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"WOMEN IN DEVELOPMENT:
ISSUES FOR THE LATIN AMERICAN AND
CARIBBEAN REGION"

by

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WOMEN IN DEVELOPMENT:

ISSUES FOR THE LATIN AMERICAN AND CARIBBEAN REGION

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PREFACE

This paper reviews the situation of women in the Latin American and Caribbean (LAC) region and Bank projects that may affect women in LAC and makes recommendations regarding additional sector and project work that could lead to further enhancements in the role of women in development in the region. This review was supported by a contract from the World Bank to RAND and is based on discussions Julie DaVanzo and John Haaga had with members of the Bank staff and others and a review of selected Bank documents and other relevant literature.

We thank George Psacharopoulos and Eduardo Velez for their guidance, and Philip Musgrove, Barbara Herz and others for comments on earlier drafts.
SUMMARY

Since 1987, the World Bank has intensified its efforts to enhance the role of women in development (WID) through its lending, sectoral analysis, and research. The Bank has sought strategies for increasing the productivity of women and hence their contribution to development and their ability to benefit from development.

This paper reviews the situation of women in the Latin American and Caribbean (LAC) region and Bank projects that may affect women in LAC, and makes recommendations regarding additional sector and project work that could lead to further improvements in the role of women in development in the region. The paper is organized around two topics related to women's human capital formation -- (1) health and family planning and (2) education and training -- and two factors that affect the returns they receive on their human capital -- child care and credit.

Our key recommendations for project and sector work are the following:

Health and Family Planning

- Improve the coverage of screening for breast and cervical cancer and prenatal care and the quality of prenatal care, especially for poor women. All of these services have very high benefit/cost ratios.

- Promote family planning as a health intervention, rather than as a means of controlling population growth. This change in emphasis in some LAC countries has been shown to increase the acceptability of family planning to policy makers, health practitioners, and to potential contraceptors.

- Review the major health problems facing women, women's access to treatment, and the incentives facing providers and consumers in LAC countries. We found the Report on Reproductive Health prepared by Bank staff and consultants for Brazil to be very useful for identifying priorities. We recommend that similar reviews be prepared for other major countries in the region.

- Assess whether user fees for health care are likely to have different effects on health care utilization and on health status for girls and women compared with boys and men, and whether these effects vary by income level as well. Many governments are considering user fees to help recover the costs of health programs. It is important to know whether such programs might deter health care use more for women than for men.

- Evaluate the effectiveness of, and consider expanding, programs designed to reduce teenage pregnancy. An increasing proportion of the births in LAC countries are occurring to teenagers, many of them unplanned. A pregnancy
while a teenager can limit a woman’s opportunities to finish school and receive training.

. **Review the medical school curricula, content of midwife and pharmacist training, and local medical journals and newsletters to identify inadequacies and seek ways to improve the training and information given regarding family planning, obstetric and gynecological practices, and other aspects of women’s health.** It has been alleged that inadequate training of medical practitioners inhibits their ability to be most effective in improving women’s health, but there has been little rigorous investigation of this assertion.

**Education and Training**

. **Where boys and girls attend single-sex schools, investigate whether the content of the curriculum, the quality of teaching, or the availability of appropriate materials (e.g., books) differs for boys and for girls.**

. **Investigate in additional settings the question of whether effects of family characteristics or school characteristics differ for girls and boys.** Several studies that allowed for such gender differences do find that boys and girls appear to respond differently to schooling improvements or other policies designed to increase enrollments or to increase revenues for financing education.

. **Review the experiences of programs that provided scholarships or subsidized loans to girls or charge lower prices for girls to assess their applicability to LAC areas where girls’ educational attainment lags behind boys.**

. **Seek ways to encourage girls to study technical subjects likely to lead to good jobs in the growing sectors of the economy.** Women in the LAC region are under-represented in such types of training and in such jobs.

**Child Care**

. **Sponsor necessary research to develop a sector policy on child care.** Given the frequency with which child care was identified as an important unmet need in the Country Assessments (and presumably by the government and NGO officials interviewed for the assessments), it would be reasonable to expect a growing number of proposals for child-care components in Bank-financed projects in the future. It is important to understand the private "market" for child care and the trade-offs between coverage and quality of publicly provided or subsidized services in order to design child care programs that best meet their intended objectives.
Credit for Microenterprises

Review the operations and effectiveness of microenterprise-development and credit projects in the LAC region and in other countries to assess their applicability to (other) countries in the LAC region. There is some fear among Bank staff that efforts to support credit to microenterprises (particularly if targeted to women) would run counter to overall policies for the financial sectors in the LAC region such as ending interest rate subsidies and credit rationing and avoiding the creation of special institutions serving particular industries or groups of clients. However, there are an increasing number of examples, from LAC countries and other regions of the world, of cases where microenterprise lending would fit with a general effort to lower the barriers that impede the free flow of funds.

Design several small projects to test the large-scale replicability of existing arrangements, or the applicability to Latin America of programs implemented elsewhere.

General Recommendations

Encourage disaggregation by gender in the publication of statistics and in analyses of potential or actual effects of policy reforms.

Develop systems of surveillance to assess whether price changes or other policy reforms are affecting poor women differently from other parts of the population.

Facilitate the development and spread of expertise and experience among Bank staff who have worked on these issues elsewhere in the region and in other regions, through seminars, circulation of informal "What I learned" pieces, and cross-assignments on missions.
I. INTRODUCTION

Since 1987, the World Bank has intensified its efforts to enhance the role of women in development (WID) through its lending, sectoral analysis, and research. The Bank has sought strategies for increasing the productivity of women and hence their contribution to development and their ability to benefit from development.

Women’s productivity is affected by the amount of their human capital, by their access to complementary resources, and by a cultural, institutional, legal setting that enables them to use this human capital as productively as possible. Development projects and policy reforms contribute to these goals if they lead to increased investments in the formal education, vocational training, and health of women; improve women’s access to information, credit, and other complementary resources; or break down legal, cultural, or institutional barriers that inhibit women’s opportunities to invest in their human capital or to receive full returns on their human capital. In this paper, we emphasize projects and policies addressing the formation of human capital. We give less attention to other issues affecting the returns to human capital, such as determinants of labor force participation, discriminatory laws, and other labor market imperfections. Two other research projects in the LAC division are dealing with these issues in much more detail than was possible here.

This paper reviews the situation of women in the Latin American and Caribbean (LAC) region and Bank projects that may affect women in LAC, and makes recommendations regarding additional sector and project work that could lead to further enhancements in the role of women in development in the region. The paper is organized around two topics related to women’s human capital formation -- (1) health and family planning and (2) education and training -- and
two factors that affect the returns they receive on their human capital -- child care and credit. A recent progress report on the Bank's initiative in WID designated Population, Health, and Nutrition (PHN) and Education as two of the "key sectors" (the other was agriculture) within the Bank's structure for the promotion of WID. This emphasis is deserved, because health and education provide the most fundamental conditions of women's participation in development. Activities in specific sectors (industry, water supply, energy, for examples) also have great potential for affecting women's lives, and are discussed to some extent in what follows. But the effects are more specific to each sector, and their successes are conditional in many ways on progress in the basic factors affecting women's human capital formation. Child care is given special attention here because it is a relatively new field for the Bank's lending, but a service for which the demand is likely to grow in LAC countries. Credit is included, in part because it proved in our interviews and review of documents to be one of the more contentious areas of Bank operations affecting WID, and also because, like child care, it cuts across particular economic sectors as a common concern for women participating in the labor force.

For each topic we discuss the ways in which it relates to the well-being of women and corresponding equity and efficiency concerns. We then discuss examples of Bank loans and economic and sector work in the LAC region addressing these issues, and suggest priorities for additional sector and project work. We conclude the paper with some general recommendations regarding WID activities in the LAC region.
II. HEALTH AND FAMILY PLANNING

Introduction

Health and nutritional status are important aspects of people’s human capital and complement other human capital investments: Children and adults are better able to learn and are more productive when they are healthy and well nourished.

In this section we focus on health issues that are specific to women and do not say much about diseases and aspects of preventive or curative care that apply to men as well as women.

How Family Planning Affects the Health and Well-Being of Women

Throughout the world, women are not only the ones who bear children, but they have the major responsibility for raising them as well. While the number and timing of births should remain a matter of private choice, such decisions should be informed by considerations of the costs of raising children and by information that enables women to achieve the number of children they desire at the times they want to have them. Access to effective methods of contraception enables women to control the number and timing of their births. By providing information and materials, family planning programs can enable women to avoid unwanted and unplanned pregnancies.

An unplanned pregnancy early in the woman’s reproductive life can limit her opportunity to finish school or receive vocational training. Hence, family planning programs can
complement education and training programs. Unplanned pregnancies at any time may limit the woman’s ability to engage in other productive activities and cause limited household resources to be spread more thinly (cross a larger number of family members) than planned.

Family planning programs not only can reduce the incidence of unwanted births, they can also contribute to the health of women and children (see review in National Research Council, 1989, and in background papers by Zimicki, 1989, and Haaga, 1989). Each pregnancy exposes the woman to a risk of morbidity and mortality (e.g., infection, hemorrhage, toxemia, obstructed labor) that she does not face when she is not pregnant. Hence, a reduction in the number of times she becomes pregnant in her life will reduce her lifetime risk of dying from reproductive causes. Furthermore, certain pregnancies, e.g., to very young women, to women who already have many children or who very recently had a child, and to women with major health problems, carry higher risks than others. Family planning programs can inform women of these risks and can help them avoid high-risk pregnancies. Health programs can complement this by giving special attention to higher-risk women who do become pregnant to make sure that they receive early and adequate prenatal care. For all women, adequate prenatal care (including screening for anemia, hypertension, syphilis, diabetes), which can delivered at relatively low cost, can reduce the risk of subsequent maternal and child health problems, whose treatment can be quite costly.

Unsafe induced abortion is an important cause of reproductive morbidity and mortality. Family planning services have the potential to reduce abortion-related health problems by reducing unwanted pregnancies. Hence, family planning services are especially important from a health standpoint in countries in which safe abortion is not readily available because they
provide a medically sound way to reduce unwanted pregnancies that could otherwise lead to maternal death or injury from dangerous abortion procedures.

There are some potential health risks associated with using some modern methods of contraception -- for example, oral contraceptives increase the risk of a variety of cardiovascular problems, especially in older women and women who smoke -- but these can generally be minimized by informed screening for contraindications. In general, the health risks associated with the use of modern contraceptives are very small compared with the health benefits of reducing exposure to pregnancy and birth-related health problems. Moreover, some contraceptives have noncontraceptive health benefits; for example, barrier methods reduce the incidence of sexually transmitted diseases. (The health risks and benefits of contraceptive methods are reviewed by Lee, Peterson, and Chu, 1989, and summarized in National Research Council, 1989.) The contraceptive needs and risk-benefit profiles vary across women and change over their reproductive lives. Availability of a wide array of contraceptive methods will increase the likelihood that a couple will find a contraceptive method that meets their needs and will increase the probability that they will practice contraception. Several studies have suggested that availability of new methods of contraception leads to increases in overall contraceptive use (e.g., see studies in Bulatao, Palmore, and Ward, 1989).

Reproductive patterns not only affect a woman’s health, but can affect that of her children as well. A number of recent studies have found a strong association between the interval between two births and the health of those children. Although the mechanisms underlying this relationship are not well understood, it is very likely that there is a direct causal relationship (Haaga, 1989). Infants born after a short interval are at higher risk of low birth weight (see
Ferraz et al., 1988, using data from Brazil), stunted growth in childhood (Sommerfelt et al., 1989), and both neonatal and post neonatal mortality (Hobcraft et al., 1983).

Public family planning programs have been shown to be effective in encouraging less advantaged women to practice contraception. For example, although educated women continue to have the highest rates of contraceptive use, family planning programs have narrowed socioeconomic differentials in contraceptive use (e.g., DaVanzo, Tan, and Ramli, 1989; Freedman et al., 1981).

**Other Aspects of Reproductive Health**

Women’s reproductive health care needs encompass services beyond those associated with pregnancy and child health. In addition to the family planning and prenatal care services discussed above, they include delivery care, screening for cervical and breast cancer and for sexually transmitted diseases, and treatment for infertility.

Cervical and breast cancer are major causes of death among women and can be detected with relatively low-cost tests. Early detection can avoid high treatment costs; depending on the incidence of cancer and the accuracy of the testing service, these screening tests can have extremely high ratios of benefit to costs (and of effectiveness to risk).

In cases of serious pregnancy and delivery complications, birth by Caesarean section can reduce the risk of maternal or perinatal death. However, such deliveries can increase the risk of maternal and child health problems and greatly increase recovery time and costs of health care in uncomplicated cases. The proportion of births by Caesarean section has increased in many
countries in Europe and North and South America in recent years (Notzon, 1990). It is often suggested that many of these Caesarean deliveries are "unnecessary" -- with improvements in techniques, this is true even of a large number of repeat Caesareans -- and that the increase is due to uniformed preferences, or to the greater financial reward or reduced malpractice risk to the medical profession, rather than to an increase in high-risk cases.

Sexually transmitted diseases can have grave health consequences for women and their children, and may result in spontaneous abortion, stillbirth, perinatal death, ectopic pregnancy, infertility, or maternal death.

The Situation in the Latin American and Caribbean Region

Despite the lack of support from the Catholic Church, many LAC countries give considerable government support to family planning programs. By the 1980s, the proportion of married couples using contraception was almost as high in Latin America (above 50-60% in a number of LAC countries) as in the United States (just below 70%), though there is considerable variation within the region. The 1990 World Development Report (WDR) shows contraceptive prevalence rates ranging from 5% in Haiti and 23% in Guatemala to 66% in Brazil and 69% in Costa Rica.

Since 1960, many of the larger countries in the region (Brazil, Colombia, Venezuela, and Mexico) have experienced fertility declines more rapid than those experienced by Western European nations at a comparable stage of their demographic transition (Palloni, 1990).
According to the 1990 World Development Report, the total fertility rate*\(^2\) in the LAC region is 3.6, below that of all other developing regions except East Asia. However, this average masks considerable diversity within the LAC region: The TFR ranges from 2.4 in Uruguay to 6.0 in Bolivia.

Maternal mortality rates are lower in LAC than in other regions in the developing world, but are still considerably higher than in the developed countries. For example, a woman's lifetime risk of dying from pregnancy-related causes is around 0.2-2.0% in LAC, compared with over 4% in sub-Saharan Africa, but less than 0.01% in industrialized countries (National Research Council, 1989).

But even in countries well on the way to a demographic regime of low fertility rates, there are grounds for concern about the effects of childbearing patterns on the health and well-being of women and children. As noted above, births to adolescents can limit those women's life options and can pose health risks to the mother and the child. Children born soon after a previous birth to their mother also face higher health risks. In the LAC region the age at marriage and first birth has changed relatively little over the past several decades. When combined with the sharp reductions in childbearing that are occurring at older ages (over age 35), the result is that the proportion of all births to women under the age of 20 has increased in most LAC countries and is higher than in other regions of the developing world. For example, 20-25% of all births in Barbados, Costa Rica, and Panama in the 1970s occurred to women under the age of 20 (National Research Council, 1989, Table 6.3). A large portion of

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*The total fertility rate is the number of children a hypothetical woman would bear over her lifetime if she were to experience current age-specific fertility rates.
women in LAC countries engage in premarital sexual intercourse as teenagers, and many of these are not protected by contraception, greatly increasing their chances of an unintended pregnancy (Morris, 1988). In response, some family planning programs in LAC countries have begun implementing special programs in urban areas aimed at teenagers. Several Bank projects, e.g., the Population and Health Project in Jamaica (Loan. No. 2851-JM), address the problem of teenage pregnancy. Some of these projects help teenage girls return to school or receive training after having a child.

Both infants born to very young mothers and those born in quick succession are at risk of being unwanted. Understandably, there is little hard evidence for such an assertion, but interviews with women getting abortions in Mexico, for example, show that many of those seeking abortions (often in dangerous circumstances) give "too young" as a reason (Pick de Weiss and David, 1990). In many Latin American countries the contraceptive method mix indicates that contraceptives are being used more for the limitation of completed family size than for the spacing of births. In a number of LAC countries (e.g., Dominican Republic, Panama, Puerto Rico, Brazil, and Trinidad and Tobago), female sterilization is the most common method of contraception (Mauldin and Segal, 1988). The pill is the main non-permanent method used in most LAC countries. In some countries, the range of methods available is quite limited. For example, over 80% of all Brazilian contraceptors use either sterilization or the pill; this limited range of choices has been attributed, in part, to government restrictions, import duties, and lack of information (to both women and health practitioners) about alternatives. As noted above, several studies have suggested that availability of a wider array of contraceptive methods is associated with increases in the proportion of couples that practice contraception. Furthermore,
in Brazil, many women are using oral contraceptives without prescription and with no apparent screening for contraindications that seriously increase their risk of health problems. For example, 40% of Brazilian women who use the pill smoke cigarettes. This may be one reason for the high death rate from stroke among Brazilian women of reproductive age.

Although they have been shown to be cost-effective means of reducing the risk of subsequent health problems, relatively few women in developing countries receive adequate prenatal care or are screened for cervical or breast cancer. For example, only one half of Brazilian women in rural areas or with no education received any prenatal care and many of those who did receive care did not have many of the standard tests that help detect pregnancy complications. Only 2% of Brazilian women are estimated to have been screened for cervical cancer by the public health system. On the other hand, Brazil has the highest rate of delivery by Caesarean section among all the countries for which there are comparable data (Notzon, 1990). This has been attributed to financial incentives for patients and doctors, the fact that having a number of Caesareans is one way to qualify for sterilization in Brazil (which is otherwise difficult to obtain), and to a lack of adequate information (on the part of women and doctors alike) about the pros and cons of Caesarean vs. vaginal delivery. Caesarean deliveries are much more expensive than vaginal deliveries and account for millions of dollars of additional financial costs that are not by the public sector.
Issues to be Considered in Developing Projects to Improve Women’s Health in the LAC Region

Safe Motherhood. For the most part, the tasks facing family planning programs in LAC countries have less to do with establishing services de novo, or with getting the idea of contraception known and accepted, and more to do with reaching young women and women at risk of rapid pregnancies, with reversible methods, and promoting contraceptive methods that are compatible with breastfeeding. Family planning as a health measure has always been more acceptable to Latin American governments than has the goal of controlling population growth. The family planning program of the Mexican Social Security Institute (IMSS) has found that promoting family planning as a health intervention, and informing women and health practitioners about its health benefits, has made family planning more acceptable both to women and to health practitioners (Gribble and Rabago, 1989). The emphasis in the Brazil sector report on "Women’s Reproductive Health" (BR-8215), in which family planning takes its place as one of a number of measures that could improve women’s health, is especially appropriate for this region. This linkage of family planning with other aspects of maternal and child health care is being promoted by the World Bank, other international agencies, and governments as a Safe Motherhood initiative.

Reproductive health is rife with potential conflict between the Bank’s assigned role as promoter of development and the role, with which neither the Bank staff nor member governments would be comfortable, of promoter of particular values. Powerful religious and cultural values lie behind the proscriptions of abortion; every Latin American country except
Cuba has laws limiting access to abortion, for example, to cases of rape, incest, or threat to the pregnant woman's health (David and Pick de Weiss, 1990), and, in practice, it is often difficult to obtain a legal abortion even under these circumstances. Yet complications resulting from abortions, often performed illegally by unlicensed practitioners, are one of the leading causes of morbidity and mortality of women of reproductive age and consume a large share of public health resources; for example, abortion complications are estimated to account for 2% of all hospital admissions in Brazil (Brazil, Women's Reproductive Health Report). To discuss health policy without considering how this burden could be reduced would be "Hamlet without the Prince."

Documentation for the "Second Northeast Basic Health Services Project" in Brazil provides an illustration of how specific concerns with women's health are dealt with in the context of changes in overall health services. This project supports activities of PAISM (the Integral Program for Women's Health), whose goals include: (1) increasing coverage and quality of prenatal care; (2) reducing the number of unnecessary Caesarean deliveries; (3) increasing breastfeeding; (4) screening for breast and cervical cancer; (5) reducing the number of induced abortions; (6) promoting family planning; and (7) diagnosing and treating infertility.

Some of the long-term issues with which policy dialogue as well as project lending for the health sector in Brazil have dealt include a shift in emphasis from high-level care to preventive and basic curative services; attempts to resolve the crisis of rising costs for curative medicine; and administrative decentralization (and unification at a state level) of the separate services of the Ministry of Health and the Social Security Institute. As the Staff Appraisal report (7159-BR) documents, the Basic Health Services Project is designed to upgrade services in a
region where indicators of women's access to basic services (such as the proportion of women receiving prenatal care and the proportion who have recently had a Pap smear) are lower than elsewhere in Brazil. The project is designed to produce facilities, including upgraded obstetric and delivery facilities, and to develop the institutions needed to implement the government's package of basic health services, one of the three components of which is a Program of Comprehensive Care for Women and Children. The design of the project addresses concerns (lack of facilities, inequitable resource allocation within the health sector, inefficiencies in service delivery) that are the supply-side manifestations of the problems discussed from the point of view of consumers in the Brazil Reproductive Health paper.3

The Bank's support, along with other international and aid agencies, for the "Safe Motherhood Initiative" (Herz and Measham, 1987) is an important step that should be integrated into both projects and research agendas for the health sector throughout the region. Preparing reviews for other major countries in the region of the major health problems facing women, women's access to treatment, and the incentives facing providers and consumers -- comparable to the Report on Reproductive Health prepared by Bank staff and consultants for Brazil--would be a useful step toward identifying priorities.

Other Aspects of Women's Health. In the discussion above we have restricted our attention to health issues that are specific to women and do not deal with diseases and aspects of

3/The shared perspectives are not surprising, if only because there was some overlap among the team that reviewed reproductive health and the appraisal and post-appraisal missions. This shows, in our view, the advantages of avoiding too much staff specialization and compartmentalization of WID issues.
preventive or curative care or nutrition that apply to men as well as women. Clearly these are also very important and an assessment should be made of their differential incidence and effects for women compared with men. The issues to be investigated should include:

- For a particular condition, are women as likely to seek care as men, and, if not, why not?
- Is women’s demand for health care more sensitive to income and prices than that of men?
- Are women less likely to have health insurance than men (say, because they are less likely to be formal sector employees or because dependents are not covered)?

Health sector financing is being examined in many of the LAC countries, since health care costs have increased more rapidly than GNP. Current systems mix in varying degrees (1) direct provision of services, with no fee or heavily subsidized fees, by public agencies, (2) separate private services, and (3) social-security based systems that either provide services directly or reimburse private care for eligible individuals. Rationing under these schemes is typically complicated, and few incentives for efficiency are built in. Indeed, there are often perverse incentives facing doctors and other decision-makers within the systems (as the example of reimbursement for Caesarean sections in Brazil suggests). Reform proposals involve charging fees at the point of service (if need be on sliding scales) and decentralizing decision-making and
instituting separate cost centers at facility level. (See Financing Health Services in Developing Countries: An Agenda for Reform, 1987, for discussion.)

Insofar as these reforms make services sustainable, improve quality, and make rationing more efficient, both women and men are likely to benefit. But these reforms can conflict with other policy goals. Raising prices can lead to a decrease in the utilization of health services, and there is no guarantee that the services of which consumption is cut will be the services at the margin of effectiveness. Financing reforms may conflict with other goals, such as inducing people to use more (ultimately cost-saving) preventive services. Women are the consumers of some of the most effective preventive services, either for themselves (prenatal care, cancer screening) or as the chief caretakers of their children (e.g., immunizations). The possibility that parents are less willing to invest in curative care for girls than for boys exhibiting the same symptoms has been investigated in South Asia, where this is a plausible explanation for biologically anomalous sex differentials in mortality. The subject has been less well studied in Latin America, where sex differentials in mortality are consistent with biological expectations. But it would be worth investigating with analyses of LSMS and related data, and monitoring in places where fees have been raised, not only whether price changes would affect the total demand for children's health care but also whether adults' willingness to pay for curative care differs between male and female children.
Recommendations for Next Steps

Of the issues discussed above, we feel that several are of high priority and we recommend that they be addressed in the near future:

. We found the Report on Reproductive Health prepared by Bank staff and consultants for Brazil to be very useful for identifying priorities. We recommend that similar reviews -- of the major health problems facing women, women's access to treatment, and the incentives facing providers and consumers -- be prepared for other major countries in the region.

. Prenatal care, screening for breast and cervical cancer, and family planning are programs that have high benefit-cost ratios. Efforts should be made to expand the coverage of these programs (and improve their quality), especially to poor women, as part of the Safe Motherhood initiative.

. Many Third World governments are considering user fees to help recover the costs of health programs. Studies of the likely effects of user fees on health care utilization and on health should consider the differential effects on girls and women compared with boys and men, and should consider how effects vary by income level as well.

. Inadequate training of medical practitioners may limit their ability to be most effective in improving women's health. It would be useful to review the medical school curricula, content of midwife and pharmacist training, and local medical
journals and newsletters, to identify inadequacies and to seek ways to improve the training and information given regarding family planning, obstetric and gynecological practices, and other aspects of women's health.
III. EDUCATION AND TRAINING

Returns to Investments in Schooling and Training

Education and training are important human capital investments. The returns to these investments can take the form of increased productivity in labor market activities and in non-market activities as well. A number of studies have documented high rates of return in terms of market earnings to investments in education (e.g., Psacharopoulos, 1985). Despite all the measurement difficulties, there seems to be good evidence for the improved efficiency of educated women as nonmarket producers of such highly valued goods as children's health. For example, in comparable studies across a wide range of mortality conditions, mothers' education was the variable most strongly associated with child survival (Preston, 1985). Increases in female education have also been shown to be strongly related to delays in marriage; reductions in adolescent pregnancy, unwanted pregnancies, and in fertility overall; and to lead to higher educational attainment (and less juvenile delinquency) in the next generation, especially for daughters. Hence, better education of women can lead to slower population growth and better health and nutrition in the next generation, and hence may have important social externalities. Nonmarket benefits of education appear to be considerably greater for women than for men. Failure to consider these nonmarket returns will lead to underestimates of the rates of return to educating girls relative to boys. Even apart from the consumption value to the woman herself of her education, the full social return to the investment should include the increases in economic welfare (whether or not mediated through particular markets) that it makes possible. The choice
of how and when to realize that increase is one that usually must be left to the persons most directly concerned.

As women's education increases, and with economic development generally, there is typically a shift of women from nonmarket or informal activities to formal labor market activities. This shift may increase women's roles in allocating household resources (in ways that typically benefit children) but the improvement in family (including the woman's) welfare may be overstated if appropriate account is not taken of the nonmarket contributions as well. It is often noted that a large portion of the work women do now, either nonmarket "household production" or as unpaid workers in a family enterprise, is nearly invisible to official data collection (see for example, Dixon, 1982). One of the classic illustrations for the study of national income accounting concerns the lowering of recorded GNP, though not economic welfare, that would occur if a man married his formerly paid housekeeper. But this distinction between measured GNP and the family's economic welfare is ignored when women's participation in the formal sectors of the economy is held out as a goal in itself, often without explicit consideration.

**The Situation in Latin America**

School enrollment rates, for boys and girls alike, are higher on average in LAC countries than in other regions in the developing world. For example, on average, over 50% of girls of secondary school age are in school in the LAC region, compared with 12% in sub-Saharan Africa, 24% in East Asia, and 40% in East Asia. Nonetheless, there is substantial variation among countries within the LAC region: the percentages of girls in secondary school range
from 16% in Haiti and 35% in Bolivia to 71% in Chile and 85% in Trinidad and Tobago (WDR, 1990). In general, there is a close relationship between a country's economic development and its levels of literacy and educational attainment. Countries that experienced rapid and uneven development (e.g., Mexico, Colombia, Peru, Ecuador, and Venezuela) often show substantial accomplishments at higher levels of education, but still suffer relatively high illiteracy among the younger population (Bustillo, forthcoming). Furthermore, the countries in the LAC region do not exhibit the gross disparities between boys' and girls' enrollment that characterize developing countries in other parts of the world. For example, only in Peru, Bolivia, Paraguay, Guatemala, Panama, and Haiti do boys' primary enrollment rates exceed girls' by five percentage points or more (WDR, 1989). The primary school "gender gap" in an LAC country never exceeds 15 percentage points; by comparison, gaps of 25 percentage points or greater are typical in Africa and South Asia. On average, girls in LAC countries are more likely to be in secondary school than boys; this is the only region of the developing world where this is the case.\footnote{Gender differences were somewhat greater in the past. For example, the average adult illiteracy rate in LAC for females (19%) is slightly higher than that for males (17%), but these levels and differentials are much smaller than in other parts of the developing world. Again, within the LAC region, the largest gender differentials are seen in Bolivia and Peru (WDR, 1990).}

A number of studies of LAC countries have attributed the higher enrollment rates of girls to the fact that opportunity costs tend to be higher for boys than for girls (e.g., Psacharopoulos and Arriagada, 1989; Wolfe and Pearman, 1984). According to the 1990 WDR, of the LAC countries, only Bolivia and Peru have higher rates of secondary school attendance for males than for females, and these differences are not large. Similar patterns characterize tertiary enrollment. Of the countries for which data are available, only Chile, Ecuador, and Mexico have tertiary enrollment rates for females that fall below those for the total population
by more than 2 percentage points. The largest difference is in Ecuador -- 7 percentage points (Bustillo, 1990). Education has generally been a high priority in the LAC region and public expenditures on education have risen as a share of GNP in many countries. In addition, relative to other parts of the developing world, a higher proportion of the population in LAC countries lives in urban areas, where school accessibility and quality tend to be higher than in rural areas. All of these factors probably contribute to the higher levels of education of the population in general and of women relative to men in LAC compared with other regions of the world. Bustillo (forthcoming) notes that other Third World regions have also undergone rapid educational expansion, urbanization, and growth in female labor force participation in the past 25 years, yet have gender gaps substantially greater than are found in Latin America. She suggests that the greater equality in the LAC region may be due in part by the relatively egalitarian attitude of many of the region's indigenous Indian cultures.

However, despite similar enrollments rates for boys and girls in aggregate data, "gender gaps" are often seen in rural areas of countries in the region when data are disaggregated. For example, Gertler and Glewwe (1990) find that, in rural Peru, parents were less willing to incur costs to send girls than boys to secondary schools, even though they did appear willing to pay even for girls amounts that would be sufficient to sustain the service in rural areas. Gertler and Glewwe find demand for schooling of girls to be more sensitive to price increases than for boys. Studies of Mexico (Bowman and Goldblatt, 1984, cited by Bustillo, forthcoming) and Peru (King and Bellew, 1988) have found family income to have greater effects on school attainment for girls than for boys.
The lower enrollment rates for girls in some segments of some populations may be a rational response to lower expected rates of return on investments in girls' education, either due to higher costs of attending school (e.g., opportunity cost of foregone housework and caring for siblings) or lower gross returns to investments in education. Reviewing studies of LSMS data, Gertler and Glewwe found that there turns to secondary education for girls in rural Peru were small, or even negative, in agriculture, as well as in nonagricultural employment, including self-employment. However, there is no consistency in the existence or direction of gender differentials in rates of return to education in LAC countries. (See the appendix in King, 1990b, for a review.)

In the LAC region, in general, concerns about both the secondary and tertiary education systems center less on issues of gender differentials in enrollment, and more on issues of the content of curricula and the quality of teaching. Girls, for example, may be held back from achievement in technical subjects that provide entree to many high-paying occupations, in part because of the poor quality of the instruction they receive and lack of encouragement.

In most developing countries, women are severely under-represented in vocational and technical education programs. However, this is not the case in general in Latin America; LAC is the only region in the developing world where women make up one half or more of the total vocational and educational enrollment (UNESCO, 1983). However, women in LAC are less likely to receive the types of vocational training that lead to high-paying jobs in the growing sectors of the economy. In Costa Rica, for example, virtually all those receiving training in agriculture were men, and all those receiving training in home economics were women (Costa Rica Country Assessment). Several state-financed technical schools in the Dominican Republic
restrict their admissions to men (White et al., 1986). World-Bank-financed projects in Paraguay (mentioned by Abadzi et al., 1990) excluded women from technical training because of a lack of dormitory space and later to avoid housing women near men for reasons of propriety.

Throughout the region, as in the rest of the world, agricultural extension efforts have tended to neglect women (White et al., 1986). Several projects have tried to increase women's roles and training in agricultural activities. A USAID-financed project in Peru has explicitly tried to involve women farmers in setting agricultural research agendas (Jiggins, 1986). A Bank-financed project in Minas Gerais, Brazil, is trying to equip women for jobs processing charcoal and in forestry, while a project in Maranhao state has provided courses that train women and men alike in fish processing and marketing (Hooper, 1988). Programs that increase availability of credit to microenterprises sometimes also include some management training (e.g., NGO programs in Colombia).

**Issues to Consider in Developing Education and Training Projects to Help Women in the LAC Region**

**Understanding Reasons for Gender Gaps and Designing Policies to Close Them.** In LAC and in other parts of the world, most projects to increase school enrollments and education levels have tended to be general rather than gender-specific. And, indeed, many of the studies that investigate influences on school enrollment and continuation or on vocational education and training in LAC countries (and in other regions of the world) do not analyze whether parental and school characteristics affect boys and girls differently. However, there are some notable
exceptions to this generalization, e.g., Bowman and Goldblatt (1984, cited by Bustillo, forthcoming) for Mexico, Irwin et al. (1978) for Guatemala, Schiefelbein and Farrell (1980) for Chile, and King and Bellew (1988) and Gertler and Glewwe (1990) for Peru. Studies that do allow effects to differ between boys and girls generally find both price and income elasticities to be greater for girls than for boys.

The findings of greater price and income elasticities for girls than for boys have important policy implications. They imply that policies that increase families’ incomes, especially those of poor families, and economic growth generally will tend to narrow gender gaps in education. Similarly, price subsidies (e.g., scholarships, subsidized student loans) or lower school fees for both sexes will also reduce gender differentials, because they will increase the enrollment of girls more than of boys. However, alternatively, policies that increase the price of schooling will reduce enrollments more for girls than for boys. Gertler and Glewwe (1990) suggest the policy option of lower school fees for girls relative to boys, noting that this type of price discrimination will allow for more flexibility in raising revenues to expand educational opportunities, while maintaining educational opportunities for girls. Such policies have recently been adopted in parts of Bangladesh and Nigeria. Those experiences should be reviewed to assess their relevance to the countries in the Latin American and Caribbean region.

Policies designed to close gender gaps in education are likely to be most efficient if they target girls from low-income families; they are the ones who are least likely to be in school and are the ones for whom the social benefits of the investments are likely to be greatest. There is an example from rural Guatemala, modeled after a successful project first instituted in Bangladesh, where monthly scholarships are given to girls who did not become pregnant and
attended class at least 75% of the time. This project was very successful in retaining girls in school; over 90% of girls receiving scholarships completed the school year. The Bank is proposing to extend the program to other communities as part of its Social Investment Fund in Guatemala. The effectiveness of such policies may be increased even further if they encourage women to study technical subjects likely to lead to good jobs in growing sectors of the economy.

Some studies have found that parents are more willing to send a son than a daughter to a distant school (e.g., Glewe and Gertler for Peru). If this is true more generally in the LAC region, an implication is that increased availability of small-scale, community schools may help close gender gaps in enrollment, by raising girls' enrollment more than boys'.

High opportunity costs are another reason often given for why school enrollment rates and educational achievement are not higher in developing countries. Day care programs can reduce the child care responsibilities that older sisters have for young siblings, enabling them to continue their schooling. In Colombia, a community day-care program, Hogares de Bienestar Infantil, has freed many older girls to attend school. As noted in the following section, these facilities can, themselves, have a child development component, and hence can have educational benefits for both younger and older children in the family. Over time, the need to care for younger siblings should be less of an issue in much of the LAC region, as lower fertility rates reduce the number of children in the family. Similarly, to the extent that girls, disproportionately, are held back from school to participate in other household activities (e.g., cooking, fetching water), technological advances and market services that reduce the demands for their time in such activities will reduce the opportunity costs of their attending school. Also, school programs that accommodate children's work schedules can increase school retention rates.
The Escuelas Nuevas in Colombia (described by Bellew and King, forthcoming) provide programmed instruction and self instruction and are less teacher dependent and more tolerant of absences. However, such programs may be most successful where parents are literate, and thus their effectiveness in some of the poorest areas of the regions needs to be investigated.

Increased inputs into education, e.g., textbooks, instructional materials, teachers’ training, have been shown in studies in LAC countries to have positive effects on children’s achievement, and to generally have greater effects in rural areas than in urban. However, few of these studies have assessed whether the effects differ for boys and girls. King and Bellew’s (1988) results for Peru suggest that textbooks may raise educational attainment more for girls than for boys. Several studies in the LAC region (e.g., Braslavsky, 1984) have suggested that textbooks transmit gender stereotypes that devalue the roles and status of women. However, there has been little research for the LAC region to assess the impact of those stereotypes on gender differences in educational achievement and attainment.

Adult Education and Vocational Training: Tertiary Education. In the LAC region, gender gaps in education are generally smaller now than they were in the past. Adult education programs can mitigate the effects of gaps in the past. For people who speak only indigenous languages, programs need to be conducted in those languages, rather than in Spanish (or Portuguese in Brazil).

Vocational training can also compensate for past inequities in education, but these programs should train people for existing labor market demand, and not just for the sake of training. A UNESCO project in Chile (described by Bellew and King, forthcoming) found that
a formal collaboration between schools and potential employers enabled practical training in industry and improved recruitment prospects for girls.

In recent years the Bank has reduced its number of vocational training projects because of a perception that these projects have tended to be economically inefficient. However, such assessments have tended to focus on lengthy and expensive training for specialties almost exclusively dominated by men (Abadzi et al., forthcoming). This conclusion may not hold for shorter, less expensive programs, many of which are privately sponsored. Analysis of the Peru Living Standards Survey showed a significant increase in wages in formal-sector work for women and men who had received technical education, with a higher effect for women (Khandker, forthcoming).

In addition, ways should be sought to extend farm extension activities to women in agriculture, perhaps by including more (qualified) women as extension agents and certainly by making male agents more sensitive to the desirability of reaching female farmers and to their special needs. An agricultural project being developed for Jamaica is considering some of these aspects. Furthermore, the timing and location of training, agricultural or otherwise, needs to be convenient for women and efforts should be made to accommodate their child care needs. Careful thought should be given to the issue of whether the program should be addressed to women only. It is important that men perceive the benefits of female education and training, but not feel that they are being discriminated against, so that they will support it for their wives and daughters.

As several of the Country Assessment papers noted, even though Latin American women are often well represented in tertiary education, they are typically under-represented in the best
paid professions. Women in tertiary education are concentrated in non-technical subjects, or in technical subjects that lead to jobs with relatively low pay. The Brazil Country Assessment identifies the possibility that deficiencies in mathematics and science education at the secondary level are responsible. These issues are worth exploring, but, in our view, reforms of tertiary-level education should take a lower priority in LAC operations than ensuring nondiscrimination in secondary education and technical training. This is because the latter are more directly relevant to the Bank’s poverty alleviation goals, and most likely to economic growth goals as well. Public spending on tertiary education in Latin America still largely benefits the upper classes (Winkler, 1990), and unemployment of recent graduates suggests that, at the margin, it is providing a sorting function as well as increasing the stock of human capital. Khandker (forthcoming) found private rates of return to schooling in Peru to be lower for post secondary than for secondary education (both for men and for women), except in rural areas where workers with higher education are rare.

From a practical standpoint, the leverage that the Bank, or even member governments, have to affect the proportions of women in different faculties is not clear. The Bank clearly does have a role in ensuring that the technical education programs it supports provide equal opportunities for women to develop skills in demand.

**Evaluating the Effects of Education and Training Projects.** Evaluations of education and training projects should consider not only formal market effects, but also effects on productivity in nonmarket and informal sector activities. As noted above, the distinction between measured GNP and the family’s economic welfare is ignored when women’s participation in the formal
sectors of the economy is held out as a goal in itself. However, this view is reflected in some Bank work. To take one example, the Country Assessment for Costa Rica reveals the authors' clear preference for market sector work: "Although attitudes are improving, many women are not expected to work for remuneration unless absolutely necessary" (p. 13.).\footnote{The evidence offered on the latter point for Costa Rica is that labor force participation rates are lower for married than for unmarried women, and that rates increased during years of recession for the national economy.} Attitudes were considered by the authors of the Assessment to be probably "the major factor accounting for low female labor market participation." But setting the policy problem out as how to increase formal sector labor force participation, with the major obstacle as attitudes, may be a strategic error for the selection of lending strategies and also for the external and internal "marketing" of women's issues. It would be more useful to present the goal as increasing women's (and indirectly, other family members') welfare, through increased returns to whatever kind of work they perform. This might seem like a quibble: empirically, when women have higher skills and more opportunities, more of them do in fact work in the higher-paid sectors and occupations -- the ones counted in the national income statistics. But the distinction is worth maintaining. For one thing, the Bank has no comparative advantage, tradition, or clear mandate in the task of changing attitudes. It is not clear what member governments can do either; attitudes do change, occasionally quite rapidly, but not usually at the birthing of rulers. Careful investigation typically reveals that labor supply decisions in developing countries are being made for rational reasons; the more that is known of both the constraints and opportunities facing people, the more explicable their actions become.

There is a danger in measuring returns to women's education solely by their formal-sector earnings: if educated or trained women subsequently earn less for whatever
reasons, their education and training appear to represent wasted investments. Assuming that women must realize the returns to their work in nonmonetary form, however, is every bit as distorting and restrictive as assuming that they must realize it in monetary form. To emphasize nonmarket production exclusively runs the risk of assuming that the education and training women need are encompassed by traditional "home economics." Even if one discounts nonmarket production, though, it is useful to avoid a restrictive emphasis on returns to formal-sector work, since for many women the informal sectors represent the best opportunities. In this regard, it is important to have time use data on what work women (especially poor women) actually do, and look for ways to increase either their productivity in those activities, their value in other explicit or implicit labor markets, or their control over complementary factors (land or capital).

**Recommendations for Next Steps**

The question of whether effects of family characteristics or school characteristics differ for girls and boys is one where it is probably not even necessary to collect new data. Reanalyses of existing data, adding *gender interactions* rather than merely a single gender intercept shift, should provide useful information about whether boys and girls respond differently to schooling improvements or other policies designed to increase enrollments or to increase revenues for financing education.
Where boys and girls attend single-sex schools, there is a need to investigate whether the content of the curriculum, the quality of teaching, and the availability of appropriate materials (e.g., books) differs for boys and for girls.

There is accumulating experience in pilot projects in some LAC countries and in other regions with programs that provide scholarships or subsidized loans to girls or charge lower prices for girls. These experiences should be reviewed to assess their applicability to other LAC areas where girls' educational attainment lags behind boys.
IV. CHILD CARE

Rationales for Public Subsidy of Child Care

The arguments for public subsidy of child care are several. First, subsidized child care may make possible greater participation of mothers of young children in the labor force. It may also make possible longer and more regular schooling for older siblings, particularly girls, on whom much of the burden of care for younger children now falls. An additional benefit of many child care schemes is the creation of employment for those who provide the care. These effects serve efficiency goals insofar as child care is a necessary complement for making it possible to realize women’s economic potential, for their own benefit and that of society at large. Equity concerns are served insofar as child care is received by poor families, valued by them, and thus can be considered an in-kind transfer.

Unlike other subsidized inputs, such as credit, subsidized child care need not favor one form of activity or business organization over another, nor formal sector work over informal sector work. It provides an indirect subsidy for the utilization of labor rather than capital, particularly the labor of women who are heads of households, who are disproportionately represented among the poor. Programs like the Colombia Child Care project, discussed below, could increase demand for skills that poor women can supply.

These are only abstract propositions, however; particular plans for implementing such subsidies can introduce various inefficiencies and inequities. On a general level, the tests that should be applied to schemes for subsidized child care are like those that should be applied to
any human-capital-enhancing or in-kind transfer schemes: Do they achieve their goals, and do they do it more efficiently than alternatives?

In-kind transfers are very common in both rich and poor countries, for political economic reasons that concern control as much as efficiency. If the problem is that young mothers are unable to afford decent child care on their current incomes, they probably also cannot afford a lot of necessities; it may be more efficient to do something about their earning power or supplement their incomes and let them arrange child care for themselves. They are likely to be the best judges of quality in a localized and personalized service market, after all. Direct provision or subsidy of one of the many services young working mothers require may in some circumstances be all that is feasible, but it is still a palliative, perhaps an inefficient one, for more basic problems of low incomes.

A quite separate argument for public provision or subsidy of child care is an extension to younger ages of arguments for public education and health promotion. In the absence of organized, subsidized care, young children of working mothers may be cared for by their older siblings, by neighbors or other relatives, or left to their own devices. Inadequate care could be detrimental to the child’s development and subsequent ability to take advantage of public schooling, as well as to the educational attainment of the older sibling. Organized child care has provided a natural institutional medium for services such as pre-school development of cognitive skills and nutritional improvement. In this light, child care provision is not directly a women’s issue; it is a children’s issue.
Bank Projects with Child Care Components

Measures that effectively subsidize the provision of child care form part of three current Bank projects in the region: the Colombia Community Child Care and Nutrition project, and to a lesser extent, two urban development projects in Brazil.

The Colombia project is the most extensive and best illustrates the issues that any future child care projects will have to face. One of the purposes of this project is to promote a lower-cost, community-based alternative to an existing government program of child care centers that had benefitted primarily non-poor families. The subsidy to provision of child care comes in part indirectly, through subsidy to home improvements for women who plan to offer child care services. As is often the case, provision of child care is associated with a child nutrition project, in this case, distribution of a formulated product called Bienestarina.

The programs of the Colombian Institute for Family Welfare (ICBF) exemplify the trade off between investment in high-quality, but expensive, child development programs, many of whose beneficiaries belong to the middle class, and expansion of lower-cost facilities better targeted to the urban poor. (See staff appraisal report for Community Child Care and Nutrition Project, 8028-CO, and the "Social Programs ..." report, ch. 4.) The Colombian government proposed to seek ways to privatize, or introduce realistic sliding-scale fees for, the more expensive types of child care centers (which had existed since the early 1970s). The Bank loan would finance expansion of child development and nutrition programs in low-income neighborhoods, and would provide loans for refurbishing child care providers' homes. This is a good example of the kind of policy change the Bank and other development institutions need
to be able to support during periods of debt-enforced retrenchment of public expenditures: expanding services to the poor by searching for low-cost designs and cutting subsidies to the non-poor. If the Colombian ICBF is successful in expanding the child care program while reaching the cost and targeting goals, it would be important to look for ways to replicate this design in other settings. In Ecuador, a Program for Preschool Care modelled on the Colombia project is being considered as part of a larger loan for social sector reconstruction.

**Issues to Consider in Developing Child Care Projects in the LAC Region**

In many of the countries of the LAC region, there have been increases in the labor force participation of women as well as variants of the "feminization of poverty". Projects aimed at improving the lot of the urban poor in particular will face the issue of what to do to meet the child care needs of intended beneficiaries.

There are some crucial unknowns that have to be resolved for proposed child care projects: What arrangements are people making now, and what is the evidence that the proposed alternatives actually will free more women to work and will lead to improved cognitive abilities, better health, better socialization, and the like for their children?

The research results showing good long-term outcomes for children who went through Head Start in the United States compared to their peers pertain to "top-of-the-line" programs, with low staff-to-child ratios and dedicated and well trained staff. Most child care programs in the United States, and in all likelihood most programs that could be organized on a large-scale, routine basis in developing countries, are unlikely to meet these high standards. On the other
hand, research results from the United States may not be simply transportable to developing countries. For example, the "supply side" issues in early childhood education may be entirely different; in the Latin America and Caribbean region it may be easier to recruit and keep good staff at or near the minimum wage, a task which has bedeviled efforts to organize low-cost child development programs in rich countries. There may be critical minimum effort (in terms of staff and other resources per child, or hours per week spent in the program by each child, or the duration of participation) required for child care programs to have any discernible effect on child development. If so, this would be an argument for small-scale, resource-intensive programs targeted to those children most likely to need the services to stay healthy and do well in primary school. These considerations would have to be traded off against the goals of child care seen as a subsidized complement to women's labor supply, for which the intermediate goals might be taking adequate care of as many women's children as possible for as many hours as possible.

For either of the main purposes of child care provision or subsidy, an essential preliminary is better understanding of the current market. Again, good examples come from the experience of the United States. Federal regulations set standards for training, space, safety standards, and staff-child ratios for programs to participate in some reimbursement and food programs, but research on the demand for child care has shown that parents are not willing to pay much to meet these standards in the private market. Either the regulators have guessed wrongly about the demand for "quality," or their objective functions differ from those of the beneficiaries (in which case it is important to ascertain how and how much), or quality is not accurately measured by the simple ratios that lend themselves to regulation. Research on the
United States has concluded that mothers value neighborhood care by women they know over training in early childhood education; yet many of the legislative proposals for child care subsidy currently under consideration ignore that preference. Similarly, in a survey of working women in Kuala Lumpur, Malaysia, researchers found that most women preferred child care near where they lived rather than near where they worked (National Family Planning Board, 1980).

Such demand considerations should influence decisions about subsidies or mandates for work place child care. Child-care markets are localized and information may be imperfect. Regulations like those in Brazil (discussed in the Country Assessment) that specify high minimum standards for quality may well prove inefficient or prevent subsidies from reaching the poor by imposing an unnecessarily high threshold.

**Recommendations for Next Steps**

Given the frequency with which child care was identified as an important unmet need in the Country Assessments (and presumably by the government and NGO officials interviewed for the assessments), it would be reasonable to expect a growing number of proposals for child-care components in Bank-financed projects in the future. It would be useful for the Bank to sponsor necessary research to develop a sector policy on child care. The private "market" for child care is diffuse and poorly understood, and so it is easy to think of circumstances in which particular subsidies or regulations designed to increase the quantity or improve the quality of child care services would be wasteful or even perverse. Depending on the goals of the project and the nature of existing informal child care arrangements, programs might subsidize child care in
homes or provide school or health clinic space for them. Several governments in the region already have at least declaratory policies that, if implemented, would have significant social and financial consequences: the Brazilian constitutional provision for a guaranteed right of every child to adequate care is an example. If licensing standards are set too high, or if expensive public services are designed that can then only be delivered to very few women because of the need to hold down government expenditure, then the related goals of generating income for poor mothers and reaching children at risk of developmental problems might be shortchanged. Child care programs seem to have grown up so far mainly as small components of larger projects; a clear focus and consideration of alternative ways to meet the goals needs to be provided.

The trade-offs between coverage and quality of publicly provided or subsidized services need to be addressed in sector work, along with the related issue of the degree to which services can be targeted narrowly to the poor. Given the pressing concerns with the quality of existing services in primary education and health care, it is unlikely that many governments in the region would be able to consider a large new subsidy of child care for the non-poor, which might largely consist of substituting public funding for already adequate privately financed arrangements. But this targeted approach does have its own disadvantages, since programs that benefit only poor people can lose out on the political support, social acceptability, and customer pressure for quality control that middle-class beneficiaries bring to social programs. One way out of this dilemma in general is to arrange voucher or other schemes that allow the poor to "buy into" existing private markets; again, there is a need for research on existing child care arrangements, paid and unpaid.
V. CREDIT AND MICROENTERPRISE DEVELOPMENT

Reconciling Credit for Micro-Enterprises with Overall Goals for Financial Sector Operations

Credit can enable entrepreneurs to purchase inputs complementary to their own and family members' labor and to hire more labor to expand operations. But access to credit is limited, especially in countries with poorly developed financial markets, by a host of factors—geographic (or cultural and linguistic) distance from banks, time and money costs associated with assembling paperwork to meet often excessive requirements of lenders, lack of assets (or of clear title to assets in fact controlled by the potential borrower) to serve as collateral. This situation can work particularly against women entrepreneurs, who are less likely than men to have the collateral that makes them credit-worthy. These issues are particularly relevant for the LAC region because of the large proportion of women involved in microenterprises in the informal sector.

Attempts to direct credit to particular end-uses or end-users have had discouraging results. In part, this is because the institutions and procedures set up to direct credit generally do badly at making economic decisions; once non-economic criteria are allowed or encouraged, it is difficult to use economic criteria as well. Subsidized credit, like other subsidized inputs, is quickly and easily diverted to the well connected, whatever the intentions outlined in project documents. Also, there are significant transactions costs caused by the need for borrowers and lenders either to know each other or to have enforceable collateral agreements. Large
institutions of the sort that can deal at the wholesale level with Bank projects often cannot compete in the small retail credit markets; the Task Force on Financial Sector Operations (R89-163, Aug. 1989) and the analysis in the 1989 World Development Report support the idea that the Bank's most useful role is to support and finance institutional reforms in the financial sector that will have the effect of clearing blockages and allowing funds to flow to where they will be most productive.

But projects and policy reforms with explicit goals of improving the economic position of women could still find a place in this overall policy structure for the financial sectors. This is because women as a group, especially those who work in informal sectors, are more commonly victims than beneficiaries of discrimination based on non economic criteria. Difficulties in access to credit are often symptoms of a larger problem of exclusion: business licensing, petty regulation, and archaic land titling impose enormous costs on small-scale entrepreneurs, as the work of De Soto and his associates in Peru has shown (de Soto, 1989). These informal sector workers include large proportions of the economically active women. Their inability to obtain credit to expand or diversify their operations is one aspect of a larger problem: they are unable to regularize their operations because an inefficient system is kept in place to generate work, fees, and bribe opportunities for a parasitic public sector. In these circumstances, setting up public or parastatal organizations to manage yet one more aspect of life (the provision of subsidized credit) would not necessarily be an improvement. Removing some of the noneconomic distortions that hinder informal sector workers would do more to open up opportunities for women and the "unconnected" in general. A transition to more purely
economic criteria would in many circumstances provide net gains for women workers and small business owners.

A recent analysis of data from the Peru Living Standards Survey provided evidence of capital constraints affecting small retail firms (an informal sector in which large numbers of women work). Self-employed women in this sector were more likely to have small operations, for which the marginal revenue product of capital was high, than were men in the sector (Smith and Stelcner, forthcoming). Lower transaction and other costs for capital would enable some of these small firms to expand to a more efficient size. (These are sufficiently small operations that very few employ any non-family workers.)

Issues to Consider in Developing Projects to Provide Credit to Microenterprises in the LAC Region

Poor women often have little experience with the financial sector. Programs can provide information about how the financial sector works and how to apply for credit. Some trade-off is required between (1) the small scale of lending operations that makes possible careful attention to the credit-worthiness of individual borrowers who do not have extensive collateral and (2) the realization of economies of scale and risk pooling. Large financial institutions of the sort that can handle a World Bank project may not prove to be especially efficient in retail operations, especially in rural areas. The basic problem facing lenders at any level is to elicit the information they need to evaluate the lender and her project and to create incentives conducive to repayment. The problem facing those who want to stimulate the development of
microenterprises owned by or employing women is their lack of credit histories and collateral. Several of the Country Assessments identified legal and institutional discrimination, changes in which would allow women to be designated as owners of property held jointly with a man and, hence, generate their own credit histories. While such discrimination is a legitimate target of financial sector reforms, removing it would not overcome the basic problems for those without even clouded ownership of assets usable as collateral.

But the incentive problems can sometimes be overcome with clever institutional design. For example, in many developing countries there are traditional "mutual savings and lottery" clubs that substitute for well developed mortgage markets. The Grameen Bank in Bangladesh, which organizes potential borrowers into groups that take turns getting the loans and stand as guarantees for group members' loans, has excited great interest. The Grameen Bank model is not a panacea, however: it keeps its exposure to individual groups low in part by requiring frequent payments, and thus is more appropriate to high turnover operations like store keeping than to farming.

Group liability may not be a necessary feature of such programs for lending to the rural poor. There are examples from Indonesia of apparently successful efforts, supported by AID and the World Bank, to increase access to credit. District Development Banks (BPD) and the Village Unit System of the People's Bank of Indonesia (BRI) charge commercial (newly unregulated) interest rates, making loans to individuals with minimal paperwork and collateral requirements. Incentives to repay are maintained by a combination of methods (requiring a village head's signature, thereby making the loan and potential default public, disbursing in small

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6 Rhine (1990) summarizes project documents and preliminary evaluations for these operations.
amounts to limit exposure until an individual has revealed his credit-worthiness, and the like). The Indonesian experience also apparently provides a successful model of donor agencies and the World Bank dealing with a financial intermediary at the wholesale level capable of making small loans through a very large number of retail outlets without incurring excessive costs.

Examples like these from other regions are promising, but their relevance to the Latin American setting, and in particular to women, needs to be tested. For example, the use of social pressure, with the involvement of village leaders, to create incentives to repay, as in Indonesia, may depend on a greater degree of local solidarity and a lower degree of geographic mobility than would be possible in other settings. And reliance on existing leaders as loan guarantors may preclude women’s access in many places.

The WID Division in the Bank has already, in cooperation with the AID-supported GEMINI program, commissioned a consultant to examine existing "village banking" projects and informal savings clubs in Mexico and Central America, along with the better known institutions in Asia. This should contribute important information on the changes that would be needed in the design of rural microenterprise credit schemes to make them suitable for the needs of poor women in Latin America. Non-governmental organizations in Colombia have been active in promoting loans to small-scale enterprises owned by women. The Woman’s World Banking Foundation of Colombia has aimed programs to facilitate access of small enterprises to credit primarily to women in the informal sector. Its Solidarity Group Credit Program provides rapid credit with no formal collateral required and provides training in basic business management as well. The Colombia Country Assessment reports substantial benefits

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7/GEMINI/ is an acronym for "Growth and Equity through Microenterprise Investment and Institutions." See papers in Rhyne and Otero (1990).
in terms of increases in income and jobs, asset purchases, consumption, and living standards. The CORFAS project in Colombia also combines credit with training and technical assistance and has a high proportion of female beneficiaries; it now has a special component, "Programa Mujer," exclusively for women, whose focus is on agricultural activities in rural areas. The Inter-American Development Bank (IDB) has expanded a program to provide credit to micro-enterprises, and the Inter-American Foundation (IAF) has a network of organizations that specialize in small enterprise development. The weakness of many such revolving fund programs in the past has been a failure to make them sustainable. Credit is supposed to make risk-taking (and thus development) possible by "picking winners", on average. That there can be winners, even during years of high failure rates in the formal sectors of the economy, is shown by studies of the origins of what are now medium-sized firms. A study of "small to medium-sized" firms in Colombia (those with 11-200 workers) showed that half had begun as microenterprises, with fewer than 11 workers (cited by Pirela Martinez, 1990). Drawing on the experiences of these NGO projects in Colombia, the Bank’s Fifth Small and Medium Scale Enterprise Project contains a component to assist microenterprises in the informal sector, including large numbers of female entrepreneurs.

The idea of increasing access of the entrepreneurial poor to credit, without relying on distorted interest rates or incurring high transaction costs, is sufficiently promising to warrant a good deal of exploratory work to fit Latin American women’s needs. An example of this work is an Interamerican Development Bank/IFC project to create capital cooperatives among women

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8/Growth in firm size is only a proxy for success, of course. Many functions are in fact performed most efficiently by microenterprises and the appropriate criteria would be survival and profitability at that level of organization.
in the service and craft sectors in Bolivia. Interest rates will not be subsidized, which makes it a good test case of the ability to create in Latin America institutions that widen access to financial markets without the distorting effects that would come from funding low-return projects. It would be useful for the Bank and related institutions to try to replicate such designs in a few countries, with appropriate changes, in search of a way to reconcile overall policy toward financial sector operations with the desire to facilitate women’s access to the complementary resources they need to set up and expand small enterprises.

An issue that will probably arise in future attempts to design programs to provide credit for development of women’s enterprises is the relative merits of credit as an add-on to projects with other significant components. There may well be some synergy between other components and provision of credit for women’s enterprises. The Mexico Water, Women, and Development project, for example, links provision of water and sanitation to low-income rural communities and urban squatter settlements with provision of credit for enterprises such as poultry raising, textile manufacturing, and market gardening (Staff appraisal report 7726-ME). This project is notable for the serious involvement of the intended beneficiaries in design choices -- a multisectoral project may be the necessary result of adapting new public services to their priorities. Small-scale lending has high unit transaction costs, and it will often be tempting to spread overhead costs of Bank design and monitoring of credit projects by attaching them to what are otherwise essentially construction projects. (A desire to increase the demonstrable relevance to WID of all large projects could lead to the same outcome.)

The disadvantage of making credit for micro-enterprises a component of a larger project is the increased requirement for coordination across government departments concerned with a
project. One of the lessons of international agency experience in the nutrition sector has been that multisectoral social projects can quickly become unwieldy (Berg, 1988). Nutrition considerations have fared better, on the whole, when lodged firmly either within a child health or education setting than when insinuated into institutionally complicated projects. Based on this experience, and given the policy concerns in most LAC countries with liberalizing financial sectors, we would expect credit programs for women’s enterprises to do better in general if situated firmly within overall plans for financial sector reform rather than brought in as adjuncts to projects primarily involving social-sector agencies.

Recommendations for Next Steps

There is some fear among Bank staff that efforts to support credit to microenterprises would run counter to crucial overall policies for the financial sectors in the LAC region such as ending interest rate subsidies and credit rationing and avoiding the creation of special institutions serving particular industries or groups of clients. But there is evidence from other developing countries that this conflict need not be stark. Some types of microenterprise lending can fit into a general effort to lower the barriers that impede the free flow of funds. Lowering transactions costs for small and remote borrowers, and designing ways to create incentives for lenders to find good projects and for small borrowers to repay, could contribute to economic growth and liberalization of markets. Developing new ways to get credit to those previously excluded can be considered infrastructure development, on a par with building a road to open up an isolated regional economy. Nor are these projects inherently so small and localized that only NGOs can
touch them. The evidence from Bank-supported projects in Indonesia and the experience of some other donor agencies, limited though it is, suggests that with good management fairly large intermediaries can make such loans at acceptable costs.

Regarding the Bank's own internal incentives, one could picture well-designed projects achieving high marks for addressing at least three of the areas of special concern: poverty alleviation, promotion of private sector, and WID all at once.

We recommend that the LAC staff examine the results of the work now being done for the WID division on existing projects and informal credit clubs, projects designed or currently supported by other donors in the LAC region and in Indonesia and Bangladesh. To test the large-scale replicability of existing arrangements, or the applicability to Latin America of programs elsewhere, it would be worthwhile designing several small projects, ensuring sufficient variation in conditions, e.g., some for rural and some for peri-urban areas, some in countries which have already gone far to liberalize their financial sectors and some where the process is only beginning or is stuck, and the like. This kind of experimentation with projects opening up new opportunities in private markets could fit well with need to soften the short-term blows of structural adjustment on the poor, without compromising the long-term goals of adjustment. Effort will be required to keep such credit projects from being compartmentalized as social-sector projects unconnected to the larger issues of financial sector operations, since the point of the exercise would be to find areas of compatibility. To prepare such projects, it will be easier to make the necessary connections across divisional boundaries within the Bank than to expect bankers and treasury officials in member countries to take the initiative by contacting local NGOs and social agencies.
VI. GENERAL RECOMMENDATIONS

Structural Adjustment and Policy Dialogue

World Bank operations may affect the conditions of women in the Americas indirectly, through policy reforms associated with adjustments to the burden of debt, as much as through direct attempts to incorporate WID issues into the lending portfolio. It is important to support both research and economic and sector work that can predict and monitor these effects, as well as to support projects within sectors that can cushion the otherwise adverse effects of structural adjustment on poor families.

Any accounting of gainers and losers from structural adjustment plans has to consider individuals and families in at least three sets of roles: as producers, as consumers of purchased goods, and as consumers of public goods.

As a first-order effect, poor women and their children are the most direct and obvious losers when public school and health systems deteriorate or when food subsidies disappear. There are often good arguments for making school and health systems sustainable by charging fees, but untargeted subsidy programs may well cost society far more than they benefit the poor. When public expenditures are reduced and restructured, there is a clear case at least for surveillance systems, linked to some capability for response, to detect worsening of the health and nutritional status of the poor.

The effects of structural adjustment on poor women as purchasers can work in opposing directions. Measured inflation typically rises when various controls are lifted, but the former
prices were more or less meaningful to different parts of the population, depending on the nature of the distortions removed.

As producers, women are affected by structural adjustment programs in ways that vary among countries and across sectors, largely depending on whether women are working in sectors producing exportables, importables, or nontraded goods. Some sectors that traditionally employ many women like small-scale retailing are essentially nontraded, but recently in countries such as Mexico and Chile women have been more involved as workers in export industries (packing fruits and vegetables or assembling electronic products). These export sectors should benefit from realignment of exchange rates and opening of economies.

The success of structural adjustment programs depends on the ability of workers (as well as investors) to get out of formerly protected, inefficient sectors and into new sectors. If rigidities are too great, then the debt-induced shocks and policy measures to respond to them could just bring on unemployment in the old protected sectors without compensating growth in new ones. Women's ability to take advantage of new opportunities are sharply constrained if they suffer poor health, lack control over childbearing, lack schooling or training in the most rewarded skills, and if they are not credit-worthy. These issues are important, not just as equity concerns (determining the distribution within society of gains and losses from the adjustment), but also as efficiency ones, since women's lack of mobility hinders the micro-level response on which the macro policies are predicated.

The Bank has been active in developing models for projects to mitigate the immediate impact of austerities. In Bolivia, one of the countries in the region for which the adjustment task could involve the greatest dislocation, the Bank has supported an Emergency Social Fund (for
development of the health and educational systems as well as physical infrastructure, and for
credit to small enterprises) that should both mitigate the short-term effects of the adjustment
program on the poor and facilitate women's mobility across sectors. A project appraisal has
been prepared for a maternal and child health care in marginal areas in Ecuador, with a nutrition
component designed to mitigate the effects of the adjustment.

Research Needs

Gender Specificity. Many of the member governments in the region face pressure to reduce
government expenditure and set public services like health care and education on a sustainable
basis by introducing fees for service. Such reforms bring into sharp relief the tradeoffs between
equity and efficiency. Even when fees are introduced on a sliding scale, the price
responsiveness of the poor may be much greater than that of the non poor, with the result that
differences in service utilization are increased. To delineate the terms of this tradeoff, policy
makers need reliable estimates of the demand for the services, disaggregated for the poor. Such
studies should also distinguish demand for services for females from demand for services for
males. Analyses of demand for social services typically constrain elasticities to be equal for
services to males and females; at the least, this should be formally tested wherever the data
permit. Gertler and Glewwe (1990) provide an example of what is needed in a study of the
willingness to pay for schooling in rural Peru; they show that parents were, in fact, less willing
to incur costs to send girls than boys to secondary schools, but that even girls' schooling was
worth more to the parents than the fees that would be required to sustain the service in rural
areas. Such work could be replicated in analyses of data from other countries and other sectors; the LSMS data are especially suitable to the task.

**Experimentation and Surveillance.** In Section V above, we recommend small-scale quasi-experimental projects to test the applicability in different Latin American settings of innovative financial institutions developed in other countries. This recommendation could be applied to other sectors as well. Detailed community- and household-level data, collected in repeat visits as part of the Living Standards Measurement Surveys in several countries, should make it possible to conduct well designed studies of the impact on women of new programs or policy changes (in agriculture and other directly productive sectors as well as in the social sectors). Building up a stock of results from careful evaluations should help overcome one of the main obstacles to progress on WID issues, namely, the dearth of knowledge about what works in particular settings.

Ex ante analyses of the effects of proposed structural reforms are necessary, but the range of uncertainty surrounding any fundamental reform is so large that ex post surveillance of outcomes is necessary as well. Prior studies may establish that the poor, particularly women and children, need not suffer, and may in the long run benefit disproportionately, from policy reforms as they are designed. But there is certainly no guarantee that reforms will be implemented in such a way as to produce this result, whatever the intentions, and close monitoring of the evolving situation is needed. An analogy: One needs rigorous engineering studies and laboratory testing to produce a good tire, but the way to tell if a particular tire has gone flat is to look at the bottom of it. Women and children tend to be the "bottom of the tire."
Many Latin American countries in fact have in place systems that serve the purpose of surveillance; sentinel clinics for child health and nutritional status in Chile are an example. A recent study of social policy in Colombia notes, however, that there are no functioning surveillance systems in place there, despite considerable investments in child health and nutrition programs, so monitoring progress will be extremely difficult ("Social programs..., ch. 4).

An exercise like the Brazil reproductive health review should be seen as useful, not just as a way to insinuate WID issues into one more sector in which the Bank works, but as a way to insinuate consumer perspectives into analyses of the social services. It may seem obvious to work backward from the needs perceived by intended beneficiaries of health, educational, and social welfare services to the priorities for resource allocation and design of the institutions that deliver those services. But in practice this kind of sectoral planning is rare in any country, mainly because it would pose impossible demands on information and analysis at any level below the very general. Institutions tend to carry on doing what they were originally set up to do, and respond only to very forceful complaints from the outside. Missed opportunities to do better do not generate crises and thus do not generate institutional change. It is useful in this regard to have a formal process for looking at a well defined group: women, particularly poor women, or female-headed families, and asking questions like "Are they benefitting from public schooling? What are their major health problems, and what services do they use? What opportunities do they have for increasing job-related skills?" PHN sector reports can be very useful in answering such questions.
Valuing Nonmarket Work

All productive activities, including nonmarket activities, should be considered when evaluating people's economic contributions. Women tend, disproportionately, to engage in non-market activities and activities that affect the well-being of the next generation; the value of such activities is often overlooked or understated in measuring women's roles in development. As a corollary, women tend to be under-represented in the sectors to which many development policies a redirected; for example, women tend to be under-represented in (though not absent from) sectors producing tradables, so the effect of "outward directed" policies on their roles as producers are either indirect or ambiguous. Measurement problems may lead to distorted investment priorities. For example, projects like that to improve access to safe water in several Mexican states produce benefits, in terms of freeing women's time formerly devoted to fetching water, that may be realized largely in terms of household production of nonmarketed goods and services. Bank staff have contributed to many of the advances in methods of estimating "willingness to pay" for improvements, which can be useful for valuing such investments. Such estimates should be treated in project evaluation as shadow pricing rather than as only as some kind of noneconomic, social policy concern.

Laws and Regulatory Issues

It was beyond the scope of this paper to review legal and regulatory issues affecting women in the region. (Another project in the LAC division is conducting such a review.) The Country WiD Assessments have included some useful reviews, in several cases using
information provided by special women's units in the member country's government. In some countries, for example, married women are not allowed to own real property in their own names, which would inhibit their ability to borrow for their own activities. It could be a very sensitive subject if the Bank imposed conditions involving changes in property or family law in its operations. But even short of such actions, the legal environment would need to be taken into account in project design and estimation of the likely impacts of projects on women's welfare.

Again, there are often measures not in themselves discriminatory that that would open up opportunities for women. In many circumstances over-regulation currently inhibits the development of private markets or sets needless barriers to entry into the legal markets. Dismantling such regulatory barriers would benefit all the previously excluded.

**Equity Concerns and Discrimination**

**Diversity of Women's Condition.** There is tremendous diversity within the LAC region in women's conditions and the types of programs and policy changes needed to enable them to realize their potential. It is almost as awkward to speak of "countries in the LAC region" as a group as it is to refer in shorthand to "developing countries." Nonetheless, there are some important issues for women that are fairly common in this region. For example, a growing number of women in the LAC region are heads of households. Estimates range from 15% to more than 40%. They represent an increasing share of the low-income population and tend to have less access to basic services and few opportunities for improving income-generating capabilities. In Jamaica, for example, female heads of household are three times more likely to be unemployed than male heads. Any project designed to reach poor women in the LAC
region must be sensitive to the needs of women who are raising children without support from husbands.

As another example of an issue somewhat specific to the LAC region, the large Latin American countries rely much more on social security systems, not only for mobilizing savings and providing old-age security, but also for the financing and delivery of health care. Issues like extending coverage of (or re-designing) these systems to include women who are informal sector or unpaid family workers, are among the most important in the LAC region; countries in Africa and South Asia use very different mechanisms to perform similar social functions and, hence their experience is not directly transferable. Similar arguments could be made about "typical" LAC-region needs in education and training, health care and family planning — needs that are not at all typical in developing countries elsewhere. WID work needs to be flexible and sensitive to the particular economic, institutional, and cultural situation in each country.

The PHRWD Strategy called for concentrating operational support on informally designated "countries of emphasis": Mexico, Colombia, and Bolivia were mentioned in the LAC region. The PHRWD has only a limited number of staff members who can participate in missions; some concentration of resources is no doubt important. From the LAC perspective, though, there should be more ability to take advantage of "targets of opportunity."

Perhaps the best way to develop and spread the requisite experience would be to facilitate technology transfer among those who have worked on similar issues elsewhere in the region, through seminars, circulation of informal "What I learned" pieces, and cross-assignments on
missions.\textsuperscript{2} We do not mean to stress the uniqueness of Latin America and the Caribbean so much as to rule out learning from experience in other regions, of course. The replication of a modified, "commercial" version of the Bangladesh Grameen Bank in Bolivia could prove relevant in settings very different from that where it first took shape.

The Sector Strategy Plan for the Women in Development Division for fiscal years 1989-1991 set out three aims for the division (PHRWD): to (1) "initiate policy work and research to provide a conceptual framework"; (2) "develop sound and persuasive examples of economic and sector work and lending operations that address women's needs"; and (3) "increase and improve the content of staff training" (PHRWD, p. 3). From our interviews with staff members in the LAC divisions, it appeared that the second of these is crucial at this point. This task is not so much to emphasize the importance of gender issues as to emphasize the feasibility and even familiarity of concrete measures that have the desired effects. This concern is better alleviated by generating (and publicizing) specific examples of sector work and projects that address women's needs than by producing more general documents.\textsuperscript{10} The Country Assessments we found extremely useful for the purposes of preparing this paper, and it seems likely that Bank staff working on loans in the social sectors or economic and social work find them a useful reminder of priorities. But for the day-to-day work of the Bank, it is important

\textsuperscript{2} The tradeoff between specialization and quality control in research and making sure that research is relevant to operations is not limited to WID issues, of course. It is rather part of a larger conundrum with which the Bank (and any organization that carries out policy research) has to deal continually: how to achieve the gains from specialization in research without suffering the losses associated with compartmentalization.

\textsuperscript{10} To say this is not to pass a judgment on the utility to the LAC region of the more general WID assessments and papers in recent years. We did not undertake a historic assessment of the Bank's lending portfolio, staff capabilities and knowledge about WID issues, and the like. Development of concepts and what used to be called "consciousness-raising" may well have been what was needed initially to prepare the ground for institutionalizing WID issues in the Bank's operations.
for WID concerns to be reflected in the more "operational" documents, as well as the one-time-only or special-purpose documents. A review of a sample of economic and sector reports completed during 1980-1987 found that most, especially outside the PHN sectors, gave little analytic attention to women’s roles in the economy or sectors considered (Duncan and Habib, 1988).

One PHN sector reports that did give considerable attention to differences between men and women in access to services was the Social Security Review in Colombia, which recommended specific changes in health insurance under the social security system to extend coverage to workers’ dependents, since women and children were largely uninsured. (A more recent review by the Bank staff of social programs in Colombia again pointed out that the health insurance coverage of the social security system is among the lowest, and its costs of services among the highest, in Latin America.) The Country Assessments should lead to more explicit consideration in future sector reports of the position of women and female-headed households. The Assessments frequently point out cases in which published data (e.g., on housing or training) are not disaggregated by sex; the lack of data is responsible for some of the inattention and can be remedied over the long run in part by the Bank’s research program and in part by the Bank’s influence with national statistical systems.

**Reverse Discrimination Versus Gender-Blind Liberalization.** A policy issue that transcends the particular sectors discussed above is whether Bank operations will support the creation of compensatory mechanisms designed to promote women’s welfare or whether they will concentrate on nondiscriminatory policies that are expected to reduce differences by increasing
opportunities for both women and men. This distinction is easier to state in the abstract than to maintain in discussion of specific policies, and it is unlikely that a preference for one strategy or the other could be defended for all sectors in all countries of the region. But it is worth noting that many of the measures justified as WID concerns involve removing barriers or providing complementary resources, without setting up separate institutions serving women only. The goal is often to end practices that favor men only, rather than to include women as a group somewhere (usually near the end) in a long line of suppliants for special favors from governments.

In the health sector, the discussion above focussed on "Safe Motherhood" issues, which were judged especially important for women. But from a wider perspective most improvements in the accessibility and quality of health services would benefit women more than proportionately, since women use health services more frequently than men as adults and tend to be responsible for children's health needs as well. Similarly, where parents are more willing to send boys than girls long distances for schooling (and more willing to do without the boys as workers), easier access to schools and even gender-neutral scholarships or subsidies could have a greater impact on girls' continuation rates than on boys'. Supplying treated piped water to an isolated community will benefit everyone, but the effect on time use will be greater for women, responsible for fetching water. Credit and infrastructure improvements that benefit small-scale entrepreneurs need not be targeted narrowly to women to improve their prospects.

This is not to dismiss out of hand a role for "women's projects". Often it will be more culturally acceptable, or more productive, for women to set up their own institutions (credit cooperatives, clinics, single-sex schools ...). The risk, though, is that separate services for girls
and women will receive less public support or will continue to channel women into traditional, less remunerative forms of work. Perhaps the best practice would be to impose the burden of proof on those arguing for separate institutions or procedures for women, to show that the separation of the sexes is needed to achieve project goals and will not result in further isolation of women from the economic mainstream.

Equity and Efficiency

Several themes recurred in interviews with Bank staff and others about activities in Latin America related to women in development. One was a sharp awareness of the possible conflicts between equity and efficiency goals of projects and sector work. A second, related theme was an understandable discomfort with taking on the role of promoting social change, even change that individual staff members might consider desirable. It is only quite recently, in terms of institutional history, that the Bank has undertaken the analysis and promotion of policy reform.

Concern with women's issues is strengthened when it is welded to a concern with poverty alleviation. In principle, there is little difference between setting out to generate good projects in the Northeast of Brazil (and concentrating on that region in sector work, because poverty rates are high and so many of the poor can be reached there) and generating good projects that benefit women in their work and family roles and dealing with women's issues in sector work (again, because thereby a large group of the poor can be reached). In both cases, the real effect on poverty alleviation would have to be judged; both geographic and gender targeting can go amiss if benefits are narrowly confined to the non-poor among the target population. Investment criteria
may be similar; tradeoffs between equity and simple GNP maximization goals are no different in kind. But in spite of these conceptual similarities, raising WID issues is apparently often seen by staff of member governments as meddling with social institutions and market forces in a way that regional policy is not. Women's issues can be sensitive subjects in negotiations and project monitoring; semantics can affect the acceptability of programs and project. For example, "family planning" and "reproductive health" are generally viewed more favorably than "population control." This is only partly a matter of changing the explicit presentation of projects and policy dialogue. Many of the projects that most benefit women and girls can without any distortion be presented and justified as "family policy" and investment in human resources. The Bank's work with WID issues does not need to rest solely on concerns with equity goals (about which there may not be clear agreement within member governments). The balancing of efficiency and short- and long-term equity concerns required for WID issues is no different in kind from what is needed in all Bank work in social sectors, agriculture and industry.
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