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Structural Adjustment's Gendered Impacts: The Case of Serbia and Montenegro

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Gender Action, established in 2002, is a nonprofit global advocacy campaign dedicated to ensuring that the International Financial Institutions (IFIs) promote women's rights and gender equality.

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Abstract

On the 25th anniversary of the World Bank structural adjustment program, Gender Action is unrolling its gendered impacts of structural adjustment program with its first case study in Serbia and Montenegro. Globally, during 1999 and 2002 structural adjustment lending (SAL) constituted more than half of total Bank lending and in every year since 1998 it surpassed the Bank's own 25 percent ceiling on SAL spending. Gender Action believes that it is very important to ensure that SALs assist and do not harm the poor among whom the majority are females. Since their 1979 inception SALs have had deleterious socioeconomic impacts especially on women who constitute 70% of the world's poor. Our analysis questions the appropriateness of SALs given their painful social impacts in general, and in particular in the fragile young democracies in Serbia and Montenegro. Because SALs have composed at least four fifths of Bank loans to these republics, they constitute a particularly interesting adjustment case study. Serbia and Montenegro's structural adjustment objectives mirror those in virtually all countries and especially in other transition countries. They consist of: public expenditure cutbacks and civil service reforms including in the social sectors – in health, education, labor and social protection programs; State Owned Enterprise (SOE) closing, restructuring and/or privatizing; and bank commercialization and downsizing. Analyzing Serbia and Montenegro's entire structural adjustment loan package highlights the cohesiveness of its objectives. Our analysis found a distinct pattern of SAL neglect of gendered impacts. The analysis not only addresses gender and other social impacts of adjustment operations but also describes how local citizen's groups are using this analysis to conduct advocacy to mitigate negative impacts and achieve social reforms. The analysis explains how SAL measures affect poor women and men differently. It includes a background section providing an historical picture of the evolution of structural adjustment lending, then it describes Serbia and Montenegro's structural adjustment program, summarizes its gender and other social impacts and concludes by discussing positive outcomes on the ground of this analysis. It also contains a detailed general and gender analysis of SALs and practical recommendations to reduce their negative impacts. Obtaining World Bank SAL documents to prepare this analysis underlined how non-transparent these documents remain and how the Bank needs to become a more accountable institution. Gender Action plans to produce similar SAL analyses in other countries as a basis for advocacy to ensure IFI investments better promote women's rights and gender equality.

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Part I. Background, Summary Analysis and Conclusions

Background

On the 25th anniversary of the World Bank structural adjustment program (SAP), Gender Action's first SAP case study demonstrates how SAPs rarely address gendered and other social impacts.[1] This case study not only analyzes troubling gender and other social impacts of adjustment operations but also describes how citizen's groups are effectively using this analysis to conduct advocacy on the Bank and governments to mitigate negative impacts and achieve social reforms.

From inception, SAPs have had distinct harmful effects on the welfare of men, women, boys and girls (Cornia et al 1987; Addison and Demery 1987; Zuckerman 1989; Zuckerman 1991).[2] Despite the Bank's recent reframing of SAPs and related operations to achieve "Poverty Reduction" objectives, SAPs have not reduced poverty and many claim they have exacerbated it.[3] In the specific country case of Serbia and Montenegro that this paper analyzes, the social hardships that SAPs induce can undermine these young, fragile democracies that are emerging from their latest round of civil wars.

Obtaining World Bank SAP documents to prepare this analysis underlined how non-transparent these documents remain and how civil society needs to continue pressuring the Bank to become a more transparent and accountable institution.[4] To complete this analysis Gender Action relied on obtaining World Bank 'President's reports and recommendations' and Program Documents sent to and approved by the Board of Executive Directors. It was impossible to obtain all the reports from the World Bank directly.

Part I of this paper includes a background section that provides an historical picture of the evolution of structural adjustment lending, describes Serbia and Montenegro's structural adjustment program, summarizes its gender and other social impacts and concludes by discussing positive outcomes on the ground of this analysis. Part II presents each SAL's stated objectives and a detailed analysis of their general and then their gendered impacts. Part II concludes with some practical recommendations.

Summary Analysis

Evolution of Structural Adjustment Loans (SALs)

Structural Adjustment Loans (SALs) provide quick disbursing World Bank funds to developing country clients that commit to improve their balance of payments in exchange for policy reforms. Since their

[1] The World Bank made its first structural adjustment loan in 1979.
[2] Zuckerman also presented on the impacts of structural adjustment on women at the 1988 Ford Foundation Conference on Expanding Income-Earning Opportunities for Women in Nairobi, Kenya and the 1989 Association for Women in Development Conference in Washington DC.
[3] For example, Malawi's Poverty Reduction Strategy Paper, approved by the World Bank and International Monetary Fund Boards of Directors, argues persuasively that decades of SAPs have increased poverty (MPRSP 2002).
[4] Information on World Bank loan processing should be completely public because the Bank is the largest global public tax-payer funded institution. For several years a number of advocacy organizations have been pressuring to make Bank operations transparent and accountable. Gender Action collaborates with these organizations to help them achieve their goals, eg the Bank Information Center, www.bicusa.org and the Government Accountability Project, www.whistleblower.org.

1979 debut, SALs have expanded their policy reform menu and lending volume enormously. Over time, they have adopted various names but their essence has remained intact. Today's structural adjustment policy reform packages include decentralization, privatization, price and trade liberalization, public sector streamlining including civil service layoffs and State-Owned Enterprise (SOE) closing and restructuring. These are the typical measures that SAL countries must undertake to receive World Bank rapid cash infusions into their debt-ridden economies. With few variations, SAL menus are standard across countries (Soros 2002).

In recent years, the volume and proportion of Bank loans disbursed for SALs has escalated significantly. From their inception through the late 1990s, SALs composed roughly a quarter or less of global Bank lending reflecting the Bank's own 25 percent ceiling on SAL lending as a proportion of total loans. However, the Bank response to the late 1990s East Asian and Argentine financial crises was to provide massive SALs to affected countries. SALs unprecedentedly composed over 53 percent of global Bank loans in 1999 and they have remained at high levels ever since (Annex 1).

Historically SALs have gone by a variety of names. It is important to review these names in order to identify SALs and evaluate whether they are designed to achieve their stated goals. Originally, SAL operations were called Structural Adjustment Loans (SALs) and sector specific SALs were generically called Sector Adjustment Loans (SECALs) but also had specific names such as trade adjustment, industry privatization, and agricultural, financial and economic management reform loans. During the 1980s, Economic Recovery Credits became a popular name for SALs loaned by the Bank's International Development Association (IDA) to the poorest borrower countries.[5] A recent new name for SALs is Development Support Credits. At the turn of the new millennium, with civil society organizations (CSOs) pressuring the Bank to translate its rhetorical promise to reduce poverty into reality, the Bank renamed many SALs and SECALs, "Poverty Reduction Support Credits (PRSCs)", indicating that they emanate from the Poverty Reduction Strategy Papers (PRSPs) that the Bank and IMF require from IDA borrowing countries as a condition for lending.

In fact the link between Poverty Reduction Strategy Papers (PRSPs) and structural adjustment is critical because PRSPs are de facto national plans with budgets that "promote the Bank-Fund structural adjustment agenda – with poverty add-ons".[6] The World Bank and International Monetary Fund introduced PRSPs in 1999 as a prerequisite for borrowing by their poorest and transition country clients.[7] Gender Action analyzes and conducts extensive gender advocacy around PRSPs.

In this spirit, the Bank now categorizes many SALs as "poverty-focused adjustment operations" claiming that their reforms are expected to benefit the poor (World Bank 2003a). To qualify as poverty-focused, the Bank requires SALs to undertake at least one of the following three measures: (1) reallocate public expenditures in favor of the poor; (2) eliminate distortions and regulations that disadvantage the poor and limit their income-generating opportunities; and/or (3) support safety nets that protect the most vulnerable members of the population.

Critics argue that SALs actually produce the opposite results by: (1) reducing or eliminating public expenditures that had previously assisted the poor; (2) limiting the poor's income-generating opportunities through closing their jobs; and (3) ending or reducing safety nets that protected the

[5] The International Development Association (IDA) is the World Bank group's "concessional" lending arm that makes loans on relatively favorable terms to countries with per capita average annual incomes below a given threshold that was roughly $US900 in 2003.
[6] Statement by Rehman Sobhan, Chair, the Center for Policy Dialogue, in a meeting with Elaine Zuckerman in Dhaka, Bangladesh in May 2003 during Gender Action advocacy work on engendering the Bangladesh PRSP. For more information on Gender Action PRSP and gender work, see Zuckerman 2002; Zuckerman and Garrett 2003; and other publications at www.genderaction.org.
[7] Transition countries are former socialist countries that are transitioning to market economies.

most vulnerable.[8] Many critics believe that the Bank's new "Poverty Reduction" names reflect "double speak".[9] Some critics argue persuasively that SALs and other Bank loans compound developing country debt and call for the closing of the Bank and other International Financial Institutions (IFIs).[10] *Since the Bank and other IFIs show no signs of closing their doors, Gender Action believes that it is very important to ensure that their loans assist and do not harm the poor among whom the majority are females.*

For good reason, SALs have always aroused strong controversy. As the volume of SAL lending steadily increased in the 1980s, internal and external critics began analyzing and demonstrating the painful social impacts of SALs on vulnerable groups like women and children (Cornia 1987; Zuckerman 1989, 1991). By the mid-1990s, succumbing to external pressure to prevent the deepening poverty caused by SALs, the Bank and Fund imposed requirements to protect social sector spending cutbacks but they have never been consistently implemented. Moreover, critiques of and protests against SALs escalated during the 1990s as the harmful socioeconomic impacts of SAL measures such as trade, market and price liberalization became apparent. Poor developing countries have implemented these SAL measures in a global context where richer developed countries still maintain protectionist barriers. The playing field is far from level (Oxfam 2002).

At the outset of 2004, the Bank is reformulating its structural adjustment policy. Civil society groups fear that the new policy is likely to make SALs more opaque, impenetrable, and difficult to influence. They have long underlined the lack of transparency of SAL identification and implementation. It was neither easy nor straightforward to obtain World Bank SAL documents for Serbia and Montenegro. Depending on their date, they are either listed or summarized on the World Bank website that does not provide their full contents. We had to identify and rely on confidential sources to obtain full SAL documents.

SALs in Serbia and Montenegro

Above we discussed how SAL amounts soared in recent years as a percentage of total Bank loans. In 1999 and 2002 SALs constituted more than half of total Bank lending and in every year since 1998 they surpassed the Bank's own 25 percent permitted maximum. Even in this exceptional context, Serbia and Montenegro comprise a special case. SALs in Serbia and Montenegro have composed at least a whopping four fifths of the Bank loans to these republics. The reason for this amazing World Bank loan framework in Serbia and Montenegro is that when the Federal Republic of Yugoslavia (FRY) reinstated its membership in the World Bank in May 2001 following the devastating Milosovic decade, it requested Bank support specifically for a comprehensive economic reform program. SALs, quintessential economic reform programs, were the response. The Bank Executive Board approved a lending framework called the Transitional Support Strategy (TSS) that contained exceptionally hardened IDA terms for FRY reflected in a series of Bank SALs that are listed in Table 1 and analyzed in Table 2 (World Bank 2001a, 2001b, 2002a, 2002b, 2003a, 2003b). But are SALs, with their painful social impacts described above, an appropriate response for young republics like Serbia and Montenegro that are attempting to establish democracies following a decade of civil war?

[8] Such critiques can be found, for example at, www.brettonwoodsproject.org; www.developmentgap.org; www.foe.org; and www.globalissues.org.
[9] The Committee on Public Doublespeak of the National Council of Teachers of English (NCTE) defines doublespeak as "language which is 'grossly unfactual, deceptive, evasive, euphemistic, confusing, or self-contradictory'". http://www.govst.edu/users/ghrank/Introduction/doublespeak_awards.htm.
[10] Closing down IFI operations has been the aim, for example, of the "50 Years is Enough" civil society network launched around the 1994 50th anniversary of the establishment of the International Monetary Fund and World Bank: www.50years.org.

TSS authorized a three-year International Development Association (IDA) envelope of up to US$540 million, on a temporary and exceptional basis, with actual lending to depend upon performance in meeting agreed benchmarks. The Bank Board of Directors envisaged that up to 80 percent of the program could support policy-based lending. A Transitional Support Strategy Update (TSSU) discussed by the Bank Board in August 2002 described on-track performance, confirmed the overall approach, and laid out the Bank program for FY03 that remained focused on adjustment lending mainly through policy-based operations. The TSSU concluded that in both republics of Serbia and Montenegro, "....selective investment lending helped the Authorities to tackle critical impediments to effective public sector management and private sector development, and underpin reforms initiated under the Bank-supported adjustment program" (World Bank 2002c).

Table 1 demonstrates that the TSS approach has targeted the reform efforts of the two constituent republics of Serbia and Montenegro through separate Bank support mostly focused on Serbia whose population is about 10 times greater than that of Montenegro's. Separate targeting appropriately reflects that each republic, transitioning in different ways and at varying speeds, has distinct reform priorities. In February 2003 the official name of the former Federal Republic of Yugoslavia (FRY) changed to Serbia and Montenegro.

World Bank operations in Serbia and Montenegro aim to assist the Government in achieving the following goals:

- (i) Restoring macroeconomic stability and external balance of payments.
- (ii) Stimulating near-term growth and creating the basis for a sustained supply response.
- (iii) Improving the social well-being of the most vulnerable and building human capacity.
- (iv) Improving governance and building effective institutions.

By early 2003, IDA approved eight credits totaling US$214.26 million including *four adjustment loans* and the supportive Labor Learning and Innovation Credit. SALs *comprised 90 percent of total loans*. These adjustment credits are listed in Table 1 and analyzed in detail in Table 2 in terms of their objectives, general social impact, and their gendered impacts. By the end of Fiscal Year 2003 the Bank committed close to $397 million of its $540 million IDA envelope for Serbia and Montenegro (World Bank 2003).[11]

Table 1. World Bank Structural Adjustment Loans Approved for Serbia and Montenegro 2002-2003 (World Bank 2003a)

Credit Name	Republic	Bank Project ID No.	Status	US$ m (rounded)
Federal Republic of Yugoslavia: Structural Adjustment Credit (SSAC)	Serbia	PO74586	Closed August 2002	70
Yugoslavia: Private and Financial Sector Adjustment Credit (PFSAC)	Serbia	PO74486	Closed June 2003	90
Yugoslavia: Structural Adjustment Credit (MSAC)	Montenegro	PO74764	Active since March 2003	15
Labor Learning and Innovation Credit (LLIC)	Serbia	PO77732	Active since June 2003	3.5
Serbia and Montenegro: Social Structural Adjustment Credit (SSSAC)	Serbia	PO78390	Active since April 2003	80

[11] The World Bank Fiscal Year 2003 ended on June 30, 2003.

In addition to the above SAL related portfolio, the World Bank approved grants totaling US$30 million under a Trust Fund for Serbia and Montenegro.

Because of the unusually heavy World Bank structural adjustment-weighted portfolio in Serbia and Montenegro, it comprises a particularly interesting adjustment case study.

Main Findings of our Analysis

The remainder of Part I summarizes our Serbia and Montenegro SAL case study analysis of gender and other social impacts and highlights how Serbia and Montenegro activists have been using this analysis for successful social advocacy. Table 2 presents this analysis in detail. This section discusses key Table 2 findings and their policy-changing outcomes. Table 2 dedicates a column to each of the five operations examined, examining for each operation:

- The World Bank's own stated objectives for the operation.
- A general socioeconomic analysis of each operation.
- A gender analysis of each operation.

The following text summarizes Table 2's salient findings.

Structural Adjustment Objectives

Serbia and Montenegro's structural adjustment objectives mirror those of virtually all countries' SAPs and especially those of other transition countries. Serbia and Montenegro's adjustment portfolio objectives in summary consist of achieving:

- Public expenditure cutbacks and civil service reforms including in the social sectors – in health, education, labor and social protection programs.
- State Owned Enterprise (SOE) closing, restructuring and/or privatizing.
- Bank sector commercialization and downsizing.

Analyzing Serbia and Montenegro's entire structural adjustment loan package highlights the cohesiveness of its objectives. Serbia and Montenegro's SALs contain interrelated reforms supporting the above objectives. Our analysis includes the compensatory Labor Learning and Innovation Credit (LLIC) for Serbia that is not an adjustment operation but it is intended to provide new skills to workers who become unemployed through SAP measures. Therefore it is part of the SAP package. If the LLIC were effectively designed, financed and implemented, it could provide some cushioning around SAP streamlining, privatization, and labor market downsizing that have profoundly negative social ramifications for dislocated workers and their families. These social ramifications are discussed in the following two sections.

SAL objectives in the 1980s did not include reforming the social sectors. Since the 1990s the Bank has financed discrete social sector adjustment programs (SSALs) that mainly rationalize social expenditures. SSALs aim to reduce and better target social sector spending. Typically they result in less generously funded pensions and cash transfer programs, and increase patient out-of-pocket healthcare co-payments. This applies to Serbia and Montenegro too.

The Social Structural Adjustment Credit Republic of Serbia (SSOSAC) approved in 2003 emphasizes that "there are close linkages between the policy agenda outlined in the I-PRSP for Serbia and the

SSOSAC – supported policy agenda.[12] The linkages are driven in significant measure by having the Ministry of Social Affairs as the primary policy counterpart for both exercises. The I-PRSP and SSOSAC are closely aligned in broad policy, and specific reforms objectives. The forthcoming PRSP will similarly be closely aligned with the SSOSAC and broader Serbia and Montenegro structural adjustment objectives. [13]

Since Serbia's and Montenegro's parliaments are in the process of approving their respective Poverty Reduction Strategy Papers (PRSPs), our analysis also considered the interrelationships between the SAL and PRSP objectives. Our analysis concluded that the Serbia and Montenegro's SAL framework is also the framework for Serbia's and Montenegro's PRSPs that play important roles as de facto national plans with budgets.[14]

General Analysis

Overall Bank SALs in Serbia and Montenegro acknowledge expected negative social impacts inconsistently. More problematic is that they do not address the negative impacts significantly. SOE privatization and restructuring, perhaps the most important and sensitive SAL process in Serbia as it is in virtually all transition countries, requires well-considered social impact analyses and responses. SOE privatization and restructuring inevitably cause many workers to become unemployed. However, Serbia and Montenegro SALs offer no or only very partial solutions to the unemployment problems that they generate. Similarly, the SALs do not address the impact on the poor of the energy price hikes that they require.

The SSSAC, for example, promises that its reform program entailing social expenditure cutbacks including job losses will improve the medium term effectiveness of social programs and enhance potential donor support for them. But the SSSAC does not provide compensation for people losing jobs. In contrast, the financial sector PFSAC does offer some compensation for displaced workers but it does not cover everyone affected. While it provides monetary or retraining compensation to some newly unemployed from large enterprise and bank privatization, it provides nothing whatsoever for the majority losing jobs from PFSAC small enterprise closings. Moreover, the funds or retraining it proposes for dislocated workers to start businesses cannot be effective for many of the newly unemployed, who after years working in public institutions, do not feel capable of opening their own business even with training.

To round out our general analysis, we reviewed the small US$3.5 million Labor Learning and Innovation Credit (LLIC) for Serbia that is supposed to mitigate the negative consequences of public sector downsizing by helping people affected by SAL public sector downsizing. We found that the LLIC document does not explain how it will achieve these goals. Nor does it contain a socioeconomic analysis of the newly unemployed it intends to target. It does not state their level of education, skills, gender, ages, nor previous work experience even though the Serbia Statistical Bureau generates most of these data. Analyzing these data is essential for effectively targeting the newly unemployed. Moreover, the LLIC document states that a project risk is uncertainty about whether the Government

[12] Each country producing a Poverty Reduction Strategy Paper first produces an Interim Poverty Reduction Strategy Paper (I-PRSP).
[13] Co-author Aleksandra Vladisavljevic actively participated in Serbia's civil society PRSP negotiations.
[14] In order to achieve their poverty reduction targets, PRSPs must address the gender dimensions of poverty. Otherwise, they reinforce unequal gender patterns that hinder development and continue to feminize poverty. Gender Action has completed gender audits of most PRSPs produced to date and has published the results in a series of papers available at www.genderaction.org. Examples of Gender Action PRSP and gender publications include, "Do Poverty Reduction Strategy Papers Address Gender Issues? A Gender Audit of 2002 PRSPs" by Elaine Zuckerman and Ashley Garrett, 2003, and **"**A Primer on Poverty Reduction Strategy Papers and Gender", by Elaine Zuckerman, 2002. These audits demonstrate that a handful of PRSPs address gender issues superficially but most PRSPs promote neither women's economic rights such as equal rights to property and work compensation nor women's human rights such as freedom from male violence. PRSPs decide country investment priorities.

will have funds to support the proposed social programs and redundancy payments. If proceeds from privatizations are expected to finance the compensatory programs, they probably will not generate enough funds because of the very slow and uncertain privatization process. *Therefore, for the LLIC investment to succeed, its implementers must analyze socioeconomic data on the level of education, skills, gender, ages, and previous work experience of the laid off target group and the Bank and the government must find alternative funding sources before the project begins.*

Montenegro's MSAC also contains deep labor market reforms but makes no social impact analysis whatsoever.

Gender Analysis

Our analysis found a distinct pattern of SAL neglect to consider gendered impacts. SAL measures affect poor women and men differently. For example, public expenditure cutbacks tend to increase women's unpaid work and squeeze out their time for income-earning work. Health expenditure cutbacks increase women's home care for sick family members and reduce their time available for paid work. Women are the first to lose jobs and the last to be rehired in public sector downsizing because they are assumed to be secondary breadwinners although in reality increasing numbers of households in Serbia and Montenegro as elsewhere are female headed because marriages break up or wives become widows. Men who lose jobs very often turn to drinking and violence in society at large and in their households. The foregoing examples of gender-differentiated impacts of SALs are common throughout the world and the last example of unemployed men turning to violence seems to be particularly pervasive in Serbia and Montenegro.

SAL documents do not recognize any of these gendered consequences. The remainder of this section analyzes the gendered impacts of each Bank operation in turn.

<u>SSAC</u>. This operation has deep gender impacts that the loan document does not acknowledge. It should analyze and address the gendered implications of budget and health reforms, energy price hikes, labor market deregulation including new job flexibility and loss of collective bargaining, and other adjustment measures.

<u>PFSAC</u>. The Private and Financial Sector Adjustment Credit (PFSAC) privatization process was structured without considering or addressing its gendered effects although it will have an extremely negative impact on women that the loan document neither acknowledges nor analyzes. Women have traditionally comprised the majority of service sector workers providing finance, education and health services. In addition, women have comprised the majority of textile industry employees. It is expected that continuing public sector downsizing and textile industry and smaller enterprise privatization that the PFSAC promotes will mostly affect women. Women's precarious economic position in these enterprises makes them especially vulnerable. They already comprise the majority of unemployed, are less likely to be hired than are men with the Serbia and Montenegro qualifications have fewer on no assets needed to become self-employed, and constitute the majority of informal sector employees. They tend to remain employees rather than become owners of privatized enterprises or SMEs. Without specific support programs to address these problems, the PFSAC-supported privatization process deepens women's more precarious economic roles than men's. Moreover, the PFSAC contains no socioeconomic profile whatsoever on the gender, ages, educational and other background features of employees who are losing their jobs in SOE restructuring. The PFSAC provides no specific programs such as entrepreneurship support services and job retraining to assist differentially affected displaced female and male workers.

MSAC. The Montenegro Structural Adjustment Credit (MSAC) advocates developing a citizen's guide to the budget without suggesting the need to address budgetary impacts on the poor generally and by gender specifically. Although current retirement ages of 60 years for men and 55 years for women might be gradually extended to 65 years for both sexes, the MSAC does not consider other pension reform gendered impacts. Because Montenegrin working women receive lower salaries than men, and have worked fewer years than men because of earlier retirement ages to date, their pensions are lower than are men's (Zuckerman and Graham 2002). Reducing already low female pension benefits may push some women pensioners into poverty. This problem might be exacerbated because the reform also entails cutbacks in pensioners' health services.

An even larger social problem that the MSAC does not address is that most Montenegrin women, working in home-based informal sector activities, will receive no pension or social benefits at all. An analysis of the implications of the pension reforms on informal sector workers is needed to examine its gender consequences because a larger and growing proportion of elderly women and men will attain old age without any pensions at all. The new pension reforms should find a solution for the vulnerable pension-less population consisting mainly of women. Ways to provide pension benefits for informal workers need to be identified. The MSAC should finance a study of the impact of pension reforms on vulnerable groups, including women in the formal and informal economy, as the basis for protecting these groups from becoming poorer.

Like the Serbia SALs, this Montenegrin structural adjustment operation also expands flexible part time work that has some advantages but is usually disadvantageous to women workers who tend to fill these jobs because of family and household responsibilities. These flexible part time jobs offer lower salaries and fewer if any benefits. Although MSAC reforms would remove barriers to small businesses, they do not address the particular barriers women face, particularly lack of collateral in accessing loans because men own most property.

LLIC. After the PFSAC loan closed, the Labor Learning and Innovation Credit (LLIC) designed to mitigate negative impacts of adjustment measures like those of the PFSAC kicked in. LLIC is designed to help the newly unemployed regain employment. But to do so effectively, LLIC needs to present a gender analysis of the unemployed. This analysis would underline that women comprise a larger percentage of the unemployed found in all generations and levels of education and skills and would recommend that beneficiaries should therefore include more women than men.

SSSAC. Traditionally policymakers and others have viewed the social sectors as the most relevant context for addressing gender issues. Nonetheless, even the Serbia Social Sector Structural Adjustment Credit (SSSAC) budget reforms missed an opportunity to demonstrate if and how public resources are allocated by gender. SSSAC reforms concentrate on pension, labor and employment laws without considering their differentiated effects on female and male workers. SSSAC's analysis does not discuss how the flexible part time job it promotes usually is disadvantageous to women workers who tend to fill them because of family and household responsibilities. Part-time job holders tend to lose opportunities for promotion, better pay and benefits even when they have equal education and skills to full time job holders (Crittendon 2001). Serbia's new labor law, that eliminates previously required collective bargaining, weakens labor's power. It diminishes protection from discrimination of women and other workers in weak positions in the labor market. Finally, the SSSAC's health and energy sector reforms have social, including gendered, impacts that the operation does not consider.

Conclusions – Positive Outcomes on the Ground

Since their 1979 inception SALs have had deleterious impacts on the poor and especially on women who constitute 70% of the world's poor (Cornia et al 1987; Zuckerman 1989, 1991). Therefore this paper questions the appropriateness of SALs given their painful social impacts in general and in particular in the young fragile democracies republics of Serbia and Montenegro that are emerging from a decade of civil war after long suffering from political instability.

Because SALs seem here to stay as do their World Bank and other IFI sponsors despite protests to terminate them, it is important to promote "adjustment with a human face" (Cornia et al 1987). Table 2's analysis and the foregoing summary present specific recommendations to mitigate and eliminate the harmful gendered impacts of Serbia and Montenegro SALs. Following Table 2 are some practical recommendations that could contribute to leveling the uneven gender playing field that most SALs perpetuate and even deepen.

Table 2's analysis underlines that Serbia and Montenegro's SAL operations broadly neglect general social and specific gendered impacts. For example, these SALs hardly address the social and gendered impacts of pension and health expenditure rationalization and state owned enterprising privatization or closing.

Because poverty has deepened in so many countries that have implemented World Bank SAL and complementary International Monetary Fund loans (see the example in footnote 3), under pressure from civil society organizations, the two institutions agreed in 2000 to collaboratively undertake Poverty and Social Impact Analyses (PSIAs) of major macroeconomic and structural policy reforms in PRSP countries that include Serbia and Montenegro. Under the PSIA framework, when the Bank and Fund make structural adjustment and macroeconomic-related loans they are supposed to carry out ex-ante analysis that considers how poor people are likely to be affected by the reform programs and, when necessary, show steps that have been taken to mitigate adverse effects and enhance positive ones. However, there appears to be a general lack of awareness on the operational application of PSIAs (Eurodad 2004; Bretton Woods Project 2004). Only about 10 PSIAs have been completed (World Bank 2004). A PSIA has not been undertaken for Serbia and Montenegro despite its huge SAL program.

Oxfam's joint analysis of the PSIA process conducted with other civil society groups concluded: "The World Bank and IMF continue to drive forward policy reforms in developing countries with almost no prior analysis and public discussion of the likely impact of those reforms on poverty. Both organizations have made repeated commitments to ensure that ex ante Poverty and Social Impact Analyses (PSIA) are made an integral part of all major structural and macro-economic reforms. However, despite some progress, the vast majority of reforms do not include an assessment of the impact they will have on poor women and men" (Oxfam 2004). Civil society groups closely monitoring the PSIA initiative have been disappointed with the results. This Serbia and Montenegro case study reinforces their conclusion that the Bank continues to neglect ex-ante social and gender analysis.

This paper recommends that not only should ex-ante PSIAs identify expected social including gender impacts but mandatory social, including gender, impact assessments be continuously undertaken during SAL implementation. Such assessments must be mandated for every macroeconomic policy and structural reform included in Bank and Fund loans. The loans themselves must include funding to mitigate any social, including gender, impacts whether they were identified in PSIAs or later during implementation.

Since Gender Action completed this analysis in draft form in mid-2003, Serbian civil society groups effected significant changes on the ground, often using our analysis. Here are examples:

- Pensions: SAL pension reforms would have continued to provide women with lower pensions than men's in republics where public sector pensions are almost universal. The Serbian Ministry of Social Affairs successfully negotiated a 15 percent increase in women's old age and disability pensions that women's civil society groups supported.

- PRSP SAL Framework: Civil society groups like the Association for Women's Initiatives used this SAL analysis to help them identify the SAL framework and measures in the Serbia PRSP and advocate for PRSP-supported programs for groups losing their jobs and benefits.

- PRSP Macroeconomic Impacts: Using this Gender Action analysis, civil society groups like the Association for Women's Initiatives were able to get the PRSP drafters to require an assessment of each PRSP macroeconomic policy on the poor generally, and on women and other vulnerable groups specifically.

- PRSP Budget Allocation for Women: Women's civil society partners and gender experts successfully pressured for an approximately €7.5 million allocation for gender programs in the PRSP budget. They feel this is a measurable, valuable allocation that could go a long way to provide support programs for women.

These policy-changing achievements flowing from this Gender Action structural adjustment analysis and advocacy constitute first steps. Civil society groups in Serbia and Montenegro intend to use the findings of this analysis to achieve further social gains. Many more gains must be affected to counter structural adjustment's painful social impacts. Some practical recommendations to mitigate or eliminate SAL's negative gender and other social effects are suggested following Table 2. Simply ending SAL would be the optimal solution. Gender Action plans to produce case studies for other countries to demonstrate the gendered impacts of structural adjustment as a basis for policy changes on the ground.

Part II. Detailed Analysis of Structural Adjustment Loans in Serbia and Montenegro and Practical Recommendations

Who is responsible for exclusion of a gender perspective in our country's SALs?
Our Government or the World Bank? Both are responsible. However the World Bank has much more power and therefore
Bears much more responsibility.
Economic Policy Initiative of Association for Women's Initiatives, Belgrade

Table 2.

Credit/Loan ID, Title, Approval Date and Amount				
PO74586 Structural Adjustment Credit Republic of Serbia (SSAC) 2002 US$ 69.59 million	PO74486 Private and Financial Sector Adjustment Credit Republic of Serbia (PFSAC) 2002 US$ 85 million	PO74764 Structural Adjustment Credit Republic of Montenegro (MSAC) 2002 US $ 15 million	PO69374 Labor Learning and Innovation Credit Republic of Serbia (LLIC) 2003 US $ 3.5 million	PO78390 Social Sector Structural Adjustment Credit Serbia and Montenegro (SSSAC) 2003 US $ 80 million
CURRENT STATUS[15]				
CLOSED	CLOSED	ACTIVE	UNDER PREPARATION	ACTIVE
OBJECTIVES[16]				
To implement specific reforms in areas of (a) public expenditure; (b) the energy sector; (c) social protection and labor; and (d) the health care sector.	To facilitate private sector-led economic growth in Serbia and Montenegro through: (i) launching and implementing restructuring and privatization of large problematic socially-owned enterprises (SOEs);and (ii) implementing a comprehensive banking sector restructuring strategy aimed at creating a	Implement a structural reform agenda with the main objectives of enhancing medium-term fiscal sustainability and improving the prospects for growth as a basis for sustained poverty reduction through specific reforms in five areas:; (i) public expenditure management, (ii) pensions, (iii) the energy sector, (iv) labor	To improve the cost-effectiveness and efficiency of labor programs by piloting new approaches and innovative labor redeployment programs and employment services for the unemployed.[17] Project components include the following: Design of labor redeployment activities; piloting	To support implementation of more "fiscally sustainable" social protection, labor and health reforms while continuing to provide core benefits and services to the population, in particular the poorest. The two overarching

[15] Information on status dated June 3, 2003 on World Bank website, www.worldbank.org.
[16] Objectives presented here are taken directly from the World Bank reports.
[17] It is expected that active labor market programs can be a cost effective tool for reintegrating displaced workers and other job seekers into the labor market and to mitigate the social costs of enterprise restructuring.

	more viable financial sector.	market, and (v) the business environment.	reforms in public employment services; labor market information and evaluation; social impact of restructuring; and effects of active labor market programs.	objectives are to (i) reduce short and medium term fiscal pressures from social programs through a combination of entitlements reform and efficiency improvements; and (ii) maximize the poverty alleviation impact of a given level of public spending through improved targeting and sustained access for the poor to services. A subsidiary objective is improved transparency and accountability in public funds management of social programs and monitoring their impact. The main reform areas are: A) Systematic reform of the PAY AS YOU GO pension system, including preliminary institutional reform, and developing a legal framework for operating voluntary private pensions. B) Non-pension cash transfer reforms, including the social assistance, child protection and unemployment programs. C) Social insurance payroll tax reporting and collection and pension and health fund budget formulation and auditing reforms. D) Measures to stabilize public sector health finances, including ensuring financing for

				vulnerable groups, reducing co-payment exemptions, and drug policy reforms. Complimentary efficiency-enhancing measures would improve the health sector information base, develop a facilities restructuring program, and implement a representative household survey to monitor living standards and evaluate the social and fiscal impact of current and planned public policies.
				Expected benefits include expenditure controls, enhanced public spending effectiveness and efficiency, for example poverty alleviation through a more equitable social safety net that better targets the poor, greater public resource management transparency, and better information on living standards.

GENERAL ANALYSIS				
Proposed SAC reforms will transform the economic and social environment in Serbia. Restructuring of public expenditures, the energy sector, social protection, labor laws, and the health care sector will have serious impacts on the	SOE privatization and restructuring is the most important and sensitive process in Serbia, as it is for virtually all transition countries. It raises critIcal questions such as: who will become the new enterprise	Proposed SAC reforms will bring deep change in the socioeconomic framework in Montenegro, especially in labor market conditions and benefits. Reforms affect the Law on Employment, Labor Law, Law on Pensions and other related legislation.	The Labor Learning and Innovation Credit (LLIC) support the package of Bank structural adjustment programs aimed to sustain economic reforms, privatization and enterprise restructuring. It especially supports policy measures	The general effects are similar to those of the closed PO74586 as this operation is the second phase of reforms initiated under PO74586. While this operation claims to better target

population. Section C, "Poverty Implications" emphasizes that the "proposed SAC will have important impacts on poverty due to energy price increases, and co-payment for health care services. In order to mitigate negative impacts, SAC will ''improve medium term effectiveness of social welfare programs'', and "enhance the potential donor support for payment of such benefits.'' It is unclear what will happen if donors decide to not pay social welfare benefits. Moreover, there is no gendered analysis of the negative impact of the social and labor law reforms on women and men nor measures to mitigate negative impacts. The Section A "Project implementation" *disbursement plan* says that "Based on the enactment of a law approved by the Government of the Republic of Serbia (a condition of Effectiveness) the Borrower will then transfer funds to a deposit account.'' It is clear that "Effectiveness" implies conditionality. However, there is no additional explanation of what is meant by "Effectiveness''.	owners; how will the restructuring contribute to economic growth? And what will happen to the majority of the labor force who will lose their jobs? **Small and Large Enterprises and Services** Large and small SOEs will be privatized under PFSAC but there is little information on small SOE privatization. This loan provides technical assistance for large enterprises because their social costs are highly visible to the public. *For example, when a few large banks were closed, around 5,000 employees were laid off. The government prepared a package for them, with PFSAC support, offering money and/or job retraining.* However, smaller enterprises employing fewer employees that were closed or privatized have not received any PFSAC support. Aside from the banking sector, there is nothing *in the program for service sector employees who are laid off.* **Entrepreneurship** *Planned strategies for mitigating the negative impacts of privatization* are strengthening the environment for entrepreneurship and development of small and medium enterprises. These strategies are supposed to stimulate job creation and	The SAC contains no analysis of the impact of planned reforms on different social groups or plans to mitigate negative impacts.	anticipated in the Serbia SSAC I but is also linked to the PFSAC which focuses on privatizing and restructuring socially owned enterprises, and to the proposed SOSAC that supports programs for the unemployed. Therefore, the LLIC's design, implementation and impact should be analyzed together with that of the above mentioned credits. This joint analysis is the only possible way to see the full policy reform picture of interlinked activities and to assess if these activities match the Serbia's transition needs. The LLIC is "the second stage of bank intervention" following the first stage focusing on revision of the legal framework. It is very important to analyze the impacts of the revised legal framework reflected in the new Labor Code and Employment Law. The LLIC, at least in its description, focuses on mitigating the social costs of enterprise restructuring and privatization. However, it is unclear how it will mitigate the negative consequences of public sector downsizing that the SAC finances. It is unclear who comprises the newly unemployed since the credit document contains no socioeconomic analysis of the newly unemployed, including their level of education, skills, gender, ages, previous work experience, etc., even though much of these data exist in the Serbia Statistical Office. It is also unclear how the	pro-poor expenditures, some measures might sharpen poverty, for example the introduction of voluntary private pensions. Although public health expenditures are supposed to better target the poor, the SSSAC requirement to stabilize health expenditures might result in poorer quality public health services for the poor.

	economic growth. However, PFSAC provides no plans to support entrepreneurship and SME development. The process of restructuring and privatization far outpaces the process of supporting SMEs. Serbia's law on entrepreneurship has not been changed and it is very traditional in comparison to those of the European Union and other transition countries (for example, Slovenia's and Croatia's). A few agencies for SMEs have been created, but they do not provide services that potential entrepreneurs need such as: information, training, financial support, business counseling and legal assistance. The biggest problem for potential entrepreneurs is obtaining financial support for starting and/or developing small businesses. Interest rates are high and no financial resource programs exist to support small start up businesses. **Social profile** PFSAC does not consider any data on the social profile of employees who lose their jobs in restructured enterprises because of this operation. Without such data it is not possible to create specific support programs to increase self-employment, SME development and, job creation. **Access to information** It is very important to fully		majority of unemployed, defined as those with no previous work experience, i.e. youth, will benefit from this LLIC that targets workers retrenched by enterprises undergoing privatization and restructuring. No data are provided on project beneficiaries in terms of their profile (age, gender, work experience, skills, other). It is unclear how the LLIC will encourage the unemployed to register at unemployment offices as it is well known that significant numbers of unemployed do not register because of widespread dissatisfaction with the quality of service of the unemployment office. It is essential to identify the socioeconomic skill profiles of each group of unemployed carefully in order to develop strategic and targeted programs for each of them. A stated project risk is uncertainty about whether the Government will have funds for social programs and redundancy payments that are implicitly but should be explicitly linked to the privatization process. If proceeds from the privatization process are expected to finance the compensatory programs, they probably will not generate enough funds to meet expectations from the very slow privatization process. Therefore, it would be logical and efficient to search for alternative funding sources before the project begins. The LLIC document states that	

	inform employees in closed and restructured enterprises as well as the public in a timely manner of the privatization process, laws that regulate the process, and employees' rights and obligations. Information should be disseminated broadly to reach the largest number of people possible considering their diverse economic, educational, gender, age, nationality and/or other background differences.		employers should report available vacancies but this might not be legally required.	

GENDER ANALYSIS				
Men and women are affected differently by the structural reforms and economic framework. Therefore, it is necessary to analyze how the proposed reforms will affect different population sectors taking into account gender, age, educational level, nationality, geographical and other background differences. Since the credit document does not present this type of analysis, it must be concluded that programs to mitigate negative impacts on population groups like women were neither considered nor prepared. PUBLIC EXPENDITURE REFORM SSAC's public expenditure management reforms include improving budget formulation and transparency, and measuring budget allocations etc. Measuring budget allocations missed a key opportunity to demonstrate if and how resources have been allocated by gender and the impacts of budget allocations would be on women and men in Serbia. ENERGY REFORM Increased energy prices required by the SAC impact poor men and women alike. However, since female headed	Privatization in Serbia will have serious negative impacts on both women and men. Privatization started when people were already" losers" after 10 years of dictatorship, wars, and economic and political sanctions that destroyed the country's economy. The larger enterprises being privatized are heavy industries. Men comprised the majority of employees in these heavy industry enterprises so they were the first affected by the privatization and restructuring process. Women comprised the majority of service sector workers providing finance, education and health services.[18] In addition, women comprised the majority of employees in the textile industry. It is expected that continuing public sector downsizing and textile industry and smaller enterprise privatization will mostly affect women. Women's economic position makes them especially vulnerable. In the labor market women comprise the majority of unemployed, they are less likely to be hired than are men with the Serbia and Montenegro qualifications, they have fewer on no assets to become self-employed and they constitute the majority of	Although the SAC document advocates creation of a Citizen's Guide to the Budget, it does not analyze the impact of budget allocations on different social and income groups. Such a social and income analysis needs to be transparently presented. It is very important for the budget analysis to consider impacts on the poor and gender groups. The SAC overall and its budget discussion ignore the gender impact of the budget allocations. SAC reforms that need to address gender considerations include: A) Pension reforms that (i) raise and equalize the retirement age for men and women from 60 years for men and 55 years for women to 65 years for both; (ii) raise the age of possible early retirement with reduced pensions to 60 years; (iii) replace wage indexation to indexation of not more than the arithmetic average of wages and the cost of living; (iv) lengthen the work history included in the pension base calculation; (v) abolish privileged work histories; and (vi) abolishes disability	The LLIC contains no gender description, data or analysis of the unemployed. A gender profile of the expanding unemployed sector emerging from Serbian SOE privatization and restructuring would indicate that LLIC beneficiaries should include more women than men. Women comprise a larger percentage of the unemployed found in all generations, and levels of education and skills, but this operation does not address such gender gaps. More specifically, although this project is supposed to assist the unemployed, it does not include: A) Gender, education, age, nationality if available, and other background data on unemployed and employed workers who will be displaced by enterprise closing, restructuring and privatization. B) Gender disaggregated data on already displaced workers. C) An analysis of the macroeconomic framework and any possibilities within it for new job creation. D) Any discussion of how gender will be addressed during the project implementation phase.	The SSSAC contains no gender analysis or targeted reforms. Its promise to target vulnerable groups through health services needs to address specific gendered needs.

[18] In 1999 services comprised 37.7 % of the economic structure (World Bank. Yugoslavia at a Glance. www.worldbank.org).

households constitute the poorest households and females compose the majority of the ageing poor, women bear the brunt of energy price hikes. <u>SOCIAL PROTECTION AND LABOR REFORM</u> SAC's proposed social protection system and labor market legislation reforms (pension, labor and employment laws) will completely change the environment for the labor force in Serbia. However, the SAC makes no analysis of how the new proposed reforms and laws would affect the female and male labor force differently. Potentially harmful negative effects of these reforms on women can be seen in the context of Serbia's new Labor Code adopted in December 2001. It promotes flexible working conditions as a new approach in employment -- part time jobs, temporary jobs, and jobs outside of government and "companies". Comparative analyses show that in developed countries, women are more likely then men to work on a part time basis and their jobs are paid less and are less secure (Bujisic 2001).	informal sector employees. Because of these conditions, women tend to remain employees rather than become owners of privatized enterprises or SMEs. Therefore, without specific support programs to address gender issues, the privatization process will have an extremely negative impact on women. Available data that the PFSAC and other Bank SAL documents do not consider demonstrate that 32% of Serbian men own houses compared to only 9% of women; 31% of men own apartments compared to 17% of women; 43% of men own cars compared to 8% of women; and 6% of men own enterprises compared to 2% of women (Puzigaca 2001). PFSAC presents no social profile whatsoever on the gender, ages, educational and other background of employees who are losing their jobs due to SOE restructuring. As a result, the PFSAC provides no specific programs such as entrepreneurship support services, job retraining for displaced female or male workers, and easier access to credit for different affected groups.	pensions. No analysis is made of the pension reform impacts on women and therefore no measures are proposed to mitigate negative impacts on them. Even before the SAC-supported pension reforms kick in, women received smaller pensions than because they worked fewer years and held lower paid jobs than men did. B) Labor market reforms that include: Labor Code and Employment Law changes to create a more flexible labor market by removing existing "rigidities" and the "protective" legal framework. There is no any analysis of how the proposed labor market reforms will affect women and men differently. C) The MSAC also supports small business reforms by removing barriers to create them. However, there is no analysis of what are the major barriers facing women who try to establish businesses, even though data clearly demonstrate that women in Montenegro, as well as in Serbia, rarely have access to assets such as collateral that is required to obtain a bank loan (Zuckerman and Graham 2002). Other available and		

Therefore, it is very important to ensure that part time jobs become the choice of employees and are not forced upon employees (Bujisic 2001). Participating more in part time jobs then men, women have fewer opportunities to influence and/or fill higher level positions in the work place, receive job promotions, and use their knowledge, skills and abilities to make decisions. It is very important to regulate part time jobs and other flexible jobs according to EU standards. The new Labor Law establishes that in Serbia collective bargaining, previously required to resolve labor matters, is no longer required. This leaves employment negotiations up to individual employees and employers, weakening labor's power. Such labor market deregulation places women in the unfavorable position of accepting lower paid jobs, encountering inferior working conditions and accessing fewer employment opportunities than men. The Labor Law does not protect workers with less power and influence, most often women. Therefore, there is a high risk that women will be in a more unfavorable position than men of accepting poorer working conditions, and as a result, receiving discrimination in the labor market.		relevant gender disaggregated data were not used in the preparation of the SAC at all (Zuckerman and Graham 2002).		

Labor market deregulation without control mechanisms and labor force protection will create insecurity and dissatisfaction for most workers. Therefore, it is unclear how the SAC will have a long term positive impact on reducing poverty. <u>HEALTH CARE REFORM</u> The SAC's proposed health reform will have a huge impact on the population. However, the loan document does not provide any details and or/analysis about how the health sector reform will affect different groups.				

Practical Recommendations

Table 2 made many recommendations for mitigating or eliminating negative gender and other social impacts of SALs. Below are additional practical recommendations for SALs to address these impacts:

- Eliminate SAL-type lending. The optimal solution would be to eliminate SAL-type lending. Until the advent of SALs, the World Bank for good reason had a better reputation. Its actions did not generate street protests and constant critiques. There was no advocacy industry to reform the Bank like there is today. Ideally the Bank would eliminate all SAL-type operations from its loan tools.

As long as SAL-type operations continue to exist however, SALs must undertake the recommendations made throughout this paper and in this section:

- Require Impact Assessments. SALs must require that social, including gender, impact assessments be continuously undertaken during SAL implementation for every macroeconomic policy and structural reform included in Bank and Fund loans. The loans themselves must include funding to mitigate any negative social, including gender, impacts.
- Use sex-disaggregated data. Using available sex-disaggregated data should be required in all phases of the SAL investment cycle including in preparation, implementation and reporting. Most countries have more sex-disaggregated data than they recognize. Often household and other surveys collect these data but the surveys sit on shelves sometimes analyzed, sometimes in raw form unanalyzed. SALs should use all sex-disaggregated data in conjunction with other relevant socioeconomic data (age, education level, rural/urban, other diversity and background data). Serbia and Montenegro SALs should present and analyze specific sex-disaggregated data as follows:
    - On employment and unemployment, property ownership, and the other socioeconomic indicators (age, education level, rural/urban, other diversity and background data).
    - On current and future enterprise owners and numbers of workers who will be laid off and among them those who will benefit from job retraining programs in privatization and restructuring processes.
- Formulate gender indicators for monitoring and reporting. SALs must formulate both qualitative and quantitative gendered monitoring and reporting indicators to measure gendered impacts.
- Provide gender training to SAL staff. Gender training needs to be provided to all staff involved in all phases of the SAL investment cycle including in preparation, implementation and reporting.
- Involve local gender experts. To ensure SALs address gender and other social impacts, they must involve local gender experts in all phases of the SAL investment cycle including in preparation, implementation and reporting.
- Provide transparent access to all SAL information. The public including all SAL stakeholders, especially beneficiaries and victims whose lives are impacted by SALs, should have complete access to all information about the entire SAL investment cycle including preparation, implementation and reporting.[19] Victims require information on the privatization process, the criteria for lay-offs, and their rights and obligations in the process.

[19] See footnote 4.

- Develop compensatory programs for different impacted groups. SALs must develop compensatory programs for different impacted groups tailored to their distinct socioeconomic profiles including their gender, age, education level, rural/urban, other diversity characteristics and background data. Advocates have long been pressuring the Bank to ensure that SALs formulate compensatory programs to victims like women who might lose their jobs, pushing the newly unemployed and the already poor into deeper poverty or find their unpaid work increased as a result of public spending cutbacks in areas like health care with the additional consequence that their income-generating time is squeezed out (Zuckerman 1989; Zuckerman 1991). SALs have only sporadically and inconsistently responded.
- Ensure gender equal access to resources for self-employment. If the social "exit" strategy for mitigating the negative impacts of SAL reforms is premised on job losers becoming self employed entrepreneurs, then SALs must support gender equal access to self-employment resources including training, education, access to financial resources and legal counseling, and they must monitor the impacts of these programs to ensure that they succeed. Women in Serbia and Montenegro own only about 6% of property that is required as loan collateral. Women's lack of access to credit undermines their chances for self-employment.
- SALs should require gender equal access to resources like credit for self-employment; otherwise women will be more likely to be pushed into poverty.
- Avoid "Copy-Paste" strategies. The similarity of SALs across countries and regions suggest that they are often based on "copy-paste" preparation strategies (Soros 2002). Indeed, a common Bank staff strategy in preparing new SALs and other types of operations is to review and borrow from similar types of operations in other countries. Bank networks and advisory services promote this strategy. It is important to avoid "copy-paste" strategies to ensure country-specific needs are addressed.

Annex 1 -- World Bank Approved Structural Adjustment Lending (US$ m)

Year / Region	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total Loans	19,221	21,367	20,702	22,686	21,706	23,696	20,836	22,522	21,352	19,147	28,594	28,994	15,277	17,251	19,520	18,513
Adjust-ment Loans	4,967	6,161	5,479	5,606	5,847	5,253	2,868	5,324	4,509	5,086	11,289	15,449	5,108	5,765	9,827	6,018
Adj/Total %	25.84	28.83	26.46	24.71	26.94	22.17	13.72	23.64	21.12	26.56	39.48	53.28	33.55	33.42	50.34	32.51

Note: Annual data are for the World Bank fiscal year that begins July 1 and ends June. Hence FY 2003 covers July 1, 2002 to June 30, 2003.

Sources: 1988-1999: World Bank Poverty Reduction and Economic Management Network, 2000.
2000-2003: World Bank 2003 Annual Report.

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