liberalization of prices and trade, privatization of state enterprises, encouragement of foreign investment, export promotion, and so on.

The standard 1980s model of market-based structural adjustment was in fact developed in the North and not specifically for application to developing countries. But it has become the conventional wisdom about economic policy reform on a nearly world-wide basis.(14) As Minister of External Relations and International Development Monique Landry told a seminar sponsored by the North-South Institute and the Inter-American Development Bank on March 31 of this year: "Structural adjustment is a normal and necessary process for all countries." Marcel Massé, President of CIDA and previously Canadian executive director at the IMF, in his testimony to the Committee cited the Canada-United States free trade agreement as a positive example of structural adjustment by Canada. A recent Commonwealth study, *Engendering Adjustment for the 1990s*, that looked at the negative impacts of structural adjustment policies and programs on women, included cases from Canada as well as developing nations. Adjustment has become a core concept that carries conflicting connotations, both good and bad. The sobering evidence in the Commonwealth report and many others is that economically-driven adjustment too often takes place at the expense of human welfare and the rights of the politically weak and disadvantaged—especially women and children in the poorest countries.

Insofar as structural adjustment reflects a particular economic orthodoxy, it is also contentious in both its theory and practice. We agree that debtor countries must adjust by adopting sound economic policies and that a significant degree of market liberalization is often appropriate and necessary. However, agreement on these policies and social consensus in the debtor countries is often lacking. Hence the difficulty in making such economic prescriptions the only condition of providing loans and financial assistance. Moreover, the structural adjustment model does not address global structural imbalances (e.g., systemic unfairness in trading relationships between rich and poor countries), as the North-South dialogue attempted to do in the 1970s. As a result, critics argue that the rigors of adjustment in many developing countries in fact mean increased hardship for poor people. Professor Michel Chossudovsky testified that IMF programs typically bring about a compression of "internal purchasing power, as well as the marginalization of all that portion of the country's economic activity that serves its domestic market. All this contributes to an unprecedented reduction in the standard of living for the majority of the population."(15) Yet adherence to an IMF-approved plan is generally a condition of both access to new international credits and eligibility for debt relief and rescheduling.

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(14) For an analysis see Abraham Katz, "Le defi mondial de l'ajustement structurel," *Travail et Société*, 14:3, July 1989, p. 221-33.

(15) SCEAIT, *Minutes of Proceedings and Evidence*, Issue No. 31, 7 December 1989, p. 5.