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THE IMPACT OF STABILISATION AND STRUCTURAL ADJUSTMENT PROGRAMMES (SSAPs) ON HUMAN DEVELOPMENT AND POVERTY ALLEVIATION THE EXPERIENCE OF SOME OIC MEMBER COUNTRIES

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Since the early 1980s, many developing countries have engaged in macroeconomic and sectoral reforms through Stabilisation and Structural Adjustment Programmes (SSAPs), necessitated by worsening economic crises, to bring their economies back into line with international economies and to set the conditions for sustained long-term economic growth. Correcting structural imbalances requires the maintenance of a balance between country-specific economic and social considerations. SSAPs, however, have some detrimental social consequences such as reduction in public spending on social services and abolition of subsidies, which have adverse effects on human development by increasing unemployment and lowering the standard of living. This study sheds light on the social effects of SSAPs and attempts to examine their impact on human resources development and poverty alleviation in adjusting countries, and to trace their short-term effects as well as their expected impact over the long run on the conditions of people in these countries. Special attention is given to the experience of intensely-adjusting OIC member countries in the 1980s.

1. INTRODUCTION

Severe economic crises in the form of deteriorating balance of payments, increasing budget deficits and foreign debt, high inflation, and falling economic growth hit many developing countries during the late 1970s and 1980s. As a result, the economies of many of these countries were in a slump throughout the 1980s, living standards fell, and poverty increased. In response, many countries have engaged in macroeconomic and sectoral reforms through Stabilisation and Structural Adjustment Programmes (SSAPs) to bring their economies back into line with international economies and to set the conditions for sustained long-term economic growth. The main architects of

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these programmes are the World Bank (WB) and the International Monetary Fund (IMF). Measures and policies adopted by these countries through these programmes, to varying extents, include: devaluation of national currencies, changes in trade and macroeconomic policies, reduction in government spending, changes in prices and subsidy policies, and privatisation and liberalisation of internal markets and institutions.

Correcting structural imbalances in an economy, however, would be costly and would require the maintenance of a balance between economic and social considerations. The macroeconomic and sectoral reform policies and measures of SSAPs implemented during the 1980s affected not only economic growth but also social welfare and living conditions. They have had some detrimental social consequences such as a reduction in public spending on social services and an abolition of subsidies, which, in turn, have adverse effects on human development by increasing unemployment and lowering the standard of living. Evidence to date indicates that countries that sustained their adjustment efforts over a number of years have begun to experience more growth than those which did not. However, poverty and social conditions have continued to deteriorate in many adjusting countries, particularly in Sub-Saharan Africa, where the number of poor has been growing rapidly.

The discourse on SSAPs in developing countries has aroused heated debates. The social dimension of these programmes has been one of the main issues which dominated this debate since the second half of the 1980s. This is an important but, to some extent, neglected issue in the contemporary literature on human development and its relationship to sustainable economic development. The literature now considers human resources development as a part of and an end to sustainable economic development and emphasises the development of human capabilities as a foundation for economic growth. It is also concerned with all human activity, from the production process to distribution, including institutional changes and policy choices, grass-roots participation, respect of human and democratic rights, the enjoyment of a long healthy life and a clean environment, etc.[1]. Yet, the SSAPs of the IMF and the WB, applied now in many developing countries under the pressure of their economic crises and the alarming growth in their foreign debt, involve a number of economic and social policies that harm the majority of the population in these countries.

The aim of this paper is to shed light on the social effects of these programmes. It attempts to trace their impact on human resources development and poverty alleviation in adjusting countries, and to examine their short-term effects as well as their expected impact over the long run on the conditions of

people in these countries. The paper presents in the following section a brief background on the theoretical and conceptual bases as well as the real objectives of the SSAPs of the IMF and the WB, and points out the most important economic and social policies involved in them. The discussion in section three tackles the social dimension of SSAPs' policy reforms and explains the mechanism through which they exert a negative impact on human development and poverty alleviation in the adjusting countries in the short term and over the long run. Section four gives special attention to the experience of some intensely adjusting OIC member countries in the 1980s. Finally, section five draws some concluding remarks.

2. SSAPs: CONTENTS, THEORETICAL FOUNDATIONS AND ACTUAL GOALS

The Stabilisation Programmes (SPs) that the IMF designs are based on the neo-classical theory of the balance of payments. They are concerned with short-term problems through analysing the link between the problems associated with the accumulation of debt and the necessary adjustments that must be made in the national economy to correct the disequilibrium in the balance of payments. The monetarism-based analytical approach to the balance of payments, which dominates the IMF at the present time, forms the theoretical foundations of its SPs. Monetarism sees the gap in the balance of payments and the resulting foreign indebtedness as a reflection of the excess in domestic demand caused by overspending at the level of domestic consumption or investment, or both. According to this view, in order to avoid a heavy indebtedness, the deficit in the current account should be appropriate for domestic consumption and investment patterns and in line with the country's ability to service its foreign debt[2]. Therefore, the essence of SPs and the real goal of their policies is to decrease aggregate domestic demand, which will reduce the current account deficit and thus increase the country's ability to service its foreign debt.

The Structural Adjustment Programmes (SAPs) of the WB, on the other hand, depend on the neo-classical theory of the allocation and distribution of resources. They are supposedly concerned with medium- and long-term problems and use market mechanisms and non-intervention by government to justify the Bank's viewpoint concerning the adjustments in macro policies that are necessary to improve the quality and allocation of resources. However, the SAPs of the WB do not differ in content or objectives from the SPs of the IMF. The short-term policies that the IMF tends to pursue with debtor countries are compensated for by the medium- and long-term policies of the SAPs recommended by the WB as a condition of structural adjustment loans

(Salsa) and/or sectoral adjustment loans (Seals). Although Seals are assumed to focus on one sector, the distinction between a SAL and a SECAL is not absolute, since either may support both sectoral and economy-wide reforms. However, the SAPs recommended to support these loans include policy and institutional reforms designed, in the view of the WB, to overcome the structural weaknesses and ultimately to achieve sustainable growth and alleviate poverty in adjusting countries. Yet, the main actual goal of the various policy reforms comprising these programmes is, also, similar to that of the IMF, namely supporting the balance of payments and increasing the concerned country's ability to meet its payments on foreign debts[3]. In this context, it is useful here to point out two important issues:

First, both the (SPs) prescribed by the IMF and the (SAPs) recommended by the WB are based on a similar viewpoint, namely that the economic crises of foreign debt and economic recession facing heavily-indebted developing and least-developed countries are supposed to have accumulated as a result of mistakes committed by these countries in applying their macro policies, and in order to overcome these crises, concerned countries must make radical changes in their policies, even if, sometimes, this can only be done at the expense of social goals. The IMF and the WB recognise that the economic crises of these countries involve the dangerous negative effects of a number of external factors stemming from a rapidly changing global economic environment, such as: the deterioration in the terms of international trade; the rise in interest rates; the fluctuations in exchange rates; increasing protectionism by the industrialised countries, etc. However, in diagnosing these crises, they treat such factors as if they do not exist, and, thus, the design of SSAPs concentrates mainly on domestic policy issues in the adjusting countries[4].

Second, there is now a genuine coordination between the policies of the IMF and those of the WB with respect to the conditions for loans and facilities made available to developing countries through these programmes. Usually, the WB stipulates that the adjusting country must agree to any condition that the IMF puts before it before it will conclude a loan agreement. Many of the conditions on loans granted by the WB have concentrated on concerns and variables that are of primary interest to the IMF, e.g., currency valuation. Similarly, the IMF stipulates that the debtor country must agree to whatever terms the WB considers suitable before it agrees to grant facilities, e.g., the public budget. This has given rise to the term 'cross-conditionality' in the literature of the WB and the IMF which has come to mean a linking and interfacing between the conditions set by the two institutions[5]. Yet, this could

be understood by adjusting countries as involving issues related to intervention.

Taking these two issues into account, the rest of this section provides a brief background to the most important policies and measures which are usually involved in SSAPs, and of interest here in terms of their impact on human development and poverty alleviation in adjusting countries. They can be summarised in three groups for each of the SPs of the IMF and the SAPs of the WB, as follows:

2.1. Stabilisation programmes of the IMF

2.1.1. Policies related to the public budget

In the view of the IMF, tackling the public deficit in developing countries, when public spending accounts for a large portion of aggregate demand, requires work to curb the growth of public spending and efforts to increase public revenue through: (a) greatly decreasing the item of transfer payments and subsidies and raising the prices and fees of public products and services, while increasing indirect taxation and freezing the salaries, wages and allowances of government and public sector employees; (b) changing the policy of the State as employer through gradually easing out its commitment to provide employment for new entrants to the labour force; and (c) minimising the role of the State into investment fields that could be handled by the private sector while ending the State subsidies to public sector production units that are maintaining losses.

2.1.2. Policies related to balance of payments

Increasing the country's ability to obtain foreign currency is a central issue of concern in the IMF-recommended policy related to adjusting the external imbalances and solving the problems of the balance of payments. To achieve this, the SPs of the IMF usually involve devaluation of the currency of the country in question. However, an increase in the level of foreign reserves can be brought about through increasing exports, decreasing imports, and directing resources to investment in the export sector. All this must take place, in the view of the IMF, within a framework of trade liberalisation policy measures, such as cancelling qualitative and quantitative restrictions on imports, cancelling tariffs, cancelling controls on foreign exchange, permitting the inflow and outflow of foreign currency, giving every incentive to private foreign investment, etc.

2.1.3. Monetary policy measures

The SPs of the IMF are concerned with exercising control over the money supply, because excess demand causes inflation accompanied by excess liquidity. Therefore, these programmes usually include strict monetary policy measures, the most important among them being: increasing interest rates for borrowers and lenders; putting a ceiling on bank credits, especially on credits extended to the government and the public sectors; and developing capital markets like the stock exchange and liberalising trade in them.

2.2. The SAPs of the WB

2.2.1. Liberalising prices

The SAPs of the WB gives great importance to the issues of freeing prices and non-intervention by governments in the mechanism of supply and demand. The Bank believes that government intervention in the pricing mechanism leads to price imbalances and prevents increasing production efficiency and the optimum allocation of resources and distribution of income. Moreover, the SAPs of the WB require that governments must be free from the burden of providing public services such as electricity, water, health services, housing, communications, transportation, etc. In the view of the Bank, governments can withdraw from these areas, wholly or in part, leaving them to the private sector. Alternatively, governments can charge higher prices and fees for public products and services.

2.2.2. Transferring ownership to the private sector or "privatisation"

The WB believes that the existence of large and strong public sectors in many developing countries is one of the principal reasons for the structural imbalances in such countries[6]. Therefore, the literature of the WB considers the policy of privatisation as a basic component of economic reform in these countries. In the recent literature, this term has been used by the WB to mean transfer to private ownership through the sale of entire state-owned enterprises to the private sector[7]. Thus, the intention of privatisation policy of the SAPs applied now in developing debtor countries goes to the heart of the matter, namely to end public ownership and to redistribute wealth in favour of capital owners.

2.2.3. Liberalising trade and changing to export-oriented production

The WB believes that controlling foreign trade, especially imports, hampers competition, keeps production from rising, hinders the introduction of technology and leads to structural imbalances in local prices and in allocation of resources and to the isolation of local markets from the international markets. Likewise, the Bank believes that a policy of open trade to the outside world and moving into export-driven production leads to higher growth rates and to the expansion of industry[8]. In the view of the Bank, the economic performance of adjusting countries will be better through: lowering tariffs on imports; non-protectionism for local industry; devaluation of the local currency and lifting restrictions on external payments; and eliminating the involvement of government bodies in export marketing.

3. THE SOCIAL COSTS OF SSAPs

3.1. The debate and the reality

The preceding discussion has attempted a brief review of the most important policies and measures associated with the SSAPs of the IMF and the WB, which, to varying degrees, form a common standard in all the programmes carried out in various developing countries. This has been done, however, without looking into the details of their theoretical adequacy (i.e., their ability to explain the crises and problems of the countries that apply them) or their practicability (i.e., their effectiveness and efficiency in overcoming these crises). In fact, a considerable controversial debate has attended the discourse on these issues since the early 1980s in which the discussion has been dominated by four main issues as follows: (a) in the early 1980s (until 1986), it was very much dominated by economists and by arguments over the theoretical merits and demerits of adjustment packages; (b) a second phase, focusing on economic and social outcomes in adjusting countries (introduced by the UNICEF's 1987 widely-publicised study: Adjustment with a Human Face[9]); this, in turn, gave rise to a third phase of mainly (c) methodological debate, in which critics and proponents of adjustment disputed the extent to which any specific effects could be attributed to adjustment and stabilisation as such (one of the issues of evaluating adjustment outcomes in the course of this discussion was that of the smoothness or non-smoothness of adjustment programmes); this, in turn, was to provide a starting-point for a fourth phase of the debate, which was on (d) the politics of implementation and non-implementation adjustment (also called the "political economy of adjustment")[10].

Although the debate was conducted in this chronological sequence, the discussion today is still proceeding on all four fronts. However, of particular concern here are the social dimensions and the impact that these programmes have had on the status of human development and poverty alleviation in the countries that have applied them, that is the impact on the living standards of the people and human welfare concepts such as employment, income distribution and the social basic needs of the poor and vulnerable groups in the society like food security, health, housing and education. The end target is not only to understand these effects, but also to reach a better understanding of the sustainability of these programmes and the extent to which they would be effective in paving the way for sustainable development in developing countries.

Over the years, since the mid-1980s, SSAPs have been increasingly criticised on the grounds that they have had adverse effects on the living standards of people in the developing countries. Many of the IMF and the WB experts have recognised the social costs entailed by SSAPs, which harm the most vulnerable segments of society[11]. However, although IMF and WB experts agree about the negative social impact of SSAPs, they never fail to justify and defend these effects. In their view, the social costs of adjustment simply cannot be avoided and should be considered as the price that the adjusting countries have to pay in order to ensure their medium- and long-term growth. This has been justified, for example, as follows: "These costs must be measured against the costs of not adopting timely adjustment policies or of effecting adjustment in a disorderly way, both of which could impose an even more severe burden."[12]. The common reason which is usually used by both the IMF and the WB to justify the costs of their programmes is a political one; that is, the poor government commitment to the reform programmes in the adjusting countries. Nevertheless, criticism of these programmes increased because of the heavy burden they imposed on the adjusting countries. The criticism came either from the intellectuals and experts who opposed the prescriptions and policies of the IMF and the WB[13], or from some international and intergovernmental organisations[14], or even from the poor and limited-income groups in some adjusting countries who were hard hit by such programmes (e.g., bread riots broke out in Egypt in 1977, Bolivia, Brazil and Tunisia in 1983, Morocco in 1984, Sudan in 1985, Zambia in 1986, and Jordan in 1996).

In response, issues pertaining to alleviation of the adverse social effects of adjustment, especially on the poor, started to be placed high on the IMF/WB's agenda. The first IMF/WB formal statement on the potential social costs of adjustment came with the release of the Development Committee paper: "Protecting the Poor During Periods of Adjustment" at the 1987 WB/IMF annual meetings[15]. Subsequently, measures to mitigate the social costs of adjustment and protect the poor during adjustment have been increasingly included as components in the SSAPs of these two institutions, e.g., the WB's 'safety nets' and the setting up of special funds to offer compensation and aid to the most vulnerable groups in the adjusting countries. However, although the importance of integrating the social dimensions into the design of the SSAPs is now well-recognised by the IMF and the WB, the process by which this is best done is not fully understood, and the debate on this issue has been marked by uncertainty and confusion. To a large extent, this can be attributed to the complexity of the linkages between the macro- and micro-economic policy reforms of the SSAPs themselves, on the one hand, and to the living

conditions of households and individuals in the adjusting countries, on the other.

Since microeconomic reforms may have macroeconomic consequences, and the reverse, some policies of SSAPs intended to solve a problem in one area may create problems in other areas. This is a key theoretical problem that faces the IMF and the WB in designing these programmes and reflects, to a large extent, the imbalance between their theoretical and practical effectiveness[16]. Taking this issue into account and considering the adjusting countries' economic and social structures, the analysis of the implications of these programmes for human resources development and poverty alleviation becomes very difficult and cannot always distinguish successfully between the effects of these programmes and those of the economic crises themselves, and between the outcomes for the various groups in society (e.g., the poor and the non-poor, the rural farmers and the urban workers, etc.). This is a methodological problem which stems mainly from the difficulty of developing a credible outline of what would have happened to the various groups in society without adjustment or with an alternative path of reform; that is, an appropriate, counterfactual, analytical framework has to be developed. Yet, the shortage of reliable data in adjusting countries, especially at the household level, has further hindered such an attempt.

However, regardless of the theoretical, methodological and political details of the debate, the experience to date has emphasised that the principal problem of the adverse effects of the policies associated with the SSAPs on the status of human development and poverty alleviation is still there, and that the various measures recommended by the IMF and the WB to mitigate these effects and protect the poor and vulnerable groups during and after the adjustment periods were ineffective and insufficient. The findings of many studies on the experience of developing countries which adopted SSAPs have supported this argument. Examples, among many others, include:

(1) In their study on 55 countries that received, at different levels, WB's Salsa and/or Seals and 31 countries that did not in the period 1980-87, Kakwani, N., et. al, (1990) found that real per capita government expenditures on social sectors were decreasing in many cases, especially in the intensely adjusting countries. This decline was particularly worrisome in the education sector, as it was accompanied by decreasing primary enrolment rates. The study cautioned that if measures are not taken to protect government expenditures on the social sectors, some adjusting countries may be faced with an erosion of one of the main factors of growth: human capital. Moreover, the review of trends in social indicators did not reveal a significant difference

between adjusting and non-adjusting countries. In short, the study found that, regardless of adjustment status, the progress in social indicators in developing countries in the 1980s was slowest in countries that already had the worst social indicators. The sample of the countries used in the study included 22 OIC member countries, 7 of them were intensely adjusting countries and received three or more adjustment loans during that period[17].

(2) In their study on 17 countries which adopted the SPs of the IMF in the period 1979-89, Killick, T. and Malik, M., (1992) found that these programmes were, in some cases, strongly associated with declines in labour's share in the functional distribution of income; substantial reduction in the real value of public sector earnings and the numbers employed caused by a wage freeze combined with rapid inflation (in some cases, SPs were associated with 40-50 percent falls in real wages and declines in employment in the production sectors); real cuts in social service expenditures; and large reductions in food subsidies and increases in food prices due to devaluations in some countries who were heavily dependent on food imports at the time when the purchasing power of lower-income households was declining. Therefore, the study concluded at the end that the groups of the poor can indeed be among the losers, with the urban working class particularly at risk. The sample of countries used in the study included 6 OIC member countries, namely Bangladesh, Gambia, Morocco, Pakistan, Somalia, and Sudan[18].

(3) The findings of a more recent study which was carried out by the WB in 1996 and which examined all the adjustment operations supported by the Bank in the period 1980-93 (113 operations in 53 countries), emphasised that while macroeconomic stabilisation measures are needed for growth, they are not sufficient for a poverty reduction strategy. The study found that several countries which removed market distortions and achieved income growth saw little reduction in poverty. Therefore, the study stressed the need for adjustment policies to be supplemented by additional measures to raise the productivity of resources, both human and material; and that for the poor to benefit from growth, it must take place in activities in which the poor participate. According to the study, the trends in public spending emphasised the need for selectivity when budgets are to be cut, giving priority to essential services for producers and to basic health, education, and social security and welfare services. Concerning the Bank's safety net programmes, the study stressed the need for the Bank to deal explicitly with the social dimensions of adjustment and to benefit from the preliminary lessons in the design of such programmes. The sample of countries used in the study included 21 OIC member countries [19].

3.2. The impact on human development and poverty alleviation

Of relevance here, taking all the above into account, is how SSAPs' policies and measures make themselves felt in their application, and what effects they have upon the status of human development and poverty in adjusting developing countries. In answering this question, it might be noted [in section two] that SSAPs can have a direct negative effect on the living conditions of the population mainly in two ways which arise from the main two features of these programmes as follows:

First, through absorption reduction (**the contractionary** nature of SSAPs), that is, the reduction in aggregate demand components (consumption, government expenditures, and investment) to reduce the public deficit. This, plus the effort to reduce the deficit in the balance of payments and increase the international reserves, leads in many cases to a sharp drop in the growth of output, income and opportunities for employment, and, therefore, a drop in the standard of living and an increase in unemployment rates. It is true that the economic crises which the adjusting countries were passing through before the adjustment were accompanied by stagnation, unemployment, a deterioration in economic and social conditions, and a worsening in human development indicators. However, the implementation of SSAPs greatly added to the deterioration of these conditions due to the cutting off in the public expenditures.

Second, through expenditure switching and income redistribution resulting from the reallocation of resources--generally switching from the non-tradable to the tradable sectors and/or from public-owned sector to private sector (i.e., **the bias** of the SSAPs **toward capital**). In this respect, SSAPs embody some policies and measures aimed at and forcing a reduction in incomes and wealth in favour of owners of capital and to the disadvantage of wage earners. On the one hand, rising interest rates, tax exemptions for private investment, the sale of public-sector enterprises to private individuals, and other such policies lead directly to an increase in the share of property owners' income and wealth. On the other hand, freezing wages, increasing the prices of public products and services, cancelling commodity subsidies, and increasing indirect taxes are measures aimed at lowering the proportional share of labour's income and are extremely disadvantageous to wage earners.

In the light of these two features that characterise all the SSAPs of the IMF and the WB, it is possible to trace and explain the mechanism through which the policies and measures of these programmes produce several adverse effects on human development and poverty alleviation in the adjusting countries in the

short run and those that will continue to evolve over the long run. These effects could be summarised in two categories as follows:

3.2.1. Increased unemployment rates and excess capacity of the labour force

This has been one of the difficulties facing many developing countries in the early 1980s. However, this problem has become more severe since the mid-1980s with the implementation of SSAPs, whose policies not only restrain the growth of employment opportunities but result in the laying off of many workers in different economic sectors. The restricted fiscal and monetary policies of the SPs of the IMF, which aim at narrowing the public deficit, lead directly to increased unemployment. Likewise, the policy and institutional reforms of the SAPs of the WB, which are designed to overcome the structural weaknesses through liberalising trade and prices, switching to export-driven production, and privatisation of public enterprises, involve also issues related to increased unemployment and effectively reduce the demand for labour. This would take place in adjusting countries through the following mechanisms:

(a) On the one hand, ending the role of the State as employer through gradually easing off the Government's commitment to secure jobs for new graduates and freezing government hiring would lead directly to an increase in the rate of unemployment in the short run. The contraction of the role of the State and the public sector in economic activity, on the other hand, would lead to a slump in government investment aiming to create a new production capacity that would absorb unemployed workers. Moreover, lowering public spending on essential social services sectors would lead, in addition to other adverse social effects, to a decrease in government demand for workers in these sectors.

(b) On the one hand, increasing indirect taxes, cancelling subsidies, increasing the prices of public-sector products and fees for public services, and freeing prices to find their own levels in the market through the mechanism of supply and demand would bring about a decline in the real disposable household income, which would lead to reduced local demand and, consequently, to stagnation in the market. On the other hand, the higher prices for both local commodity inputs (e.g., energy, transportation, etc.) and imported intermediate materials (after devaluation of the local currency), would lead to increased costs of production in those sectors of the national economy that depend on them; the prices of final products of all such sectors would subsequently rise. However, with lower levels of real income, a stagnation in local demand, and unequal competition with imported products (after liberalisation of trade, especially imports), many businesses may fail to

turn a profit and some may declare bankruptcy. This, sometimes, leads to closures of some local industries and, thus, large numbers of workers will lose their jobs. This will ultimately have a negative impact on the demand for labour in the long run.

(c) The large increase in interest rates (after these were allowed to float to enable the Government to borrow in the domestic money market) together with the credit ceilings which were put into effect in the banking system (especially on credit extended to government and public sector) would lead to an increase in the cost of capital, both current and fixed, and a reduction in the amount of credit available to the various economic sectors. This has the effect of discouraging investors and holders of savings from putting their money into new investment projects where it could be used to create new production capacity and higher demand for labour in the long run; they would prefer to purchase government bonds, which they consider a better investment since they are profitable, secure and tax-exempt.

(d) The transfer of the ownership of public-sector enterprises to the private sector, whether local or foreign (privatisation policy), usually involves laying off huge numbers of the workers employed in them. To make it easier to sell off these enterprises, some Governments have been forced to change their laws and regulations on wages and employment for public enterprises to give new investors the right to make wage and labour decisions and policies in accordance with private sector practice; this will therefore have a negative impact on demand for local labour.

(e) Switching to export-driven production activities would result, in the long run, in a redistribution of income which will depend on the relative factor intensity of both tradable and nontradable activities. It is often the case that both of these activities are generally labour-intensive in developing countries, more tradable and labour-intensive in rural areas (i.e., agriculture) and less labour-intensive nontradable and highly protected industries in urban areas. Where this characterisation is true, adjustment is expected to have a beneficial effect on labour incomes in rural areas more than in urban areas. This, however, will depend on the relative weight of tradable and nontradable activities in the generation of income and on the ratio of tradable and nontradable commodities in the pattern of household consumption, both in rural and urban areas.

The increased unemployment resulting from the implementation of SSAPs in developing countries will become a very dangerous social and human problem when we take into account the weakened social security schemes in

many adjusting countries and the absence, in some cases, of a system of unemployment insurance and the weak role played by labour unions in defending workers' rights. Furthermore, a large part of this unemployment often affects the youth whose production potential will be lost. In many of these countries, unemployment has taken on such large proportions that millions of qualified people, technicians and skilled and semi-skilled workers cannot find jobs. This, in turn, would lead, in the long-run, to an excess capacity of labour force in these countries.

3.2.2. Deterioration in the conditions of the poor and limited-income groups and difficulty in meeting their basic needs

The poor in developing countries do not form a homogeneous group. They include such various groups as: rural landless agricultural and non-agricultural workers, semi-subsistance farmers, low-income market-oriented farmers, urban workers with low or fixed wages in government and public sector or tradable sectors, and urban workers and self-employed persons in nontradable sectors. Actually, these segments of society are often below or just above the poverty line and account for the greater part of the population in many developing countries. Therefore, it is not possible to imagine human or economic development without a significant rise in the standard of living of these groups in regard to consumption, health, housing, education and culture. It is certain that these groups have been greatly affected as they carried the maximum burden associated with the policies of SSAPs. In the light of the sharp contractionary nature of these programmes and the role they have played in raising prices and unemployment and increasing indirect taxes, the real aggregate income of these groups dropped, their opportunities narrowed, and their standard of living deteriorated; they would have an even harder time meeting their basic needs. The most dangerous aspect of SSAPs, which is considered to be behind this fact, is the pressure they put on governments to reduce the public deficit through: (a) lowering the public expenditures on basic social services like health, education, and housing; (b) cancelling or reducing the subsidies on basic commodities (especially on food); (c) raising the prices of public-sector products (especially energy) and fees charged for basic social services; and (d) transferring some of these social sectors to the ownership of the private sector.

Increasing food prices and reducing government subsidies on food forced the poor and low-income groups in adjusting countries to change their patterns of consumption; they consume cheaper types of food and do without high quality food such as meat, milk and dairy products. The danger is obvious when the greatest portion of their budget is spent on food; in the long run, this

may lead to a deterioration in the nutrition of these groups. The increased prices of medical services that occurred after the privatisation of some hospitals and health centres, as well as the increased costs of medical treatment and medicine in the private sector, have put medical care beyond the reach of many poor and limited-income groups, especially after lowering the public spending on this sector. Higher fees for government schools are being charged, and public expenditure on education has been reduced with many government educational institutions being privatised. As a result, a decline in the enrolment ratios for compulsory education has been observed in some adjusting countries and many families were forced to pull their children out of school and send them to work. Obtaining suitable housing with the basic facilities has become, in many adjusting countries, a distant dream for the poor and limited-income groups, especially after the forces of supply and demand have been allowed to set high prices and rent levels; the result is an alarming increase in squatter settlements and pockets of poverty and even in the tendency to crime and violence.

However, differing income sources, consumption patterns, access to government services and transfers, composition of both public expenditures cutbacks and tax reform, and relative prices of products suggest that these effects are likely to vary among the poor in various adjusting countries. Therefore, it should not be surprising if some groups of poor households are affected positively by some policy changes whereas other poor households experience losses and some others are bypassed by the SSAPs because they are not integrated into the market economy. For example, in some African adjusting countries, evidence indicates that few of those who are negatively affected by fiscal adjustment are poor, since those who are under the poverty line obtain at best a marginal portion of their income from public employment and many of them have not been reached by government subsidies and programmes[20]. However, this will vary of course from country to country, depending on the choice of the poverty line and the patterns of employment, public expenditure, and consumption of the poor.

4. THE EXPERIENCE OF SOME ADJUSTING OIC COUNTRIES

4.1. The economic crises of OIC countries and the path to SSAPs

When the oil boom period ended in 1982, OIC economies entered a new phase in which they were worse off than they were when it began. During the 1980s, the prices of oil and many primary commodities which constitute a large component of the total export from OIC countries declined sharply and the terms of trade deteriorated. The recession in the industrial countries also had

an impact on exports from OIC countries, because of the protectionist policy that these countries adopted. This was followed by a remarkable decline in the amount of foreign aid and international loans. All of this led to an alarming increase in the deficit of trade balance, especially in the non-oil producing countries. These difficulties have been compounded in many cases by ineffective domestic policies, which have aggravated macroeconomic imbalances. As a result, a great number of middle-income, non-oil producers and the low-income countries found themselves in severe economic crises. These crises were reflected in a simultaneous deterioration of both internal and external economic balances--the most important indicators of which were a large deficit in the balance of payments, an increase in the foreign debt servicing burden, with inadequate means of financing it, and increases in unemployment rates and public deficits. This coincided with lower economic growth rates or even deep economic recession. As the crises originated in such a complex mixture of external and internal factors, many of these countries were forced to agree to the conditions set by SSAPs of the IMF and the WB to bring their economies back into line with international economies and to set the conditions for sustainable, long-term economic growth, and sometimes as a condition for rescheduling their debt, thus transferred, to some extent, their economic decision-making from a national to an international level (international lending bodies, mainly, the IMF and WB).

The need for SSAPs was felt by OIC countries at different times according to the severity of the external factors facing individual countries and the nature of economic policies adopted in these countries. The intensity and deepening of adjustment varied also considerably among OIC countries according to the economic conditions as well as the socio-political environments facing them. Considering the heterogeneity in economic and social structures of the adjusting OIC countries, their different levels of development and their differing priorities at the national level, it is logical that the effects and outcomes of these programmes differ from one country to another. However, due to the large number of adjusting OIC countries with different timing and levels of adjustment and the lack of complete and reliable statistics and data, especially in the field of human development, it seems very difficult to measure the net effect of these programmes on human resources development and poverty alleviation in most of these countries. Therefore, the following short discussion cannot claim to provide a definitive and precise account of such programmes in these countries in the area of human development; yet, it does make reference to the experience of the intensely adjusting OIC countries in the 1980s (those who have received at least four adjustment loans or facilities of any type from the IMF and/or the WB and became effective in the period extending up to the end of fiscal 1991).

4.2. The experience of intensely adjusting OIC countries in the 1980s

Since the very early years of the 1980s through the end of 1991, a group of 29 OIC countries have adopted and implemented, with different intensity levels, a set of 174 packages of SSAPs of the IMF and the WB, of which: 78 were IMF operations (e.g., stand-by arrangements, structural adjustment facilities and enhanced structural adjustment facilities) and 96 were WB operations (e.g., different Salsa and Seals). 21 countries (the majority of which were least developed and low-income countries in Sub-Saharan Africa) were intensely adjusting countries with at least four WB's adjustment loans and/or IMF's facilities (see Appendix 1). Although it is true that the timing and the pace of applying these programmes differ from one country to another, they involve almost similar policies and often rely on ready-made prescriptions and fixed patterns[21]. Due to the above-mentioned limitations of measuring the net effect of these programmes on human resources development and poverty alleviation in most of these countries, the attempts here have been made using the data in the UNDP's Human Development Reports which cover the period of adjustment in these countries. In this respect, it is useful to say that despite the conceptual and coverage shortcomings of the UNDP's Human Development Index (HDI), it was widely argued that it did give a good approximation of human resources development within the limits stipulated and criteria chosen.

According to UNDP's reports, the human development record of the majority of the intensely-adjusting OIC countries in the 1980s in terms of their global rankings suggests that these countries have been negatively affected during and after the period of adjustment, and that they still have a long way to go with the international line in this area. It is clear that the HDI of all these countries has been decreased in terms of value and rank in the second half of the 1980s (the period covered by the UNDP's 1990 and 1993 Reports, see Appendix 2). The HDIs of all these countries have been developed in terms of value in the period after 1991 (UNDP's 1996 Report). However, the picture will change if we consider the negative values of their 'adjusted HDI' (i.e., real GDP per capita rank minus HDI rank). It was worse in almost all of these countries (Appendix 3). This means that the progress in the HDI was due to the increase in real GDP per capita achieved in this period rather than in human resources development. This fact supports the argument that while adjustment and stabilisation policy reforms are necessary for economic growth, they are not sufficient for human development and poverty alleviation strategies.

The indicators of the UNDP's human development profile on these countries emphasise the fact that these programmes are associated with drastic cuts in public expenditure on the basic social services such as health, education and others, which essentially have affected the standard of living as a whole, particularly of the poor and low-income, vulnerable groups in these countries. Appendix 3 shows that public expenditure on health and education declined almost in all these countries in the period of adjustment and after. This, in turn, has been reflected in a decrease in the adult literacy rates and the percentages of the population with access to health, safe water and education services. It is true that, in absolute terms, government spending in these areas has been increased in some adjusting countries. However, due to inflation, and if the figures are viewed in terms of real prices, the picture will change. In this respect, evidence shows that in most cases of adjusting countries, the real per capita government expenditure in these areas has declined[22].

It is, thus, certain that the poor and low-income groups in these countries have been greatly affected and carried the maximum burden associated with the policies of SSAPs. In this respect, evidence indicates that incidence of poverty increased after the implementation of SSAPs in many developing countries, particularly in Africa and Latin America. This could be stressed despite the fact that data on the poor and their livelihood are often of poor quality. In Africa, for instance, it was estimated that the number of poor people reached 180 million in 1985 (47% of the population) and was expected to increase by a further 100 million by the year 2000[23]. According to the UNDP's 1997 Human Development Report, out of 19 intensely-adjusting OIC countries in the 1980s for which complete data on poverty levels were available, seven countries had more than half of their population, in 1994, in absolute poverty (Gambia, Guinea-Bissau, Mauritania, Niger, Senegal, Sierra Leone, and Uganda). According to the ranking of the Human Poverty Index (HPI) calculated by the UNDP for 78 developing countries, the poverty record of many OIC intensely- adjusting countries, particularly in Africa, suggests that these countries still have a long way to go with the other developing countries' line in this area. Out of the 10 lowest HPI ranks, six ranks were occupied by intensely-adjusting OIC countries in sub-Saharan Africa. Moreover, when the HPI ranks were compared with the HDI ranks, which have been recalculated for the 78 developing countries in the sample, the results indicated that the performance of the majority of the intensely-adjusting OIC countries was worse on the HPI than on other measures (Appendix 4).

Taking this into account and considering the shortcomings of the UNDP's HDI, it seems that the traditional statistical social indicators such as life expectancy, child mortality rate, per capita calorie consumption, number of

people per hospital bed, percentage of children enrolled in primary education, etc., would have limited usefulness and can even be misleading if we consider the obvious differences in income distribution and wealth among various classes in the adjusting countries. It is certain that there are millions of people in these countries who have remained on the margin of whatever improvements are implied by these indicators during and after the adjustment periods. In this respect, evidence indicates that, in terms of SSAPs' impact on the real economy, even in the cases of the most successful adjusting countries, the outcome has been disappointing. In Turkey, for example, while a remarkable growth in exports and income has been achieved, income distribution has turned markedly against labour during and after the adjustment periods[24]. In this regard, some studies have recently argued that the distributional inequalities in income, education, and longevity are significant concerns for human development, which were not adequately addressed in UNDP's reports on HDI until 1996. According to these studies, many intensely adjusting developing countries fall in rank when inequality in income, education and health is forced into the HDI[25].

5. CONCLUDING REMARKS

In discussing the need for human development and poverty alleviation in developing countries, it should be kept in mind that mankind is the means as well as the end of development and that it is impossible to avoid the effects of SSAPs. It is clear that the SSAPs adopted in developing countries and necessitated by worsening economic crises had extremely adverse effects on human resources development and poverty alleviation in these countries. They affected not only economic growth but also social welfare and living conditions. They led to high unemployment and lower real income and wages for a large segment of the population. While higher-income households and individuals could cope with temporary and even long-term shortfalls in incomes without seriously compromising their ability to meet basic needs such as food and shelter, the poor usually did not have the resources to meet decreasing incomes. Thus, even if economic reforms affected all population groups equally, the consequences in terms of human suffering were more serious for the poor. However, it is difficult to measure this impact and distinguish it from the impact of the economic crises themselves. The question of whether the people would have been better off without these programmes is rhetorical and does not merit serious attention. Most countries implemented such programmes only when the consequences of not doing so would have been disastrous for the economy as a whole, including the poor. Therefore, the relevant question here is how, not whether, to adjust. In this context, four concluding remarks can be made as follows:

1. The high cost of correcting structural imbalances in developing countries must be distributed among all social categories and groups in the adjusting country in accordance with their respective ability to bear such costs. Available evidence indicates that the social programmes and measures designed by the IMF and the WB to protect the poor and vulnerable groups during the adjustment periods were a mitigation type rather than a promotion type of integrating these groups into the newly-emerging economic environment. In this regard, it is worth saying that in order to help the poor, it is important to know who the poor are, where they live, what assets they command, what their education, health and housing conditions are, and what economic opportunities are available to them.

2. Economic growth is necessary for human resources development and poverty alleviation. Nonetheless, available evidence indicates that the relationship between growth and distribution is not automatic; such a relationship in a market economy is affected by the country's development strategy as well as by its socio-economic environment. While macroeconomic stabilisation reforms are needed for growth, they are not sufficient for human resources development and poverty reduction strategies. Human resources development and alleviation of poverty and inequality call for a strategy to target specifically the disadvantaged population in terms of social adjustments so that they can share in the benefits of growth. Therefore, adjusting developing countries must give priority to restructuring the economy to provide more opportunities and better education and training, health care, and other social adjustments to help broaden the participation of those who are left behind in SSAPs.

3. It is clear that the SSAPs applied in developing countries marginalise the role of the State in the development process and, to some extent, transfer the economic and social decision-making from the national level to the level of international organisations and creditors. In this context, it is worth emphasising the notion that developing countries themselves are responsible for determining and implementing their programmes and policies; in particular, they must 'own' their own structural adjustment programmes. SSAPs of the IMF and the WB should not be taken as development strategies or subsitutes for the national ones, but as a convenient way of complementing and helping their implementation.

4. Considering the continuity of the external uncertainties and the internal problems in developing countries, including many OIC countries, the objective of reform and adjustment efforts should be shifted from the short-term issues

of crisis management and stabilisation that have dominated the 1980s, to the more fundamental issues of long-term growth, sustainable human development, and alleviation of poverty in these countries. In this regard, it is worth recalling that economic development has a social dimension--namely the productivity of human resources--that simply cannot be ignored in the economic development process. It is, therefore, essential in any model of development and progress in developing countries to integrate the concept of human development with economic development in a mechanism that would create a self-sustaining model of accumulation and growth. It is also worth recalling that "quality of life" is more than the narrowly-defined concept of basic needs that prevailed in the 1970s and 1980s; it has come to include many other aspects, such as human rights, the practice of democracy, the right of participation, the status of women and children, equal opportunities and personal security, a clean environment, etc. These indicators on human resources development are not believed to have improved; in fact, they may have declined in many adjusting developing countries, regardless of whatever improvements were achieved in their levels of economic growth.

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consequently, must be addressed through long-term adjustments in the economic structure of a country, in contrast to temporary measures that are an appropriate response to short-term payments disequilibria."

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Appendix 1
WB and IMF concurrent SSAPs operations in OIC countries in the 1980s

Country	Number of operations		Total	Date of the first operation
	WB	IMF		
Algeria	2	2	4	1989
Bangladesh	3	2	5	1987
Benin	2	1	3	1989
Burkina Faso	2	-	2	1985
Cameroon	1	2	3	1989
Chad	2	1	3	1987
Comoros	1	1	2	1991
Egypt	1	1	2	1991
Gabon	1	2	3	1987
Gambia	2	2	4	1986
Guinea	3	4	7	1986
Guinea-Bissau	3	1	4	1985
Indonesia	4	-	4	1987
Jordan	1	1	2	1989
Mali	4	3	7	1983
Mauritania	5	6	11	1985
Morocco	8	6	14	1983
Mozambique	2	2	4	1987
Niger	2	4	6	1985
Nigeria	4	3	7	1983
Pakistan	7	4	11	1980
Senegal	5	8	13	1980
Sierra Leone	1	3	4	1984
Somalia	2	2	4	1986
Sudan	2	4	6	1979
Togo	5	7	12	1983
Tunisia	6	2	8	1986
Turkey	10	4	14	1979
Uganda	5	4	9	1982
Total	96	78	174	

Source: "Adjustment Lending and Mobilisation of Private and Public Resources for Growth". Country Economic Department, Policy and Research Series No. 22 (Table A1.5), The World Bank, September 1992.

Note: The shaded rows indicate the intensely adjusting countries (those who have applied at least four adjustment operations).

Appendix 2
Human development record of intensely adjusting OIC countries in the 1980s according to UNDP Human Development Reports

UNDP Report 1990			UNDP Report 1993			UNDP Report 1996		
Total no. of countries: 130 Variables: life expectancy, adult literacy rate, and real GDP per capita. Data for the period: 1985-87 Gambia and Guinea-Bissau were excluded.			Total no. of countries: 173 Variables: life expectancy, educational attainment, and real GDP per capita. Data for: 1990			Total no. of countries: 174 Variables: life expectancy, combined enrolment ratio, adult literacy rate, and real GDP per capita. Data for: 1993		
Medium human development countries								
Rank	Country	HDI	Rank	Country	HDI	Rank	Country	HDI
59	Turkey	0.751	73	Turkey	0.717	69	Algeria	0.746
71	Tunisia	0.651	93	Tunisia	0.600	78	Tunisia	0.727
74	Algeria	0.609	107	Algeria	0.533	84	Turkey	0.711
77	Indonesia	0.591	108	Indonesia	0.515	102	Indonesia	0.641
						123	Morocco	0.534
Low human development countries								
Rank	Country	HDI	Rank	Country	HDI	Rank	Country	HDI
87	Morocco	0.489	119	Morocco	0.433	134	Pakistan	0.442
95	Pakistan	0.423	132	Pakistan	0.311	137	Nigeria	0.400
103	Uganda	0.354	142	Nigeria	0.246	140	Togo	0.385
104	Togo	0.337	145	Togo	0.218	143	Bangladesh	0.365
107	Nigeria	0.322	146	Uganda	0.194	146	Sudan	0.359
108	Bangladesh	0.318	147	Bangladesh	0.189	149	Mauritania	0.353
113	Senegal	0.274	150	Senegal	0.182	153	Senegal	0.331
116	Sudan	0.255	157	Mozambique	0.154	155	Uganda	0.326
118	Mozambique	0.239	158	Sudan	0.152	160	Guinea	0.306
123	Mauritania	0.208	161	Mauritania	0.140	161	Guinea-Bis	0.297
124	Somalia	0.200	164	Guinea-Bis	0.090	162	Gambia	0.292
125	Guinea	0.162	166	Somalia	0.087	167	Mozambique	0.261
127	Sierra Leone	0.150	167	Gambia	0.086	171	Mali	0.223
129	Mali	0.143	168	Mali	0.082	172	Somalia	0.221
130	Niger	0.116	169	Niger	0.080	173	Sierra Leone	0.219
			172	Sierra Leone	0.065	174	Niger	0.204
			173	Guinea	0.045			

Source: United Nations Development Programme (UNDP), *Human Development Report 1990, 1993* and *1996*, New York: Oxford University Press, 1990, 1993 and 1996.

Appendix 3

Some indicators of the UNDP profile of human development of the intensely adjusting OIC countries in 1980s

Countries	Adjusted HDI: real GDP per capita rank minus HDI rank (**)			Public expenditure on education (% of GDP)			Public expenditure on health (% of GDP)		
	UNDP 1990	UNDP 1993	UNDP 1996	UNDP 1990	UNDP 1993	UNDP 1996	UNDP 1990	UNDP 1993	UNDP 1996
Algeria	-34	-42	-13	6.1	9.1	8.1	2.2	6.0	5.4
Bangladesh	17	12	-3	2.2	2.2	2.3	0.6	0.9	1.4
Gambia	-14*	-19	-19	9.0*	5.2	2.7	-	1.6	-
Guinea	-25	-41	-33	3.0	1.4	2.4	1.0	2.0	2.3
Guinea-Bissau	-3*	1	-8	14.0*	2.8	-	-	1.3	-
Indonesia	13	14	-13	3.5	0.9	2.2	0.7	2.5	0.7
Mali	-13	-14	1	3.2	3.3	2.8	0.7	0.5	2.8
Mauritania	-32	-33	-16	6.0	-	-	1.9	5.5	-
Morocco	-4	-13	-34	5.9	7.4	5.8	1.0	3.2	0.9
Mozambique	3	16	2	-	-	6.2	1.8	1.4	4.4
Niger	-19	-19	-17	4.0	3.1	-	0.8	1.8	3.4
Nigeria	-12	11	-2	1.4	1.7	-	0.4	0.3	1.2
Pakistan	3	4	-15	2.2	3.4	2.7	0.2	4.5	1.8
Senegal	-25	-35	-23	4.6	-	4.2	1.1	1.8	2.3
Sierra-Leone	-23	-17	-20	3.0	1.4	1.4	0.7	-	1.7
Somalia	-16	5	-10	6.0	0.4	-	0.2	-	0.9
Sudan	-17	-20	-7	4.0	4.8	-	0.2	0.3	0.5
Togo	3	-10	9	5.5	5.2	6.7	1.6	3.5	2.5
Tunisia	-10	-5	-14	5.0	6.0	6.1	2.7	2.4	3.3
Turkey	1	10	-12	2.1	1.8	-	0.5	2.8	1.5
Uganda	7	21	-3	1.1	3.4	2.0	0.2	-	1.6

Source: United Nations Development Programme (UNDP), *Human Development Report 1990, 1993* and *1996*, New York: Oxford University Press, 1990, 1993 and 1996. (**) A positive figure shows that the HDI rank is better or higher than the real GDP per capita, and a negative the opposite. (*) UNDP Report 1991.

Appendix 3 (continued)

Some indicators of the UNDP profile of human development of the intensely adjusting OIC countries in the 1980s

	Adult literacy rate (%)			Population with access to health services (%)			Population with access to safe water (%)		
Countries	UNDP 1990	UNDP 1993	UNDP 1996	UNDP 1990	UNDP 1993	UNDP 1996	UNDP 1990	UNDP 1993	UNDP 1996
Algeria	50	57	59	88	-	-	68	69	79
Bangladesh	33	35	37	45	74	45	46	78	97
Gambia	20*	27	37	-	90	93	75*	77	48
Guinea	29	24	34	32	32	80	19	33	55
Guinea-Bissau	30*	37	53	-	80	40	21*	25	53
Indonesia	74	81	83	80	43	80	38	42	62
Mali	17	32	28	15	-	30	17	49	37
Mauritania	17	34	37	30	30	63	-	66	66
Morocco	34	50	42	70	62	70	60	73	55
Mozambique	39	33	38	39	30	39	16	22	33
Niger	14	28	13	41	30	32	47	59	54
Nigeria	43	51	54	40	67	66	46	46	40
Pakistan	30	35	36	55	85	55	44	50	79
Senegal	28	38	31	40	40	40	53	53	52
Sierra-Leone	30	21	30	-	36	38	25	43	34
Somalia	12	24	25	27	20	27	34	56	37
Sudan	23	27	44	51	70	70	21	-	60
Togo	41	43	49	61	-	61	55	71	63
Tunisia	55	65	64	90	91	90	68	65	99
Turkey	74	81	81	-	-	-	78	92	80
Uganda	58	48	60	61	71	49	20	15	34

Source: United Nations Development Programme (UNDP), *Human Development Report 1990*, *1993* and *1996*, New York: Oxford University Press, 1990, 1993 and 1996. (*) UNDP Report 1991.

Appendix 4
Population in poverty and human poverty index (HPI) ranks in some OIC adjusting countries (1989-1994)

Country	Population in poverty (%)		HPI value (%)	HPI rank	HPI rank minus HDI rank
	$ 1 a day (PPP$)	National poverty line			
Algeria	2	--	28.6	37	20
Bangladesh	29	48	48.3	67	13
Benin	--	33	--	--	--
Burkina Faso	--	--	58.3	76	1
Cameroon	--	--	31.4	41	-4
Egypt	8	--	34.8	44	14
Gambia	--	64	--	--	--
Guinea	26	--	50.0	71	0
Guinea-Bissau	87	49	43.6	58	-11
Indonesia	15	8	20.8	23	-4
Jordan	3	15	10.9	8	-11
Mali	--	--	54.7	74	0
Mauritania	31	57	47.1	65	6
Morocco	1	13	41.7	55	19
Mozambique	--	--	50.1	72	2
Niger	61	--	66.0	78	2
Nigeria	29	21	41.6	54	3
Pakistan	12	34	46.8	64	14
Senegal	54	--	48.7	68	1
Sierra Leone	--	75	59.2	77	-1
Sudan	--	--	42.2	57	-8
Togo	--	17	39.3	49	-7
Tunisia	4	14	24.4	31	15
Uganda	50	55	41.3	53	-13

Source: United Nations Development Programme (UNDP), *Human Development Report 1997*, New York: Oxford University Press, 1997.

Note: HDI ranks have been recalculated for 78 countries. A negative number indicates that the country performs better on the HPI than on the other measure, a positive the opposite.