic disaster, exacerbated the HIV/AIDS devastation of the most productive population of society compounded by various natural calamities. This study demonstrates that ESAPs have further marginalized the Zimbabwean people particularly women and children more than they were ever before because the mandated budget austerity leads to cutting social spending and squeezing more from the tax payer through increased education costs. This makes it harder for families to subsist forcing them to withdraw their children from school, particularly girls in a patrilineal society devaluing females. Prioritizing export agriculture leads to reduced food production, which forces women to be exploited in the labor force in which labor laws have been loosened through ESAPs' deregulation that undermine labor social rights (Global Exchange, 2000; Danaher, 2000). Alternatively, they turn to indentured servitude or prostitution increasing the women's HIV infection risk and that of their children. Thus, creating an environment that threatens peace and social justice. Social workers and other human helping professions are now left to scramble for diminishing resources to meet the basic needs of more clients with less. Thus, some of the policies implemented after independence by the Zimbabwean government aimed at redistributing resources or alleviating poverty have been unsuccessful, or had perverse effects on the people of the nation, complicated by the absence of democratic procedure in their adoption and implementation.

PREMISE OF ECONOMIC STRUCTURAL ADJUSTMENT PROGRAMS

This section addresses the premise of structural adjustment policies in an attempt to explain why such programs might be
inappropriate for developing nations such as Zimbabwe. During the past two decades, sub-Saharan African nations have adopted the WB and IMF prescribed ESAPs, which are based on classical economic theories and whose protocol entails three implementation phases. The initial phase involves the Economic Structural Program Agreement between an African government and the WB and IMF. This phase operationalizes the contract by the stroke of a pen and is the easiest one. The major tenets of the agreement require the debtor governments to apply the following measures: (1) Eliminate price controls; (2) Cut subsidies to prices of basic goods and services; (3) Engage in Free trade; and (4) Devaluation of currencies (Jeong, 1998; French, 1998; Mazrui, 1996). The second stage involves implementation which is followed by the third and final phase of program evaluation of adjustment reforms programs by the debtor government under the supervision of the WB and IMF and the policing of the WTO, which can overrule national policies when deemed violating international corporations' profit rights (Global Exchange, 2000; Danaher, 2000).

The paper, therefore, argues that this classical economics approach to development has six major flaws contributing to ESAPs' failure to become a catalyst for the goals of achieving sustainable development, by eliminating of the balance of payments deficits or reduction in external indebtedness, and mass impoverishment. Firstly, the reform policies do not consider exogenous factors like terms of trade, fluctuating interest rates and reduced inflows of foreign exchange and impact of natural disasters like cyclic droughts and most recent year 2000 floods. Secondly they assume a dogmatic approach which does not take into account any differences in the capabilities of individual economies and require the supply of imports in export-oriented economies like Zimbabwe. Thirdly, they require budget austerity which undermines human capital development and investment and social services resulting in serious negative consequences for the workforce. Fourthly, they inflate unemployment and underemployment, which is presumed to be a temporary condition of the reforms, but in fact wrecks the economy by drying up the consumption. Without consumption, the existence of large populations of potential consumers turns into a burden for a welfare state even in the industrialized countries of the North, but worse still for a Sub-Saharan
country like Zimbabwe with diminishing resources. Fifthly, the combined effects of problems arising form a lack of budget austerity and the negative consequences to the workforce quality and increased unemployment within the context of a wrecked economy potentially lead to political crises, social unrest and violence leading to social disintegration. Sixthly, though not unique to ESAPs is the general tendency of local greedy elite to sabotage the general good for personal gain.

EXOGENOUS FACTORS

Zimbabwe adopted its structural adjustment programs in 1991. Much of the explanation of the poor structural adjustment policy’s performance in Zimbabwe lies with exogenous shocks of various kinds: droughts, internal conflict, political instability, and adverse terms of trade and so forth. Yet this is clearly not the whole story. Poor policies also have to carry much of the blame. A broad range of government policies affected industrial development, from general macroeconomic management, through trade and competition policies and human resource development, to specific industrial development and technology policies (Jamal, 1994; Global Exchange, 2000).

The fundamental macroeconomic problem in Zimbabwe in the early 1990s was that the sum of what the new government wanted and planned to do was greater than the resources available. Such a situation was probably inevitable, but the government’s difficulty in discerning the macroeconomic limitations on new initiatives was greatly increased by the unusual circumstances of the first two ESAP years: a commodity boom; promises of more international aid than what was eventually delivered; expectations of a peace dividend which did not come; initial high rates of economic growth; and initial reduction in foreign debt. All of these circumstances created unrealistic expectations, concealing the probability that the government’s plans would be impossible to finance. The government was slow to meet adjustment time lines being disappointed by unmet promises of international aid. This created a debt problem. Drought and terms-of-trade shocks made things worse. Drought was bound to occur periodically; only the timing was unpredictable. No allowance was made for
the likelihood of these shocks in ESAP agreements. The severe
drought of 1991-1992 in Zimbabwe provided justification for the
government's reluctance to engage in cutting expenditure. When,
however, the government made no progress with reducing the
size of the budget deficit after the agricultural sector recovery
in 1993-1994, the IMF began to apply pressure for compliance.
This marked a turning point in the ability of the government to
maintain autonomy in deciding on economic policy.

Globalization of world markets became one of the greatest
challenges facing African countries like Zimbabwe in the 1990s.
Globalization enlightened us on the limitations of statehood au-
tonomy particularly after the end of the Cold War when abuse
and exploitation of Africa was accompanied by its loss of the
geopolitical strategic value. More African countries have become
classified as least developed nations and not one African country
became classified as a developed nation as a result of efforts by
US and Russia or the UN. The adverse effects of trade restrictions
and protectionism increased in the 1990s. Marginalization of the
masses from political and decision-making processes, declining
competitiveness in Southern Africa Development Commission
and the global market, excessive state intervention in the econ-
omy, militating against investment and productivity, deteriorat-
ing social services, and standard of living became the norm.

Social development and progress of the 1980s was clearly
being eroded in the early 1990s with falling per capita incomes,
unemployment and underemployment, accelerating ecological
degradation and hunger. In the mid-1990s, Zimbabwe was con-
fronted with serious internal and external contradictions, which
intensified marginalization. The crisis became more pronounced
with mounting foreign debts, declining exports, refugee prob-
lems, servicing foreign debt, urban strife due to increased food
prices and retrenchment. The failure of wage employment to keep
up with formal sector wage-employment created unemployment
and underemployment. Zimbabwe's crisis reached alarming pro-
portions in the late1990s (Kadenge, Ndoro & Zizwi, 1992).

When Zimbabwe adopted the structural adjustment policies
in 1990, the major features of the policies pursued included la-
or retrenchment, trade liberalization and currency devaluation,
subsidy withdrawal, and an increase in user fees (which rendered
basic services like health and education unaffordable to the average worker). As elsewhere, macroeconomic reforms have had very serious political implications in Zimbabwe. These measures were seen by many as politically risky because of independent Zimbabwe's colonial experience with unfair adjustment policies. Industrial restructuring and the upgrading of industrial competitiveness have been components of these reforms prescribed by the IMF and World Bank. An implicit assumption of SAPs has been that enterprise-level inefficiencies are primarily a reflection of inappropriate macro-economic policies and distortions in resource allocation precipitated by selective industrial policies. Reforms, therefore, are based on the premise that appropriate adjustment at the macro-level, accompanied by the "freeing up" of market forces, liberalization of trade and privatization of parastatals would provide the necessary and sufficient conditions for industrial recovery and growth. Inefficient activities, which exist only because of government induced distortions rather than the presence of learning sequences and market failures will die out, while resources will move to efficient activities that emerge in response to market incentives (Mkandawire 1992; Remmer 1993). As a result, Zimbabwe and other debtor African nations' industry would exhibit the dynamism and competitiveness that characterized East Asian economies between 1980 and 1996.

UNIQUE NATIONAL ECONOMIC CAPACITY

The theory underlying adjustment and market-friendly policies does not offer a satisfactory explanation for rapid industrialization in the type of economic culture, which prevail in sub-Saharan (SSA) Africa, including Zimbabwe. This is because the theory ignores the capability of development and the need to overcome market failures in its process. This has an important bearing on the general issue of industrial adjustment in SSA: an initial favorable response of manufacturing to adjustment may not lead to sustained growth and diversification if all ESAPs do is "get prices right." (Jeong 1997; Hultman 1993; Gibbon 1992, Nelson 1990). The existence of pervasive market failures raises the costs of adjustment to import competition and holds back the creation of new manufacturing activities and exports. The
design of structural adjustment programs (SAPs), by ignoring capability development (human and economic development to strengthen and diversify local production capacity for sustainable development), places too much stake in free markets that work rapidly and effectively.

The other problem with SAPs is that they prescribe policies in a universal and timeless setting: all markets are equally efficient, and governments inefficient, in all nations, regardless of the stage and level of development. The theory of technological capabilities suggests, on the other hand, that different nations have very different abilities to respond to open competition, depending on the capabilities that they had built up before "opening up" (Jeong 1997; Hultman 1993; Gibbon 1992, Nelson 1990) such as how successful previous import-substitution policies were. But the post independence ESAPs' adjustment and liberalization failed to cultivate the underlying human capabilities and the process of acquiring them, seriously failing to promote future industrial development (Gibbon 1992, Nelson 1990). There are few firms involved in complex industrial activities that can sustain the full force of import competition unless they have natural protection from a strong local resource base or close links with Zimbabwean consumers. The industrial structure remains, moreover, highly concentrated in low-to-medium technology activities. Thus, simply opening up is not the best strategy even for a relatively advanced industrial system. Much has to be done in terms of promoting and upgrading technology and gearing the speed and spread of the liberalization process to the rate at which capabilities can be developed. In other African nations, the industrial structure is much simpler and the ability to cope with free markets much weaker.

It is clear that SAPs policies have also failed in Zimbabwe because once the usual simplifying assumptions on learning are dropped, merely removing government interventions may not catalyze industrial growth and competitiveness. Even in economies with relatively advanced levels of technology capability like the United States, rapid liberalization imposes severe costs if not accompanied by a strategy of upgrading and gearing liberalization to the learning needs of different activities. By contrast, where the pace of opening up and support policies adopted to
help firms upgrade is both guided by a clear strategy, the results are far better (Jamal, 1994; Jeong, 1997). The liberalization policy itself lacks full credibility and was not properly communicated to firms in Zimbabwe, inducing them to remain passive and wait for policies to revert to old, less threatening patterns. What is surprising is that the disappointing reaction to liberalization was not anticipated, even a basic understanding of technological processes would have led to a different design of the liberalization program (Jeong 1997; Gibbon 1992, Nelson 1990). On the contrary, enterprise-level reactions are still not fully appreciated by those who designed and propagate adjustment programs, at least in their pronouncement on policy reform.

BUDGET AUSTERITY VS HUMAN CAPITAL DEVELOPMENT

An alternative argument has been that most sun-Sahara Africa, including Zimbabwe is not really suited to industrialization, beyond the elementary level of resources-based and low technology activities that do not compete with imports. Indeed, some classical economists prescribe this while forgetting that the endowments that lead to successful industrialization are not given but made as a result of deliberation policy. For example, would they have said that the Asian Tigers had a natural comparative advantage in industrial activity 30 years ago? The logic of the structural adjustment programs argument leads to the efficiency outcome that very little industry may survive in Zimbabwe, with growth proceeding mainly from primary and service sector activities.

SAPs are conducive to a free market economy with private/individual responsibility for social welfare. These classical macroeconomic-type programs overlook concerns of human capital development (Midgley, 1995) and welfare by neglecting many forms of protecting the poor. Neither do they make any good faith effort to consider social objectives (Jeong, 1998; Danaher, 2000; Global Exchange, 2000). Adjustment policy is a reflection of the values and choices of the ruling classes of the world, elites of Africa as well as that of multinational corporations of the world. If governments fail to meet certain measures like retrenchment imposed by the IMF-World Bank, the loans promised them are
withheld and/or canceled. World Bank-IMF force governments to reduce spending of basic human needs and necessities like the elimination of subsidies for food prices, reduction of social welfare and social programs: health, education and so forth. In Zimbabwe as elsewhere, the elimination of price controls on manufactured goods, retrenchment of workers, devaluation of currency and privatization of government industries resulted in a sharp shrinkage of income opportunities for the urban middle and working class while simultaneously marginalizing the poor further, especially women and children. Women’s opportunities to work in these patriarchal societies dwindle. Even perceived urban opportunities for rural poor are eroded further. Thus, after the cold war, the former opponents of Western capitalism and champions of Pan-Africanism and self-reliance have succumbed to the Western neocolonialism based on the industrialized nations’ economic prowess.

A successful imposition of policy measures through undemocratic tactics is completely different from the overall attainment of the set objectives of such policy measures. The implementation of structural adjustment was without citizen participation or input in the formulation and implementation of the various programs. Further, there existed an anti-liberal and intimidating political climate that made it difficult for various groups opposed to such programs to rise up against their imposition.

It is clear that a structural adjustment policy in practically all the African nations has failed to produce industrial efficiency and dynamism. Mainstream economic thinking has therefore not been in favor of SAPs, particularly in Africa where the history of import-substituting industrialization is marked by distorting and pervasive government interventions, widespread inefficiency, and a failure to become competitive. This disillusionment with past industrial policy has been reinforced by classical economics resurgence, which introduce strong political elements into the argument, suggesting that all governments are inherently and forever inefficient and corruptible. The adoption of these arguments by the two leading economic development institutions (WB and IMF) in what is called democratizing the global economy resulting in many African nations adopting, willingly or otherwise, strong liberalization policies (World Bank, 1994), and to the
benefit of global elites and corporations (Global Exchange, 2000; Danaher, 2000).

It was indicated earlier that Zimbabwe initially had a degree of autonomy in determining the pace of adjustment under ESAP. Some aspects of reform-trade, price, foreign exchange and financial-sector liberalization—were carried out swiftly, but little progress was made on tax and public expenditure reform. Rapid liberalization of prices may not necessarily be evidence of government commitment. It may also be interpreted as being the easy part of structural adjustment programs—easier than structural reforms like privatization or civil service reform. Moreover, price reforms are easily monitored, and the technical difficulty of reform cannot be used as an excuse for delay as far as WB and IMF conditionalities are concerned.

Policy measures have deliberately ignored industrialization and rather have given greater incentives to the production of primary commodities. Recent figures show that Zimbabwe’s foreign debt rose from 45 percent of GDP in 1990 to 75 percent in 1994, falling to 67 percent of GDP at the end of 1995 (Jenkins, 1996). Around 95 percent of this are government debt including the paratallts or government-owned business organizations. This increased aid sought and received during the 1992 drought meant that the debt service ratio rose to 30 percent, although it subsequently fell to 22 percent in 1995. The nation is, however, vulnerable to external shocks, which may again force it to raise its external borrowing.

The devastation of the ESAPs is an eye soar in Zimbabwe and similarly situated African countries. Haggard and Kaufman (1989) offer three main reasons for the perceived incompatibility of adjustment and democracy. First, new democratic leaders are confronted with previously repressed demands, heightened social and economic expectation, and strong pressures to reward supporters and incoming groups. Second, as much as possible, newly installed democratic governments will try to avoid difficult economic policies that might generate both economic and political resistance or unrest. Finally, democratization will give vent to heightened social demands which most probably will lead to the pursuit of policies that will meet the expectations of the electorate, reduce social conflict in the short run, and thereby
garner political support. The concern for public support might compel democratic governments to pursue populist policies at the expense of structural adjustment or strict financial discipline. Sirrowy and Inkeles (1990) further contend that because of the political and civil liberties they rest on, democratic regimes only act to inflame social divisions and erode the capacity of the government to act quickly for the expected results to be yielded. The assumption is that government officials may be compelled to shift their allegiances among policies based on short-run political expediency rather than focusing exclusively on policies oriented toward national development in the long run.

In early 1995 the IMF suspended a balance-of-payments support tranche of US$120 million after the government failed to meet its commitments to reduce the budget deficit, which reached 14 percent of GDP in 1994/5—against a target of 7 percent. The suspension of aid from the IMF resulted in other donors withholding aid; for example, the European Union announced in March 1996 that it would give Zimbabwe US$32 million for drought relief, health and education, but would block all other disbursement until IMF/World Bank conditions, and specifically fiscal targets were met (Jenkins, 1996). When the Zimbabwean government missed its IMF-world bank conditionality target in 1995, the IMF withdrew its lending obligations. The government nationalized, instead of selling state controlled industries and services, the move stifled the free market economy leading to a reduction in competition, low economic growth and domestic borrowing (Rotberg, 1998) required by the IMF. Investor confidence declined and the stock market declined (Wanmali & Islam, 1997).

A combination of structural adjustment and the rising economic crisis has not lead to public expenditure cuts in Zimbabwe and similarly situated countries worldwide. Many economic problems of Zimbabwe are directly related to deregulation. Since 1996, Zimbabwe has been facing potential collapse (Anonymous, 1998a & 1998b). For the government to get the 176 million dollars from the IMF for crisis management, the government had to give up land reforms and restrict government spending. The civil service with a personnel of 180,000 including social workers eats up one-third of the government’s annual budget expenditure, leading to a general inequitable decrease
of incomes. For example, government officials have had their incomes increased by 130 percent, while other workers have received 3–20 percent increases and many have lost employment due to retrenchment and worse still the number of the unemployed swell to a record high of over 50 percent by 1995 (Carnoy, 1995). The introduction of ESAP also had deleterious impacts on some small industries leading to their closure due to high operation costs and interest rates on loans (Kawewe, 1998). The development of grassroots and small companies has been constrained by high interest rates on bank loans and inflation. Because urban populations of sub-Saharan Africa comprise a majority of the urban poor, the decline in their living standards has become massive and devastating over the SAP years. Even the rural dwellers who had previously utilized the urban kin as a safety net in times of hardship, have become more vulnerable, especially within the context of an inherited and distorted colonial land distribution and ownership pattern (Kawewe, 1998; Palmer & Burich, 1992).

NATIONAL UNEMPLOYMENT AND SOCIAL WELFARE

Independent Zimbabwe had attempted to structurally adjust before SAPs by compensating for the colonial legacy with heavy investment in social programs by developing one of the most elaborate education and health care systems in sub-Saharan Africa in the 1980's. The social welfare system was beginning to show signs of anguish due to over expenditure and the country had accepted liberalization in 1991 convinced ESAPs would improve the economy and reduce poverty. However, at the behest of ESAPs, Zimbabwe turned one of Africa's best social welfare systems into shambles (Goga, 1996). The situation was exacerbated by a drought of the century which plummeted the economy. In order to improve the economy, those who were previously eligible for free education and health care had to pay fees with those eligible for exemption being discouraged by bureaucratic red tape and poor quality of services. Even the United Nations Economic Commission found that SAP countries in sub-Saharan Africa cut their social programs expenditure by 25 percent on education and 50 percent on health with infant mortality doubling
during the ten previous year period. The United Nations Development Program (UNDP) reports that the gap between the rich and the poor doubled by 200 percent within the same decade (Araghi, 1997).

ESAPS have further led to high unemployment due to massive retrenchment of labor in the public sector. Zimbabwean unemployment has further risen to approximately 60 percent with the budget deficit rising above 25 percent of what it was at independence in 1980. The impact of ESAPs coupled with the inclement natural conditions has slashed the real incomes of the majority of the urban population. Some private companies have adopted the technologies that are state of the art to boost productivity while retrenching workers. In 1995 the official number of retrenched workers stood at about 100,000, while unofficial estimates by trade unions indicate figures between 150,000 and 160,000 layoffs (Jenkins 1996). Those who lose employment naturally lose their purchasing power and are faced with loss of housing (Velempini & Traverse, 1997), quality health care, loss of education opportunities for their children and loss of quality of life and food supply for the whole family (Valempini et al, 1997), especially women and children as they may not be eligible for public assistance available only to the privileged poor. The devastation has not been only with already poor, but even the civil sector workers who had previously been part of the so-called 'labor aristocracy' had their incomes reduced to below subsistence and worsened by public sector retrenchment (Potts, 1995). Hence urban social services provision concurrently declined drastically, narrowing the gap between rural and urban incomes. Yet, even among such bleak conditions, social workers that are among the affected are expected to empower their clients and instill an optimistic future in them. It appears that in some cases there has been reverse migration of people leaving the cities to the overcrowded communal lands in rural areas as the urban poor are the most directly and severely affected by ESAPs. Urbanites correspondingly view the rural areas as their safety net in times of hardship.

Higher unemployment leads to declining nutrition, health and education standards, increasing school absences while at the same time increasing the national demand for tertiary and
secondary schooling. These factors combined, lead to a corresponding decline in income (Carnoy, 1995). As food prices rise, some families have cut down on nutrition and food intake. For example some families have stopped buying chicken, beef, bread and fish. They have also cut back on the staple food (corn meal), vegetables and the number of meals per day from the standard three, to two or one in order to make ends meet. Obviously such conditions adversely affect the health of children and women, especially girl children (Kawewe, 1998). Urban families scramble for any available patch of land to grow crops and vegetables for consumption and for hawking. Even professionals' efforts at imparting nutrition knowledge do not translate into better nutrition when clients cannot afford the bare minimum food requirements. Such conditions of food scarcity have serious implications for children, childcare and women's health and welfare. This situation is further complicated by the burden of unevenly distributed extra work mostly shouldered by women, as elsewhere in the world (Kawewe, 1998; Velempeini & Traver, 1997).

The Zimbabwe's socioeconomic disparity, particularly the colonial legacy of unequal land distribution by race is directly related to employment and sustainable economic development. Of the 11.5 million population of Zimbabwe, 7 million (75 percent) of them are blacks who live in the overcrowded and underdeveloped rural reservations with some as squatters and landless. There are 100,000 whites that comprise one percent of the Zimbabwean populations and four percent (4,000) of whites control 80 percent of the private enterprise and 50 percent of the country's arable land. Numerically, 4,000 white own the country's best farmland consisting of 11 million hectares and generate forty percent of the country's commercial agricultural-goods export revenue (Wanmali et al, 1997).

It is interesting to note that despite this unequal land privileges in Zimbabwe, the World Bank and IMF recommendation for structural adjustment did not address the land issue. The pre-existing post-independence national corrective measures such as racial reconciliation, nationalization and indigenization in which the government would redistribute land equitably for peasant resettlement were not effectively accomplished as these national policies would undermine corporate rights and the fundamental
economic bases of ESAPs (Bello, 1993; Global Exchange, 2000). For example the IMF and WB finance big rural projects like dams, roads and power plants to facilitate economic development projects under SAPS, but these devastate biodiversity and the environment and lead to social and population dislocation. Additionally, SAPS reduce labor and environmental protection leaving small farmers and businesses to compete with large multinational corporations which leads to workers being paid starvation wages and unable to fend for their families to the point of being forced to live in inhumane conditions or left homeless. Without enough land the urban-retrenched workers have no hope of subsisting in overcrowded rural areas whose inhabitants have historically viewed urban-employed relations as privileged and as their safety net in periods of hardship. Thus, ESAPs have been predictably devastating to the poor, further suffocating them without adequate public welfare, without control of their economy and access to basic services, even more so than in the US because Zimbabwe is a poor country to begin with. The cycle of impoverishment is perpetuated and not eliminated.

Urban unemployment created a surge in the rural areas while the land equation had not been addressed successfully because it faced opposition from a historically powerful white lobbying group, the Commercial Farmers Union (CFU), one of the strong advocates for ESAPs. The CFU has steadfastly opposed land reforms since colonial times, by claiming that changing from large-scale farming to small-scale peasant farming with communal tenure would devastate the economy. Such a stance is inherited from racist colonial assumptions that indigenous African peasants are inefficient and that they would degrade the new land in the same way as the communal lands which were called Tribal Trust Lands during the colonial period. These assumptions have been challenged and refuted by progressive Africanists (Moyo, 1994 & 1995; Biot; Lambert & Perkins, 1992; Palmer & Burich, 1992; Potts, 1998). The fact is that colonialism cultivated the soil erosion of the semi-arid communal lands by packing the peasants and their domestic animals like sardines in these areas and by introducing agricultural methods that were not environmentally friendly. Land reforms also faced opposition from the peasants which included mass protest and public
disturbance when they found out that land was changing hands from the white elite to the black elite for the purpose of satisfying commercial agricultural production for export to meet ESAPs’ donor obligations (Kawewe, 1998). The promotion of macroeconomic agricultural policies supported by ESAPs has perpetuated peasant impoverishment.

Even the Social Dimensions Program, WB and IMF social services program and stop-gap measure to alleviate the so called temporary hardships arising out of the ESAPs, benefit a selected minority of former middle-class victims of retrenchment in cities and for only a limited period of time, leaving the rural and urban poor in devastating impoverishment. Additionally, for the past 50 years, there exist an apparent discrepancy between stated objectives of the WB and other multinational institutions of capitalism and free market economy, and implementation goals. Araghi (1997) revealed information from a secret WB document by noting its hidden philosophy and global economic development plans intended to purposefully force four million people from their lands in order to create room for WB projects in the South. It would appear then that the Zimbabwe’s indigenization and land repossession programs to resettle peasants would be contrary to this financial donor’s thesis or secret plan. Thus, ESAPs erosion of the social welfare of indigenous peoples of Zimbabwe, with much severity on women and children already marginalized seems in line with SAPs goals being primarily driven by economic interests of the industrialized nations.

When these most powerful political, and sociocultural and ideological institutions of the world fashioned after trickle-down economics, now make proclamations to improve women’s education and productivity in the emerging economies (World Bank, 1999), they reflect a double standard in that they steadfastly impose SAP policies which require drastic cuts in social spending of which education is a part and then when poverty becomes an eye sore, debtor governments are blamed. These donors then intervene and assume a rescuer/savior role for the poor while at the same time undermining the authority of the state on its people. For example when many rural women and children died during the drought of the early 1990s, the World Bank intervened by forcing the government to drop education and health fees
which had been introduced to meet budget austerity measures under ESAPs.

**BUDGET AUSTERITY AND UNEMPLOYMENT SPELL SOCIAL UNREST**

Although there is controversy over the outcomes of ESAP in Zimbabwe as in many sub-Saharan countries, it has been noted that the programs generally lead to retrenchment, skyrocketing of prices of goods, rising inflation to record levels and steep devaluation of local currencies. Unfortunately, the government of Zimbabwe is caught up between the WB and IMF requirements and mass protests due to the devastating impoverishment exacerbated by SAPs. These situations have lead to loss of power, instability and/or increased military repression. Many governments have been toppled, but those that have survived have used severe repression and/or manipulation of their masses with rhetoric. In recent years, countries like Zambia and Zimbabwe have witnessed a series of strikes and food riots followed by military intervention that left eight people dead in Harare alone (Schillinger, 1998). Schillinger (1998) notes: “An unprecedented series of mass national protests over deteriorating economic conditions has brought the country—and its first president, Robert Mugabe—to its worst political crisis since independence in 1980. Many once held hope for a model democracy, characterized by competitive politics, free expression, and a vibrant privatized economy. Most now see another Kenya in the making where corruption, repression, and mismanagement stagnate a potentially prosperous state,” (1998, p. A1). Consequently, many lives including women and children have been lost.

However, SAP had mixed impacts on economic development and growth. While macroeconomic indicators show positive effects of structural adjustment on development and growth, many Zimbabwe citizens find it difficult to cope with the overall effects of adjustment. The problems posed to many citizen by the high cost of utilities, the withdrawal of subsidies on health, education, transportation and agricultural inputs, the retrenchment of labor and the consequent high unemployment rate, and chronic low salaries for workers, especially in the public sector, continue to engage the attention of many. There has been, therefore, the genuine
fear that democratization and its embedded freedom would lead to a revolt by the masses against further imposition of draconian adjustment policies.

Another negative aspect of adjustment is the heavy reliance on external financial support. Zimbabwe faces a bleak future because of the over-dependence on external financial inflows. The high levels of dependence on foreign aid equally cast a shadow on the impact of structural adjustment. Because of abnormally high levels of assistance from donors there is much difficulty in disentangling the effects of external aid from the effects of adjustment programs on Zimbabwe development (Jenkins 1996). Jenkins (1996) and Kawewe (1998) therefore call into question the resilience of the much-touted economic turnaround. Contrary to the IMF-World Bank recent rush at bailing out the Asian economies with quick loan packages worth tens of billion dollars, in Africa the economic relief efforts have been a never-ending stingy effort in which negotiations can drag on for months. When approved, the allotments reflect more of a life long dependency program for sub-Sahara Africa (French, 1998).Furthermore Asian nations can recover from the meltdown through IMF-WB bailouts to pay creditors and to absorb the immediate severe economic shock arising from credit and banking systems (Rotberg, 1998).

Instead, the IMF and WB resort to blaming the victim by claiming the speedy and size of their response to the Asian economies as indicative of the importance of these economies to the global financial system, and that if Zimbabwe and African countries in like situations had adopted economic liberalization when they were first introduced rather than resist change, Zimbabwe would not have found itself in a marginalized situation it is in today. The validity of the IMF-WB position and approach to the continent of Africa is questionable as shown by the collapse of the early star economic disciples of SAP (Boafo-Arthur, 1991): Ghana and later Zimbabwe that have plunged into economic shambles. Contrary to the IMF pronouncements of SAPs as bailing out efforts for the continent’s economies, in practice ESAPs have had a devastating impacts at the local level. Pragmatically, the transnational corporations and international financial institutions have become richer at the expense of the African nations due to a widening gap between the North and South. Overall, ESAPs have necessitated
dramatic budget cuts in allocations for social programs like health (Melly, 1996), education, housing, water electricity (Araghi, 1997; Anonymous, 1998a), and so forth. ESAPs have eroded further the groups already disadvantaged. The disparity between those that originally were disadvantaged and those that were privileged has increased sharply (Mupedziswa, & Gumbo; Mupedziswa, 1994a, 1994b, 1996; Anonymous, 1996; Araghi, 1997). Social workers, who are mostly government employees, find themselves faced with the challenges of helping clients to scramble for diminishing life-sustaining resources. Even those professionals employed by NGOs have been constrained by the selectivity in focus of the programs. It will be fair to say that an emphasis on equity without sufficient regard for efficiency—and consistency—can have perverse effects on equity and efficiency. The policies pursued by the government of Zimbabwe in compliance with SAPs have created distortions, which pushed the economy towards macroeconomic instability. In Zimbabwe the size of the civil service budget has continued to drain the economy, rather than a facilitator of economic development and yet any cuts so far have translated into further increases in unemployed and impoverishment.

The impact of public policy on the citizens of the United States is parallel somewhat to the situation in Zimbabwe. In the 1960s and 1970s, the number of homeless Americans began to increase gradually in the wake of a series of public policy shifts. Most significant were those affecting the availability of low-income housing and the treatment of the mentally ill. It was the contraction in national social spending during this period, however, which broadened and deepened the problem of homelessness. Beginning with President Reagan's own Omnibus Reconciliation Act of 1981, federal funding for a vast array of social programs was slashed or capped, and a process that soon resonated throughout all levels of government and community. While military spending increased by more than 40 percent in the 1980s, funding for both health and job-training programs were slashed by the same amount, and federal support of housing programs was reduced by almost 80 percent. Included in the cuts were programs that helped low-income families avoid the worst ravages of poverty, such as Aid to Families with Dependent Children (AFDC), where eligibility levels stiffened and benefit levels that already
left families well below the poverty line were sharply lowered. As more Americans were sinking into poverty, billions of dollars were also taken away from the Food Stamp Program, eliminating one million recipients (Reich 1989; da Costa Nunez 1995).

The policies of the 1980s were devastating to the American’s poor and, to a large extent, account for the unprecedented rise in poverty and homeless rates, as well as the increased complexity of the problems now facing poor families. Economic trade agreements and liberalization have had a devastating impact on the poor in both developed and developing countries. The North American Free Trade Agreement (NAFTA) for example had adverse effects on middle class and poor Americans through retrenchment without corresponding increases in social spending on human capital development, job creation and training in marketable skills, welfare and social service benefits (Kawewee, 1999). IMF mismanagement in the South creates financial crises, which translate into poverty for both developing and developed countries. For example when the IMF mismanagement led to the financial crises in Indonesia, South Korea, Thailand and others resulting in a deep depression, 200 million newly poor were created in these countries. Worse still the IMF, using conditionalities for noncompliance directed these countries to export their way out of the crises by dumping their steel in the US markets resulting in over 12,000 American steel workers’ lay offs (World Exchange, 2000; Danaher, 2000). Free trade agreements have translated into lost jobs as companies folded up, relocated or operated their industries in the South in order to exploit a cheap labor force. Hence, the 1999 Seattle rallies by people from all over the world opposing the WTO’s effort to have total control of the world’s economy and resources for the benefit of the wealthy and corporations (Global Exchange, 2000; Danaher, 2000). Not only has the total number of homeless Americans increased substantially in the past ten years, but also there has been a marked change in the composition of this group in the 1990s. Even the best designed education and training programs produced only small gains for the poor, especially welfare recipients. Economic feasibility has historically translated into reduction in welfare rolls while compromising the social cost as in the case of workfare and managed care. Welfare reforms of the 1990s have been successful in shrinking the welfare

IMPLICATIONS FOR PEACE, SOCIAL WELFARE AND JUSTICE

Although social workers are not responsible for the social problems caused by ESAP and ill-fated public policy, social workers can be accountable for methods/approaches in which programs and policies are implemented in their countries. In Zimbabwe, social workers work in both public and parastatal enterprises as social welfare practitioners and personnel officers. By improving the ways in which services are delivered, social workers can match the clients needs with the most effective service and then advocate the need for the unmet needs. Social workers should shift from assuming primarily a implementation (recipient) role in public policy to being major players (pro-actors) in policy formulation and development at local, state and international levels through advocacy. Social workers should utilize their community development expertise to form social networks with grass roots groups from both rural and urban areas in conjunction with others in Africa and elsewhere (Kawewe, 1996, 1998) and engage in innovative initiatives with international and local NGOs to put pressure on the IMF-World Bank to value people more than money. They can promote labor and social rights by advocating for fair trade as opposed to free trade, opposing deregulation and collaborating with grassroots organizations throughout the world (Danaher, 2000). International forums are more effective for addressing the discrepancy in the IMF-World Bank agenda on Africa through interdisciplinary endeavors that advocate democratic and progressive governments with term limits not exceeding a decade for any single presidency and more accountability on the elites for their actions.

Social workers can utilize a variety of change strategies within the continuum of the social action model of community organization, can collaborate with non government organizations (NGOs) and grassroots non government organizations (GNDOs) who have potential in developing critical capacity for advocacy in the region (Lutabingwa & Gray, 1997), where about 811 NGOs with
slightly over three tenths of them having been in existence since the 1980s being found in sub-Sahara. The amount of financial inflow from overseas to Africa through NGOs exceeds the world bank/IMF funds when debt payments and servicing are factored in (Kiondo, 1993) making grassroots village self-help type, regional, national and international endeavors (Kawewe, 1996), a key to democracy in Zimbabwe and Africa in general. Social workers could negotiate and navigate changes through social networking processes with NGOs. There is a need to facilitate the movement toward improving the women’s entrepreneurship and development of local economies for the benefit of themselves and their children (Mupedziswa & Gumbo, 1993). There is need to develop centers where young children become socialized to the norms of education; where these children can watch their parents begin employment and move off of the burden of ESAP; where parents and children can learn together as a family, and begin the cycle of education and independence. Bold initiatives such as pushing a government program evaluation center will help provide an opportunity to develop effective public policy and potentially make a meaningful difference (Kawewe & Dibie, 2000).

CONCLUSION

This study demonstrates that SAP has further marginalized the Zimbabwean people more than they were ever before, by creating an environment that threatens peace and social justice. While the structural adjustment program, that was suggested by the WB and IMF and adopted by the Zimbabwean government might be good for western industrialized nations, it has created a devastating impact on HIV/AIDS and various natural calamities. Additionally some parallels have been drawn between the impact of economic policies on social welfare of the poor in Zimbabwe and the US. In both cases there is need to integrate social and economic development by addressing issues of human capital development and budget austerity versus consumption.

Once one of Africa’s vibrant economies, Zimbabwe has stagnated to the detriment of women and children. There is a possibility of serious instability and unrest in Zimbabwe as a wave of political turmoil sweeps the country (Schillinger, 1998). Social
workers can work collaboratively with various groups including the trade unions to find peaceful and productive life-saving solutions to the country's problems. The general impression held about Africa is filled with mythology, but realistically, there are smart African leaders, women, men, and children as anywhere in the world and the existence of very real problems with people still surviving in sub-Saharan Africa is not deniable (Toler, 1998). Progressive human service professionals are challenged to contribute to effective public policy formulation, implementation and evaluation in pursuit of economic, social and human rights.

REFERENCES


