

THE EFFECTS OF STRUCTURAL ADJUSTMENT IN SENEGAL

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The Effects of Structural Adjustment in Senegal

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LIST OF ACRONYMS

AFARD	Association of African Women for Research and Development
BCEAO	Central Bank for West African States
BNDS	National Development Bank of Senegal
CCCE	Central Bank for Economic Cooperation (French aid agency)
CFA	CFA franc, currency of the West Africa Monetary Union; 50 CFA=1 French franc (7/87:303 CFA=\$1)
CNCAS	Senegal National Fund for Agricultural Credit
CPSP	National Bank for Perequation and Price Stabilization
CSA	Food Security Commission
EIG	Economic Investment Group
ENDA	Environnement Developpement Airique, Tiers Monde
ESF	Economic Support Fund
ENEA	National School of Applied Economics
GDP	Gross Domestic Product
GOS	Government of Senegal
IMF	International Monetary Fund
ISRA	Senegalese Institute for Agricultural Research
NAP	New Agricultural Policy
NGO	Non-Governmental Organization
NIP	New Industrial Policy
ONCAD	Office National de Cooperation et d'Assistance au Developpement (the primary parastatal in the agriculture sector until its closure in 1980)
PFP	Policy Framework Paper
PIP	Public Investment Program
PVO	Private Voluntary Organization
RDA	Regional Development Agency
SAED	Societe d'Amenagement et d'Exploitation des Terres du Delta du Fleuve (rice RDA)
SAP	Structural Adjustment Program
SDR	Special Drawing Right
SODEFITEX	Societe de Developpement des Fibres Textiles (cotton RDA)
SODEVA	Societe de Developpement et de Vulgarisation Agricole (Peanut Basin RDA)
SOMIVAC	Societe pour la Mise en Valeur Agricole de la Casamance (RDA in the Casamance region)
SONACCS	Societe Nationale de Commercialisation des Oleagineux du Senegal (peanut oil miller)
SONADIS	Societe Nationale de Distribution (state merchandise store)
SONAR	Societe Nationale d'Approvisionnement du Monde Rural (ONCAD's successor)
STN	Societe des Terres Neuves (RDA for new territories)
USAID	United States Agency for International Development
UNDP	United Nations Development Programme

EXECUTIVE SUMMARY

The purpose of this study is to assess the impacts of Senegal's donor-supported structural adjustment program with focus on those reforms undertaken in the agriculture sector. Emphasis will be placed on the incomes and welfare of the rural sector, although urban households will not be neglected. The time allotted to the study was short, and in many areas data deficiencies abound. For instance, there are really no micro level reliable data sources that permit a pre- and post-policy reform comparison. We have thus relied heavily on (1) anecdotal evidence, (2) USAID and other donor reports and assessments, (3) field trips to irrigated rice perimeters in the Fleuve and the Peanut Basin, and (4) meetings with a wide variety of people from USAID, other donor organizations, the Government of Senegal (GOS), parastatal agencies, the private sector, and private voluntary organizations. Our task also was complicated by the fact that many of the structural adjustment measures have only recently been implemented.

The Senegalese economy rapidly deteriorated in the late 1970s and early 1980s as a result of a series of poor rains and of poor economic policy, especially excessive government spending. Adjustment efforts began as early as 1979 with USAID, World Bank, and IMF supported reforms. A more ambitious program was initiated in mid-1983, again with the support and agreement of the donors. Significant USAID financial support, three World Bank structural adjustment loans, several IMF stand-by arrangements, and generous support from other donors, notably the French, have aided the Senegalese in this continuing reform process.

The primary objective of the GOS structural adjustment program (SAP) is to lay a foundation for sustainable growth with equity. This objective is to be achieved through (1) the

promotion of private sector activities together with progressive withdrawal of the GOS and parastatals from direct involvement in production activities and (2) reduced GOS spending and greater efficiency in public resource management. The program, which emphasizes food self-sufficiency, is designed to achieve a redistribution of income from urban to rural households.

A fairly ambitious set of macroeconomic and industrial sector reforms already has been implemented. Some of the reforms are bearing fruit while others are so new that they have yet to have an impact. The GOS wants local industries to be more efficient and competitive.

On the other hand, the reform effort in the agriculture sector has been problematic; gains probably have not been as great as anticipated. On the positive side, producer price increases and marketing liberalization have produced income gains for rural residents and the GOS is extricating itself from direct involvement in certain areas of the sector, including rationalization of parastatals. However, a number of difficulties have been encountered. Price policy in the sector results in conflict among Senegalese policy objectives, e.g., a producer support price for peanuts that is triple global levels imposes a significant burden on the budget. The economic policy environment has been uncertain in some areas, failing to provide clear signals. In addition, the team found privatization efforts to be wanting; only minor efficiency gains have been achieved so far.

Specific Conclusions

1. While it is true that the deterioration of the economy had become sufficiently severe that the GOS had no alternative but to adopt the SAP, our discussions with GOS officials and donor representatives suggest that the GOS, on balance, is committed to the reform process. According to a GOS official, "the SAP is forcing us to consider other ways of organizing economic activity and not just accept the old, traditional ways of doing things."
2. It will take considerable time to undo the statist mentality inherited from the mother country, France; state control had permeated all aspects of the economy.
3. The reform program is achieving a redistribution of income from previously favored urban households to rural dwellers. While the reduction in the fertilizer subsidy, the absence of credit, and problems associated with peanut seed distribution have produced losses in the rural areas, the losses have been more than offset by the liberalization of the millet trade, higher peanut producer prices, and protection furnished to domestic cereals producers. Urban residents have been affected negatively by the heavy

taxation built into the pricing structure for petroleum products and rice as well as the tight civil servants wage policy.

4. Marketing of maize, millet, and sorghum has been liberalized; all geographic restrictions have been eliminated. The liberalization has led to higher production and increased incomes for those farmers producing the commodities. Women, entering the marketing system as traders, have particularly benefited from liberalization.
5. Parastatals operating in the agriculture sector, including ONCAD and its successor SONAR, have been closed; ONCAD had become the symbol of fiscal excess in the country. Also, the rural development agencies (RDAs) -- state entities operating in various regions of the country -- have been rationalized. One RDA, STN, has been liquidated. For others, "lettres de mission" have been prepared that provide for reduction of State intervention and greater administrative oversight. In all cases, the State's provision of inputs and credit has been greatly limited, if not eliminated.
6. The SAP appears to be having little impact on employment in the agriculture sector. Contrary to expectations, the team saw little evidence of outmigration from the cities to the rural areas. Nonetheless, there is anecdotal evidence suggesting that outmigration is indeed taking place.
7. Conflicts in GOS reform objectives, particularly with respect to price policy, as well as continued State intervention, have mitigated gains derived from the reform of the agricultural sector.
8. The GOS has sought to "privatize" some aspects of the agricultural sector, including peanut seed delivery, elements of the peanut marketing chain, and the import and distribution of fertilizer and rice. So far, these efforts have, at best, achieved only limited success.
9. The SAP appears to have had positive impact on certain macroeconomic indicators. Real growth was 3.8 percent in 1985 and 4.6 percent in 1986, producing increases in real per capita income; inflation has fallen from 13.0 percent in FY 1985 to 6.9 percent in FY 1987; the budget deficit has been sliced sharply from 8.2 percent of GDP in FY 1983 to 1.0 percent of GDP in FY 1987; civil servant rolls have been pared from 72,000 to 68,000; the current account deficit excluding foreign grants has fallen from 18.6 percent of GDP in FY 1985 to 10.8 percent of GDP in FY 1987; gross domestic savings as a share of GDP increased from 1.2 percent to 8.0

percent over 1984-87; and external payment arrears have been eliminated.

10. The New Industrial Policy (NIP) launched in 1986 seeks to open up local industries to competition through a reduction of protection. High tariff walls are being dismantled, amendment of special conventions that gave preferences to local industries is taking place, and the investment code has been revised. The ultimate aim is domestic firms that are more efficient, able to penetrate overseas markets or at least regional markets.
11. Rationalization of the parastatal enterprise sector, which had accounted for at least 10 percent of GDP, is occurring. Five enterprises have been liquidated; seven more will be closed shortly. Twenty-eight enterprises will be divested either partially or wholly to the private sector. Performance contracts ("contrat plan"), a mechanism that will strengthen and reorganize operations, have been prepared for the public utilities.
12. In a major setback to the NIP, the recently revised labor code does not provide businesses flexibility in the dismissal of employees; lack of the requisite freedom in dismissing employees had been viewed as a major constraint on private sector activity and competition.
13. While the SAP may have a positive impact on employment over the medium and long term, the program so far is producing losses. Reduction in civil servant rolls, rationalization of parastatal enterprise, and the dismantling of tariff walls account for the employment losses.
14. The structural adjustment reforms having the largest effects on women's contribution to economic activity are the liberalization of coarse grain marketing and the increases in producer prices for peanuts and millet. Liberalization of the millet market has allowed women to become more actively involved in millet trading, increasing market efficiency and rural incomes. Women also respond to price incentives for peanuts and millet, increasing agricultural production and rural household incomes.

Despite progress in implementing reforms, economic problems abound -- debt servicing, high unemployment, rapid population growth, and an agriculture sector extremely vulnerable to drought. A number of issues still must be addressed if the efficiency with which the economy operates is to improve:

1. An overvalued exchange rate and erosion of export competitiveness

2. The high domestic resource cost of local rice and the desire to increase its production and promote food self-sufficiency
3. The subsidized and politically sensitive peanut producer price
4. Weakness of the financial sector
5. Need for additional improvements in agricultural input delivery, especially fertilizer and peanut seed, as well as a system of producer credit
6. Domestic petroleum products prices that are above world market prices
7. Structural problems in the budget

I. OVERVIEW OF THE SENEGALESE ECONOMY

Senegal's estimated per capita GDP of \$400 (1986), although greater than that of its Sahelian neighbors (The Gambia, Mali, and Niger), is only approximately 50 percent of that of Cote d'Ivoire or Cameroon. In an area slightly larger than the state of Oklahoma, Senegal has a population of 6.6 million (1987); rapid population growth of 2.9 percent per annum imposes economic strain. Notwithstanding the relatively good physical and social infrastructure inherited at independence in 1960, Senegal since that time has experienced the lowest GDP growth rate (2.3 percent per year) of any African state not affected by war or civil strife. Seven droughts since 1970, periodic adverse movements in the international terms of trade, and a relatively inhospitable policy environment have contributed to this disappointing economic performance. Moreover, a lack of rich agricultural lands and a dearth of mineral resources are major physical constraints on growth. Consistent with the country's low-income status are the following social welfare indicators: a life expectancy of 46 years, an infant mortality rate of 140 per thousand births, and a school enrollment ratio of 48 percent.

In comparison with many African states, the economy is well diversified with manufacturing, tourism, and construction contributing significantly to GDP. The range of exports is not narrow: fish products (\$120 million in 1985), re-exports of petroleum products (\$102 million), peanut products (\$61 million), phosphates (\$61 million), and tourism. Still, official transfers are a very important source of foreign exchange, providing \$183 million in 1985. While the current account deficit has been reduced, it had been quite large, representing 18 percent of GDP as recently as 1985. External debt has also been a significant problem, requiring Senegal to obtain debt relief from both the London and the Paris Clubs.

Agriculture

Agriculture -- crops, livestock, and fishing -- is still the country's most important productive sector, accounting for an approximate 20 percent of GDP. The sector also provides an estimated 70 percent of total employment and accounted for 27 percent of exports during the 1975-1985 period. Nevertheless, agricultural prospects are limited by the poor and deteriorating natural resource endowment and erratic rainfall patterns. In spite of efforts to encourage cotton, millet, rice, and vegetables, peanuts are still the most important income- and export-generating crops. Peanut production is also the basis for the oil milling industry, which contributes (in a normal year) approximately 2.5 percent of GDP and 12 percent of total industrial production. Cotton, the second leading export crop, furnished an estimated \$15.8 million in export revenues in 1985.

Women play an important role in Senegal's agricultural production. In addition to providing substantial labor for crops such as peanuts and millet (traditionally controlled by men), women cultivate their own fields, producing a wide variety of crops (such as vegetables, fruits, rice, and cowpeas) for family consumption and for sale. Women also perform most of the tasks of household maintenance such as food processing and preparation, child care, and water and wood gathering, further supporting agricultural production. Increases in women's incomes are used for support of the household more often than increases in men's incomes are.

Senegal's New Agricultural Policy (NAP) calls for the development of local cereals -- millet, maize, and rice -- to achieve an 80 percent rate of food self-sufficiency by the year 2000. Millet, primarily a subsistence crop, competes with peanuts in certain areas. Thus increases in peanut production, if achieved extensively, can result in decreased millet production and reduced food self-sufficiency. Domestic rice production represents only an estimated 15 percent of total rice consumption; rice imports, approximately 400,000 tons per year, are primarily of broken Thai rice, an inexpensive rice (\$150 per ton in July 1987) which is well appreciated by the Senegalese population. These imports represent about 10 percent of total imports, second only to petroleum imports in value. Rainfed maize and cowpeas are relatively new crops in Senegal; production increases have been dramatic in recent years. However, market considerations, both domestic and export, limit the current demand for these crops.

Within each geographic region of Senegal is a rural development agency (RDA); these agencies had been responsible, to varying degrees, for input provision, agricultural credit, and extension services. Since the demise of ONCAD -- the major parastatal operating in the agriculture sector -- and its system

of government-controlled cooperatives, cooperatives have been nearly non-existent, and ineffective. A government agency, the Food Security Commission (CSA), is responsible for maintaining a security grain stock and for supporting the official millet producer price. The National Bank for Pereguation and Price Stabilization (CPSP), another government agency, is responsible for importing about 75 percent of imported rice and has been involved in other commercial operations including sugar and cotton.

Livestock

Livestock production, contributing roughly 6 percent of GDP, is characterized by extensive grazing on rather marginal land. Livestock production has not kept pace with demographic increases; annual per capita consumption of red meat has decreased from about 16 to 12-13 kg over the last decade. Given the country's low-income status, meat consumption is highly skewed in favor of more affluent urban areas. Poultry products, raised both the traditional way and in more modern facilities near Dakar, are important ingredients in the Senegalese diet. Women are primarily responsible for production of small livestock such as chickens, goats, and sheep, usually with low levels of labor and other inputs. Women may also own cattle (although production decisions are often made by male family members) and perform the processing and sale of most dairy products.

Fisheries

Senegal is one of the world's largest per capita consumers of fish; annual consumption is estimated at 27.5 kg per capita. From 1975 to 1985 the contribution of the fish subsector to GDP increased by an average 15 percent per year. Artisanal fisheries production contributes about one-third of the total fish production, and nearly all of artisanal fish processing is performed by women. Women produce a variety of products, including dried/fermented fish, salted and smoked fish, sun-dried cymbion (a gastropod), and steamed/dried molluscs. Women fish processors often hire daily workers or have apprentices; this contributes to employment growth.

Industry

The industrial sector in Senegal, including energy, manufacturing, peanut processing, and phosphate mining, is quite large by sub-Saharan standards, contributing 19 percent of GDP. In recent years the sector has been characterized by stagnation. In part this is attributable to its domination by import substitution industries that have become inefficient due to excessive protection. Other constraints have been a restrictive labor code and associated high costs, an overvalued currency, lack of investment funds arising from problems in the banking sector, and

a poorly framed investment code. Some of these difficulties are addressed by the country's ongoing structural adjustment program.

II. THE REFORM PROGRAM IN SENEGAL

Objectives

The overall objective of the GOS SAP is to lay a foundation for sustainable growth with equity. This objective is to be achieved through (a) the promotion of private sector activities through appropriate price incentives, together with progressive withdrawal of the GOS and parastatals from direct involvement in production activities, and (b) reduced GOS spending and greater efficiency in public resource management. The program is designed to achieve a transfer of income from urban to rural households.

Recent specific targets of the SAP consist of (a) an average annual rate of GDP growth of 3.5 percent -- achieved during the last few years, (b) a rate of inflation of 5 percent by FY 1989, down from the FY 1987 rate of 6.9 percent, (c) a reduction in the current account deficit to 3.0 percent of GDP in 1990, (d) a government budget surplus, and (e) an increase in gross domestic savings of three percentage points, to 10.6 percent of GDP.

The SAP includes a number of sub-objectives:

- . In agriculture, objectives include an expansion and diversification of domestic production and reduction of government interventions and subsidies. Measures consist of (a) reduced reliance on rice imports through high taxation of such imports with the partial privatization of the importing and the domestic distribution of rice, (b) privatization of input delivery, especially fertilizer, (c) promotion of

peanut production through maintenance of a high support price, and (e) restructuring of the RDAs.

- . Primary objectives of industrial policy are (a) the rationalization of the system of protection, (b) an increase in export incentives, (c) improvement in the business environment, and (d) the promotion of labor mobility.
- . Other objectives include (a) development of indigenous energy supplies and reduction of domestic energy consumption, (b) rationalization of the public investment program (PIP), (c) greater efficiency in the parastatal sector, (d) reversing the fiscal deficit and generating a surplus, (e) increased credit allocations to the private sector, and (f) a manageable debt-service burden together with the re-establishment of orderly relations with foreign creditors.

Key policies to effect the redistribution of income to rural dwellers consist of taxation of petroleum products and rice (key items in urban households' budgets), a tight civil servants' wage policy, a high support price for peanuts, and liberalization of the coarse grains trade. In exploring the economic impact of the SAP, it will become apparent that some of these objectives are contradictory.

Chronology of Reforms

Senegal's structural adjustment efforts are an outgrowth of economic difficulties encountered in the late 1970s, including deterioration in the balance of payments and public finances. In addition to droughts, the GOS had launched over-ambitious development plans and nationalization policies, following the short-lived boom in peanut and phosphate earnings in the mid-1970s. The GOS's initial effort to deal with the difficulties was the Medium-Term Program for Economic and Financial Adjustment announced in December 1979. Planned to run for five years, the Program spelled out five realms of economic reforms needed -- fiscal/ monetary, investment program, prices and incentives, parastatals, and agriculture. To show commitment to the reform process, in 1980 the GOS closed the large, inefficient, over-staffed parastatal CNCAD. ONCAD, which had become the symbol of fiscal excess, had been the entity charged with oversight of the GOS agricultural program, including the provision of essential inputs on credit.

The Medium-Term Program was the basis for the August 1980 IMF Extended Fund Facility agreement of SDR 184.8 million and a December 1980 World Bank Structural Adjustment Credit/Loan (IDA, SDR 22.9 million; IBRD, \$30 million), in addition to Paris Club debt rescheduling. The GOS agreed to a wide array of reforms, many of which were implemented. However, while Senegalese adjustment efforts generally received passing marks, especially from the World Bank, the reform program came unglued. A number of reasons can be cited, including (a) the rigidity of the contractual commitment and operational calendar with the Fund and Bank, including overprogramming policy reforms, (b) drought in 1980 and 1981, (c) terms of trade losses due to the fall in peanut export prices, (d) overly optimistic data projections especially with respect to interest rates, and (e) political distractions -- the February 1983 elections. Specific policy lapses included a failure to adhere to agreements pertaining to fertilizer price increases and seed distribution.

Backed by the IMF stand-by arrangement of September 1983 and USAID ESF allocations, the economic reform program began in earnest. Key macroeconomic reforms included (a) reduction in the budget deficit through restraints on spending, (b) increases in petroleum product prices to promote conservation, (c) rehabilitation programs for parastatals, especially the public utilities, (d) a prudent credit policy, and (e) limitations on external borrowing on non-concessional terms.

Major objectives of the New Agricultural Policy announced in 1984 were (a) producer price hikes for maize, millet/sorghum, rice, and cowpeas, and increases in retail foodstuff prices -- primarily rice imports -- to promote domestic cereals production, (b) restructuring of the RDAs, and (c) rationalization of input distribution including the closure of the parastatal SONAR.

As an outgrowth of donor satisfaction with GOS structural adjustment efforts, a Consultative Group (CG) was organized. At the first CG meeting held in December 1984, the donors endorsed Senegal's medium-term adjustment objectives and broad policy framework for the period 1985-1992. Following the CG meeting, the GOS prepared and discussed with the IBRD a three-year action plan for 1985-87 including specific policy measures to implement the objectives outlined in the medium-term adjustment program. The first phase of the Action Plan provided for the launching of the country's New Industrial Policy in 1986, in addition to continued pursuit of the New Agricultural Policy. Supported by a World Bank structural adjustment loan, an IMF stand-by arrangement, and USAID ESF and PL 480 Title I allocations, reforms included (a) rationalization of the industrial incentive system to reduce protection, (b) liberalization of agriculture input supply, (c) reorientation of the RDAs, (d) rice trade liberalization, (e) rationalization of the PIP and parastatal enterprise, (f) limitations on recurrent expenditures, and (g) improvement in

public debt management. Progress in implementing the reforms has generally been considered quite good.

More recently, the GOS in collaboration with the IMF and the World Bank has set out its basic structural adjustment policies and objectives in the Policy Framework Paper (PFP) 1987-90. The PFP, which was the basis for the November 1986 IMF stand-by as well as the new Bank structural adjustment loan this May, continues to pursue the thrust of earlier economic reforms. Donors continue to give the country's reform efforts good marks. At this spring's CG meeting, donors reaffirmed confidence in the Senegalese SAP, pledging sizable funds.

The key players in promoting reform in Senegal have been the IMF, IBRD, USAID, and, to a lesser extent, the French. France, historically Senegal's most important donor, has not played an active role. The French have preferred to let the World Bank and the IMF play the lead role, pressing the institutions to take a more accommodating position. Nonetheless, France has typically backed the two institutions; three CCCE loans totalling \$35 million over 1982-85 supported the Fund and Bank efforts. The IMF-furnished stand-by arrangements amounted to SDR 63 million in September 1983, SDR 76.6 million in January 1985, and SDR 34 million in November 1986. The World Bank group, which over the years had approved 65 assistance agreements for Senegal for a total of \$702.2 million, delivered to the country in January 1986 a structural adjustment program -- IDA, SDR 18.3 million; IBRD, SDR 40.3 million -- and documentation for a follow-on SDR 66.1 million program was completed in May 1987. The Swiss are cofinancing with the World Bank group the structural adjustment programs, providing \$6 million equivalent to the January 1986 initiative and \$8 million equivalent to the May 1987 program.

USAID is supporting Senegal's reform efforts by providing a good portion of its help in the form of policy-based assistance. The \$59.8 million provided in FY 1986 included a cash transfer of \$12.4 million (Economic Support Fund (ESF) IV), a \$15 million African Economic Policy Reform Program initiative, and a Title I Program of \$9.5 million. ESF I (\$5 million), II (\$10 million), and III (\$15 million) also were used to promote reform as will ESF V (\$12.0 million). In addition, USAID is seeking to encourage reform through specific projects in the development assistance portfolio; the FY 1987 Agricultural Production Support project is a good example.

There appears to be a consensus among the donors regarding the basic principles of the economic policy dialogue in Senegal. Little disagreement or discord among the IMF, World Bank, and USAID is in evidence, particularly with respect to limiting the role of the State and encouraging the private sector. USAID concerns are probably more narrowly defined than those of the IMF and IBRD. USAID has concentrated its resources on reform of the

Senegalese agriculture sector and the tax and tariff system. It also is quite difficult to attribute specific reforms to individual donors. USAID, IMF, and the World Bank all are involved in a coordinated approach to promotion of structural adjustment of the Senegalese economy.

III. IMPACTS OF THE REFORM INITIATIVES

While Phase II of the monitoring process -- a follow-on to this report -- will concentrate on a more detailed, household level assessment of the SAP in Senegal, this assessment is more qualitative than quantitative, given the data and time limitations which the team encountered. The team faced a number of constraints in evaluating the effects of reform.

Many of the structural adjustment measures are recent. Some have only been introduced within the past year; others are only in the course of being introduced now, such as changes in the investment code. Thus, it is premature to expect definitive conclusions concerning the effectiveness and effects of many measures.

A major constraint in evaluating effects of structural adjustment policy reforms is that we can not perform a laboratory experiment in which we isolate the effects of the policy reforms. Other important factors, many beyond the control of the Senegalese, are constantly changing, just as Senegalese policy is changing. For instance, is the recent decline in the rate of inflation a result of restrictive credit or the result of an appreciating currency and declining/stable commodity prices? It is very difficult to evaluate the independent effect of structural adjustment.

There are really no micro-level reliable data sources which permit a pre- and post-policy reform comparison. For instance, it would be desirable to look at employment levels in different private sector activities to assess the effects on private sector employment from different policy measures; such data do not exist. Gender-disaggregated data also are unavailable. There are improved data collection efforts in process. The Ministry of Labor is currently conducting a national employment survey; these

results should be available in late 1987. Under USAID projects, Michigan State University is producing regional data. The World Bank/UNDP survey effort also should aid in resolving this problem. However, for the present, the team was handicapped by the lack of reliable data to assess policy reform efforts, particularly gender-specific data.

Macroeconomic

The precise economic impact of the macroeconomic portion of Senegal's SAP is obscured by a number of factors. The most significant is weather, including the severe drought in 1983/84, uneven rainfall in 1984/85, and the more favorable weather conditions during the 1985/86 and 1986/87 agricultural campaigns. Obviously, the improved rains of the last two years have had a favorable impact on GDP growth. Analysis also is complicated by the more than 22 percent real effective appreciation (vis-a-vis a weighted market basket of currencies) of the country's currency (CFA) during the past several years. The real appreciation, all else being equal, would tend to have a negative impact on both growth and inflation. Finally, a number of elements of the structural adjustment program have been implemented only recently and it will take time for their impact to work through the economy.

Clearly, though, there are areas in which the program has had positive economic impact, especially stabilization. Real GDP growth was 3.8 percent in 1985 and 4.6 percent in 1986, producing increases in real per capita income. Inflation has fallen from 13.0 percent in FY 1985 to 6.9 percent in FY 1987. While the real appreciation of the currency has played a role by reducing import costs, the tight monetary policies pursued by the GOS undoubtedly have contributed as well. Monetary growth has been brought down from 12.0 percent in FY 1983 to 2.4 percent in FY 1986, although it went back up to 7.3 percent in FY 1987.

Overall budget deficits have come down sharply from 8.2 percent of GDP in FY 1983 to 1.0 percent of GDP in FY 1987. The decline can be attributed to cuts in recurrent and, to a lesser extent, capital spending. Recurrent spending as a share of GDP has come down from 20.9 to 16.6 percent; capital spending, from 4.4 to 3.1 percent. The GOS is curbing outlays for wages and salaries, materials, supplies, and maintenance as well as subsidies. Civil servant rolls have been pared from 72,000 to 68,000. The GOS also is making progress in reducing domestic arrears.

The current account deficit excluding grants has fallen from 18.6 percent of GDP in FY 1985 to 10.8 percent of GDP in FY 1987. By 1987, the deficit had fallen to only \$435 million. A precipitous decline in imports of petroleum products is primarily

responsible for the improvement over FY 1985-1987. Petroleum product imports declined more than \$130 million. Exports were up modestly, rising a little more than \$70 million.

The authorities' stabilization efforts have had a positive impact on gross domestic savings. Over 1984-87, gross domestic savings as a share of GDP increased from 1.2 to 8.0 percent. The private sector's share of total consumption also is increasing, albeit only slightly. Finally, external payment arrears, which stood at almost \$30 million at end-December 1985, have been liquidated.

On the other hand, there are some disturbing factors. First and most significant is debt servicing. Substantial external borrowing in the late 1970s and early 1980s and the inability to service the resulting debt has necessitated debt rescheduling. By FY 1987, the debt service ratio before rescheduling was approaching 28 percent; after rescheduling it still was on the order of 21 percent. Continued implementation of the structural adjustment program is expected to make inroads in addressing this problem. Second, notwithstanding the reduction of the share of the overall budget deficit in GDP, tax revenues as a share of GDP declined from 18.4 to 17.0 percent over FY 1983-86, indicating deterioration in tax effort. This matter is expected to be addressed by the ongoing tax reform, and some increase in tax revenues as a share of GDP is expected for FY 1987. Third, gross domestic investment as a share of GDP has fallen from 16.4 percent in 1981 to 14.0 percent in FY 1987. Fourth, the share of total domestic credit absorbed by the GOS is rising. In FY 1982, the GOS took 11.0 percent of total credit; by FY 1987, the share was 26.8 percent.

Agriculture Sector

Implementation of the New Agricultural Policy (NAP) announced in April 1984 has been problematic. Gains have not been as great or come as quickly as initially anticipated. The NAP had been aimed at reducing the role of the State while promoting private sector activities by increasing incentives to individual producers. Perhaps the most significant difficulty is current price policy, which results in conflict among Senegalese policy objectives. Other problems include (a) an uncertain policy environment which has affected negatively the use of yield-increasing inputs, e.g. fertilizer, and (b) a disappointing "privatization" effort. To date, the privatization effort has produced only modest efficiency gains.

Nonetheless, a number of positive accomplishments in the agriculture sector can be reported:

- . Higher producer prices, together with better rains, have led to increased farm output and rural incomes.
- . Liberalization of the marketing of coarse grains (millet, sorghum, and maize) has led to increased market efficiency and producer income gains.
- . The RDAs have been reorganized, significantly circumscribing their activities.

Table 1 summarizes agricultural production statistics for the last four agricultural campaigns, including output valued at official producer prices. Both current and constant (1980 CFA) values are given. Women's contribution to aggregate agricultural production cannot be determined from these statistics; no official price series exists for crops more typically grown by women, e.g. vegetables.

There seem to be two important trends in the agricultural sector. The first is the relative stagnation of yields per hectare and area planted. In the 1986/87 agricultural year, an approximate 2.1 million hectares were planted, not significantly different from the 1963-64 campaign. Through the 1970s, the average number of hectares planted was 2.3 million. Over the last 10 years, agriculture has been a relatively declining sector for a variety of reasons: poor rains, overcultivation, rural exodus of prime age workers (given the generally difficult rural conditions), and poor agricultural policies. Yields have been quite variable over the 1961-1986 period, primarily varying with rainfall. There really is no perceptible trend in crop yields per hectare. The stagnancy in yields and cultivated surface, together with rapid population growth, means that grain production per capita has been falling since the 1970s.

The second trend is cyclical: a poor harvest following a drought (like 1984) reduces food stocks and leads to increased millet planting in the next year, so that farmers can replenish their diminished stocks. Note that millet increased from 47 to 58 percent of the surface cultivated from 1984 to 1985; peanuts fell from 41 to 27 percent of surface.

The important conclusion is that any analysis of the economic impact of structural adjustment must take into consideration these two strong trends.

Table 1. Senegal: Production of Major Crops, 1983/84 - 1986/87

	1983/84	1984/85	1985/86	1986/87 ^a
Peanuts				
Area planted (1000 ha)	987.5	884.1	607.0	807.7
Yield (kg/ha)	575.2	771.4	967.1	1,041.2
Production (1000 tons)	568	682	587	841
Nominal price (CFA/kg) ^b	70 ^c	80 ^c	90	90
Gross value of production (CFA)	39,760	54,560	52,830	75,690
Real price (1980 CFA/kg)	45.1	45.6	48.2	45.2
Real gross value of production (1980 CFA)	25,617	31,099	28,293	37,991
Millet				
Area planted (1000 ha)	783.6	1002.9	1335.7	993.1
Yield (kg/ha)	449.2	470.6	711.2	638.4
Production (1000 tons)	352	472	950	634
Nominal price (CFA/kg) ^b	55	60	70	70
Gross value of production (CFA)	19,360	28,320	66,500	44,380
Real price (1980 CFA/kg)	35.5	34.2	37.5	35.3
Real gross value of production (1980 CFA)	12,496	16,142	35,625	22,401
Rice				
Area planted (1000 ha)	52.0	66.1	78.1	72.0
Yield (kg/ha)	2,096.2	2,057.5	1,882.2	2,055.6
Production (1000 tons)	109	136	147	148
Nominal price (CFA/kg) ^b	60	65	85	85
Gross value of production (CFA)	6,540	8,840	12,495	12,580
Real price (1980 CFA/kg)	38.7	37.7	45.5	42.6
Real gross value of production (1980 CFA)	4,218	5,127	6,689	6,311

(Continued)

Table 1. (Continued)

	1983/84	1984/85	1985/86	1986/87 ^a
Corn				
Area planted (1000 ha)	70.5	82.7	111.2	94.7
Yield (kg/ha)	865.2	1,197.1	1,321.9	1,140.4
Production (1000 tons)	61	99	147	108
Nominal price (CFA/kg) ^b	50	60	70	70
Gross value of production (CFA)	3,050	5,940	10,290	7,560
Real price (1980 CFA/kg)	32.2	34.2	37.5	35.1
Real gross value of production (1980 CFA)	1,964	3,386	5,513	3,796
Cowpeas (Niebe)				
Area planted (1000 ha)	39.4	52.5	119.8	117.6
Yield (kg/ha)	329.9	304.8	550.9	467.7
Production (1000 tons)	13	16	66	55
Nominal price (CFA/kg) ^b	43	60	110	110
Gross value of production (CFA)	559	960	7,260	6,050
Real price (1980 CFA/kg)	27.7	34.2	58.9	55.2
Real gross value of production (1980 CFA)	360	547	3,887	3,036
Cotton				
Area planted (1000 ha)	33.4	48.2	38.8	25.5
Yield (kg/ha)	929.3	705.4	952.9	1,059.7
Production (1000 tons)	31	34	37	27
Nominal price (CFA/kg) ^b	70	100	100	100
Gross value of production (CFA)	2,170	3,400	3,700	2,700
Real price (1980 CFA/kg)	45.1	39.9	33.6	31.5
Real gross value of production (1980 CFA)	1,398	1,357	1,243	850

(Continued)

Table 1. (Continued)

	1983/84	1984/85	1985/86	1986/87 ^a
Total				
Area planted (1000 ha)	1,966	2,137	2,291	2,111
Percent change		8.7	7.2	-7.9
Millet percent of total	39.9	46.9	58.3	47.1
Peanuts percent of total	50.2	41.4	26.5	38.3
Production (1000 tons)	1,134	1,439	1,934	1,813
Percent change		26.9	34.4	-6.3
Millet percent of total	31.0	32.8	49.1	35.0
Peanuts percent of total	50.1	47.4	30.4	46.4
Gross value of production (Mil current CFA) ^d	71,439	102,020	153,075	148,960
Percent change		42.8	50.0	-2.7
Millet percent of total	27.1	27.8	43.4	29.8
Peanuts percent of total	55.7	53.5	34.5	50.8
Real gross value of production (Mil 1980 CFA)	46,054	57,658	81,250	74,385
Percent change		25.2	40.9	-8.4
Millet percent of total	27.1	28.0	43.8	30.1
Peanuts percent of total	55.6	53.9	34.8	51.1

a. Real prices for the 1986/87 agricultural campaign are calculated using GDP deflator value of 6.7 percent.

b. Official producer prices. Millet and maize are often sold at market prices, which may vary (above or below) from official prices for those crops.

c. Includes a 20 CFA/kg producer payment (retenue) for inputs; thus, the net price received by producers is the listed price minus the retenue.

d. Based on official producer prices.

Source: USAID/Dakar Agricultural Statistics Unit and World Bank documents.

Difficulties of Structural Adjustment in the Agricultural Sector

A number of problems have been encountered in implementing the SAP in the agriculture sector.

Price Policy

Price policy is a major dilemma for Senegal. The producer price of peanuts (90 CFA/kg) is approximately three times its world market value. The producer price for rice paddy (85 CFA/kg) is well above its world market value. Finally, the consumer rice price (160 CFA/kg) is approximately three times its world market value. In sum, current price policy subsidizes the peanut producer and taxes the rice consumer.

Current price policy results in conflict among Senegalese policy objectives. In addition to producing higher budget deficits, a high peanut price encourages peanuts and discourages millet, a competitive commodity. This mitigates against domestic cereals production and food self-sufficiency, which remains a major GOS goal. The goal of food self-sufficiency, to the extent that subsidized local rice production is to be encouraged, also mitigates against the objective of reducing the government's deficit and its withdrawal from the agricultural sector. Thus, there seems to be a significant degree of contradiction within the overall agricultural policy.

Peanuts

Peanuts are purchased directly by the oil processing consortium (SONACOS being the dominant corporation) and licensed official traders, who are paid a commission for their purchases. The official producer price is 90 CFA/kg from producers and 100-110 CFA/kg from licensed traders. SONACOS's use of private traders is a liberalizing step in comparison with the past practice of strictly controlled state purchasing of groundnuts. The use of private traders, particularly to purchase peanuts in more remote areas, is undoubtedly a cost saving action for SONACOS. At the current world market price for peanut oil, the value of peanuts may be as low as 30 CFA per kg (farm-gate value derived from the export price); yet farmers receive 90 CFA/kg for peanuts. This low value of peanuts and peanut oil created an aggregate loss of 25 billion CFA last year; a portion of this loss, perhaps 13 billion CFA, will be covered by revenues from STABEX. Given the political sensitivity of the official peanut price, it is difficult for the GOS to lower this producer price significantly. Yet, many speculate that next year, following the February elections, the government will lower the producer price,

unless the world market price for peanut oil increases dramatically (an unlikely event). The GOS is not expected to have access to STABEX funds for the next agricultural campaign. Rural incomes would be adversely affected by any significant decrease in the peanut price. A lowered peanut price could also significantly increase the production of millet which, given the inelasticity of demand for millet, could lower the millet price below the official minimum price, necessitating costly government intervention to support that price. As with millet, women cultivate and control some peanut fields. Women have responded to the current price level by increasing their production, thus increasing rural household incomes. Any lowering of the peanut price would also have a negative effect on women's production and income.

Rice

The rice market is still highly controlled, with a state producer purchase price of 85 CFA/kg for paddy and a controlled consumer price of 160 CFA/kg. In the early 1980s, the consumer price for rice was below the cost of importing rice, providing a subsidy to domestic rice consumers. As part of the SAP, the consumer rice price was raised to eliminate the subsidy and to promote local coarse grain production. Concurrently, the world market price of rice fell significantly, so that at the higher consumer rice price, the GOS derives considerable "profit" from importing rice.

Only with state permission may traders purchase paddy from domestic producers. However, it seems that there are a number of illegal sales to traders who then mill the rice locally. A large portion of the commercialized rice is purchased by SAED, which then transforms the paddy and sells rice at the official consumer rice price of 160 CFA/kg, even though SAED's production cost for milled rice is much higher, more than 200 CFA/kg. To the extent that SAED has funds to purchase paddy at the producer price of 85 CFA/kg, the state price becomes an effective floor price. Last year, however, SAED did not have funds to purchase all the paddy that producers wanted to sell. At the controlled and enforced consumer rice price of 160 CFA/kg, paddy purchase and transformation is not profitable since the cost of the milled rice typically exceeds 160 CFA/kg, amounting to more than 200 CFA/kg, if the 85 CFA/kg producer paddy price is paid. However, some sales to private traders are at prices below the 85 CFA/kg floor price, generating more attractive profit margins, by lowering the cost of paddy and the milled rice.

Women are primarily involved in the production of subsistence rice in the Casamance region (southern Senegal). Often, this subsistence production will not be sufficient to cover family consumption. At the controlled price of 85 CFA/kg for paddy, there is little incentive for women to market the rice

they grow; it is rare for women's rice production to be commercialized. So far, changes in marketing and price policy have had little direct impact on women's rice production.

At the official consumer rice price, SAED is subsidizing domestic rice; the subsidy is effectively paid through revenues generated by the National Bank for Péréquation and Price Stabilization (CPSP) importing of rice. The import price of rice is roughly 30-50 CFA/kg. Proceeds from the profit on the sale of imported rice are transmitted to the GOS treasury. Given the GOS's determination to promote local rice, notwithstanding the high domestic resource cost of rice (and the country's lack of comparative advantage in rice production), it will be impossible for the government to avoid costly domestic rice subsidies without raising the consumer rice price even further, to cover the cost of the domestically produced rice.

Uncertain Policy Environment

The economic policy environment for the country's major agricultural inputs -- seed, fertilizer, and credit -- has been highly uncertain, leading to non-optimal use by farmers.

The basic tenet of the GOS reform policy with respect to agricultural input supply is to rely increasingly on the private sector and the producers themselves. Government agencies, parastatals, regional development societies, producer cooperatives, the private sector, and producers have had varying roles in providing agricultural inputs. Providing a chronology of these roles is well beyond the scope of this analysis. However, certain key decisions relate to the evolution of input policy. First, ONCAD, the major national organization for input supply (involved in seeds, fertilizer, pesticides, and farm equipment), was eliminated in December 1980, as a result of its unsustainable accumulated indebtedness and inefficiency. SONAR, a more limited organization primarily for groundnut seed and fertilizer distribution, was created in 1981 and eliminated in March 1985. The current philosophy is that the government should withdraw from input delivery and marketing, as well as eliminate any input subsidies. Such subsidies are costly and can result in the economically inappropriate use of the input subsidized.

The withdrawal of the government from input supply is likely to have only a marginal effect on production by women. Women less often grow the crops for which seed, fertilizer, or credit were provided, and they received such inputs infrequently even when growing such crops. Often a woman's only access to these inputs was through male members of her household. However, because women provide significant amounts of labor on men's fields, changes in patterns of men's production can have an

effect on women's production. The magnitude of such effects is currently unknown. Further study is required to determine the influence of these changes on women's production.

Seed

With respect to millet, sorghum, and maize seed, it is expected that producers will maintain their own on-farm seed stocks, or purchase seed, as needed, from other farmers or traders. Village-level seed storage may be organized through village production cooperatives or "groups of common economic interest"; however, the GOS is not insisting that these village-level storage sites be organized. The Senegalese agricultural research agency (ISRA) will continue to be involved in developing improved seed varieties, which will then be introduced to the producer through the private commercial sector.

For peanut seeds, producers are also expected to maintain their own seed stocks or, at least for the next year, to store (and reclaim) seed with SONACOS, the national oil milling corporation. SONACOS is responsible for maintaining a seed stock of 50,000 tons, from which deficit farmers apparently may purchase seed. Eventually, the government would like to have the entire peanut seed operation outside of government channels. In the past, the GOS was directly involved in providing seeds to farmers. Even last year, despite a commitment not to provide peanut seeds to deficit farmers, the government relented and authorized SONACOS to distribute seeds. Research undertaken by ISRA indicates that obtaining an adequate supply of peanut seed has been the major concern of farmers over the last few years. ISRA reports that informal markets (neighbors, relatives, and friends) have helped fill the void by selling seed to deficit farmers.

This year there is continued pressure for the GOS to provide some distribution of seeds to deficit farmers who are unable to purchase seed. Generally, the GOS so far has not acquiesced and seems committed to resisting such demands, although some small distributions have been made by SONACOS. While donors have applauded the government's willpower in this matter, with the producer price of peanuts at such a high and unsustainable level it is in the government's interest to avoid any distribution of peanut seed, minimizing the peanut crop and resulting losses from peanut operations.

Rice seed for traditional, rainfed or swamp rice is maintained by producers or privately purchased. Seed for the irrigated perimeters along the Senegal River is provided by SAED, the regional development society responsible for managing those irrigation projects. Unlike past years, SAED is not providing seed on credit to farmers, but is still providing land preparation and water control on credit.

At this time the GOS intends to eliminate all seed subsidy; also, the GOS seems to be withdrawing from seed distribution. A concern which has been expressed is that farmers will not act responsibly, conserving sufficient seed for the following year's planting. The presumption is that the farmer will sell all of his harvest to generate needed liquidity, thinking that seed could be obtained from the GOS. The empirical evidence is insufficient to assess this claim.

In summary, the GOS has not provided clear policy signals in the area of seed delivery, especially for peanuts. This has produced significant uncertainties, impeding the effective use of the input.

Fertilizer

Fertilizer distribution continues to be most haphazard since the elimination of ONCAD in December 1980. ONCAD had been responsible for the sale and delivery to producers of heavily subsidized fertilizer. Currently, farmers are able to purchase fertilizer from SONADIS (the national consumer store network, which may soon be privatized) and the private sector (which includes a large, primarily private firm -- ICS). While there have been cash sales of fertilizer by private traders, the team did not observe any fertilizer for sale on the brief visit to the Fleuve and Peanut Basin. Farmers involved in rice production directed by SAED in the Fleuve and those involved in cotton production directed by SODEFITEX (Senegal Oriental) can seemingly still purchase fertilizer from these regional development societies; however, these agencies no longer provide credit for fertilizer.

A condition of the 1980 World Bank Structural Adjustment loan was that the GOS gradually eliminate any fertilizer subsidy. A fertilizer price increase scheduled for 1983, however, was abruptly cancelled. In subsequent years the fertilizer price has been significantly increased, reducing the subsidy element. For instance, in 1980 the fertilizer price to the farmer was 25 CFA/kg with a total GOS subsidy of nearly \$18 million; an estimated 70,000 tons of fertilizer was used in that year. Since that year, fertilizer use has been considerably lower, only an estimated 18,000 tons in 1982. Current usage is no more than an approximate 25,000 tons with a current price of 88 CFA/kg (subsidized) and 110 CFA/kg (unsubsidized). USAID and the French aid agency -- Caisse Centrale de la Cooperation Economique (CCCE) -- are providing a phase-out subsidy for fertilizer, which will continue through 1988. Recently a fertilizer committee, comprising representatives from the GOS, the donors, and the private sector, was created to rationalize fertilizer distribution. Complications in assessing the impact of reduced fertilizer usage on farmer welfare include the prior differential access to

fertilizer (with larger and influential farmers favored) and the relatively low levels of aggregate usage compared to cultivated surface.

In summary, fertilizer usage has declined from the high levels of the late 1970s when subsidized fertilizer was provided on credit by ONCAD. The reasons for decreased usage are (1) a higher fertilizer price, (2) reduced access to publicly provided and subsidized producer credit, (3) numerous changes introduced in the distribution system for fertilizer, and (4) uncertain rainfall. Farmers seem unwilling to purchase fertilizer on credit. The explanation given the team was that most farmers were short of food during the planting season and would use private sector credit to purchase food, not fertilizer. Obviously, given current uncertainties concerning rainfall and credit, farmers do not perceive that the benefits from fertilizer usage exceed the costs. Changes in the distribution system have created uncertainty. For instance, a new binary formula produced by ICS was recently placed on the market for purchase by cash rather than by credit. In general, neither farmers nor the GOS extension agents know with any conviction whether chemical fertilizers are available, and if so, at what price and under what conditions. Also, with the government having previously provided subsidized fertilizer on concessional credit terms, farmers are not accustomed to this new policy.

Agricultural Credit

ONCAD had previously extended credit for inputs to producers through cooperative groups. On four occasions since 1970 farmer debt has been forgiven, following particularly poor harvests. Such debt forgiveness, of course, contributed greatly to ONCAD's accumulated indebtedness and eventual demise. Currently there is no effective organized system of producer credit. Producers have the opportunity to borrow from private traders through an informal credit network at potentially very high rates of interest. In the past, however, such borrowing was typically for consumption items, particularly food. Producers working within the SAED and SODEFITEX areas were extended some inputs on credit; however, this system of credit has been ended. Finally, in 1984 the GOS created the Senegal National Fund for Agricultural Credit (CNCAS) to provide credit to village sections, producer groups, and suppliers. The CNCAS has been relatively successful in its pilot operations, recovering about 97 percent of its loans. Nevertheless, the CNCAS's operations are very limited, with only 5 percent of producers having access to CNCAS credit. The private banking system in Senegal, comprising 14 banks and 5 non-bank financial institutions, has had very limited involvement with the agricultural sector. Approximately 3 percent of loans have been in agriculture. Restrictive interest rate ceilings lead to excess demand for funds; the banks prefer to lend to those with more tangible collateral, typically located in urban

areas. Thus, at the present time, an effective system of agricultural credit does not exist in Senegal. USAID's Senegal Agricultural Production Support Project will have a credit component which uses a revolving fund, administered by Citibank, from which participating Senegalese banks may lend to private input suppliers. Certainly it is possible that the private sector will begin to be involved in providing producer credit. However, given the relatively conservative and traditional nature of Senegalese banking institutions, it will take some time for the transition to private sector credit.

Privatization

A primary aim of the SAP is a sharp expansion of private sector activity and employment. State influence had permeated all areas of the economy. While the team's conversations with GOS officials suggested that the GOS desire to encourage private sector activity was real, translating this goal into effective policy has been difficult in the agriculture sector. If the efforts are to be successful, the State must completely extricate itself from control of the activity, removing all restrictions. The emphasis of the "privatization" effort in the agriculture sector has been (a) input delivery -- fertilizer and peanut seed, (b) peanut marketing, and (c) the rice trade.

Efforts to secure private sector participation in the import and distribution of both fertilizer and rice have been particularly problematic.

The private sector is now allowed to import urea fertilizer and distribute both urea and chemical fertilizers internally. Yet, private sector imports of urea are, at best, at a few thousand tons. Furthermore, during field trips the team saw no fertilizer distributed by the private sector through the existing network, including national distributors, regional wholesalers, local wholesalers/retailers, and village storekeepers. Several factors may account for this. Presumably, fertilizer was available through the State national retail store, SONADIS, and the RDAs. Apparently, some merchants do not know that they can sell fertilizer nor where they can get the product.

The GOS is seeking to "privatize" the import and distribution of imported rice; 25 percent of total rice imports now comes in through the private sector. That figure will rise to 100 percent after this December. However, with import and consumer rice prices fixed by the GOS, any gains will accrue to the private sector dealer and not the consumer. The move also may not promote increased marketing efficiency; the private sector does not have the advantage of economies of scale that the GOS has. Moreover, implementation of the policy has not been smooth. For the 25 percent of the total now imported by the private

sector, four private sector entities were chosen by a GOS interministerial committee on criteria that were not apparent. One of the private sector entities, after importing the commodity, refused to distribute the commodity throughout Senegal as called for in the agreement with the GOS, preferring to concentrate on the lucrative Dakar market.

The GOS is seeking to disengage from the supply of peanut seed. Farmers can either store their own seed reserves, store the reserves with SONACOS, or buy the seed back from the security stock to be maintained by SONACOS. Formerly, farmers relied on subsidized seed deliveries from (a) ONCAD until its disbandment in 1980 and (b) its successor organization SCNAR, which ceased operations in 1985. However, the parastatal peanut oil miller SONACOS will maintain a seed security stock of 50,000 tons. Moreover, the GOS will continue to be responsible for the production of quality foundation seeds.

Private traders are now authorized to buy peanuts directly from farmers and sell them to the oil miller at fixed prices. Hence, private buying agents entered the peanut marketing chain in the 1985/86 agricultural campaign, buying 25 percent of the marketed peanut crop. While this has facilitated a 60 percent reduction in the number of official buying points, the reduction in the cost of marketing and processing peanuts has only been modest.

Accomplishments of Structural Adjustment in the Agricultural Sector

In spite of the difficulties encountered in implementing the SAP in the agricultural sector, some gains can be reported.

Higher Production and Producer Incomes

While output value fell slightly in the latest agricultural campaign, significant production and income gains have been realized in the agricultural sector since the SAP began in earnest in mid-1983. From the 1983/84 (harvest late in 1983) to the 1984/85 campaign, the gross value of agricultural output increased by an approximate 43 percent (25 percent in real terms); this is due to both higher official prices and an increase in peanut and millet output resulting from better rains. However, any equating of value of output with producer welfare is complicated by the peanut retenu (in the 1983-85 campaigns), the absence of a value for fodder, and lack of knowledge concerning the quantity and price of grain sold. (Note: In the 1983/84 and 1984/85 campaigns, the official producer price for peanuts included a retenu or fee which producers had to pay for seed and fertilizer; thus, producers did not actually receive the official producer price.)

From 1984/85 to 1985/86, there was a 50 percent increase in the value of output (41 percent in real terms); this increase resulted from a combination of higher official prices for peanuts and millet and a substantial increase in the millet crop.

From 1985/86 to 1986/87, there was a slight decrease in the value of output. Prices were unchanged; an increase in the peanut crop was more than offset by a decrease in the millet crop. Notwithstanding the decrease in the value of output, the level of rural income (in current CFA) is still relatively high in comparison with past levels.

Liberalization of Millet, Sorghum, and Maize Marketing

With respect to the marketing of coarse grains -- millet, sorghum, and maize -- the GOS has essentially met its goal of removing restrictions (including geographic impediments, such as checkpoints). Producers may sell their production to anyone at unrestricted prices. Prior to this reform, there was a de jure control of millet marketing and prices; the actual enforcement of these codes tended to vary. There is an official price floor (70 CFA/kg) below which it is illegal to purchase these crops. In principle, the CSA is prepared to intervene in the market to maintain the 70 CFA floor price. In actuality, the market price has been near this floor level (both above and below depending on market conditions), and the CSA has not intervened in any significant manner. This year with revenues from the Common Fund (a fund set up by donors to receive food aid sales receipts), the CSA should purchase up to 25,000 tons of millet as a price stabilizing action.

ISRA research tends to confirm the gains to producers from the liberalization of coarse grain marketing. Surveys indicate that the amount of millet marketed increased beginning with the 1985/86 campaign. Also, the number of women traders increased significantly, increasing market efficiency and rural household incomes. To the extent that women cultivate their own millet fields and control the income received from them, they have benefited.

A potential problem with respect to millet and sorghum marketing would be the case of a millet harvest sufficiently large to drive the market price well below the floor price, necessitating costly CSA intervention. It also is questionable whether purposeful CSA purchases for security stocks are truly desirable. Given the relatively low cost of imported cereals and Senegal's good port facilities, emergency food can rather easily be imported in Senegal; it is not clear that Senegal needs a large and expensive stock of grains for emergency purposes.

Restructuring of the RDAs

In addition to closure of the parastatals ONCAD and SONAR, restructuring of the RDAs is taking place, although perhaps not as rapidly as envisioned. STN, the RDA in charge of development of new territories, has been liquidated. "Lettres de mission" have been or are being drafted for the remainder of the RDAs, including SODAGRI and SOMIVAC (irrigation development agencies in the Casamance), SODEVA (Peanut Basin development agency) which has already cut staff more than half, SODEFITEX (cotton development agency), and SAED. The "lettres de mission," calling for reduction of State intervention, provide for greater administrative oversight and strategic monitoring. The GOS, on balance, is committed to reform of the RDAs, although some ambivalence exists. The GOS has moved aggressively to curtail the operations of SODEVA, severely cutting staff. On the other hand, the GOS has been somewhat more ambivalent with respect to reform of SAED, the RDA for the Fleuve region in the country's extreme north, which specializes in irrigation development, primarily of rice but also of tomatoes and maize. A number of positive developments can be reported. Last year, SAED sold fertilizer on credit without a subsidy; this year, it will sell fertilizer on a cash basis only; and next year it will not sell fertilizer at all, leaving that task entirely to the private sector. Also, it will no longer be providing rice seed on credit. Finally, staff has been reduced through attrition from 1,033 in 1983 to 941 in 1986. On the other hand, SAED will continue to be involved in land preparation and water management. Moreover, as the entity wraps up its input supply operations, displaced personnel, rather than being dismissed, are being moved to those activities of the entity envisaged to be permanent.

Employment

There is little conclusive evidence to suggest that the SAP, so far, has had positive impact on employment in the agriculture sector. In fact, with the restructuring of the RDAs as mandated by the SAP, losses have occurred. Although data on employment retrenchment for the RDAs as a group were not available, reductions for SODEVA (55 percent) and SAED (9 percent) can be cited. The only subsectors in agriculture that exhibited some dynamism and vigor were fisheries and vegetable production in the Cap Vert region just outside Dakar. These subsectors, however, were buoyant even prior to initiation of the reform program. Traditionally, they have been unfettered by State regulation. The team also saw little evidence of any reverse migration from Dakar and the other larger cities to the rural areas. In truth, observations on field trips suggested, if anything, reductions of individuals in rural areas. On the other hand, some individuals interviewed provided anecdotal evidence in support of reverse migration. This is an issue of sufficient importance that a data collection effort should be mounted.

Industry

With the announcement of the New Industrial Policy (NIP) in 1986, the country's SAP has concentrated on reinvigorating private sector activity in the industrial sector. The focus has been parastatal reform and revision of industrial incentives, including the lowering of protection. Given that this privatization drive is in its early stages, it is very difficult, if not impossible, to evaluate its success.

Some rationalization of parastatal enterprise is indeed occurring. The parastatal enterprise sector, including 62 wholly owned enterprises, 46 mixed entities, and 24 public agencies, had accounted for at least 10 percent of GDP and provided employment for 34,000. For the purposes of rationalization, four categories have been established, in addition to the "lettres de mission," for the RDAs:

- . COSENA (shipping) and SOSAP (fisheries) have been liquidated, in addition to ONCAD, SONAR, and STN. SOSEPRA (handicrafts) as well as six entities to be announced will be liquidated shortly.
- . Fifteen enterprises will be divested wholly to the private sector.
- . Thirteen enterprises will be divested partially to the private sector. These together with the 15 enterprises to be divested wholly account for 45 percent of value added in the parastatal sector. For example, large entities such as the Teranga, one of Senegal's biggest hotels, are included.
- . While the public utilities will be retained by the GOS, their operations will be re-organized and strengthened through "contrat plans." Such plans have been prepared for SONATEL (telephone), SONEES (water), SENELEC (power), and SOTRAC (public transport); plans will be prepared for OPCE (post office), OHLM (public housing office), and SICAP (housing company) by end year and PORTAUME (port) and SDCF (railroad), next year. A "contrat plan" also has been put into effect for SONACOS.

In addition, the GOS is limiting subsidies; direct budgetary subsidies to the parastatal sector were cut by 5 percent in 1986/87 and settlement of cross arrears among the GOS, private and parastatal enterprises, and commercial banks has begun.

In addition to parastatal reform, the NIP is seeking to reduce protection. Protected by the GOS, domestic industries had become inefficient and high cost. They could operate with considerable excess capacity and still make large profits. To lower protection, the GOS is reducing trade barriers by lowering tariffs and gradually eliminating quantitative import restrictions, and has renounced in principle the special agreements it had furnished to enterprises that gave them preferential treatment. The ultimate aim is domestic firms that are able to penetrate overseas markets or at least compete locally or regionally. The GOS also has revised the investment code, which in the past had been viewed as an impediment to private sector activity and competition. The old investment code did not promote competition; it favored the big firms, keeping potential competitors out. Under the new code, there are special inducements to promote (a) smaller firms, (b) technological advancements, (c) domestic value added, and (d) decentralization. The code reduces uncertainty by spelling out precisely those benefits that will be available; certain benefits will be automatic. The Ministry of Finance also will be monitoring closely the performance of the benefitting firm to ensure that the firm adheres to the agreement made with the GOS.

The old labor code had been viewed as a significant constraint. Under the old labor code, employees had to be secured from GOS-maintained rolls, and dismissing an employee was all but impossible. In sharp contrast, the new code enables an employer to hire directly, go through the GOS employment services, or turn to a private employment agency. (Use of private employment agencies was previously illegal.) The new code, however, does not accord business any flexibility in dismissing employees. As initially revised, employers could dismiss temporary employees, providing some flexibility. That segment of the code was rejected by the National Assembly, calling into question the World Bank's newest structural adjustment loan for the country.

Implementation of the New Industrial Policy has drawn criticism. The phasing of reforms in the industrial sector may have contributed to the loss of important positive "announcement effects." So far, the country's businessmen see little benefit from the SAP. Indeed, a dismantling of the high tariff walls has a significant negative impact on domestic firms, at least over the near term, until those firms become more competitive and secure additional markets. Revising the special conventions with business also is having an adverse impact. The labor code, which only recently was revised, does not go far enough. The GOS generally has not passed on lower global petroleum prices; rather it has retained the difference as windfall tax gains. This policy has denied the domestic economy a much-needed stimulus except for selected export industries and the electric company, which are now receiving offsetting transfers from the GOS.

Other GOS policies continue to pose constraints. For instance, domestic manufacturers must purchase sugar from the CSS, the sugar parastatal, at almost triple global import parity levels. Worse yet, the sugar is generally considered to be of lower quality than imported sugar. The manufacturers, however, will be receiving a subsidy next year. The GOS is seeking to improve liquidity in the banking system (a major constraint), in part through reducing State borrowing from the system, including repayment of the ONCAD debt. However, the GOS continues to feel that banks should participate in bailing out certain subsectors of the economy. Most recently, several banks were assessed major penalties for refusing to direct monies to SONACOS for the agricultural campaign.

Although the New Industrial Policy seeks to generate employment gains over the medium and long term, it is expected to have a negative impact on employment in the near term. While at present, there are no data, some losses, probably rather modest, have undoubtedly taken place in association with the reform of parastatal enterprise. Revision of industrial incentives so far has had little impact on employment because many of the measures were implemented only recently. However, some losses, arising from lowering tariff walls and consequently reducing protection, are expected. According to a study undertaken by the Boston Consulting Group for the World Bank, of 25,600 industrial workers employed in the sample studied, 630 to 710 might lose their jobs in firms which might close, and another 350 to 460 might face unemployment as a direct result of business efforts to increase labor productivity. Firms surveyed included agricultural and food processing, textiles, chemicals, machinery/metals, and construction materials. For instance, Bata, a domestic shoe firm, has already decided to lay off 500 workers.

Unfortunately, the accumulated results of poor past economic policy, including the maintenance of an unrealistic exchange rate, will slow down the adjustment process. The obsolescence of Senegalese capital equipment, a result of low levels of past investment, and relatively high labor costs compared with productivity place domestic industry at some comparative disadvantage. Traditional customer and supplier relations also tend to interfere with competitive adjustments.

Nonetheless, employment gains from the New Industrial Policy may become apparent over the medium and long term as some of the reforms take hold.

Rural Institutions and Household Impacts of Structural Adjustment

The preceding sections of this report have concentrated on the impacts of structural adjustment as demonstrated from the perspective of macroeconomic indicators and aggregate production. Equally important in evaluating the effects of policy reform is the determination of impacts on individuals, in particular the mass of urban and rural poor. Structural adjustment is supposed to promote "growth with equity." Only by giving sufficient attention to people and the social institutions conditioning their existence can we really know the meaning of equity under economic adjustment. However, given current data constraints, it is simply not possible to evaluate conclusively the social, institutional, and human welfare effects of structural adjustment on the urban and rural poor of Senegal.

Because of the fundamental lack of information, it is essential to begin long-term monitoring of the effects of structural adjustment on households immediately. The assumptions underlying structural adjustment have not been tested in the Senegalese context, nor has structural adjustment been shown to have had more than mixed success thus far elsewhere in Africa. Failure of these reforms, notably the withdrawal of government from agricultural input provision and the privatization of cereals and (eventually) cash crop marketing, could mean both a reduction in donor credibility and hardship for the groups most at risk.

Reform of Cooperative Institutions

The institutional structure conceived to replace the withdrawing parastatal agencies and the traditionally weak agricultural cooperatives consists of "village sections" and smaller "production groups" (groupements de producteurs). These sections are supposed to embody all rural development functions. At this time, however, the cooperative movement in Senegal is not at all vibrant. (Table 2 summarizes the effects of structural adjustments on cooperatives as well as other institutions active in the rural areas.)

Village Sections

The size of village sections varies but cannot normally be less than 300 adults. No maximum number is required. However, only 20 percent of the active population are officially registered members of cooperatives. Virtually no women were members, and it can probably be assumed that few dependent males were included. Administrative councils of village sections are elected by a general assembly of members. Only 19 percent of

Table 2. Effects of Structural Adjustment Reforms on Institutions

Institution	Role before structural adjustment reforms	Role after structural adjustment reforms
Cooperatives	Input credit supply and marketing	Limited input supply for cash and limited CNCAS credit; marketing of peanuts, rice
Village sections	Did not exist	All local development functions
Producer groups	Did not exist	Unclear, not organized yet
Economic interest groups	Village level associations	Legal status, work with NGOs
Rural development agencies	Input credit supply and marketing	Withdrawn from most functions
SONACOS	Oil milling only	Milling; managing quality seed stock; seed supply; marketing of peanuts
Non-governmental organizations	Present but fewer	Increased number with withdrawal of RDAs
Private traders	Regulated for local cereals	Deregulation for coarse grains, licensed traders (OFS) for peanuts

council members had ever had French literacy training, but 58 percent were literate in Arabic. Membership in the administrative councils is overwhelmingly held (81 percent) by senior male heads of extended families, while 42 percent were council members in the former peanut cooperatives.

An analysis of the recipients of peanut seed credit through the village sections reveals that few benefit from these activities, which raises concern for equity and popular participation. ISRA researchers sought to test the assertion that the cooperative-village section distribution of peanut seed credit in 1985-86 and 1986-87 was dominated by council presidents, their relatives, and other village notables. They found that individuals holding important socioeconomic and political positions in the local community tended to receive disproportionate shares of seed credit in both years. Forty-one percent of registered members of village sections (themselves only 20 percent of the total active population) received credit. Virtually the same persons received the seed credit both years, in spite of an increase of 82 percent in the volume of credit. This tends to confirm the rural expression, as reported by ISRA researchers, that the "village section is none other than the council and its men."

The disappearance of ONCAD and the former agricultural cooperative system, which even the New Agricultural Policy rejected as essentially an "excrescence of the State services" in rural areas, was met by a certain enthusiasm and hope on the part of rural producers. The order of the day was political decentralization and local control of agricultural development in rural villages. After four years, the new cooperative system, in spite of name changes and much rhetoric, appears to be little different from the system it replaced. It was created hastily and its functions remain largely misunderstood by its members. Farmers have adopted a "wait and see" attitude, and only 20 percent of the total active population has officially joined.

According to spokesmen for the new cooperative system, future functions for village sections will be an expanded seed and fertilizer credit delivery system and an eventual long-term credit program for agricultural equipment. The difference is that these cooperative institutions will be acting as "private" organizations, constituting part of the new private sector response to governmental withdrawal from agriculture.

One does not want to be overly pessimistic about the potential of village sections and producer groups, but a number of fundamental problems exist. The process of building viable, democratic, ably led, and dedicated village organizations cannot simply be decreed and then left to its own devices. The monopolizing of advantages by the powerful few, as has been seen in the limited credit programs of 1985-86 and 1986-87, is inevitable

under such circumstances. Private merchants, according to most observers of rural Senegal, are quite unlikely to provide such credit in view of the fundamental risks involved and the potentially higher profits from any number of their other commercial undertakings.

Who is to provide such training and grassroots buildup? One possibility is that private, non-governmental organizations (NGOs), of which there may already be 30 to 40 operating in various areas of rural Senegal, will be able and willing to respond to this need.

Economic Interest Groups

In 1985 as part of the overall structural adjustment reform process, a new type of village-level, "private sector" enterprise was legislated, the "economic interest group" (EIG) -- *groupeement d'interet economique*. The EIG was specifically designed to respond to the need for traditional village-level associations to gain legal status, much as the "production groups" of the cooperative system were supposed to do. EIGs are not, however, part of the revamped cooperative system, as is attested to by their status under the Ministry of Commerce. One suspects that their creation had, in any case, become inevitable as NGOs sought counterpart groups to carry out their development projects.

EIGs are organizations generally formed without capital, but one of their first objectives is to obtain it from one or more of the many NGOs operating on Senegalese soil. In this task they now have often become linked informally with the Rural Expansion Centers (*Centres d'Expansion Rurau: Polyvalents, CERP*). This grouping of technical service cadres works together with NGOs and EIGs in carrying out grassroots economic development.

Much variety in form and function occurs between various NGOs, each possessing its own distinctive approach to development. While one cannot doubt the sincerity of NGO intentions, this multiplicity of approaches poses some danger for an effective national coherence of social service delivery. On the other hand, such a variety of service delivery and grassroots economic development endeavors should permit determination of those approaches most likely to succeed in the Senegalese context.

Household Welfare

Table 3 summarizes the effects on rural and urban households of the structural adjustment program.

Table 3. Effects of Structural Adjustment Reforms on
Urban and Rural Households

Policy change	Households affected	Expected effects of policy change
Increase in consumer prices for rice and cooking oil	Urban, rural	Decreased purchasing power for household and substitution of less expensive items; effects particularly pronounced for low-income urban households
Greater austerity in public sector employment	Primarily urban	Decrease in public sector employment and employment growth; slower wage increases mean decreased real salaries for public sector employees
Reduction of import tariffs and elimination of most quantitative restrictions	Primarily urban	Reduced costs of imported products, particularly capital and construction goods; short-run employment losses in less efficient enterprises, long-run increases in employment as industries become competitive
Producer price increases for peanuts, millet, maize, rice, and cowpeas	Rural	Increased producer incomes and crop production
Phased elimination of fertilizer input subsidy and credit supply	Rural	Increased prices for fertilizer; reduction in fertilizer use; lower productivity; decreased rural incomes
Phased elimination of peanut seed credit	Rural	Decreased supply of production credit; farmer responsibility for own seed stocks; decreased rural incomes
Restructuring of Rural Development Agencies	Rural	Some reduction in rural employment
Liberalization of cereals marketing	Urban, rural	Higher rural incomes; effects on urban consumers less clear

Rural Household Welfare

The major policy changes directly affecting rural household welfare are the increase in producer prices for certain crops, the elimination of agricultural input credits and subsidies, the restructuring of the regional development agencies, and consumer price increases. Greater producer incentives for millet and peanuts have been furnished under structural adjustment, leading to increased values for these crops and to higher rural household incomes. Abundant rains also contributed to high production levels. Distribution of these income gains between men and women, however, is unclear.

On the negative side, farm-gate input prices have tended to rise more rapidly over the last few years, according to ISRA, than producer prices. Fertilizer jumped more than fourfold in price between 1976 and 1985, while the price of peanuts little more than doubled. The real producer price of peanuts is, in fact, the same in 1987 as it was in 1983. Removing the activities of the regional development agencies from the rural areas has meant the loss of extension services, inexpensive seed, and fertilizer credit. In the first case, little harm has come to producer incomes, since extension service coverage had always been sparse. On the other hand, loss of inexpensive seed and the fertilizer subsidy is costly to producers, although difficult to quantify. Women's production and incomes have been less affected because they operate more typically outside of the formal channels. Because women receive inputs such as seed and fertilizer only rarely, little direct effect on women's production is expected. However, if men's cropping decisions change as a result of the loss of input supply and credit, women's productive activities could be adversely affected.

Accompanying input price rises have been consumer staple price hikes, especially since August 1983, affecting rice, cooking oil, and sugar. While such cost of living increases can be expected to have hurt poor urban consumers more than rural households, consumer price rises coupled with input price liberalization have meant rapidly rising rural household costs. Although producer price increases have contributed to higher agricultural income, one must not assume that net farm family welfare has risen as much in recent years as agricultural income. Moreover, with population growing at nearly 3 percent per year and with producer prices at possibly unreasonably high levels relative to world values (e.g., rice, peanuts), it does not appear likely that current farm income levels can be maintained in the medium term. The long-term prospects are complicated by the disinclination of farmers to purchase fertilizer for cash, the availability and distribution of good quality seed, and the difficulty of obtaining productivity increases without new or improved equipment.

Urban Household Welfare

Consumer staple price increases (petroleum, sugar, rice, cooking oil, butane gas) and wage and employment austerity suggest that much of the short-run cost of structural adjustment has been borne by the urban population. Petroleum products and rice are especially important items in urban household budgets; petroleum products weigh heavily for the more wealthy, rice for the poorer. The price increase for rice in 1983 (from 120 to 160 CFA/kg), for example, is estimated to have reduced real family income by 8 percent for more than 33 percent of the population in Dakar. For civil servants, wage restraints pursued since 1983 have produced real salary decreases, exceeding 30 percent. The reduction in civil servants rolls from 72,000 to 68,000 also has taken its toll. On the other hand, the wealthier urban households continue to benefit from the overvalued currency, which keeps import costs down. Despite the declining urban incomes, there appears as yet to be no end to the rural exodus, even though the outflow of rural migrants to the city may have slowed.

"African solidarity" constitutes the cushioning mechanism for the urban poor, as families take on relatives from the rural areas or newly unemployed from the public or informal sectors in the cities. The urban poor are in close contact with the rural population; many young men migrate to the towns for possible work in the off-season and then back to the farms during the rains. We need to know much more about rural-urban social linkages, income flows, and the nature of short-term migration. The impacts of structural adjustment are being cushioned in urban and rural areas by adaptive mechanisms which involve such income flows and movement of key individuals (i.e., young males).

IV. CONCLUSIONS

Team discussions with GOS officials and donor representatives suggest that the GOS is committed to the reform process. According to a GOS official, "the structural adjustment process (SAP) is forcing us to consider other ways of organizing economic activity and not just accept the old, traditional ways of doing things." Nonetheless, it will take considerable time to undo the inherited state mentality. State control had permeated all areas of the Senegalese economy.

The GOS has introduced a number of reforms in the agriculture sector. Gains have been realized from the producer price increases, the liberalization of the millet, sorghum, and maize trade, and the reorganization of the RDAs.

All geographic restrictions on the marketing of millet, sorghum, and maize have eliminated. The liberalization has led to higher production and increased incomes for those farmers producing the commodities. Women traders, in particular, have benefited.

For each RDA, a "lettre de mission" has been prepared. Providing for a reduction of state intervention and greater administrative oversight, the "lettre de mission" sets objectives, employment levels, and financing for each RDA. In all cases, the provision of inputs and credit has been totally or partially eliminated. One RDA, STN, has already been liquidated.

Nonetheless, yields from the reform efforts in the agriculture sector have been disappointing. Conflicting reform objectives and an uncertain policy environment, in part, may be responsible.

"Privatization" efforts have been pursued in the agriculture sector, including seed delivery, elements of the peanut marketing chain, and the import and distribution of fertilizer and rice.

The efforts have, at best, had limited success. Some of the difficulties may be a consequence of State failure to completely extricate itself from participation in the activity.

The team saw no evidence that the SAP has had any positive impact on employment in the agriculture sector. Little evidence was found in support of reverse outmigration from urban to rural areas.

The reform program is achieving a shift of income from previously favored urban households to rural dwellers. While reduction of the fertilizer subsidy, the absence of credit, and problems associated with peanut seed distribution have reduced rural economic welfare somewhat, this reduction has been more than offset by the gains from the liberalization of the coarse grains trade and higher peanut producer prices, leading to higher disposable income for farmers. Urban residents have been adversely affected by the heavy taxation built into the pricing structure for petroleum products and rice and by restrictions on civil servant wages and employment. The relative distribution of the income transfers on men and women cannot be determined.

The New Industrial Policy (NIP), instituted in 1986, is designed to open local industries to competition through a reduction of protection. Some impressive reforms already have been introduced, including dismantling of high tariff walls, amendment of special conventions that gave preference to local industries, and a revised investment code. The labor code also has been revised; however, in a major setback, it does not provide flexibility in the dismissal of employees that domestic businesses had been actively seeking.

While the ultimate aim of the NIP is efficient domestic firms able to compete abroad, many of the measures that have been implemented so far are so new that they have yet to have an impact.

Reform of the parastatal sector, which had accounted for at least 10 percent of GDP, is taking place. Five enterprises have been liquidated; seven more will be closed shortly. Twenty-eight enterprises will be wholly or partially divested to the private sector. Performance contracts ("contrat plans"), a mechanism to strengthen and reorganize operations, have been prepared for the public utilities.

The SAP appears to have had a positive impact on certain macroeconomic indicators. Real GDP growth improved to 3.8 percent in 1985 and 4.6 percent in 1986, increasing real per capita income; the budget deficit has come down from 8.2 percent of GDP in FY 1983 to 1.0 percent of GDP in FY 1987; civil service employment has been reduced from 72,000 to 68,000; inflation fell from 13.0 percent in FY 1985 to 6.9 percent in FY 1987; the

current account deficit excluding foreign grants decreased from 18.6 percent of GDP in FY 1985 to 10.8 percent in FY 1987; gross domestic savings as a share of GDP increased from 1.2 to 8.0 percent from 1984 to 1987; and external arrears have been liquidated. Some of the improvements, however, are due to other factors, e.g. good rains, an appreciating local currency, etc.

While the SAP may have positive impact on employment over the medium and long term, the program so far is producing losses. Reduction in civil servant rolls, rationalization of parastatal enterprise and the RDAs, and the dismantling of tariff walls account for the employment losses.

The team found a number of unresolved issues related to the reform and liberalization of the Senegalese economy.

Fixed parity of the CFA and French franc, resulting in an overvalued exchange rate. The consensus seems to be that the CFA in Senegal is overvalued at its current rate of 50 CFA per French franc, especially in the aftermath of the recent appreciation of the French franc against the U.S. dollar. This places Senegalese exports at a competitive disadvantage. Realignment of the CFA might help the fisheries and tourism subsectors, reduce the budget deficit associated with peanuts, and limit the cost of the export subsidy program. However, a depreciated CFA would tend to increase wage demands, increase the burden of debt service payments, and have little effect on the major imports such as rice and petroleum, whose demand is less sensitive to price changes. The issue of currency adjustment is most delicate, complicated by the presence of 14 participating African countries as well as France.

High domestic resource cost of rice and the desire to promote food self-sufficiency. A major policy constraint in Senegal is the desire to promote food self-sufficiency and to replace, to a significant extent, imported rice with domestic rice. The current domestic cost of rice exceeds 200 CFA/kg. Since this rice is then sold at the consumer price of 160 CFA/kg, there is a significant loss on the production and sale of domestic rice. Thus, domestic rice is highly subsidized even at the artificially high official consumer price. Significant domestic rice production would entail government subsidies at current rice prices.

Subsidized and politically sensitive peanut price. The producer peanut price is highly subsidized. At current world prices the export value of peanuts is 30-35 CFA/kg; the official producer price is 90 CFA/kg. Reducing the peanut price would have an adverse effect on rural income levels and, of course, be politically unpopular and difficult to implement. Nevertheless, there seems to be a belief that the GOS will have to lower the peanut price; the GOS, particularly since STABEX transfers will be reduced, will not be able to afford the peanut subsidy.

Some slowness in the reform process and bureaucratic resistance. Senegal is a country with powerful interest groups: government bureaucrats, labor unions, agricultural producers, consumers, and religious groups. Certain reforms have had and will have adverse impacts on these various groups. The GOS has had to proceed slowly in many cases, consulting with these groups, sensitizing them, and persuading them of the merits of various reforms. The donors must be both understanding and vigilant in this process, encouraging the GOS to do as much, as quickly as it can, given the political and social constraints.

Need for reform in the banking sector to encourage more small scale loans and activity in the rural sector. Difficulties in the commercial banking sector are an impediment to increased private sector activity. Liquidity deficiencies resulting from prior bad loans (particularly to the GOS and parastatals), interest rate controls, West African Central Bank and IMF mandated credit ceilings, and some traditional preferential relationships between banks and favored customers all pose problems. A modest effort at addressing these problems has been initiated; liquidity deficiencies are easing somewhat.

Need for a more competitive and open economic environment. Notwithstanding a highly competitive informal commercial sector with many sellers and good price information, the Senegalese economy has a tradition of government involvement and protection. The notion of a "classical" competitive economy is rather alien. Interest groups still have significant power and incentives to oppose certain pro-competitive measures. Donors are not consistent in their policy suggestions to promote a more competitive and liberalized economy. Prior suggestions to increase the peanut price above its farm-gate value and insistence on a highly protected consumer rice price are not conducive to a free-market economy.

Encourage some reorganization of government to make its structure more conducive to an open economy. The current ministerial structure of the Senegalese government, with its various offices of economic control, was set up for a regulated economy and is not entirely conducive to an open economy. Some structural reorganization of the GOS might be desirable.

More attention to the groups at risk. Little is known about the effects (positive or negative) of structural adjustment on the rural and urban poor or other at-risk groups in the Senegalese society. In particular, it is nearly impossible to assess the effects of the SAP on the poor, and on women and children. Donors should insist on impact evaluations from policy changes and improved data collection efforts.

Input delivery and producer credit. There are still many unresolved questions concerning input delivery. These questions include the economically optimum usage and distribution of fertilizer, the most appropriate means for seed storage and distribution, and the development of a private system of agricultural credit. Also, the magnitude of the effects of input and credit policy on women's production is unknown. The most appropriate roles for farmers, cooperatives, the private sector, and the GOS are still being debated, despite general agreement that the private sector should be more involved in the input system. The USAID agricultural input program may be of assistance in this regard.

Rapid rate of population growth. Given its size and resource base, Senegal's near 3 percent annual rate of population increase imposes major constraints on economic growth. The SAP effort has not emphasized this sensitive, important problem.

Energy pricing problems. Energy pricing poses some problems in the domestic economy. In an effort to maintain government revenues and conserve energy, the GOS has not passed on full decreases in petroleum prices to domestic businesses and consumers, keeping the difference as a windfall tax gain. This policy hinders domestic industries.

Structural problems in the budget. The reduction in the overall budget deficit has contributed to certain structural problems. Fixed assets have eroded as a result of the decline in maintenance spending. Civil servants' motivation may be adversely affected due to declining real salaries. GOS resources for capital expenditures also have decreased. Increasing the efficiency with which existing tax codes are enforced would help augment government revenues. The USAID tax reform program is addressing this issue.

Development of constituencies for the reform. Reforms will not be successful unless constituencies for the reforms arise. Clearly, constituencies will not develop if the various interests believe that the GOS will backslide. In Senegal the policy environment has been rather uncertain, particularly in the agricultural sector. For instance, periodic debt forgiveness and reversals on seed and fertilizer policy have led farmers to believe that the government will intervene on their behalf, if the economic situation becomes sufficiently difficult.

ANNEX 1. INTERVIEW LIST

United States Ambassador to Senegal:

Mr. Lannon Walker

USAID/Dakar:

Sarah Jane Littlefield, Director

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World Bank:

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Aziz Diop

Ministry of Finance:

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Ministry of Rural Development:

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Ministry of Plan:

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Jack SheaMajken Ryherd
Robin Ladley
Howard OpperNancy Robinson
Cam GarrettCatholic Relief Services:

Peter Gallagher

Organization for the Development of the Gambia River:Malik John
Mamour GayeSenegal Bank for National Development:

Lamine Dieye

United Nations Development Programme:

Mina Bail

International Development Foundation:

Pape Diallo

Agency for the Management and Development of Delta Lands (SAED):

M. Diallo

International Monetary Fund:

Mission visiting Senegal during the June 20-July 10 period
headed by Evangelos Calamitis

Sahel Club/OECD:

Anne de Lattre

Chamber of Commerce:

Issa Diop

Central Fund for Economic Cooperation (French aid agency):

Didier Robert

West African Central Bank:

M'Baye Sarr

Citibank:

Michel Accad

Association of African Women for Research and Development:

Marie-Angelique Savane

Ministry of Social Development:

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Farba Diof, Petits Projets Ruraux
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Environnement Developpement Afrique, Tiers Monde:

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Discusses plan to involve large private companies in maintaining floor price of millet production beginning in 1986. Seen as preferable to use of government agency. Risks seen as small. Important to provide a stable marketing structure for agriculturalists to produce more millet (surpluses) for sale to urban areas.

Damon, Jackie.

The Operation of the West African Monetary Union (WAMU) and the Financial Sector in Senegal.

The report describes salient characteristics of WAMU, discusses monetary and credit policies, and details distortion in the process of financial intermediation.

Diagana, B. and Fall, A.; Goetz, S.

"Observations Preliminaires sur le Systeme Agro-alimentaire dans les Regions Orientales du Senegal." March 1987.

Description of the Food Security Project (ISRA, Michigan State) which has as objective the study of producers and market participants under input and marketing liberalization under the New Agricultural

Policy (1984). Areas studied are in eastern Senegal. Following actors and institutions reviewed: private traders, peasant and parastatal organizations, input distribution systems.

Diao, El Hadji.

"Projet PL 480/Transformation du Mil (ITA/USAID) au Senegal: Etude de Marche et Analyses Financieres." Dakar: ITA, July 1987.

Discusses results of millet transformation projects in Senegal and the optimum choice of technique with respect to millet machines.

*Dixon-Mueller, Ruth.

Women's Work in the Third World Agriculture.
Geneva: ILO, 1985 (Women, Work and Development, 9).

Identifies dimensions of division of labor in production; discusses techniques for measurement of gender differences in task specialization, access to resources, time use, productivity, returns to labor, and labor force participation; critiques the usefulness and reliability of information obtained by different methods of data collection and presentation; suggests interpretation of the various indicators for employment planning.

*Frankenberger, Timothy R.

Adding a Food Consumption Perspective to Farming Systems Research. Washington, DC: USDA, Nutrition Economics Group, Technical Assistance Division, Office of International Cooperation and Development, June 1985. (Report prepared under RSSA-BST-1171-R-AG-3125--01, Office of Nutrition, BST/AID project 931-1171).

Includes a discussion of farming systems research, linkages between production and consumption, the role of women in production, methods of incorporating food consumption concerns into the farming systems research process, and various survey methods.

*Frankenberger, T.

"Farming Systems Research Along the Senegal River Valley: Agricultural Research Alternatives." College of Agriculture, University of Arizona, Senegal Agricultural Research Project II, April 1987.

Discusses role of ISRA and AFARD in agricultural research in Senegal River valley and goes on to discuss future research alternatives. Based on a survey of 500 households in 18 delta villages in 1984. 69 households were selected for long-term monitoring. A cereals marketing study is also discussed here.

Giorgis, Belkis Wolde.

A Selected and Annotated Bibliography on Women and Health in Africa. Association of African Women for Research and Development, 1986.
(Bibliographic Series #1)

Bibliography of resource materials on women's health issues in Africa. Analyzes methodologies of existing literature, suggests alternative methodologies. Section on women and nutrition includes women's agricultura' production materials.

Grootaert, Christiaan.

The Conceptual Basis of Measures of Household Welfare and their Implied Survey Data Requirements. Washington, DC: Development Research Department, World Bank, 1982.

Discusses the conceptual framework behind the measurement of welfare. Outlines three approaches to the measurement of welfare and attempts to compare these from the perspectives of concepts used, data requirements, and analytical demands. Also explored is the nature of the survey instrument required to obtain data to study household welfare.

Hansen, Art and Della E. McMillan, eds.

Food in Sub-Saharan Africa. Boulder, CO: Lynne Rienner Publishers, Inc., 1986. (Food in Africa Series)

General overview of food production and marketing in sub-Saharan Africa. Includes discussion of environmental, social and political factors, production patterns, policy issues, and a good general overview of women's issues in food production.

Harrison, Don.

"Senegal: Economic Reform Impact Study."
Washington: USAID, May 1987.

This report identifies the major reform initiatives undertaken by donors since 1983. It also discusses the GOS's efforts towards meeting their obligations under the reform program.

International Labor Organization.

Economically Active Population Estimates and Projections 1950-2025. Geneva: ILO, 1986 (3rd ed.), Volume II: Africa.

Estimates the economically active population by sex, age, and productive sector (includes unpaid family workers and producer's coops).

International Monetary Fund.

Senegal - Recent Economic Developments. March 13, 1986.

International Monetary Fund.

Senegal - Request for Stand-by Arrangement and for Arrangement Under the Structural Adjustment Facility. October 7, 1986.

International Monetary Fund.

Senegal - Staff Report for the 1986 Article IV Consultation and Review Under Stand-by Arrangement. March 6, 1987.

International Monetary Fund.

Senegal - Stand-by Arrangement. November 17, 1986.

International Monetary Fund.

Senegal - Structural Adjustment Arrangement. November 25, 1986.

*ISRA.

Departement de Recherches sur les Systemes de Production et le Transfert de Technologie en Milieu Rural. Etude - Diagnostic de village de Ndiefoune Parba. Dakar: Contrat ISRA - AGRHYMET: Etude - Diagnostic "Agro-Socio-Economique de la Zone Pilote du Project EPIS" (Experience Pilote Integree Senegalaise).

Diagnostic agro-socio-economic study of a village in Senegal's Peanut Basin. Includes a discussion of agricultural organization, land tenure, equipment inventory, and gender division of labor.

Kane, Francine.

Femmes Proletaires du Senegal, a la Ville et aux Champs. Cahier D'Etudes Africaines 65.

A comparison between women employed by the canned food industry in Dakar and the plantations in the rural areas.

Keita, Rokiatou N'diaye.

Les indicateurs socio-economiques de l'integration des femmes au developpement: Cas du Mali. Addis Ababa: United Nations Economic Commission for Africa, African Training and Research Center for Women, 1981. (Research series ST/ECA/ATRCW/81/17).

Discussion of socioeconomic indicators necessary for evaluating the integration of women in development. Reviews data sources available in Mali, and suggests

approaches for the construction and interpretation of indicators.

Kelly, Valerie A.

Acquisition and Use of Agricultural Inputs in the Context of Senegal's New Agricultural Policy - and - The Implications of Farmers' Attitudes and Input Purchasing Behavior for the Design of Agricultural Policy and Research Programs. Bureau d'Analyses Macro-economiques, Institut Senegalais de Recherches Agricoles (ISRA). Report on ISRA research conducted between 1984 - 1986.

Study concerns farmers' use of inputs from 1981-85, constraints on input use, especially fertilizer, and implications for agricultural policy, extension, and research programs. Informal private sector is found to respond better to farmers' needs than officially sanctioned cooperatives and SONACOS. Suggestions are made for further collection of micro-data.

*Lewis, John P.

Structural Adjustment and Senegalese Agriculture. USAID.

The paper describes: (1) Senegal's foreign aid including those who supply it, (2) the Senegalese economy over the period 1960-78, (3) the growing recognition of the need for structural adjustment, (4) the World Bank and IMF role in structural adjustment over 1979-84, and (5) the impact of aid on macroeconomic performance. The paper does an especially good job of describing Senegal's structural adjustment performance in the early 1980s.

*Loose, Edna E.

Women in Rural Senegal: Some Economic and Social Observations. Purdue University, Department of Agricultural Economics, February 1979. (Paper prepared for the workshop on Sahelian Agriculture, USAID contracts AFR-C-1257 and 1258.)

Assesses the social and economic impact of a project designed primarily to benefit women; provides a fairly detailed picture of the economic and social position of Senegalese women in several villages near Bambey.

McCaffrey, Kathleen M.

Images of Women in the Literature of Selected Developing Countries (Ghana, Senegal, Haiti, Jamaica). Washington, DC: USAID/WID (Contract afr-c-1197, W036) 1978.

*Newman, Jeanne S.

Women of the World: Sub-Saharan Africa. Washington, DC: U.S. Department of Commerce, Bureau of the Census, August 1984. (Prepared under a Resources Support Services Agreement with Bureau of Program and Policy Coordination, USAID.)

Summary of data available concerning women in sub-Saharan Africa. Includes tables on population distribution, literacy, economic activity, marital status, fertility, and mortality.

*Newman, Mark; Ndoye, O.; Sow, P.A.

"Private Sector Grain Marketing in Senegal's Peanut Basin." Paper submitted to 1986 Annual Meeting, American Agricultural Economics Association, Reno, July 1986.

Discusses grain traders surveyed in Peanut Basin in 1983-1985. Indicates considerable activity in transportation and short-term storage with margins and sales prices well above government official levels. Unlicensed wholesalers handled 30% of total millet and imported rice in the absence of governmental regulation at present. This paper gives a notion of baseline trading activity which may still resemble current situation.

Obbo, Christine.

African Women: Their Struggle for Economic Independence. London: Zed Press, 1981.

Studies the efforts of women in Uganda to support themselves economically, especially through migration from village to larger towns.

Ross, Clark.

"Supporting Reform in the Agricultural Sector." Paris: OECD, Club du Sahel, August 1986.

This brief report describes the issues associated with evaluating structural reform in the Sahel. Mali, Niger, and Senegal are used as case examples.

*Sarr, Desire Y.

"Allocation de Semences Credit par les Sections Villageoises: Etude de Cas dans la Communaute Rurale de Kaymor." ISAR - Equipe Systemes Kaolack, March 1987.

Examines the distribution of peanut seed credit in village sections of case study in 1985-86 and 1986-87 agricultural campaigns. Indicates that basically the same individuals (41% of total members) received credit

both years and that these tended to be the presidents and members of executive committees, their relatives, and other important notables of the villages.

*Sarr, Desire Y.

"Mise en Place des Sections Villageoises - Etude de Cas: Les Sections Villageoises dans la Communaute Rurale de Kaymor." ISAR - Secteur Centre-Sud Kaolack, March 1985.

Description of the creation of village sections in an area near Kaolack (Peanut Basin). Discusses the haste and confusion with which the cooperative reform occurred in 1983. By 1985 the new village sections were doing nothing more than input (peanut seed, fertilizer) supply and peanut marketing. Low level of peasant participation (20%). Low level of literacy in French among cooperative officers.

*Savane, Marie-Angelique.

Les projets pour les femmes en milieu rural au Senegal (Rapport d'evaluation). Geneva: ILO, February 1983.

Evaluation of projects designed to benefit rural women. Contains considerable background information on women's activities by region.

Scharffenberger, George, et al.

"Africa Food Systems Initiative: Senegal Assessment Report - 1986."

Country assessment for Peace Corps of possibilities for a basic food security program in the future. First part analyzes the food security situation in the light of Senegal's New Agricultural Policy. Second part proposes a major new Peace Corps program for Senegal over 8-10 years. Good source of information on the rural sector.

Senegal, Republique du.

"Nouvelle Politique Agricole." Dakar, March-April 1984.

This document sets out the broad elements of Senegal's new agricultural policy; these elements were still valid in July 1987.

Senegal, Republique du.

Ministere du Developpement Rural. Nouvelle Politique Agricole. Dakar: March-April 1984.

New Agricultural Policy document.

Senegal, Republique du.

Ministere du Developpement Social. Comite Nationale de la Femme. VIIIeme Quinzaine Nationale de la Femme. Journee d'etudes des 24 et 25 mars 1987. Rapport Introductif: Les Roles des Femmes dans la Lutte contre la Desertification, March 1987.

Discusses the theme of the seventh quinzaine (two week period) dedicated to the role of women in combatting desertification. Reviews women's participation in village woodlots, resource conservation, brush fires, and awareness efforts.

Senegal, Republique du.

"Le Programme d'Ajustement Economique et Financier 1985-1992." Deuxieme Reunion de Groupe Consultatif - Avril 1987, Volumes I-IV.

These are basic documents containing the Government of Senegal's submission to the donors of proposed policy reforms for the 1985-1992 period.

Smetsers, Maria.

Rapport sur les travaux faits dans le cadre d'une etude sur les femmes et le developpement rural au Bassin Arachidier. Amsterdam: Free University, Institute of Cultural Anthropology/Non-Western Sociology, March 1984.

Report covering the start-up activities and research methodology of a study designed to research the economic position of women under modernization and demographic pressures. Village near Tivaouane in the Peanut Basin was chosen for the study. Final results should have been published in 1985.

Spens, Teresa.

Studies on Agricultural Extension Involving Women. United Nations Development Fund for Women, September 1986. (Unifem Occasional Paper No. 3)

Considers the usefulness of country case studies of the involvement of women in government extension services. Provides a basic structure for such studies and suggested implementation framework.

*Stone, Priscilla, et al.

"Food Consumption in the Senegal River Valley: A Rainy Season Farming Systems Reconnaissance Survey in the Middle Valley Between Podor and Matam, Senegal." USAID/University of Arizona, December 1986. (Senegal Agricultural Research Project II)

Food consumption study including food preferences, preparation, purchases, and prices. Also includes production pattern information and discussion of women's farming and other economic activities.

Tansuhaj, Patriya S.

"Women Garden Crop Growers in Senegal: Their Marketing Problems" July 1986. (USAID contract No. DPE-0100-G-SS-4028-00, in conjunction with ENEA, CAIDS/Texas Tech).

Studies the problems faced by women in the production and marketing of garden crops in the Thies and Ziguinchor areas.

*Tuck, Laura.

Financial Markets in Rural Senegal. (1984?) (Chapter 5 of unknown work.)

A rather sophisticated treatment of government and informal credit activities in rural Senegal. Article describes credit programs and analyzes them in terms of farmers' perception of their usefulness. An appendix discusses informal credit based on author's 1983 study of informal rural financial markets.

United Nations. Conseil d'Administration du Programme des Nations Unies pour le Developpement.
Planification des Programmes: Quatrieme Programme du Senegal. New York: Twenty-fourth session (26 May - 19 June 1987). (Programmation par pays et programmation multinationale)

Summarizes the UNDP's fourth Development Plan for Senegal (covering 1987-1991). Includes a review of UNDP strategies and priorities for Senegal, an evaluation of the preceding development program, and a description of the proposed program. Women's projects are discussed briefly.

United Nations. Economic Commission for Africa (CARFF).
Rapport du Seminaire sur L'Integration de la Femme au Developpement et L'Amelioration de la Qualite des Conditions de la Vie en Milieu Rural. Lome, Togo.
Voyage d'etude du 8 au 18 avril 1980. (Serie Rapports de Seminaires)

Report of seminar on the integration of women in development and the improvement of the quality of life in rural areas. Discusses the role of women in economic activities (primarily in Togo) and problems with the education and training of women, describes visits

to women's cooperatives, and contains a country statement for Senegal.

United Nations. Economic Commission for Africa.

Seminaire sur le role et les problemes des femmes dans la commercialisation des produits vivriers en Afrique de l'Ouest: stockage, transformation, distribution des produits, utilization de nouvelles techniques. Dakar 22 au 27 juin 1981. Addis Ababa; 1982. (African Training and Research Center for Women Seminar Reports series).

Summary of presentation made at seminar including case studies, recommendations for actions and future research, and a summary table of agricultural product processing methods.

United Nations. Economic Commission for Africa.

Women in the Artisanal Fishing Industry in Senegal and Ghana. Addis Ababa: 1984 (African Training and Research Center for Women Research Series)

Focuses on common aspects of fish processing and marketing by women in Senegal and Ghana. Discusses the major fish products, processing, methods, and difficulties encountered in production and marketing. Provides recommendations for improving conditions.

United Nations. FAO. Statistics Division, Economic and Social Policy Department. Socio-Economic Indicators of Agrarian Reform and Rural Development. Stillwater, OK: April 1987. (Project Resource Report B-24; Agricultural Policy Analysis Project, USAID Contract DAN 4086-C-3087-00)

Detailed discussion of socioeconomic indicators necessary to evaluate reform and development efforts. Includes a review of indicators of particular relevance to women.

United Nations Development Programme.

Rapport Annuel sur L'Assistance au Developpement Republique du Senegal. Dakar, 1985.

USAID.

Country Development Strategy Statement FY 1987 Senegal. Dakar, Senegal, February 1985.

This document set USAID's basic Senegal aid strategy for the 1987 fiscal year, with a level of support reaching \$50 million annually.

USAID.

"Draft Analytical Framework for Assisting AID Development Planners in Linking Gender Issues to Project Design." 1987.

Provides definitions of project factors to be considered to assure women's participation, location-specific information necessary for project design, typical constraints on women's participation and suggested solutions, and integration into the AID program process (including macroeconomic policy considerations) and training agenda.

USAID.

"An Overview of the Current USAID Program in Senegal." USAID/Dakar, February 1987.

Listing of active USAID programs in Senegal and Sahel Regional Programs.

USAID.

"Senegal Project Paper and Annexes for Agricultural Production Support." (685-0269) USAID, Dakar, 1986.

These documents describe and support USAID's agricultural production support project which has four components: (1) a revolving fund for lending through banks to private traders, (2) seed multiplication and distribution, (3) crop statistics, and (4) a mass media campaign.

USAID. Bureau of Program and Policy Coordination.

Paths to the Future: Women in Third World Development. Washington, D.C.: May 1985. (Prepared by the Sequoia Institute under contract PDC-0092-I-03-4047-00)

Three papers focusing on the development theme established for the United Nations Decade for Women. Included are an interpretive summary paper, "Women in the Third World," and two background papers on women in Third World cities and rural women in development.

*Von Braun, Joachim and Ken B. John.

"Trade-offs in the Rapid Expansion of Smallholder Rice Production in The Gambia" (Preliminary Draft for discussion only). Washington, DC: IFPRI, 1987 (paper prepared for the "Dynamics of Cereal Consumption and Production Pattern in West Africa," July 15-17, 1987, Dakar, Senegal).

Reviews the changes in rice production and consumption patterns in The Gambia giving particular attention to the impacts of recent large-scale irrigation projects.

Contains data on the gender division of labor for various crops.

*Waterbury, John.

"Agricultural Policy Making and Stagnation in Senegal: What is There to Explain?" MADIA Development Strategy Division, Development Research Department, World Bank, January 1986.

Document covers the history and present situation of agricultural policy in Senegal. First section covers evolution since 1960. Second covers the role of the state (clans, technocrats). Third/fourth sections deal with role of the marabouts and patronage. Section V deals with the peasantry and VI with the donors. Section VII treats the present actors and policy shifts. Excellent, thoughtful discussion which covers, as is rarely done, the socio-political context of rural reform.

World Bank.

"Report and Recommendation of the President of the International Development Association to the Republic of Senegal." SAL III Report No. P-4498-SE. May 1987.

This report recommends SAL III for Senegal. It also discusses the conditions associated with SAL III.

World Bank.

"Senegal, An Economy Under Adjustment." Report No. 6454-SE. Washington, February 1987.

This is the most recent country economic memorandum for Senegal. The report contains the most recent statistical sources for Senegal and discusses its economic reform program.

Zambia, Republic of.

Strengthening Women's Participation in Food and Agriculture Marketing. Proceedings of the National Seminar held at Co-operative College, Lusaka - Zambia, 16th-19th April 1984. National Commission for Development Planning and University of Zambia. (Rural Development Studies Bureau Occasional Paper No. 21.)

Summary of papers presented at the seminar. Subjects covered include marketing organization and cooperatives; marketing and pricing policies; credit and financing; food processing, presentation and technology; and training and research.

* Sources of information particularly useful for further research.

ANNEX 3. WOMEN IN SENEGAL'S AGRICULTURAL SECTOR:
A SUMMARY OF THEIR ACTIVITIES AND THE EFFECTS OF
POLICY INTERVENTIONS

I. INTRODUCTION

Women play an important role in Senegal's agricultural production. In addition to providing substantial labor for crops such as peanuts and millet traditionally controlled by men, and contributing to Gross Domestic Product from agriculture, they cultivate their own fields. They produce a wide variety of crops for family consumption and for sale. Women also perform most of the tasks of household maintenance such as food preparation, child care, and water and wood gathering, further supporting and sustaining agricultural production.

Despite the important roles that women play, little research has been done to measure the large direct and indirect contributions women make to agricultural production. Particularly lacking is research on differences in production practices for different ethnic groups. Work in women's productive activities in agriculture is nearly non-existent.

To address both of these issues, the WID office of AID/Washington, in conjunction with the Africa Bureau, has supported a study of women's roles and activities in agricultural production, including an assessment of the effects of policies on these activities. Specifically, this project was designed to provide a preliminary assessment of the gender impacts of policy reform programs, and survey previous gender research and the availability of gender baseline economic data to support further research on the impacts of policy reform on women.

The methodology followed for this study was similar to that of the team researching the effects of structural adjustment policy reforms. After a week of preparation in Washington,

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including a review of documents and meetings with AID staff, four weeks of field work in Senegal were undertaken. Data collection activities included review of documents and interviews with local government officials, USAID/Dakar staff, donor agency representatives, and local researchers. Two field trips, one to the Fleuve Peanut Basin, provided valuable insights and access to regional government officials and donor organizations. As with the structural adjustment team, the approach taken was largely descriptive and qualitative, given the time constraints and lack of reliable quantitative information on women's activities in the agricultural sector.

The purpose of this paper, then, is fourfold: 1) to identify the principal points in the agricultural system where women's participation is significant, 2) to discuss how this participation differs from that of men in agriculture, 3) to identify the major economic policies that affect agricultural production (particularly production by women), and 4) to summarize the impacts of these policies with emphasis given to effects on women's activities. A secondary objective of the paper is to provide the background necessary for evaluating the effects of structural adjustment on women in agriculture.

Because of significant regional and ethnic differences, generalizations concerning the country as a whole are difficult to make. However, sufficient descriptive information on women's agricultural activities was available for three of the main agricultural regions of the Fleuve region in northern Senegal: the northwestern portion of the Peanut Basin, near Thies; Diourbel and Kaolack; and the Basse-Casamance. The predominant ethnic groups in these areas are the Peuhl, Toucouleur, and Soninke in the Fleuve region, the Wolof in the Peanut Basin, and the Diola in the Basse-Casamance. In discussing women's activities, this paper attempts to make generalizations for the country as a whole, noting the differences due to region or ethnic group.

To provide background information for the evaluation of policy effects, the paper begins with a description of women's activities in the agricultural sector, including crops, livestock, and fisheries. (The main body of this report contains a general overview of the Senegalese economy and the agricultural sector that will help put the discussion of women's activities into better perspective.) It then discusses the domestic roles and responsibilities of women that often constitute constraints on women's agricultural activities and the other economic opportunities available to women working in the agricultural sector. Women's access to agricultural inputs and markets is discussed, and the description of women's roles in the agricultural sector concludes with a discussion of women's incomes from agricultural production and other sources. The effects of policies on women in the agricultural sector, as measured by changes in women's production and income, are then discussed. The paper concludes with a discussion of the

limitations of the study and recommended further research activities. Three annexes accompany the paper: a) a policy matrix summarizing key policies, and their effects on agricultural production and incomes of women (done in conjunction with the structural adjustment team), b) an annotated bibliography of research on women's participation in agriculture, with emphasis on Senegal, and c) a listing of references not immediately available for this paper but of interest for further research.

II. WOMEN IN SENEGAL'S AGRICULTURAL SECTOR

Roles and Activities in Agricultural Production

Crops

Women contribute significant amounts of labor to the production of many crops, both on their own fields and on the fields of men. Unfortunately, it is not possible to more accurately describe the contribution of women given the lack of reliable quantitative information. The division of labor and women's participation in production is both region and crop specific. For this reason the major crops are discussed individually.

Peanuts

One of Senegal's major crops is peanuts, and a high percentage of production comes from fields controlled by men. While men are often responsible for the initial clearing and plowing of the land, women often work on men's fields, providing substantial assistance with planting, weeding, and transport from the field to market. Women may cultivate their own fields, which are generally smaller than men's and usually receive little assistance from men. Village women's organizations will sometimes cultivate peanuts as a cooperative effort to raise money for village projects, which is almost always to SONACOS, the peanut processing company, or to private agents under contract to SONACOS. They control the income received from such sales. Women may sell small quantities at local markets, or may opt for marketing through official channels (often through men), and frequently control the income from their own sales. Peanut production is most important in the Peanut Basin of central Senegal, but peanuts are grown throughout the country.

Millet

Millet, typically a staple, not a cash crop, shares certain characteristics with peanuts concerning the gender division of production and labor inputs. Men generally control the larger family fields, though women contribute significantly to the labor requirements. Women may have their own fields, to which men contribute little, but from which women control the revenues. Like peanuts, women may also cultivate millet in fields controlled by women's groups to produce revenues for village projects and activities. In the Peanut Basin, where millet is again very important, family fields worked jointly by men and women are more common. In such cases, men often control the income from such fields, but men in general have a cultural responsibility to provide the family with this staple. Production of millet in the Basse-Casamance, where much of the labor is performed by men, is increasing due to the current trend of decreased rainfall in that region.

An additional consideration for millet is the high level of effort required for transformation into an edible product. After harvest, millet must be threshed, winnowed, dehulled, washed, ground, and sieved before it can be consumed. Women have traditionally done much of this work, often processing small quantities daily and relying on communal labor. Such processing consumes considerable amounts of time, and is often cited by women as the most onerous of their many tasks. Recently, project interventions by the government of Senegal in conjunction with donor agencies have begun addressing this problem by making millet transformation equipment available, especially to women's village organizations.

One study found that the introduction of such equipment changed the gender division of labor significantly. Threshing, which had formerly been largely the women's responsibility even for men's production, was handled by men after the introduction of mechanical threshing machines. The use of millet grinding machines, often provided with donor assistance and controlled by women's groups, seems to be increasing in many areas, reducing workloads and offering women involvement in managing small business operations. Certain problems have been reported with the control and access to such equipment, and the number of women benefitting from their introduction is currently unknown.

(Sorghum and maize production, for which less information was available, are assumed to follow patterns similar to that of millet.)

Rice

Rice is a key crop in the Basse-Casamance, where it is grown primarily as a staple crop, and in the Fleuve region, where it is increasingly grown in irrigated perimeters for consumption and sale. In Casamance, rice is produced primarily by women, often

on very small plots because of high labor requirements. Women provide most of the labor inputs, though men may help with the heaviest labor such as land clearing and harvest. With recurring drought, the increasing salinity of water used to flood the rice fields has reduced production, resulting in migration to other areas and a switch in crop production to millet. Typically, a woman's production will not be sufficient to cover family needs. The woman must then earn cash with which to purchase imported rice in the local market. Household rice produced is rarely sold in the Casamance.

In the Fleuve region, rice is increasingly grown on irrigated perimeters established by the GOS through SAED (Societe d'Aménagement et d'Exploitation des Terres du Delta du Fleuve). The perimeters are assigned almost entirely to male heads of households, but women again provide significant amounts of labor on these fields. Men often control the proceeds of rice sales, but have an obligation to the family to provide staples for family consumption.

Cotton

Little direct information is available about women's involvement in cotton production, because most cotton is grown outside of the three best-studied regions. A reasonable assumption might be that women's activities for cotton are similar to those for peanuts (both are cash crops), but this should be confirmed by further research.

Vegetables

Vegetables are generally considered to be a "woman's crop," and vegetable production is being increasingly promoted by the government and donor agencies. Typically, a woman will tend to a small garden to produce vegetables for family consumption in sauces that go with rice or millet. Women may also tend gardens individually or in groups designed to produce vegetables for sale in a local market, especially if water is available during the dry season. Crops produced for sale include onions, tomatoes, peppers, lettuce, carrots, eggplant, and okra. In the Casamance, where more water is available, women may also produce yams, manioc, oranges, cowpeas (niebe), and bananas for sale after family needs are met. Women contribute nearly all labor, with control over the income from sales of vegetable crops generally retained by the woman or the women's group. The percentage of total land area cultivated in vegetables for any given household is small, but the crops are nonetheless important to family consumption. It is worth noting that as project interventions for commercialized vegetable production increase (sometimes using more advanced techniques and irrigation), men are becoming more involved in production and in control of the resulting income.

Other Crops

Women are also involved in the production of a number of less important crops, including cowpeas (niebe), root crops, and tree crops. They are generally the only gatherers of wild crops, typically leaves and fruits. Women contribute the majority of labor input to these crops, and again generally control the income from what they produce. Production of root crops such as yams and cassava, constrained by higher water requirements, is generally confined to the Casamance. Tree crops such as mangoes and oranges may be gathered by women in certain areas, but may be planted by both men and women as an income source for their later years. Wild crops become particularly important in years in which cultivated crops perform poorly, somewhat sustaining family food consumption. In addition, some of these products, particularly bissap (used as a vegetable and made into a beverage), Kerite nuts, palm wine, palm nuts, and baobab fruit provide women opportunities for commercialization on a small scale.

Livestock

Women also contribute significantly to the production of livestock, particularly small animals such as goats, sheep, chickens, and sometimes pigs. Production rarely requires substantial amounts of labor or other inputs; animals are frequently allowed to range freely and are given little specialized care. This is consistent with what is often the goal of such activities: the production of additional animals, not maximizing the production of a given number of animals. Small livestock provide women with additional income and some sense of security when other income sources fail. For some ethnic groups, the sale of small livestock must be handled or controlled by men, but in others women are free to sell as they wish. Revenues are generally controlled by the women or shared by the household.

Control of cattle and other large livestock is more complicated. Often men herd and control cattle, particularly for migratory pastoralists. The men often travel with herds, seeking out new pastures as the rains move north. They return south with them as the crops are harvested, and the cattle often graze on the stubble of harvested fields. Women in pastoral societies often remain in small camps, tending to small gardens and gathering wild crops, as the men migrate. In many of these societies, women have the right to own cattle, but may not have the right to sell them without permission of a male family member. Women and men control the income received from the sales of cattle they respectively own. Women are also sometimes responsible for the care of young and sick animals, and therefore contribute to herd maintenance.

Control of the milk produced by various animals almost always belongs to women, even if men do the milking. Women are generally the processors of milk into sour milk, yogurt, and

cheese provided for family consumption and sale, particularly among the pastoralists. Sales of milk products or exchanges for grain are often significant contributors to household income.

Fisheries

The fisheries sector in Senegal continues to grow and provide export earnings. Artisanal fisheries production contributes about one-third of the total fish production, and nearly all of fish processing is performed by women. In the coastal regions south of Dakar, many women have what are essentially small businesses as fish processors.

Traditionally, fisherman had brought their catch to their wives or another female family member for processing. Currently, fisherman more frequently sell to buyers who then sell to women fish processors. These women produce a variety of products, including dried/fermented fish, salted fish, sun-dried cymbion (a gastropod), steamed/dried molluscs, smoked fish, and salted/dried fish. These last two are particularly important as export items. Often women fish processors hire daily workers or have apprentices, some of whom are dry-season migrants from the countryside.

Marketing is often done by the women on the beaches where the processing is done, with most purchases made by middlemen. One study noted that profits were minimal due to the relatively fierce competition in informal markets. Processors are willing to take losses to avoid being stuck with a spoiled product.

Women fish processors have received some assistance from the government, which provided fish dryers, ovens for smoking, and certain workshop and washing facilities. These facilities however, were often monopolized by the more affluent processors, and were therefore of little assistance to the majority. The government has also provided some training and assisted in the organization of cooperative efforts, with mixed success.

In the Casamance, fish processing for home consumption, as well as for market, is undertaken by women. Women gather oysters for smoking and sometimes become involved in ocean fishing. River fishing elsewhere in the country is undertaken by both sexes in small amounts.

Household Roles and Responsibilities

Domestic Work Activities

As in many parts of Africa, rural Senegalese women are largely responsible for maintaining the household. Thus, in addition to their agricultural activities, women also provide almost all of the labor input for household tasks such as food preparation, water provision, wood gathering, housecleaning, child care, and laundry. They may or may not receive assistance with these tasks from a female child or a co-wife. These activities, particularly wood gathering and water provision, can be very time consuming. These time requirements may limit women's ability to participate in agricultural production on their own fields, to join cooperative organizations, and to learn new skills such as literacy or numeracy.

Responsibility for Household Expenses

It is also common in Africa for a unified household budget not to exist. Often, certain items are to be provided by men, and other items are provided by women. While the specifics vary by region and ethnic group, men in Senegal are generally responsible for providing staples for the family, such as millet and rice. (In the Casamance, however, women are the primary rice producers.) Once a man has met his obligation to feed his family, he is generally free to spend additional monies (or sell additional crops) as he wishes. Women are usually responsible for provision of condiments for sauces to accompany rice or millet, such as vegetables.

For non-food items, women are often responsible for clothing (sometimes for themselves and their children), household utensils, materials for crafts, and gifts given upon visiting friends and relatives. Men, in contrast, provide building materials, medicines and feed (if any) for animals, and tithes to local religious leaders. Depending on the ethnic group, either men or women may be responsible for children's school fees, taxes, hiring agricultural labor, and medicines. A woman may or may not receive additional money or gifts from her husband. The division of household budget responsibilities is important because projects and policies are often designed and evaluated with a single household unit in mind, without consideration of the differing benefits to, and constraints faced by, men and women individually.

Non-Farm Activities and Opportunities

The number of remunerative non-farm activities and opportunities available to women in Senegal varies highly from village to village and from region to region. Women in some areas are active in the production of crafts, such as basket-making or embroidery, but may also produce soap and salt for

family consumption and sale or set themselves up as small traders. A study in the Basse-Casamance revealed that women, besides being actively involved in agricultural production and marketing, were producing honey, peanut butter, palm wine, palm oil, and other products for home consumption and sale. Women also found seasonal work at tourist locations in some instances; as an alternative to rural work, women migrated to Dakar or other cities. Cultural norms may prevent many women from becoming involved in activities not traditionally undertaken by women.

Access to Agricultural Inputs

Access to the inputs necessary for agricultural production is crucial to the success of all farmers, male or female. In Senegal, however, differential access to inputs for men and women is common. The individual factors of production are treated in turn in the following sections.

Land

Women's access to land in Senegal is frequently uncertain. Under the Government's current land policy, revised in 1972, control of land allocation was given to what were called "Rural Councils" (Conseil Rural), to be elected by members of the "Rural Communities" (Communaute Rural). While some changes have taken place under the new law, many of the traditional land allocation practices appear to remain. Rural farmers have retained rights to the lands they actively cultivate; the allocation of land is frequently done by the male head of household.

Women generally hold traditional rights to the use of some land, although they often cannot own land in the usual sense. Due to the nature of the crops more traditionally grown by women, they are often assigned smaller plots closer to the household living quarters. Land cultivated by female heads of household may in some instances be controlled by a male relative. Alternatively, women may have access to land through women's groups or cooperatives. Generally, the permission of the Chef de Village (a male) must be obtained before the group can cultivate such lands. In Senegal, little information is available concerning the quality of the land cultivated by women compared with that cultivated by men.

The introduction of irrigated perimeters has created a land access problem for some women in the Fleuve region. The perimeters were generally assigned to men, regardless of the previously existing land distribution or usufruct rights. The increased productivity of lands brought about by the availability of water has also caused the return many male migrants, displacing women who had cultivated such lands. Access to land can also be a particular problem for divorced or widowed women.

Labor

Women generally have less access to their own labor (and the labor of others) than men do. The primary constraint on women's access to their own labor for agricultural production on their fields seems to be their often heavy responsibility for agricultural tasks on men's fields and the large number of domestic tasks for which they are responsible. Often, work on men's fields takes priority, lowering productivity on women's fields relative to men's for the same crop. The migration of both male and female household members may raise the labor input required of women remaining on the farm.

Women are unique in their ability to produce additional labor (human capital) through pregnancy and childbirth. Senegalese society places a great deal of value on a woman's ability to reproduce; childlessness is considered unacceptable. During pregnancy and while nursing, women are often required to continue with agricultural and household tasks. Although increasing amounts of work will be delegated to children as they grow older, the time women have for agricultural and marketing activities can be shortened by the need to nurse a baby or attend to a sick child. The average Senegalese woman bears seven children; further research concerning the effects of fertility on agricultural production by women is therefore advisable.

A woman's access to her children's labor may help offset some of the labor demands, as would access to the labor of co-wives in polygamous marriages. Women sometimes provide each other with communal labor, and women's groups are often organized to handle specific tasks, sometimes being paid by an individual woman farmer. Women also seem to have some access to paid agricultural labor, both as employers and employees, where this is culturally accepted. The team observed a number of women hired as rice threshers during its visit to the Fleuve region near Dagana. Recently, in areas where it is not traditionally accepted for women to plow their own fields, some women have arranged for men to provide animal traction services for cash.

Equipment

Men often control the access to equipment available to the household for agricultural production and processing. In the past, equipment was provided to some farmers on credit by government agencies. This equipment was often used first on cash crops grown by men, forcing women in some instances to till land and plant crops by hand to meet climatic constraints on crop growth. The cessation of subsidized prices by the government has led to a decline in the amount and quality of the equipment available for agricultural households in general, and for women by implication. Women may be denied access to equipment for cultural reasons as well.

An exception to male control of equipment may be the control of mills for the grinding of millet, which are being provided to many women's groups. However, instances of men taking control of such mills have occurred. For certain households, crop production on fields worked jointly by men and women may make women's access to equipment resources less important.

Water

A study by Cloud in 1982 characterized women's access to water in Senegal as "uncertain and insecure." Such access is often crucial to the success of women's agricultural production because it may limit the range of non-rainfed crops women can grow, and the time women have available for agricultural activities. For example, with insufficient water for irrigation during the dry season, vegetables are difficult to produce. If women must expend a good deal of time in providing water for domestic uses each day (perhaps because of a long walk to a well) less time is available for all other activities, including work on women's own fields.

Irrigation projects have also contributed to uncertain water access for women. Not a traditional input to production, irrigation waters have often been provided to men for crops they control. Rice crops in the Fleuve region are the prime example. Pumps are frequently controlled by men, who may shut them down after the men's crop is harvested, limiting production of dry season crops by women. While pumps are operating, it is common that women must hand carry water to their fields from the canals designed to carry water to men's rice fields. Thus, the development of rainfed agriculture appears to benefit women more clearly than the development of irrigation systems.

Credit

Little production credit is currently available to Senegalese farmers, whether men or women. Of the total amount of commercial bank credit extended in recent years, only about 3 percent went to the agricultural sector. Much of this went for the operations of government's rural development agencies or to large farmers, and was therefore unavailable to the average farmer. Without access to commercial credit, the major sources of credit for the small rural farmers were the regional development agencies. The RDAs had until recently been involved in the supply of inputs (mostly fertilizer and seeds) to farmers at subsidized prices and on credit. The government distribution networks for these inputs, however, have deteriorated in the past few years, and have been nearly eliminated under the Structural Adjustment program. (Chapter III discusses changes in the provision of inputs by government agencies.)

When credit is available, women tend to be at a competitive disadvantage for several reasons. West African women attending a

regional seminar on credit in 1981 identified the following constraints to credit access: a) lack of collateral, b) perceived higher default risk (perhaps true given the time and other constraints on women's agricultural production), c) lack of numeracy/literacy training, and d) unfavorable timing or terms of loans. Because women's access to credit is often through an intermediary women's group, conditions that prevent women from joining such groups (cultural norms, for example) also limit the availability of credit to women.

Government policy has also prevented access to credit for women. In the past, the Senegalese government's input supply programs were designed primarily for the provision of seed and fertilizer to men for the peanut crop, and the programs that did provide seed directly to women sometimes provided them with less than the amount available to men. In some cases, however, women did receive seed through male relatives, primarily their husbands. The government is currently making some efforts to provide credit to women through the Caisse Nationale de Credit Agricole du Senegal (CNCAS), which has a small lending program. In addition, some PVOs and NGOs are establishing credit programs for women's groups and providing additional training. It is important to note that the importance of credit availability in influencing Senegalese agricultural production remains a matter of debate.

Extension Services

In Senegal, as in many other African countries, agricultural extension services appear to be provided mostly by and for men, when provided at all. The Regional Development Agencies, charged by the government with the provision of extension services, are currently in the process of being reformed and reduced in scope under the structural adjustment program. This renders them less able to provide extension support for the moment. A primary role prior to the adjustment was the provision of the input supply credits. Some of the government agencies currently have women working as extension agents for village "animation" (monitrices), activities (by the government and donors) provide most of the training and extension services that reach women farmers.

Additionally, the few agricultural research efforts in Senegal have concentrated on development of new varieties of peanuts and millet, not on the development of better producing varieties of crops more traditionally grown by women. The connection between research activities and introduction of new varieties has proven weak in the past, further limiting the benefits of research activities to rural farmers, male or female. The Senegalese government currently places little emphasis on socioeconomic research of women in agriculture, preferring a more active, project-oriented approach. The research that is performed appears to be given little consideration in formulation of agricultural policies.

Fertilizer, Seeds, and Pesticides

The inputs distribution system in Senegal has been deteriorating in recent years. Fertilizer, seeds (primarily peanut), and pesticides, once provided by the government on credit, have been more difficult to obtain as the distribution system undergoes adjustment. Though obtaining these inputs may be difficult for both men and women farmers, women encounter larger problems than men. Women have less access to cash, greater difficulties in transportation, and more limitations for cultural reasons.

Information and Decision Making

Women in Senegal may have less access to information beneficial to farm decision making because they tend to have less contact with outside sources than men, and as a group are less literate. The markets in which women operate tend to be less formally structured, and thus less information is available upon which to base decisions. Research conducted in 1986 found that most women based production decisions on what they had planted in the previous year and what their neighbors were currently growing, as opposed to expected prices.

Access to decision making in groups affecting women's agricultural production seems somewhat greater than women's access to information. Women seem to have a fair amount of control over the activities and benefits of village women's organizations and cooperatives, even if they must rely on men for key inputs such as land. Women also seem to have a fair amount of control over the execution of their own tasks in agricultural production, and in choosing the crops they plant in their household gardens. However, in a primarily Islamic society such as Senegal's, where women are generally considered to be subordinate to men, women may suffer from a lack of confidence in the decisions they make, deferring instead to husbands and other male family members.

Access to Agricultural Markets

Formal Markets

Women's access to the formal marketing and price systems set up by the Senegalese government for peanuts, millet, and cotton is limited in the sense that they generally produce less of these crops and, particularly with millet, sell a smaller percentage of what they produce than men do. Women do, though, benefit from government producer price supports when they market these crops. No formal marketing system or price supports exist for many of the crops grown more traditionally by women, such as vegetables. They thus sell the majority of these products in informal markets.

Informal Markets

Women tend to be active participants in the marketing of their own crops, notwithstanding certain constraints. For certain crops, women produce primarily for market (as opposed to familial) consumption. Depending upon the proximity of their village to larger regional markets, women may choose to market their crops directly to the final consumers or sell to intermediaries who provide transport, sorting, and preservation services.

Women face different constraints than men in the marketing of their crops. Because women's crops tend to be more highly perishable than men's crops, preservation becomes more important and timely market access more crucial. Women may not have the same access to transportation as men, forcing them to depend on their own head portorage for access to local markets. This effectively limits the geographic range of their marketing efforts. The workload of women may again constrain marketing, as agricultural and domestic tasks consume the time necessary for preparing for market. Women may also be subject to greater religious and cultural restrictions on their marketing efforts than are men. In addition, women may also have a greater "collective mentality" than men. Women more often sell the same crops at the same time as other women, driving prices down.

Income

Income from Agricultural Production

The major source of agricultural income for both men and women is the sale of crops, livestock, or fish. Often both men and women retain control of the proceeds of such sales if the product comes from their own fields, herd or processing. Women's incomes from the sales of crops grown mainly by men, such as peanuts or millet, tend to be lower than those of men due to smaller field sizes, lower productivity, and smaller proportion of crop marketed. Women's incomes from production of more traditional women's crops (vegetables, milk products) supplements the income women earn on men's crops, but women's total income from agricultural production is likely to remain smaller than men's due to input and marketing constraints.

A second source of income from agriculture, wage labor, appears to be available to both men and women to some extent. Additional information regarding the relative opportunities for men and women in this activity is necessary, but it seems likely that women have fewer opportunities, given the generally high labor requirements which women have.

Income from Other Sources

Although the sources of income from agricultural production are similar for men and women, the sources of income from non-production activities are often different between the sexes. Women more often earn money from sales of processed food items such as peanut butter, sweets, palm oil, palm wine, or honey than do men, and may also engage in small-scale commerce in some areas. Some women earn money from crafts such as basket-making and embroidery, or produce household items such as rope or soap for sale after family needs are met. Additional sources of income for women include visitors (who traditionally bring a gift, often grain), gifts from neighbors and relatives during family ceremonies, gifts of cash or animals from husbands, remittances from husbands or other family members who have migrated, or non-agricultural wage labor. The primary additional sources of income for men, however, are salaried work in Dakar, commerce (often in Dakar), and dowry payments for daughters. The levels of women relative to men, varies greatly with local opportunities. More research on income sources is necessary before further conclusions can be drawn.

Project Interventions

Projects designed primarily to benefit women are currently being undertaken by various combinations of donor agencies, private voluntary organizations and the Senegalese government. The most common types of projects are a) the digging or improvement of regular and deep wells (forages); b) provision of millet threshing, winnowing, and grinding machines; c) commercialization of village vegetable gardens; d) instruction in child and maternal health care; e) instruction in crafts such as sewing, embroidery, and pottery; and f) the establishment of village child care centers. Often these projects involve an element of cooperative organization, such as the founding of a women's fund to provide needed structures or services to the village. While these projects undoubtedly benefit women to a certain degree, they are often less successful than envisioned. A study done in 1983 for the International Labor Organization criticized the current set of projects for failing to provide individual women with sufficient opportunities for increased incomes. A more detailed review of experiences with women's projects should be considered in future efforts examining women's agricultural activities.

III. THE EFFECTS OF AGRICULTURAL POLICIES ON WOMEN

The effects of policy changes on women's activities in agriculture are concentrated in those policies directly concerning the agricultural sector, although certain macroeconomic policies have indirect effects as well. The major policies affecting women's activities are discussed below, with particular attention given to the differential impacts of such policies on women and men.

Producer Price Supports

The government of Senegal maintains producer price supports for peanuts, cotton, millet, and rice. These price supports directly benefit women to the extent that they produce and sell these crops, and have equal access to markets for them. The policy effects on women may thus be essentially the same as those on men. Differential effects may exist, however, for several reasons, to the benefit and detriment of women. Women may differentially benefit from price supports if the higher producer prices decrease the rate of male migration (male migration tends to increase women's workloads, lowering production and income) or if men share a portion of their increased income with women members of the household.

The relative levels of producer prices influence production decisions for both men and women farmers. To the extent that price policy encourages a shift from peanut production to millet production (millet is less labor intensive) women may benefit from reduced demand for their labor. On the other hand, women may be negatively affected by increased workloads if the price levels lead men to significantly increase acreage planted or cultivate more intensively (thus increasing the demand for women's labor). The net of all effects is probably positive for women, increasing both their production of these crops and the income received from sale.

Market Liberalization

Recent policy changes under structural adjustment have liberalized the market for trading in cereal grains, removing licensing and transportation restrictions. These changes benefit women to the extent that their access to markets for such crops (particularly millet) is increased. Discussions with various individuals during the fieldwork suggested that the market liberalization had significantly increased women's ability to market millet, with some women setting themselves up as small millet traders. To the extent that such changes are taking place, the liberalization policy benefits women by increasing incomes, and may encourage their increased production of cereal grains. Because market access has also improved for men, it is not possible at present to determine whether the benefits to men and women from the institution of the policy differ substantially.

Input Delivery

The Senegalese government has substantially withdrawn from the provision of agricultural inputs such as fertilizer, seed, equipment, and pesticides for men's crops. Even when these programs were active, women generally benefitted little from them, except through inputs received and shared by the male head of household. Thus, the withdrawal from such input provision is likely to affect women's agricultural production only marginally. If men change their production practices in response to a changing input mix (changing the amount of land cultivated or the intensity of cultivation, for example), the policy could change the level of women's labor input, but the direction of such change is not clear.

The lack of input support for women's crops and livestock, a policy that has changed little over the years, undoubtedly has some negative effect on their production, and thus on women's incomes. In addition, the uncertainty of women's access to other inputs such as land, water, and market information (which can be more directly influenced by government policy) have tended to have negative impacts on agricultural production by women, thus also decreasing women's incomes.

Credit

Currently, little credit is available to Senegalese farmers, men or women. In the past, the principal source of credit was the input supply programs operated directly by the government or through the regional development agencies. Women's access to these credit sources was generally limited even when they were in operation on a larger scale, but has probably been further curtailed by the reductions in the agencies' credit operations. This would tend to have a marginal negative impact on women's production and incomes, but the effect of the policy is probably

more pronounced for men than for women. The lack of input credits for women's crops has some negative impact on production and incomes.

Research and Extension

Most research and extension activities undertaken in Senegal have concentrated on men's crops: peanuts, rice, cotton, and millet. Most extension services are provided by male agents, and their effectiveness in the face of the restructuring of the regional development agencies is uncertain. The effects of such an extension policy are decreased access to extension services for women, lower productivity on women's fields (even for men's crops), and decreased women's incomes. Some efforts are being made by the government and private voluntary organizations to provide extension support to women's activities, particularly women's vegetable gardens, but the government's policy continues to favor male production activities.

Structural adjustment policy reforms have decreased credit, extension services, and provision of subsidized inputs, affecting primarily male farmers. The liberalization of coarse grain markets and higher producer prices under the adjustment program have benefitted both male and female farmers. It is therefore likely that men have suffered a loss relative to women under structural adjustment reforms.

IV. LIMITATIONS AND RECOMMENDATIONS FOR FURTHER STUDY

Limitations

The overriding constraint on evaluating policy effects on women's agricultural production and income in Senegal is the lack of baseline economic data. Little country-wide information other than overall production levels seems to be available, and gender disaggregated data are nearly nonexistent. For that reason, the preceding discussions of women's activities and production are highly qualitative. It was generally not possible to evaluate the number of women involved in a given activity, or to quantify women's benefits from that activity relative to men's. Many studies concentrating on women's activities in certain villages, regions, or projects are available, and provide useful background information. The utility of such studies for an evaluation at the national level, however, is limited by the small geographic ethnic coverage of the studies, differing methodologies, and varying time frames.

Certain measures are being proposed to address this lack of information. As a part of its research program on the social effects of structural adjustment, the World Bank is in the process of initiating comprehensive household surveys in a number of African countries, including Senegal. Although the specifics of the survey remain to be negotiated, one goal of this survey project may be the development of an institutional capacity within the Senegalese Directorate of Statistics to undertake a survey of 3,500 households annually. If the survey developed for use in Senegal is similar to that used in the Bank's test country, the Cote d'Ivoire, it should significantly increase the information available about household composition, education levels, health, agricultural/economic activities, migration, fertility, and food consumption. It will not, however, generally address the differences in productive activities, incomes, and expenditures for men and women in the same household.

In addition to the limitation posed by lack of reliable quantitative information, the length of the field work in Senegal allowed only a certain number of contacts to be made and limited the number of documents that could be researched and reviewed. Any Phase Two effort designed to achieve a greater depth of understanding should provide additional time to undertake both of these activities.

Recommendations

Given the information necessary for a truly comprehensive evaluation of women's activities and the limitations discussed in the previous section, the following activities are recommended for further study.

A more comprehensive review of existing research concerning women's activities in agriculture and other sectors should be undertaken. Collaboration with local research institutions such as ENDA, ISRA, AFARD, and ENEA (see the list of acronyms accompanying the main report) would be particularly useful for this effort. Despite the limitations of existing studies, they could be used to help design surveys and other project interventions.

A delineation of specific research projects addressing issues of importance would be desirable. Examples of such studies include research of the amount of labor supplied by women in men's fields, women's participation in cereal grain markets, the effectiveness of women's cooperatives, and evaluation of projects designed to benefit women. Further research is crucial to gaining a better understanding of women's roles and activities in agriculture.

Comprehensive surveys designed to collect quantitative information on women's participation in agricultural production and marketing should be developed. One alternative would be a modification of the World Bank survey project to include greater gender disaggregation of production, income, and expenditure data. Specifically, these surveys should contribute to a better quantification of women's contribution to economic activity by collecting the following information:

- . Data on women's agricultural production, including land area cultivated, total production of crops and livestock controlled by women, and the role of women's associations in productive activities.
- . Data on women's processing and marketing activities, including the value of fish processing, percent of crop and livestock production marketed, and any price differentials between male and female marketing of the same crop.

- . Data on division of labor, including time budgets for men and women (particularly important for determining women's labor input on men's fields), any differences in technology employed by men and women, the fertility effects on women's labor supply, the amount of migration and its effects on the demand for women's labor, and the effects of changing input technologies for men's crops.
- . Data on the distribution of household income, particularly the division of financial responsibilities within the household, differential access to inputs such as land, labor, and equipment, and the social responsibilities of gift-giving and providing for relatives in need.

With this information, a more accurate evaluation of women's participation in the economy of Senegal can be rendered, and a much better understanding of the policy effects on women's participation can be obtained.

In the interim, organizations with active field participation could be encouraged to undertake less formal data collection efforts to add to the existing knowledge of women's activities and the constraints women face. An example might be the development of a "women's activities" checklist for use by village-based organizations such as Peace Corps.

An examination of the possibilities of greater communication, interaction, and coordination among groups concerned with women's issues. Increased cooperation could strengthen data collection efforts and increase the awareness of women's issues among the development community and the Senegalese government. The Gender Resource Awareness in National Development (GRAND) project, sponsored by AID and beginning later in 1987, should help contribute to increased awareness and coordination.

APPENDIX A. POLICY INVENTORY
WITH EMPHASIS ON WOMEN'S ACTIVITIES
IN AGRICULTURE

The past five years have witnessed rapid growth in the attention devoted to policy problems that affect the agricultural sector and in donor assistance aimed at removing policy barriers to greater and more equitable growth in agricultural incomes. At the same time, the increasing constraints on donor resources have sharply constrained the analysis devoted to identifying and diagnosing policy problems.

To address this problem, AID's Agricultural Policy Analysis Project (APAP) had developed a technique for rapid appraisal of the policy environment affecting agriculture. This technique, called the policy inventory, was first tested as part of an APAP review of agricultural policy problems in El Salvador in 1984. It has subsequently been used to explore policy problems in countries as diverse as Guatemala, Indonesia, and Zaire. The following policy inventory has been adapted to examine the impact of existing policies on women in Senegal's agricultural sector.

The policy inventory has proven to be a simple but highly useful tool assisting donors and host governments to determine the priorities for analysis and possible policy reform and to identify key interactions and contradictions within the existing set of policies affecting agriculture. Used in conjunction with additional analysis, the policy inventory has been shown to be a valuable addition to the tools available to support dialogue and reform on this complex and challenging topic.

Women in the agricultural sector were chosen as the focus for this inventory in preference to other groups for three reasons. First, women work both as farmers and as entrepreneurs, as well as laborers in both farming and business activities. Consequently, by looking at policy impacts on rural women we are

able to explore impacts on both agriculture and agriculture-related small businesses.

Second, women farmers and women entrepreneurs are disproportionately concentrated in AID's two main rural beneficiary groups. Not all small farmers or small-business owners are women, of course, but nearly all women farmers are small farmers and almost all women entrepreneurs are small entrepreneurs. By looking at how policies affect women in these categories, we are able to say quite a bit about how policies affect AID's rural beneficiary group as a whole.

Finally, the literature on policy is extremely weak in exploring the impact of policies on women, while the women in development literature is equally deficient in examining the implications of sectoral and macro policies for women's economic activity. This inventory provides an opportunity to begin to address the critical linkages between the two.

Policy Issues Affecting Agriculture

The term "policy" is used to cover a broad range of governmental interventions. At one extreme, the term may be applied to a nation's basic strategy for the agricultural sector, including the target growth rate, the relative emphasis on food versus cash crops, and so on. At the other extreme, it may be applied to extremely micro-level concerns, such as the government's "policy" on vacation leave for extension agents. With a definition this broad, the term loses all meaning.

The current policy inventory is restricted to policies that directly affect the operation of key economic and agricultural markets. These policies fall into three broad categories:

1. Macroeconomic policies, including fiscal policy (government budget management), monetary policy (including credit policy), and trade (including the exchange rate and trade controls).
2. Sectoral policies, emphasizing the broad, country-wide interventions in the markets for agricultural inputs, such as fertilizer, seed, and feed, and basic resources, including land, labor, and capital (agricultural credit).
3. Subsectoral policies relating to individual agricultural products, such as food grains, livestock products, and so on.

There is general agreement on what constitutes macroeconomic policy, but the line between policy and non-policy interventions at the sectoral and subsectoral level is less clear. As used in

this inventory, policy will generally refer to a government policy intervention that take one or more of the following basic forms:

1. Buying and selling the input or product with the goal of influencing the price, the quantity traded, or who buys and sells the item (state marketing boards are a classic example of this class of intervention).
2. Taxing or subsidizing transactions without taking ownership of the good or service involved (e.g., a sales tax on food grain sales or an import tariff).
3. Regulating the market by setting prices, determining who may buy or sell, regulating the conditions of sales, and so on (price controls are an example of an intervention in this category, as is licensing of exporters).

The Rapid Appraisal Concept

Many of the analytic techniques available for examining rural development problems require more data and more time than are generally available for field assignments. To cope with this problem, a range of techniques has been developed that permit analysts and development planners to diagnose problems and design possible solutions in a short period of time using secondary data and other information readily available in the field. These techniques, generally termed rapid appraisal methods, have been developed primarily for micro-level planning, particularly project design and monitoring.

The policy inventory is one of the first rapid appraisal techniques developed to address the needs of policy analysts and policy makers. Although it focuses on policy rather than projects, it shares many of the characteristics of other rapid appraisal methods:

1. It provides a broad overview of development issues in a particular area, in this case policies affecting the agricultural sector.
2. The method relies on secondary data and information provided by key informants, the latter a methodology borrowed from anthropology.
3. The information collected is presented in a concise and highly synthesized manner that facilitates its use by decision makers and planners.

4. The method is suitable to being combined with more in-depth analysis of specific issues, and can often be an important step in clarifying which issues should have priority for limited analytic resources.
5. The quality of the project depends heavily on the experience and qualifications of the individuals conducting the analysis, as the technique serves primarily to organize and systematize information on the problem at hand so that professional judgments can be made about the nature and severity of the problem, as well as possible solutions.

Based on the field data from this policy inventory, Robert R. Nathan Associates will be developing a manual for USAID mission staff on how to incorporate gender issues more effectively into policy reform. This manual will serve two closely related purposes. First, it will be designed to provide guidance in how to carry out a policy inventory. This guidance will be aimed at the technical personnel (macroeconomists, agricultural economists, and other development specialists) who would in most cases be responsible for carrying out the inventory, but it is also intended to be useful to AID and other donors and most government personnel, who are the principal clientele for the inventory. This manual will supplement other APAP publications on policy and the policy inventory techniques, including the Manual for AID Agricultural and Rural Development Officers and The Policy Inventory: A Tool for Diagnosing Priorities for Analysis and Reform of Agricultural Sector Policies (an APAP staff paper).

Second, and equally important, the manual will demonstrate a technique for examining how policies affect AID's target beneficiary groups. Within the rural sector, AID's mandate requires that particular attention be given to three groups: small farmers, small enterprises, and women. This manual uses the policy inventory to explore how policy impacts can be traced through the economic system to determine whether there are differential impacts on AID's target groups, and if so, whether they are positive or negative. To accomplish this purpose, the manual will focus on how policies affect women in the agricultural sector.

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POLICY INTERVENTION/ IMPACT SECTOR	PURPOSE	POLICY MAKING/ IMPLEMENTING INSTITUTIONS	IMPACT ASSESSMENT						EXPLANATION OF POLICY INTERVENTION AND IMPACT	PRINCIPAL ALTERNATIVES SUGGESTED FOR ANALYSIS	
			AG PROD	TRADE BAL	DOM CONSUM	AG INC	GOVT BUDGET	WOMEN'S PROD			WOMEN'S INCOMES
MACROECONOMIC											
FISCAL											
Level and structure of taxation/agriculture	Revenue generation	Ministry of Finance	+	+	?	+	-	+	+	Essentially no taxation of agricultural production. The peanut price subsidy of nearly 60 CFA/kg represents a negative tax on peanut producers, increasing production and rural incomes. Women benefit to the extent they produce peanuts.	Consider lowering peanut price to eliminate the large government subsidy.
Level and structure of expenditures/agriculture	Provide public goods, services, and infrastructure	Ministry of Finance	+	+	+	+	-	-	-	Real expenditures on agriculture have been subject to downward pressure under the SAP, except for price support payments. Expenditures continue to be biased in favor of cash crops (peanuts, rice, and cotton) grown primarily by men. Support of the peanut producer price well above the world market equivalent places substantial strain on the GOS budget. Operating budgets of most of the Rural Development Agencies (RDAs) have been reduced under structural adjustment, improving the government's fiscal position.	Consider expenditures to promote diversification, particularly processing of food crops more typically grown by women. Consider lowering producer price for peanuts to reduce financial strain, making resources available for other agricultural activities.
MONETARY											
Credit supply /agriculture	Support production, processing, and marketing	West African Monetary Union, Ministry of Finance	-	-	-	-	+	-	-	Approximately 3 percent of commercial bank credit is provided to the agricultural sector, much of it to parastatals and large farmers. Limited credit is therefore available to smaller farmers. Women have particular credit access problems. Often, the only credit available to most farmers was input credit for seed and fertilizer distributed through the RDAs. Under structural adjustment, input credits are being phased out, leaving most farmers without access to credit.	Study the importance of credit in farmer production decisions, particularly for women. Consider policy or project interventions to increase women's access to credit. Support the banking system reform effort under structural adjustment as a solution to current liquidity crisis.

POLICY INTERVENTION/ IMPACT SECTOR	PURPOSE	POLICY MAKING/ IMPLEMENTING INSTITUTIONS	IMPACT ASSESSMENT						EXPLANATION OF POLICY INTERVENTION AND IMPACT	PRINCIPAL ALTERNATIVES SUGGESTED FOR ANALYSIS	
			AG PROD	TRADE BAL	DOM CONSUM	AG INC	GOVT BUDGT	WOMEN'S PROD			WOMEN'S INCOMES
EXTERNAL TRADE Import tariffs/ agriculture	Generate revenues, protect domestic suppliers	Ministry of Commerce	+	+	?	+	+	0	0	Rice is highly protected (the official price is about 3 times the import price), and provides significant revenues to the GOS. Reduction of tariff levels for most imports is underway as part of structural adjustment. Import tariffs have little differential impact on women's activities.	
Non-tariff barriers to trade/ agriculture	Restrict imports	Ministry of Commerce	?	+	-	?	-	0	0	Quantitative restrictions on most imports are being reduced or eliminated under adjustment policy. The government is allowing selected private traders to import rice, but retains control over the consumer price.	Substitution of explicit tariffs for non-tariff barriers.
PRICE Price controls	Maintenance of consumer prices at "reasonable" levels, revenue generation	Ministry of Commerce	?	-	-	?	+	0	0	The GOS is relaxing many price controls, but the prices of bread, butane gas, cooking oil, sugar, and rice remain controlled. The prices of these items have been increased under structural adjustment, but the degree of compliance with price controls is unknown. Price controls have encouraged illegal imports rice and sugar, particularly through The Gambia. Effects on women's activities are probably marginal.	Consider elimination of the price control system for remaining items, replacing it with direct and specifically targeted consumer subsidies where these are warranted.

POLICY INTERVENTION/ IMPACT SECTOR	PURPOSE	POLICY MAKING/ IMPLEMENTING INSTITUTIONS	IMPACT ASSESSMENT							EXPLANATION OF POLICY INTERVENTION AND IMPACT	PRINCIPAL ALTERNATIVES SUGGESTED FOR ANALYSIS
			AG PROD	TRADE BAL	DOM CONS	AG INC	GOVT BUDGET	WOMEN'S PROD	WOMEN'S INCOMES		
AGRICULTURAL SECTOR											
FISCAL Level of taxation/ agriculture	Revenue generation	Ministry of Finance	+	+	+	+	-	+	+	Essentially no taxation of agricultural production. The peanut price subsidy of nearly 60 CFA/kg represents a negative tax on peanut producers, increasing production and rural incomes. Women benefit to the extent they produce peanuts.	
Level and structure of expenditures/ agriculture	Provide public goods, services and infrastructure to support agricultural production and marketing	Ministry of Finance	+	+	+	+	-	-	-	Expenditures in the agricultural sector have been concentrated on support of peanut and millet producer prices, and provision of inputs and marketing services through the Rural Development Agencies (RDAs). Emphasis has been on peanuts, irrigated rice, and cotton, crops traditionally grown by men. Little support is given to crops grown by women, such as vegetables or paddy rice. The GOS is reducing the budgets of most RDAs, phasing out input provision and marketing services, although the state will remain involved in the marketing of peanuts, irrigated rice, and cotton. RDA efforts are to be focussed on improved extension services, but extension efforts are disorganized at present.	Redirection of government expenditures to better extension services, particularly for women's agricultural activities. Allocate more government resources for research on women's roles and activities in agriculture, as well as for research on improved varieties of crops more traditionally grown by women.
MONETARY Supply of credit/ agriculture	Support production processing, and marketing	West African Monetary Union, Ministry of Finance, Ministry of Rural Development	-	-	-	-	-	-	-	Credit to the agricultural sector is externally limited at present. In the past, input credit debts were forgiven by the government when production was poor, creating the expectation of debt forgiveness among borrowers (and placing financial strain on the government budget.) As the RDAs continue to withdraw from provision of input credit, access to credit for the majority of farmers will decrease further. Women frequently face greater difficulties in acquiring credit, and have been discriminated against under past government seed credit policy. The importance of credit availability, and the ability of the private sector to provide input credits remain matters of debate.	Study the importance of credit in farmer production decisions, particularly for women. Consider policy or project interventions to increase women's access to credit. Consider expansion of credit programs similar to that offered by the Caisse Nationale de Credit Agricole du Senegal (CNCAS), with appropriate lending and repayment guidelines.

POLICY INTERVENTION/ IMPACT SECTOR	PURPOSE	POLICY MAKING/ IMPLEMENTING INSTITUTIONS	IMPACT ASSESSMENT						EXPLANATION OF POLICY INTERVENTION AND IMPACT	PRINCIPAL ALTERNATIVES SUGGESTED FOR ANALYSIS	
			AG PROD	TRADE BAL	DOM CONS	AG INC	GOVT BUDGET	WOMEN'S PROG			WOMEN'S INCOMES
EXTERNAL TRADE											
Import tariffs/ agri- cultural inputs	Generate revenues	Ministry of Commerce	+	-	+	+	-	0	0	Few agricultural inputs subject to tariffs under structural adjustment, and only small amounts of imported inputs are used. Little differential effect on women's activities.	
Import tariffs/ agri- cultural commodities	Generate revenues protect domestic producers	Ministry of Commerce	+	+	-	+	+	-	0	Rice is the only major agricultural commodity subject to high import duties, part of the GOS strategy to encourage cereals self-sufficiency. Because women seldom commercialize their rice production, little differential impact is expected on women's activities.	
Export subsidies/ agriculture	Promote exports	Ministry of Finance	+	+	-	+	-	+	+	The GOS producer price policy for peanuts and cotton represents an export subsidy because the world market price is below the producer price for these commodities. The government thus absorbs the price differential as a budgetary loss. To the extent that women produce these crops, they benefit from the export subsidy.	Consider rationalization of producer prices for peanuts and cotton.
RESOURCES											
Land policy	Support production	Ministry of Rural Development	+	-	+	-	0	-	-	Control of land allocation for most villages given to "Rural Councils" under a 1972 law. Actually, many of the traditional land allocation practices (such as allocation by male head of household) continue. Women hold traditional rights to the use of some land, although they cannot own land in the usual sense. Access to land does not appear to be a significant constraint to agricultural production for most rural households, but the introduction of irrigated perimeters for rice has displaced some rural women.	Obtain a better understanding of traditional land allocation practices in the different regions of the country. Study women's land access problems created by irrigated rice perimeters, develop policy to aid displaced women.

POLICY INTERVENTION/ IMPACT SECTOR	PURPOSE	POLICY MAKING/ IMPLEMENTING INSTITUTIONS	IMPACT ASSESSMENT						EXPLANATION OF POLICY INTERVENTION AND IMPACT	PRINCIPAL ALTERNATIVES SUGGESTED FOR ANALYSIS	
			AG PRGR	TRADE BAL	DOM CONS	AG INC	GOVT BUDGET	WOMEN'S PRGD			WOMEN'S INCRES
Input supply - Fertilizer - Seed - Water	Support production	Ministry of Rural Development RDAs	-	-	?	-	+	-	-	Provision of fertilizer and seed on credit is being phased out by the Rural Development Agencies. It is expected that farmers will preserve their own seed stock, or buy needed inputs from private sector suppliers. Women rarely benefited from input supply programs in the past, and are therefore less affected by the withdrawal of the RDAs. In general, women's access to agricultural inputs is less certain than men's.	Provide incentives/remove obstacles to private sector provision of inputs. Limit changes in policy (for example, debt forgiveness) to provide farmers with more certainty in decision-making. Review women's problems with access to agricultural inputs and consider policy modifications.
PARASTATAL ENTERPRISES/INSTITUTIONS	Facilitate delivery of input supplies and credit; support production, processing, and marketing	Ministry of Rural Development, RDAs	-	-	?	-	+	-	-	Rationalization of parastatal enterprises is taking place, including reducing the size of the sector, improving performance and reorienting government oversight functions and procedures. Parastatal enterprises had at one time accounted for 10 percent of GDP and provided 34,000 jobs. The GOS is considering divestiture of all parastatals engaged in the production of commercial goods and services, with priority given to those already in competition with the private sector and those which place a heavy burden on the public coffers. Parastatals are phasing out most input supply and marketing functions, and emphasis is being placed on provision of extension support.	Monitor the restructuring of the RDAs to ensure adequate adjustment to new role as providers of extension support.

POLICY INTERVENTION/ IMPACT SECTOR	PURPOSE	POLICY MAKING/ IMPLEMENTING INSTITUTIONS	IMPACT ASSESSMENT				EXPLANATION OF POLICY INTERVENTION AND IMPACT	PRINCIPAL ALTERNATIVES SUGGESTED FOR ANALYSIS	
			AG PROD	TRADE BAL	DOM CONS	AG INC			GOVT BUDGET
RESEARCH/EXTENSION	Identify and propagate agricultural production, processing, and marketing technologies consistent with national development objectives	Ministry of Rural Development	-	-	?	-	-	-	<p>The Regional Development Agencies, charged with provision of extension services, are currently being reformed and reduced in scope. This renders them less able to provide extension support for the moment. Prior to the reform, the RDAs concentrated on input supply and marketing functions, not research and extension. Research has concentrated on development of improved varieties and techniques for certain crops: peanuts, millet, rice, and cotton. The link between research and extension has been weak, with introduction of new varieties limited (primarily due to problems with seed multiplication). Few efforts are directed toward improving productivity on women's crops. Provision of research and extension support in the near future is uncertain, given the changing roles of the RDAs and limited budgetary support.</p> <p>Provide incentives/ remove obstacles to the development of more private sector capability in technical assistance for agriculture.</p> <p>Provide working condition and budgetary support necessary to attract and retain high quality technical personnel in research and extension.</p> <p>Strengthen the links between research and introduction of new varieties, as the GOS is attempting to do with private sector seed multiplication centers.</p> <p>Increase research on improving productivity of women's crops such as vegetables and paddy rice.</p> <p>Increase research into women's roles in the agricultural production, processing, and marketing system.</p>

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POLICY INTERVENTION/ IMPACT SECTOR	PURPOSE	POLICY MAKING/ IMPLEMENTING INSTITUTIONS	IMPACT ASSESSMENT						EXPLANATION OF POLICY INTERVENTION AND IMPACT	PRINCIPAL ALTERNATIVES SUGGESTED FOR ANALYSIS	
			AG PROD	TRADE BAL	DOM CONS	AG INC	GOVT BUDGT	WOMEN'S PROD			WOMEN'S INCOMES
AGRICULTURAL SUBSECTOR											
MARKETING											
Nationalized export marketing - peanuts - cotton	To establish state control over major foreign exchange transactions, and presumably improve marketing efficiency	Ministry of Rural Development	+	+	0	-	-	+	+	Peanuts are purchased directly from producers by the oil processing consortium (SONACOS is the dominant corporation) and licensed official traders, who are paid a commission on their purchases. The official producer price is 90 CFA/kg from producers and 100-110 CFA/kg from licensed traders. SONACOS's use of private traders is a liberalizing step in comparison to the past practice of strictly controlled state purchasing of peanuts. Cotton purchases and marketing are the responsibility of SODEFITEX, the cotton parastatal, which pays producers 100 CFA/kg. Unlike SONACOS, SODEFITEX is not currently using private traders to purchase cotton from producers. Women have some access to formal marketing channels when they produce these crops.	Consider further privatization of the marketing systems for peanuts and cotton.
Nationalized refining/marketing - sugar	Self-sufficiency in sugar production	Ministry of Rural Development, Compagnie Sucriere Senegalaise	+	+	-	+	-	0	0	The GOS is currently pursuing a policy of national self-sufficiency in sugar production, at high domestic resource cost. The government has granted a monopoly on sugar cane production and refining to the Compagnie Sucriere Senegalaise (CSS), which has led to domestic sugar prices well above the import parity level. Even at this price, the CSS operates with a deficit, and receives a subsidy from GOS. In addition, the sugar produced is of low quality. The government plans to cut the budgetary subsidy to CSS in the next few years, relying on more effective cost control measures by the company.	Consider reverting both the sugar fields and processing functions to the private sector.

POLICY INTERVENTION/ IMPACT SECTOR	PURPOSE	POLICY MAKING/ IMPLEMENTING INSTITUTIONS	IMPACT ASSESSMENT						EXPLANATION OF POLICY INTERVENTION AND IMPACT	PRINCIPAL ALTERNATIVES SUGGESTED FOR ANALYSIS	
			AG PROD	TRADE BAL	DOM CONS	AG INC	GOVT BUDGT	WOMEN'S PROD			WOMEN'S INCOMES
Nationalized marketing - rice	Self-sufficiency in rice production	Ministry of Rural Development, Societe d'Aménagement et d'Exploitation des Terres du Delta du Fleuve (S:30)	+	+	-	+	-	0	0	<p>The GOS is also pursuing a policy of sufficiency in rice production, promoting extensive irrigated perimeters in the Senegal river basin. Production costs at present exceed both import parity prices (currently 30-40 CFA/kg) and the controlled consumer price by a substantial amount. Only with state permission may traders purchase paddy from producers at the current producer price of 85 CFA/kg. However, some purchases below the 85 CFA/kg price are occurring, as are sales to unlicensed traders. A large portion of the commercialized rice is purchased by SAED (the rice parastatal), which transforms the paddy and sells it at the official consumer price of 160 CFA/kg. The GOS also exercises control over all rice imports, generating significant revenues from the difference in world market prices and the consumer price. At present, the government is introducing a system which will allow private wholesalers to import rice, but consumer price is to remain fixed. It is thus unclear what advantages are to be had in the use of private entities, although some symbolic value to this reduction in the role of government in the importing process. Women rice growers rarely produce enough for household consumption, and therefore very little of their production is marketed.</p>	<p>Consider complete privatization of rice imports, retaining an import tariff on rice to generate revenues and encourage local cereals production.</p> <p>Reconsider rice self-sufficiency strategy in light of high domestic resource cost.</p>

POLICY INTERVENTION/ IMPACT SECTOR	PURPOSE	POLICY MAKING/ IMPLEMENTING INSTITUTIONS	IMPACT ASSESSMENT						EXPLANATION OF POLICY INTERVENTION AND IMPACT	PRINCIPAL ALTERNATIVES SUGGESTED FOR ANALYSIS	
			AG PROD	TRADE BAL	DOM CONS	AG INC	GOVT BUDGET	WOMEN'S PROD			WOMEN'S INCOMES
PRICING Producer price supports - peanuts - millet - rice - cotton	To maintain production incentives and farm incomes	Presidency	+	+	?	+	0	+	+	<p>The government supports the prices of peanuts, millet, rice, and cotton, using price policy as a means of redistributing income to the rural sector.</p> <p>At the current world market price for peanut oil, the value of peanuts may be as low as 20 CFA/kg (freight value derived from the export price), while the price to producers was 90 CFA/kg. The GOS thus suffered an aggregate loss of about 25 billion CFA last year, much of which was covered with monies received from the agricultural income stabilizing fund, STABEX. The GOS is encouraging local grain production through support of the millet price (70 CFA/kg), and the high consumer price of rice. Though in principle prepared to purchase millet should the price fall below the floor, it is doubtful that the government has the resources for significant intervention. Prices below 70 CFA/kg have been reported, particularly at harvest. Private processing of paddy rice does not seem to be particularly profitable at the controlled price of 85 CFA/kg, but it appears likely that purchases below that price are being made. Cotton prices of 100 CFA/kg paid by SODEPITEX seem to allow that BDA to operate without significant subsidy. Women benefit from price supports to the extent that they produce these crops and have access to markets (formal or informal) for them.</p>	

POLICY INTERVENTION/ IMPACT SECTOR	PURPOSE	POLICY MAKING/ IMPLEMENTING INSTITUTIONS	IMPACT ASSESSMENT						EXPLANATION OF POLICY INTERVENTION AND IMPACT	PRINCIPAL ALTERNATIVES SUGGESTED FOR ANALYSIS	
			AG PROD	TRADE BAL	DOM CONS	AG INC	GOVT BUDGT	WOMEN'S PROD			WOMEN'S INCOMES
Consumer price controls	Maintenance of consumer prices at "reasonable" levels, revenue generation	Ministry of Commerce	2	2	-	2	+	0	0	The Ministry of Commerce publishes and enforces maximum retail prices for bread, rice, cooking oil, and butane gas. Price increases for these items under structural adjustment have increased burdens on the urban poor. Some lowering of prices as the 1988 elections approach is anticipated.	Dismantle the price control system, replacing it with direct and specifically targeted consumer subsidies where these are warranted.
PL 480 imports/ basic grains	To make up shortfalls in domestic food supplies on concessionary terms		-	-	-	-	-	0	0	PL 480 imports have contributed to maintaining consumption of certain basic food items such as rice, cornmeal, sorghum grits, milk, and vegetable oil. They have reduced balance of payment outlays for commercial food imports which might otherwise have taken place, and have contributed in a significant way to the revenues of the government. It is cautioned, however, that these imports in some cases substitute for and may harm domestic production. This is especially the case for rice, cornmeal and sorghum grits.	Exercise care in determining the composition of the concessionary commodity program to minimize the imported volume commodities which are close substitutes for domestic production. Substitution patterns in domestic consumption should be carefully analyzed, and both near- and medium-term impacts of PL 480 imports assessed and weighed against each other.
Policy vacuum/ Fruits, vegetables, fisheries										Other than incidental inclusion of these activities in policy measures intended for other purposes, there is no apparent policy supporting these potentially high-growth, high-employment products. Women are more heavily involved in production and processing of these items. Lack of GOB support has hampered their development.	Focus statistical and analytical resources on the development of appropriate policy instruments.

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United Nations. Economic Commission for Africa. CARFF Rapport du seminaire sur L'Integration de la Femme au Developpement et L'Amelioration de la Qualite des Conditions de la Vie en Milieu Rural. Lome, Togo. Voyage d'etude du 8 au 18 avril 1980. (Serie Rapports de Seminaires)

Report of seminar on the integration of women in development and the improvement of the quality of life in rural areas. Discusses the role of women in economic activities (primarily in Togo), problems with the education and training of women, describes visits to women's cooperatives, and contains a country statement for Senegal.

United Nations. Economic Commission for Africa.

Seminaire sur le role et les problemes des femmes dans la commercialisation des produits vivriers en Afrique de l'Ouest: stockage, transformation, distribution des produits, utilization de nouvelles techniques. Dakar 22 au 27 juin 1981. Addis Ababa; 1982. (African Training and Research Center for Women Seminar Reports series).

Summary of presentation made at seminar including case studies, recommendations for actions and future research, and a summary table of agricultural product processing methods.

United Nations. Economic Commission for Africa.

Women in the Artisanal Fishing Industry in Senegal and Ghana. Addis Ababa: 1984 (African Training and Research Center for Women Research Series)

Focuses on common aspects of fish processing marketing by women in Senegal and Ghana. Discusses the major fish products, processing, methods, and difficulties encountered in production and marketing. Provides recommendations for improving conditions.

United Nations. FAO. Statistics Division, Economic and Social Policy Department. Socio-Economic Indicators of Agrarian Reform and Rural Development. Stillwater, OK: April 1987. (Project Resource Report B-24; Agricultural Policy Analysis Project, USAID Contract DAN 4086-C-3087-00)

Detailed discussion of socio-economic indicators necessary to evaluate reform and development efforts. Includes a review of indicators of particular relevance to women.

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Provides definitions of project factors to be considered to assure women's participation, location-specific information necessary for project design, typical constraints on women's participation and suggested solutions, and integration into the AID program process (including macroeconomic policy considerations) and training agenda.

Von Braun, Joachim and Ken B. John.

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Summary of papers presented at the seminar. Subjects covered include marketing organization and cooperatives; marketing and pricing policies; credit and financing, food processing, presentation and technology; and training and research.

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ANNEX 4. SYNOPSIS OF MACROECONOMIC REFORMS

The breadth of the country's macroeconomic reform program is indeed impressive. Specific reforms have been implemented in a number of areas, including export promotion, export subsidies, foreign debt, monetary policy, parastatal enterprise, price controls, public finances, Public Investment Program (PIP), and taxation.

Export Promotion

Perhaps the most important aspect of the macroeconomic reform package is the promotion of exports through the reduction of protection, which reduces the cost of imported inputs. With high import barriers, domestic industry had become high cost, unable to penetrate overseas markets. To reduce protection and promote exports, a first-round reduction of customs duties has been introduced and most quantitative restrictions either have been or will be lifted. In addition, preferential agreements between Senegalese firms and the GOS are being amended to open up domestic industries to increased competition. The GOS also has taken a number of other steps to promote exports, including easing export controls, simplifying procedures for granting importer/exporter cards, and streamlining the duty drawback system. However, to implement fully the export promotion policy will require a more realistic exchange rate.

Export Subsidies

To promote exports, Senegal also utilizes export subsidies. Senegal recently revised the program, so that the subsidy is now based on value added rather than freight on board (FOB) value. This promises to reduce the costs of the program, easing the burden on the budget.

Foreign Debt

Senegal's excellent record in implementing reforms has meant that it has been able to reschedule debt; the most recent debt rescheduling took place at the Paris Club meeting of November 1986. The GOS, which has established a computerized system for recording and servicing external debt, is limiting external borrowing -- both short and medium term -- and has liquidated external arrears. The GOS also is curtailing State guarantees to private borrowers and increasing by 10 percent per year resources allocated to the Treasury account from which debt service payments are made.

Monetary Policy

Monetary curbs have been imposed to reduce inflationary pressures. Also, the GOS is seeking to address the ongoing liquidity crisis in the financial system. Financial intermediaries are being rehabilitated or restructured; the reduction of tax on savings interest from 17 to 7 percent will promote deposits; bank regulations are to be vigorously enforced; minimum capital requirements for banks have been increased; and the GOS is owning up to past bad State and parastatal debts by making repayments.

Parastatal Enterprises

The parastatal enterprise sector (which accounts for 10 percent of value added) is being rationalized; this includes reducing the size of the sector, improving performance, and reorienting government oversight functions and procedures.

Price Controls

Additional relaxation of the price control system is taking place, with both an increase in the system's flexibility and a reduction in coverage. Price controls are being eased in tandem with the removal of quantitative import restrictions and the liberalization of internal trade.

Public Finances

The GOS is pursuing prudent fiscal policies. The GOS is paring the fiscal deficit, eliminating arrears, and reducing outstanding crop credit.

Public Investment Program

A more operational PIP covering both FY 1986 and FY 1987 has been prepared that reorients and assigns priorities to activities, giving preference to rehabilitation and maintenance of economic and social infrastructure. The "shopping list" approach to public investment has been replaced by a three-year

"rolling" investment program for 1987-90. Preparation of this program is under way. Also, a consolidated budget covering both recurrent and capital expenditures will be included in the FY 1988 budget law. Recurrent costs of investments will be explicitly considered.

Taxation

A revised General Tax Code was adopted by the National Assembly in February 1987, including revision of direct taxes, a fiscal cadastre for the greater Dakar area has been introduced; and strengthening of tax administration is taking place. A key provision of the revised tax code is the elimination of numerous exemptions provided to business concerns.

Investment Code

The investment code has been amended. The code now favors smaller firms and competition. It also reduces uncertainty by spelling out precisely those benefits that will be available.

ANNEX 5. POLICY INVENTORY MATRIX

Policy Category: Energy

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Pricing	Ministry of Industrial Development and Handicrafts	Production (-) Imports (-) Domestic Consumption (-) Exports (-) Government Revenues (+) Inflation (+)	The GOS is altering the pricing policy for petroleum products. The GOS is electing not to pass through the gains to the domestic economy of the lower global petroleum prices; it will maintain unchanged the existing structure of prices of petroleum products. Exceptions are (a) diesel and fuel oils used by the electricity company and (b) products utilized by the state chemical company ICS and products used for phosphate mining. Lower diesel and fuel oil prices are expected to enable the electric company to lower electricity tariffs, thereby spurring domestic growth; the lower prices to the ISC and in phosphate mining will enhance the entities' external competitiveness.

Policy Category: External Trade

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Import Controls	Ministry of Commerce	Production Imports (+) Domestic Consumption Exports Government Revenues (-) Inflation (-)	<p>Import controls are being relaxed. The easing of controls will promote private sector activity through reducing the cost of doing business. More important, a relaxation of import controls will reduce protection. Growing up protected by import barriers, domestic concerns had become inefficient, unable to penetrate overseas markets.</p> <p>-- Import tariffs are being lowered and the band of tariffs is being reduced to achieve a lower and more uniform level of effective protection.</p> <p>-- A new tariff code has been in force since August 1986.</p> <p>-- A first round reduction of customs duties has been put into effect. The "normal" fiscal tariff has been reduced by 10 percentage points to 30 percent; the "increased" fiscal tariff by 15 percentage points to 35 percent; and the "special" fiscal tariff by 10 percentage points to 65 percent.</p> <p>-- Quantitative restrictions on all products not produced in Senegal have been lifted and others frozen. Specifically, quantitative restrictions in four major subsectors -- (a) machinery and metals, (b) packaging, (c) construction materials, and (d) agro-industries and paper products -- have been lifted.</p>

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Policy Category: External Trade

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Export Promotion	Ministry of Finance -- Customs Department, Ministry of Commerce	Production (+) Imports Domestic Consumption Exports (+) Government Revenues Inflation	In addition to promoting exports through export subsidies and reduction of protection, the GOS has introduced specific export-enhancing reforms. -- The system of prior authorizations on manufactured food product exports has been converted into a simple declaration system. -- The GOS is (a) easing export controls, (b) simplifying procedures for granting importer/exporter cards, and (c) streamlining the duty drawback system.

Policy Category: External Trade

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Export Subsidies	Ministry of Finance	Production (x) Imports Domestic Consumption Exports (x) Government Revenues Inflation	<p>Senegal cannot have an active exchange rate policy; it is a member of the West African Monetary Union and the Union's exchange rate is pegged to the French Franc. Instead, the country uses export subsidies. In recent years, the depreciation of the U.S. dollar against the Franc together with relatively high domestic inflation has produced an erosion in the competitiveness of Senegalese exports amounting to an estimated 20 percent. To compensate, the GOS is seeking to target the export subsidy program in addition to reducing the costs associated with the program.</p> <p>-- Senegal adopted an export subsidy scheme in August 1980 designed to increase exports of five products (canned fish, fertilizers, shoes, textiles, and agricultural equipment).</p> <p>-- The first subsidy title (cash or in lieu of customs duty payment) was issued in May 1981; the subsidy rate was set at 10 percent of the FOB value of exports.</p> <p>-- In February 1983, the coverage of the scheme was extended to 25 products deemed to be in excess supply on the domestic market or for which output could be increased easily. At the same time, the subsidy rate was hiked to 15 percent.</p> <p>-- Subsidies for canned fish have accounted for the bulk of the payments, almost 60 percent.</p> <p>-- More recently, the export subsidy has been altered through the introduction of a revised scheme based on industrial value-added in international prices and the subsidy rate has been set at 25 percent.</p> <p>-- The GOS will reduce outlays under the scheme from CFAF 7 billion in FY 1986 to CFAF 4-5 billion in FY 1987.</p>

Policy Category: Fiscal

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Budget	Ministry of Finance	Production Imports (-) Domestic Consumption (-) Exports Government Revenues Inflation (-)	<p>The GOS is striving to restructure the public finances through (a) a decrease in the deficit, (b) elimination of arrears, (c) the reduction of outstanding crop credit, and (d) restoration of budgetary savings to finance investment.</p> <p>-- Deficits have been pared back significantly; the overall fiscal deficit on a commitment basis has declined from 8.2 percent of GDP in FY 1983 to 2.3 percent in FY 1986 and will be lowered to 1 percent of GDP in FY 1987.</p> <p>-- Total GOS outlays are coming down from 32 percent of GDP in FY 1981 to only 22 percent in FY 1986, and any increase in current outlays, excluding interest on the public debt, will be limited to 3 percent in FY 1987. The reduction in outlays that has been achieved can be attributed to (a) economies in personnel expenditures and spending for materials, supplies, and maintenance, (b) administrative and accounting reforms, and (c) reduced transfers (subsidies).</p> <p>-- Increases in civil service wages and salaries have been kept well below inflation over the last five years; the basic salary has been frozen at 1983 levels. The size of the civil service has come down from 72,000 to about 68,000 by end-June 1987.</p> <p>-- Procurement guidelines and practices have been strengthened with a view to producing some uniformity.</p> <p>-- The GOS is eliminating arrears which had arisen from the delay in discharging payment orders. Steps have been taken to (a) establish standard criteria for repayment and an allocation system and (b) complete the inventory and reconciliation of arrears and negotiate a schedule for their settlement. The amount outstanding which had been lowered from CFAF 58.2 billion at end-June 1981 to CFAF 46.1 billion by end-June 1985 has since been lowered an additional CFAF 8.4 billion.</p>

Continued

Policy Category: Fiscal

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Budget (Continued)			<ul style="list-style-type: none">-- The GOS is reducing outstanding crop credit. Rice and flour surpluses were utilized to repay CFAF 6.3 billion in outstanding FY 1986 crop credits.-- CFAF 10 billion was used by the CPSP to liquidate arrears due to the Treasury on account of rice imports.-- The GOS also continues to make good on the ONCAD debt. CFAF 5 billion was recently repaid to domestic banks.

Policy Category: Fiscal

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Parastatal Enterprise	Presidency; Ministry of Finance; Supreme Court -- Investigation Commission for Parastatals; various other Ministries	<p>Production Imports Domestic Consumption Exports Government Revenues (+) Inflation</p> <p>In the near term, the primary impact will be to reduce the GOS budget deficit.</p> <p>When and if sold, the enterprises will contribute to one-time windfall revenues for the GOS.</p>	<p>Rationalization of parastatal enterprise is taking place, including reducing the size of the sector, improving performance, and reorienting government oversight functions and procedures. The parastatal enterprise sector, including 62 wholly-owned enterprises, 46 mixed entities, and 24 public agencies, had accounted for at least 10 percent of GDP, and provided employment for 34,000. The GOS will consider for divestiture all parastatals engaged in the production of commercial goods and services with priority given to those already in competition with the private sector and those which place a heavy burden on the public coffers.</p> <p>-- For the purposes of rationalization, five categories have been established.</p> <ul style="list-style-type: none"> . Five enterprises -- STN (a rural development agency), ONCAD and its successor organization SONAR (both specializing in agricultural input distribution), COSENA (shipping), and SOSAP (fisheries) -- have been liquidated. SOSEPRA (handcrafts) as well as six to-be-announced entities will be liquidated shortly. . Fifteen enterprises will be divested wholly to the private sector. . Thirteen enterprises will be divested partially to the private sector. These together with the above fifteen account for 45 percent of the value added in the parastatal enterprise sector. . While the public utilities will be retained by the GOS, their operations will be reorganized and strengthened through "contrat plans". Such plans have been prepared for SONATEL (telephone), SONEES (water), SENELEC (power), and SOTRAC (public transport). Plans will be prepared for OPCE (post office) and OHLM (housing) by end year and PORTAUME (port) and SDCF (railroad), next year. A "contrat plan" also has been put into effect for SONACOS (the peanut oil miller).

Continued

Policy Category: Fiscal

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Parastatal Enterprise (Continued)			<p data-bbox="1468 318 2125 574">. "Lettres de mission," a more flexible instrument than the "contrat plans," have been or will be instituted for the RDAs, including SODEVA (peanut basin), SODAGRI and SOMIVAC (irrigation development agencies in the Casamance), SAED (Fleuve region), and SODEFITEX (cotton development agency). The "lettres de mission", calling for reduction of state intervention, provide for greater administrative oversight and strategic monitoring.</p> <p data-bbox="1468 599 2125 715">-- GOS direct budget subsidies to parastatals are to be lowered by 5 percent in FY1987 and 15 percent in FY 1988 over the FY 1986 level. Also, a computerized data base has been established for monitoring indirect subsidies.</p>

Policy Category: Fiscal

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Parastatal Enterprise (Continued)			<p>-- Settlement of cross arrears between the GOS, private and parastatal entities, and commercial banks has begun. Reciprocal obligations through June 30, 1985 have been reconciled and a schedule has been established for their orderly settlement.</p> <p>-- To improve the financial position of the Prerequisition Fund (CPSP) -- the GOS price stabilization board, retail prices are being hiked. In August 1983, retail prices of cooking oil, sugar, and rice were all increased substantially; in August 1984, prices of locally produced peanut oil and imported vegetable oil were increased 25 and 50 percent, respectively; the rice price was raised 23 percent in January 1985; and there was a substantial hike in bread prices in October 1985. Also, on the basis of studies, a program of action is being implemented to rehabilitate CPSP management through introduction of a new management system and recovery of substantial amounts owed to it by traders.</p> <p>-- In order to eliminate the deficit of the state petroleum company (SAR), prices of petroleum products have been adjusted. In July 1984, price hikes of 5 percent at the refinery level and 3-8 percent at the retail level were introduced; in December 1984 the respective increases were 10 and 8-16 percent; and in June 1985, 5 and 4-8 percent. The SAR's cumulative deficit now has been erased.</p>

Policy Category: Fiscal

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Public Investment Program (PIP)	Ministry of Planning and Cooperation	Production Imports (-) Domestic Consumption Exports Government Revenues Inflation	<p>The thrust of the reforms of the PIP are (a) to alter its composition to provide infrastructural support -- both economic and social -- for private productive sector activity, (b) to develop a systematic approach for consideration of new project initiatives, (c) to link the PIP's size to domestic resource availability, and (d) to include the PIP in a consolidated budget to assure that maintenance and rehabilitation of physical assets is taken into consideration. Previously, the PIP (a) emphasized external resource mobilization at the expense of allocational efficiency, (b) implemented the GOS policy of replacing foreign ownership of productive assets by national ownership, and (c) carried out the GOS's role of "social provider." These policies contributed to a return on investment that was lower than the country's average cost of borrowing.</p> <p>-- A more operational PIP covering both FY 1986 and FY 1987, which is taken from the Seventh Plan (1985-86 to 1988-89), has been prepared. Some large new projects of low priority have been eliminated and more importance has been given to projects already in the pipeline. The use of project selection and screening criteria is becoming more systematic.</p> <p>-- The first three year "rolling" investment program for the period 1987-90 has been introduced; it replaces the "shopping list" approach. To reflect resource constraints, the Program, consisting of 388 projects with a total cost of CFAF 384 billion, has been reduced in size through a more efficient use of capital; investment as a percent of GDP will fall from 12 to 8 percent. Directly productive investment is increasingly left to the private sector.</p> <p>-- Also, a consolidated budget covering both recurrent and capital expenditures is to be included in the FY 1988 budget law.</p>

Policy Category: Fiscal

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Taxation	Ministry of Finance	Production Imports (-) Domestic Consumption (-) Exports Government Revenues (+) Inflation (-)	<p>One of the most important aspect of the structural adjustment program is taxation reform. An important goal is a taxation system viewed as fair by all the populace. The GOS is seeking to arrest the backsliding that has taken place in revenue generation through administrative strengthening; tax revenues as a share of GDP had declined from 18.4 percent in FY 83 to 17.0 percent in FY 1986. Simultaneously, tax provisions are to be revised to expand the tax base. Most recently, extraordinary revenues have been raised by taxing commodities -- petroleum and rice -- whose global price had declined sharply. This undoubtedly will boost the share of tax revenues in GDP in the near term.</p> <p>-- A revised General Tax Code was adopted by the National Assembly in February 4, 1987. It (a) strengthens provisions relating to the taxation of the informal sector by the introduction of flat rate minimum tax on individuals and extension of the value-added tax (VAT), (b) streamlines direct taxation through elimination of numerous exemptions, especially those furnished to enterprises under special conventions, (c) reduces taxation of savings lowering the tax from 17 to 7 percent, (d) stimulates investment through accelerated depreciation, rebates on profit taxes, and tax exemptions on reinvested profits, (e) reforms excises through the substitution of ad valorem duties for specific levies, (f) harmonizes rates applicable to industrial, commercial, and professional profits, and (g) eases the burden on low income groups by furnishing a number of exemptions of a social nature and providing for an increase in the minimum income subject to taxation. The elimination of numerous exemptions promises to have especially significant impact; extensive tax holidays and other benefits had been bestowed upon certain enterprises.</p>

Continued

Policy Category: Fiscal

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Taxation (Continued)			<p>-- A fiscal cadaster (property tax registry) has been introduced in the greater Dakar area; the cadaster will assist in the expansion of the tax base.</p> <p>-- Tax administration is being strengthened.</p> <ul style="list-style-type: none"> . The tax department is being strengthened. . Existing regulations and practices have been simplified. . Staff has been reallocated in favor of assessment and audit. . Procedures for customs and the VAT have been computerized, and customs administration is being reorganized. . Penalties have been increased to accelerate recovery of tax arrears.

Policy Category: Foreign Exchange

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Foreign Debt	Ministry of Finance	Production Imports (-) Domestic Consumption (-) Exports Government Revenues Inflation	<p>The GOS is striving to improve its external debt position through rescheduling and limiting non-concessional borrowing.</p> <p>-- Debt service obligations to official creditors were rescheduled under the auspices of the Paris Club in October 1981, November 1982, December 1983, and January 1985. The Paris Club does not reschedule debts unless the debtor country is a solid economic policy reformer.</p> <p>-- At the Paris Club meeting of November 21, 1986, 100 percent of the principal and interest on reschedulable debt falling due during the period July 1, 1986-October 31, 1987 was rescheduled. They accounted for SDR 58 million in debt relief.</p> <p>-- Senegal signed a debt rescheduling agreement with commercial banks of the London Club on May 7, 1985.</p> <p>-- All verified arrears on external public debt service payments, which had reached CFAF 10.9 billion at end-December 1985, were virtually liquidated in 1986. Payment orders are to be issued to avoid the re-emergence of arrears.</p> <p>-- The GOS is to keep non-concessional borrowing to a strict minimum in FY 1987.</p> <p>-- The GOS will limit new non-concessional loans with a maturity of 1-12 years to SDR 35 million, of which no more than SDR 18.2 million will be in the maturity range of 1-5 years.</p> <p>-- The GOS will not borrow abroad on a short-term basis (under one year) except for normal trade-related credits.</p> <p>-- The GOS position in the operation account with the French Treasury is to improve by SDR 15 million in FY 1987.</p>

Continued

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Policy Category: Foreign Exchange

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Foreign Debt (Continued)			<ul style="list-style-type: none"><li data-bbox="1433 332 2079 447">-- The GOS is curtailing State guarantees to private borrowers and increasing by 10 percent a year the resources allocated to the Treasury account from which debt service payments are made.<li data-bbox="1433 472 2079 584">-- External debt monitoring has improved in recent years and more comprehensive data are now available. For instance, a computerized system for recording and servicing external debt has been established.

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Policy Category: Monetary

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Money Stock	West African Monetary Union; National Credit Committee	Production (-) Imports (-) Domestic Consumption (-) Exports (+) Government Revenues (-) Inflation (-)	<p>The GOS has imposed monetary curbs in both FY 1986 and 1987 to assist in reducing inflationary pressures.</p> <p>-- Although domestic credit grew 8 percent in FY 1986, exceeding the IMF target of 7 percent, the increase in net bank credit to the GOS of 12 percent was below the target of 17 percent and the increase in credit to the private sector was held to 2 percent. Consequently, the money supply defined broadly rose 2.5 percent against a programmed increase of 5.5 percent.</p> <p>-- For FY 1987, the increase in net domestic assets of the banking system is to be limited to 2 percent; the increase in net bank credit to the GOS to 3.5 percent; and the rise in credit to the private sector to 2 percent. The GOS also is reducing borrowing from the domestic banking system from CFAF 19.6 billion in FY 1986 to CFAF 4.0 billion in FY 1987.</p>

Policy Category: Monetary

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Financial Intermediation	West African Monetary Union; Ministry of Finance	Production Imports Domestic Consumption Exports Government Revenues Inflation (Little impact in the near term)	<p>The Senegalese bank system is characterized by a liquidity crisis, arising from (a) excessive interference by the GOS in using development banks -- BNDS and USB -- for financing ill-conceived agricultural credit schemes and industrial investments, (b) poor management, lack of financial discipline, and an absence of supervision by the banks' boards, and (c) insufficient oversight on the part of the West African Monetary Union (WAMU), the regional central bank, which has allowed banks to exceed limits on rediscounting without imposing sanctions on further financing. For instance, non-performing assets of the BNDS exceed capital by a factor of 29 to one.</p> <p>-- WAMU has agreed to enter with the GOS and banks to consolidate amounts due to itself through long-term loans -- 10 year maturity with 3 years grace -- at a preferential rate in the concert of agreed rehabilitation programs for the banks.</p> <p>-- Restructuring of USB has started and rehabilitation plans for BNDS and BCS -- a private commercial bank -- have been drawn up.</p> <p>-- Control of banks by the Banking Control Commission is being strengthened through more frequent and detailed reporting.</p> <p>-- The Banking Association, which has been reactivated recently and is now revising its statutes, has been recognized as the official representative of the banks in dealings with the GOS.</p> <p>-- To spur savings, the tax on savings interest has been lowered from 17 to 7 percent.</p> <p>-- Minimum capital requirements to set up and operate a bank have been increased four-fold to over CFAF 1 billion.</p> <p>-- The existing capital, reserves to assets, and liquidity ratios are to be enforced with penalties imposed for infraction of these requirements.</p>

Policy Category: Prices

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Price Controls	Ministry of Commerce	Production (+) Imports Domestic Consumption Exports Government Revenues Inflation (+)	<p>Prices are an important signal; they indicate where resources should flow to eliminate shortages or overproduction. The GOS approach is to allow increasing freedom in setting prices while maintaining controls where certain social ends have high priority. Traditionally, the price control system has been administered liberally, in spite of the impressive list of regulations on the books. Some additional relaxation of the price control system is now taking place.</p> <p>-- The GOS is phasing out price controls in step with removal of quantitative import restrictions and liberalization of internal trade.</p> <p>-- The system has been made more flexible; more liberty has been given to local manufacturers and distributors to raise prices.</p> <p>-- The coverage also has been reduced substantially; the list of controlled items has been revised in an effort to reduce direct and indirect government supervision. For instance, all controls on the prices of industrial products subject to permissible profit margins or administration price fixing have been removed.</p> <p>-- For a number of products that remain controlled, price increases have been introduced. Many of the increases reflect market considerations.</p>

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Policy Category: Trade

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Commercial Distribution System	Ministry of Commerce	Production (+) Imports Domestic Consumption Exports Government Revenues Inflation (-)	The commercial distribution system is being reformed. The distinction between wholesale and retail traders, which impeded trade, has been eliminated recently. Also, prior authorization to engage in business is to be replaced by a simple declaration.

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Policy Category: Agricultural Sector

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Input Supply	Ministry of Rural Development	<p>Production Imports Domestic Consumption (-) Imports Government Revenues Inflation (-)</p> <p>Reform of input distribution also will cut GOS outlays.</p>	<p>Agricultural input reform is focusing primarily on rationalization of peanut seed and fertilizer distribution. Reform objectives include disengagement of government involvement, encouragement of private sector participation in distribution, and elimination of subsidies.</p> <p><u>Peanuts</u></p> <p>-- With the exception of production of quality foundation seeds and the maintenance of a security stock, the GOS has disengaged from the supply of peanut seed. The peanut seed stock is left primarily in the hands of farmers or their organizations. Farmers can either store their own seed reserves, store the reserves with the peanut oil miller SONACOS, or buy seed stock from the security stock to be maintained by SONACOS.</p> <p>-- SONAR, which had carried out peanut seed distribution activities at high cost, was liquidated in February 1985. The levy on peanut marketing to finance SONAE's seed as well as other distribution activities was abolished with liquidation of the organization.</p>

Policy Category: Agriculture Sector

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Input Supply (Continued)			<p>-- The GOS has eliminated seed subsidies.</p> <p>-- The peanut seed security stock will be limited to 50,000 tons in 1986 and reduced gradually thereafter.</p> <p><u>Fertilizer</u></p> <p>-- With the exception of those subsidies furnished under donor programs, fertilizer subsidies have been eliminated.</p> <p>-- Urea fertilizer imports have been decontrolled; the private sector can now bring in the commodity.</p> <p>-- Internal distribution of fertilizer -- both chemical and urea -- has been "privatized."</p> <p><u>Land</u></p> <p>-- For the 1985/86 agricultural campaign, farmers were made responsible for the costs involved in land preparation and maintenance of rice.</p> <p>-- Frontier zones lands revert to village community lands; all irrigable land is to be managed by rural communities with the State to retain and register land for projects declared to be of public interest.</p> <p><u>Credit</u></p> <p>-- The GOS has disengaged from the provision of credit.</p> <p><u>Other</u></p> <p>-- The principal of total recovery of the costs of annual animal health campaigns was invoked in January 1987.</p>

Policy Category: Agriculture Sector

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Institutions including Parastatals Enterprises	Ministry of Rural Development	<p>Production</p> <p>Imports</p> <p>Domestic Consumption (-)</p> <p>Exports</p> <p>Government Revenues</p> <p>Inflation (-)</p> <p>Reform of the agricultural institutions also will cut GOS outlays.</p>	<p>A number of agricultural institutions had been a drain on the public coffers and had not been run well.</p> <p>-- The large parastatal ONCAD (through which the bulk of GOS largesse to the agricultural sector had been channeled) was liquidated in 1980, as well as its successor SONAR in 1985. ONCAD had become the outstanding example of GOS fiscal excess.</p> <p>-- The GOS has assumed responsibility of the massive ONCAD debt -- more than \$300 million -- that was incurred with the commercial banks. ONCAD debt is gradually being repaid.</p> <p>-- The rural development agencies (RDAs) are being restructured. STN, in charge of development of new territories, has been liquidated. "Lettres de mission" have been or are being drafted for the remainder of the RDAs, including SODAGRI and SOMIVAC (irrigation development agencies in the Casamance), SODEVA (peanut development agency) which has already sliced staff in half, SODEFITEX (cotton development agency), and SAED (rice). The "lettres de mission," providing for greater administrative oversight, typically include the objectives of the entity, set out the role of the State, and provide for strategic monitoring. For the RDAs, State intervention has been reduced; the provision of inputs and credit has been greatly limited, if not eliminated.</p>

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Policy Category: Agriculture Sector

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Institutions including Parastatals Enterprise (Continued)			<ul style="list-style-type: none"> -- The Ministry of Rural Development is to be reorganized. -- ISRA, the State research entity, is being rehabilitated. -- The cooperation system has been restructured through the creation of smaller units at the village level; 4,472 of these units, referred to as "village sections," have been created. -- Effective May 11, 1984, a new law was introduced to promote the organization and activities of farmers' groups independent of the cooperative system. The law gave the farmers' groups legal status and the right to borrow.

Policy Category: Agriculture

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Marketing	Ministry of Rural Development	Production (+) Imports (-) Domestic Consumption Exports Government Revenues Inflation	<p>The GOS is seeking to extricate itself from the marketing of agricultural commodities and to facilitate private sector participation. Primary emphasis is on peanuts and rice.</p> <p>-- All existing barriers and administrative controls on the internal marketing of cereals (millet, sorghum, and maize) have been lifted.</p> <p><u>Peanuts</u></p> <p>-- Beginning with the 1982/83 agricultural campaign, the responsibility for the marketing of peanuts was shifted from the GOS directly to the peanut oil millers -- SONACOS and SEIB, both of which are parastatals.</p> <p>-- For the 1983/84 agricultural campaign, the oil millers became the employers of the weighers and transporters of peanuts. As a consequence, they became responsible for any discrepancies arising between weigh-ins at the cooperative and at the mill levels. Unexplained losses had totaled 8 percent of the peanut crop sold for export in the 1982/83 campaign.</p> <p>-- Subsidies to the oil millers to cover their fixed costs were reduced in half in 1985 and were entirely eliminated in 1986. No subsidies are to be paid in the marketing of peanuts.</p> <p>-- Oil millers are now free to make their own marketing arrangements.</p> <p>-- Management of the two existing oil millers has been consolidated and their operations were completely merged in January 1987; SEIB no longer exists.</p>

Continued

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Policy Category: Agriculture

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Marketing (Continued)			<ul style="list-style-type: none">-- Private firms are now authorized to buy peanuts directly from farmers and sell them to the oil millers at fixed prices. Hence, private buying agents entered the peanut marketing chain in the 1985/86 campaign, buying 25 percent of the marketed peanut crop. This has resulted in a reduction in the cost of marketing and processing of peanuts through facilitation a 60 percent reduction in the number of official buying points.-- The peanut guarantee fund that has been established is not to be subsidized by the GOS.
			<p><u>Rice</u></p> <ul style="list-style-type: none">-- Beginning in 1987, the private sector is importing and distributing 25 percent of total rice imports; the figure will rise to 100 percent after December. The Prerequisite Fund (CCPSP) -- a GOS-administered price stabilization fund -- had been responsible for the import and distribution of rice since 1979.-- In July 1986 the prior licensing and selection of local rice distributors was abolished, and distributors will be assured sufficient margins to cover transport costs.

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Policy Category: Agriculture

Policy Interventions	Implementing Institution	Impact Assessment	Reforms Undertaken
Pricing	Presidency	<p>Production (+) Imports (-) Domestic Consumption Exports (+) Government Revenues Inflation (+)</p> <p>The support prices, especially for peanut, are placing significant demands on the budget.</p>	<p>The GOS is seeking to promote production through the provision of appropriate price incentives. In particular, domestic grain production is to be spurred through maintenance of a price for rice -- an important staple import -- at a level that accords protection to domestic producers. A tax is to be built into the pricing structure for rice.</p> <p>-- In the agricultural campaign (ac), 1983/84 produce prices were raised 10 percent for millet and sorghum, 16.5 percent for rice and 6 percent for maize. In ac 1984/85, the produce price for peanuts was raised 14 percent; millet and sorghum 9 percent; rice, 10 percent; maize, 20 percent; and cowpeas, 40 percent. For ac 1985/86, the increases were 50 percent on a net basis for peanuts (a 12.5 percent increase in the price together with abolition of the retainer), 17 percent for maize, millet, and sorghum, 29 percent for rice, 83 percent for cowpeas, and 43 percent for cotton.</p> <p>-- These nominal price increases mean that real prices since the 1983/84 ac have gone up 34 percent for peanuts, 10 percent for rice, 9 percent for maize, and almost 100 percent for cowpeas. On the other hand, real price remained roughly stagnant for millet and declined 31.2 percent for cotton.</p> <p>-- Producer prices of cereals are to be regarded as floors; higher prices can be paid depending on market conditions. Maintenance of floor prices will be constrained only by GOS resource availability which is set at the equivalent of 25,000 metric tons.</p> <p>-- The retail price of rice will accord minimum nominal protection above import costs of 25 percent to producers of domestic coarse grains. The retail price was hiked 23 percent in January 1985, bringing the cumulative increase to 100 percent since February 1982.</p>

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ANNEX 6. THE NEED FOR MORE INFORMATION AND PHASE II

The important and presumably far-reaching impacts of the industrial and agricultural reforms undertaken by Senegal and other African countries require that those calling for such changes both within country governments and in donor bilateral and multilateral institutions keep abreast of the effects of their policies. Only through effective monitoring of the socioeconomic parameters of key groups can decisions be made that will avoid discrediting policy initiatives before they can be fine tuned.

In 1980, the World Bank commenced work on a regional survey device designed to "foster increased use of household data as a basis for policy decision making," with its ultimate goal the provision of a "richer empirical foundation for policy dialogue." The idea was to institutionalize within governments the ability to monitor household and community-level living standards. The first round of data gathering in the Cote d'Ivoire, the initial test for this "Living Standards Measurement Study" (LSMS), took place in 1985. Annual follow-up surveys (up to four) are planned.

This detailed household survey will be adapted for use in Senegal within the next year; it appears quite comprehensive. The survey is now subsumed under the overall World Bank monitoring program referred to as the "Assessment of Social Dimensions of Structural Adjustment in Sub-Saharan Africa," which will encompass some 20 countries. The first round of the survey deals with household composition, housing, education, health, economic activities, and migration. Round two, requiring a return visit to the same households about two weeks later, contains questions on characteristics of housing, agro-pastoral activities, non-farm self-employment, expenditures and inventory of durable goods, food expenditures, fertility, other income, savings and credit, anthropometrics (height and weight measure-

ments), and household composition of the previous year. The gender division of information is limited to fertility, education, health, economic activities outside the household, and migration. Thus important information on the gender division of agricultural production and incomes will not be collected.

Supported by the World Bank program, Senegal's initiative will consist of three components:

- . The basic household survey, which will be adapted to the Senegalese context by statisticians in the Senegalese Directorate of Statistics, will include about 3,500 households. These will be selected from representative areas, including the urban zone of Dakar.
- . Specific socioeconomic studies, designed to assess trends in economic and social variables and to explore linkages between them and specific policy reforms, will be undertaken by private research institutes and non-governmental organizations. The economic analysis bureau of ISRA, largely responsible for the little we do now know about the impacts of rural reforms, will probably be commissioned to do many of these studies.
- . A third component of the World Bank assessment program will consist of measures to strengthen and improve the Senegalese government's capability to "identify, design, and monitor poverty alleviation programs and projects." This is intended to increase the "access of the poor to employment opportunities and income-generating assets, and to improve the productivity of their assets." Care must be taken by the World Bank to ensure that this program does indeed target the poor and is not used simply to recycle government bureaucrats. The Bank is already financing a "reinsertion-fund" that will assist dismissed Senegalese public sector employees.

Although the World Bank monitoring and evaluation program outlined above will provide a great deal of necessary information on the evolution of household welfare in Senegal, this "social dimensions" assessment (to be carried out for four years by IBRD and "permanently" by the Senegalese government) may not be sufficient. Donors need to know a great deal more about the production systems of the peasantry and their economic links to migrants in the urban areas, especially Dakar. Much more knowledge is required on the subtleties of rural patronage networks, so that rural institutions can be properly designed. Finally, donors must have greater understanding of just what and who this "private sector" is that they are promoting so actively.

In view of the seriousness of current policy reforms for the short-term welfare of various "vulnerable" groups, including, we must assume, the vast majority of the Senegalese population,

donors should be prepared to finance information-gathering exercises of their own. Since the World Bank has taken the lead in this, other multilateral and bilateral agencies can coordinate their efforts to complement those of the Bank.

USAID Phase Two Monitoring and Evaluation

Phase One has necessarily focused on the broader issues and impacts of the process of structural adjustment in Senegal. A long-term monitoring and evaluation system must now be conceived and made operational. The Ministry of Labor's ongoing employment survey will assist this effort. In addition, USAID should create its own data-gathering and monitoring system rather than rely on the World Bank or other donor organizations.

USAID should undertake the following information-gathering activities in Phase Two of its impact assessment in Senegal: (1) rapid, low-cost (annual) household data surveys, smaller than that proposed by the World Bank, (2) a thorough review of the available sociological and anthropological literature on the urban poor and on representative rural households (Senegal River, Peanut Basin, Casamance), (3) a series of in-depth socioeconomic studies, whose purposes will be to examine the social dynamics, income sources, adaptive mechanisms, and access to basic human needs services of urban and rural low-income households, and (4) an in-depth examination of the leadership structures and functions of the local, "private sector" organizations expected to replace government agencies in the rural areas (with particular attention to equitable distribution of the benefits of cooperative actions). Recognition of the separate roles and contributions of women should be incorporated into these information-gathering activities.

The rapid, low-cost household surveys will generate baseline data for USAID project managers and policy makers long before the World Bank survey data can be analyzed. These surveys should be conducted annually on population groups or topics of particular interest to USAID: urban and rural poor, women, small farmer production systems, private sector participants, rural markets, transportation networks, etc.

USAID and other donors have stressed the need for the private sector to play a greatly increased role at all levels of the Senegalese economy. The role of the private merchant in the supply of agricultural inputs and the marketing of produce should be better understood by policy makers. A thorough study of these individuals, in particular their commercial strategies on agricultural input and credit supply to small farmers, should be undertaken as soon as possible.

A study of the new cooperative system, although necessary, is not as urgent as the study of private sector merchant and trader networks. The cooperative system study should, however,

be commissioned in the near future. Of particular interest is the relationship of the EIG to the village section organizations. The future role of the EIG in organizing village-level production and social service delivery activities merits close attention.

Already some data have been gathered by the USAID Mission. The Mission is monitoring households on the Senegal River affected by the operations of the river basin authority (OMVS). Michigan State University's agricultural research and planning and food security initiatives have generated considerable regional, rather than national, micro data.