

# Policy in Focus

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Women at work:  
addressing the gaps

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# Policy in Focus



The International Policy Centre for Inclusive Growth (IPC-IG) is a partnership between the United Nations and the Government of Brazil to promote South–South learning on social policies. The Centre specialises in research-based policy recommendations to foster the reduction of poverty and inequality as well as promote inclusive growth. The IPC-IG is linked to the United Nations Development Programme (UNDP) in Brazil, the Ministry of Planning, Development, Budget and Management of Brazil (MP) and the Institute for Applied Economic Research (Ipea) of the Government of Brazil.

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# Summary

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# Editorial

Despite progress in education and health worldwide, women still face significant barriers to engage as full economic citizens. There are significant gender gaps in wages and labour market participation. In many cases, women also face barriers and lack the assets needed to become entrepreneurs. These inequalities remain large, persistent and pervasive in many parts of the world. Addressing these gaps is not only a moral imperative; there is growing evidence that gender equality can directly foster economic growth and broad-based social development.

An important aspect of women's economic empowerment is their participation in the labour market, which is the key focus of this special issue of *Policy in Focus*. However, not all kinds of work entail positive outcomes for women, as they face challenges in pursuing well-paid, productive jobs that enable them to accumulate assets. Women's time use will remain constrained if deeply rooted social norms, such as regarding housework and child-care responsibilities, continue to weigh heavily on their shoulders. In fact, greater labour market participation can exacerbate these constraints if these responsibilities are not shared by other household members. There is also evidence suggesting links between women's greater economic empowerment and violence against them. Vulnerable groups in particular are subject to greater gender inequality. When this situation is compounded with socio-economic inequality, the result is a cyclical reproduction and intergenerational transmission of vulnerability and poverty.

The articles in this volume examine the conditions under which work can lead to women's empowerment, assessing the recent trends and determinants of women's labour market participation and the public policies that aim to improve gender equality in the economy. They include contributions from research projects supported by Canada's International

Development Research Centre (IDRC) in Latin America and from the Growth and Economic Opportunities for Women (GrOW) programme—a multi-funder partnership between the United Kingdom Department for International Development (DFID), the Hewlett Foundation and IDRC. Although the focus is mainly on Latin America, studies from other developing countries provide useful comparisons.

The issue opens with a theoretical discussion about the feminisation of work, and the links between female labour market participation and women's economic empowerment. An overview follows of the trends in gender gaps in labour participation and pay, promoting a discussion of the determinants of these trends. Articles then go on to examine specific policies and interventions to assess their good practices, limitations and unintended effects. The authors do not simply consider potential solutions to address inequalities within labour markets, but also examine a leading form of inequality which is generated outside the labour market: the unequal distribution of unpaid care work within the household. Also contemplated is the role of social norms, to both explain the supply and demand of women's labour and highlight the need for change in the interest of fostering gender equality. The contributions in this issue provide elements that might enable this change and suggest avenues for further research and policy experimentation.

We hope that this publication contributes useful evidence for policies that can help empower women and remove barriers to a virtuous circle between their economic empowerment and sustainable development in a broader sense.

*Carolina Robino and Raquel Tebaldi*

# Women's empowerment in business and the labour force<sup>1</sup>

by Naila Kabeer<sup>2</sup>

There is strong and growing evidence (Kabeer and Natali 2013) that women's economic empowerment is central to the achievement of inclusive growth, particularly in low- and middle-income countries. On the one hand, greater gender equality in paid work and other valued economic resources contribute to the pace of economic growth. On the other, economic growth is more likely to translate into broad-based social development when it is accompanied by the expansion of women's access to reasonably well-paid and secure employment. Why, then, are women underrepresented in these forms of employment, and what can policymakers do to improve this situation? In a recent working paper published in McGill University's GROW research series (Kabeer 2017), I try to answer these questions by focusing on two categories of work—entrepreneurial activity and wage employment—to work out what distinguishes women in the poorly paid and poor-quality versions of these activities from those in better-paid, higher-quality versions and to outline policy actions to improve the gender equity of growth outcomes.

## **Gender inequalities in paid and unpaid work: empirical patterns and trends**

A review of the empirical patterns and trends in women's work in past decades reveals that gender has persistently been a form of disadvantage. While female labour participation rates have increased globally, with women having moved out of agriculture into services and manufacturing, this has not necessarily signified a movement into productive and decent forms of work, as highlighted by the United Nations Sustainable Development Goals.

Many more women than men remain outside the labour force, many more are unemployed, and, among those who have work, many more are crowded into the lower ranks of the occupational hierarchy (Anker et al. 2003; UN Women 2015). The gender gap in earnings has diminished, but at such a slow pace that, according

to the International Labour Organization (ILO 2016), it will take more than 70 years for women to achieve equal pay. Of particular relevance to these inequalities within the labour market is a key inequality outside it: women's increasing entry into paid work has not been accompanied by a commensurate change in the gender division of unpaid labour within the home. As a result, working women tend to work longer hours than men, giving rise to the phenomenon of 'time poverty'.

These trends clearly raise the question of whether the paid work available to women can be considered empowering. What we can reasonably assume is that the empowerment potential of paid work is likely to be greater when women take it up as a response to opportunity rather than as a response to distress, and when they can choose from a wide range of opportunities rather than being confined to a narrow range of female-intensive occupations. For this to happen, we need to understand the barriers to overcome.

## **From survival to accumulation: women's empowerment and enterprise development**

If self-employment is thought of as a spectrum, with survival-oriented income generation at one end and accumulation-oriented enterprises at the other, the majority of self-employed women can be found at the survival end (World Bank 2013). A number of generalisations emerge from the literature on entrepreneurship. First, gender differentials in productivity often decline and can disappear once controls for gender differences in individual and business characteristics have been introduced: these include the education, skills and experience of the entrepreneurs along with the size, formality, capital and sector of the enterprise (Hallward-Driemier 2011). In other words, business competence is not innately gendered. What we need to understand is why these differentials in individual and business characteristics exist and persist. Explanations include the greater difficulties women face in balancing their work and family responsibilities; cultural

and practical restrictions on their time and mobility; discrimination in access to financial capital, social connections and other resources; and lack of education, all of which may translate into greater lack of experience and self-confidence (Goyal and Yadav, 2014).

Evidence also suggests that self-employment is a default option for many women, reflecting a paucity of wage opportunities more generally as well as the discrimination they face in accessing waged work (Hampel-Milagrosa, 2011; Buvinic et al. 2013). Where women's entrepreneurial activities are dictated by necessity rather than opportunity, the transition to the accumulation end of the spectrum is much harder to negotiate (Calderon et al. 2016).

## **From exploitative to 'decent' work: women's empowerment and wage labour**

Wage opportunities can also be located on a spectrum—from 'bad', poorly paid and highly exploitative work on one end, to 'good' jobs characterised by formality of contracts, decent working conditions, regularity of pay and social protection on the other.

What appears to be 'better' waged work for women in the face of shrinking public-sector employment is employment in the private sector within global value chains. The higher wages and better working conditions generated by larger-scale units act as a 'pull' factor for young women, who migrate from rural to urban areas to take these jobs. Whether such jobs are empowering is the subject of considerable controversy. On the one hand, studies suggest they have increased women's bargaining power in the household and enabled them to escape the exploitative power of local monopsonies (Oya 2010; Kabeer 2000; Deere 2009; Maertens and Swinnen 2008). At the same time, modern supply chains remain 'bearers of gender inequality', doing little to challenge the gender segregation of occupations and future prospects (Dolan and Sorby 2003).

Hence, wage labour can be as much a product of distress as can

be self-employment. Transitions to 'better' employment face at least two major challenges: first, supply-side constraints, including unpaid domestic responsibilities, lower levels of education and skill, and lack of bargaining power; and second, demand-side constraints, including employer discrimination and the structural dearth of decent employment opportunities.

### **Making markets fairer for women: some policy options**

An expansion of economic opportunities through employment-centred growth would create a hospitable macroeconomic environment for women's empowerment, without setting men and women in competition with each other for decent forms of work. However, it would not, on its own, overcome the gender-related constraints that have so far curtailed women's ability to take advantage of existing opportunities. The following interventions appear to have made a difference in this regard.

#### **The regulatory environment**

Formal regulations frequently reproduce gender-specific constraints rooted in the informal relations of family and kinship. A World Bank/International Finance Corporation report (World Bank 2011) finds a broad correlation globally between legalised gender discrimination and women's ability to work or to own or run businesses. Successful regulatory reforms include extending equal rights to women to own or inherit property, to travel, to open

bank accounts and to set up businesses. Legislation setting minimum wages has brought disproportionate gains for waged women workers, who are more likely than men to work for pittance wages. At the same time, it is important to note that forms of legislation apparently intended to protect and promote women at work may end up curtailing their employment options. Examples include maternity leave whose costs are largely borne by employers, and the banning of night shift work for women.

#### **Voluntary regulation**

While building state capacity to enforce labour laws is an important precondition for improving standards and rights at work, voluntary codes adopted by leading multinational companies can provide a complementary route to these outcomes within global value chains. These appear to work most effectively when certain conditions are in place: flourishing export markets, where company codes resonate with, and reinforce, national laws and regulations; a strong local civil society; and shorter supply chains, which allow closer relations between multinational corporations and suppliers (Dejardin 2009). More recently, evaluations by the International Labour Organization's Better Work programme (Brown et al. 2016), which builds on the lessons from the Better Factories Cambodia programme, report promising impacts in a number of countries.

#### **Skills and training**

New forms of tailored—rather than generic—training have helped to overcome

gender deficits and skill and knowledge gaps. Evaluations of vocational training programmes in Latin America that based their curriculum on market demand report increased likelihood of formal employment among graduates, with impacts generally stronger for women than for men (Ibarran and Shady 2009). In South Asia, the self-help group approach, which combines group formation with access to micro-financial services and skills development, has been associated with improved livelihoods and higher political participation among poorer rural women (Deininger and Liu 2013; Desai and Joshi 2014).

#### **Gender-aware social protection**

The provision of regular and predictable forms of social protection has played an important role in addressing gender-specific constraints. Because these help offset forms of disadvantage inherent in customary laws and practices or generated by discriminatory market forces, they have enabled women and girls to make progress in both intended and unanticipated ways. For instance, cash transfers intended for children's welfare have not only helped close gender gaps in education and in later employment prospects among targeted children but have also led to increased investment in productive assets controlled by their mothers (Rubalcava et al. 2009; De La Rocha 2008).

#### **Addressing women's unpaid domestic responsibilities**

For women in the global South, these include but go beyond the care of children

“ A review of the empirical patterns and trends in women's work in past decades reveals that gender has persistently been a form of disadvantage.



Photo: UN Women/Christopher Herwig. Woman works at her own small home appliances shop, Jordan, 2015 <<https://goo.gl/P16Gfg>>.

and of elderly family members to include the provision of water, fuel and subsistence for their families. They add up to considerable time and mobility constraints, which curtail women's capacity to respond to economic opportunities. While reliable and affordable child-care arrangements are clearly one way to reduce such constraints, improvements in transportation, information and communication technologies and infrastructure can help to free up some of women's time, making it easier for them to travel to markets and to bring information, opportunities and orders closer to home.

### Organisation and voice

Finally, with the growing informality of work, new forms of organising have emerged that are more responsive to the interests of working women than traditional trade unions. They have fashioned new ways to exercise voice and influence that acknowledge the precarious nature of the livelihoods of their membership, opting for negotiation, legal arbitration, symbolic politics and the mobilising power of information, in place of the more confrontational tactics of old-style unionism. These new forms of organising have also helped to revitalise the older unions and have awakened them to the potential and challenge of organising in the informal economy. ●

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1. A version of this article was originally published in the November 2017 issue of the Policy Options magazine: <<http://policyoptions.irpp.org/magazines/november-2017/womens-empowerment-in-business-and-the-labour-force/>>.

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# Labour participation and economic empowerment: two sides of the same coin?<sup>1</sup>

by Alma Espino<sup>2</sup> and Soledad Salvador<sup>3</sup>

Women's labour participation gained great momentum in the 1990s and started slowing down around the middle of the 2000s (Gasparini and Marchionni 2015). Their staggering professional integration was driven by women who had remained outside the labour market until then because they were living with a partner. However, while participation gaps between men and women with higher levels of educational attainment were closing (11 percentage points), significant differences persisted between men and less-educated women (25 percentage points between men and women with 10–12 years of formal education, and 33 percentage points between men and women with 6–9 years of education) (ECLAC 2016).

After analysing the situation across all Latin-American countries, Gasparini and Marchionni (2015) concluded that this deceleration process, though evidenced in all groups of women, was particularly blatant among vulnerable women—low-income, rural, married women with children and low levels of education. The root cause of such inequality lies in the different ways of meeting care needs, including domestic work. Women with access to higher levels of education and better jobs can typically afford to outsource care services to the market, whereas women with lower incomes bear heavier overall workloads—overall time dedicated to paid and unpaid work—choose jobs which enable them to combine both activities—domestic services, self-employment etc.—or remain outside the labour market (Espino and Salvador 2016).

The women who entered the labour force in the 1990s—even those with better job opportunities that enabled them to bear the costs of children and family and to outsource household care—faced a strongly male-oriented labour market governed by the standard of the 'ideal worker'—one without family responsibilities. This explains why there are still income and hierarchy gaps between women—even women with higher levels of education and labour

market engagement—and their male counterparts (Lupica 2015; Espino and Salvador 2016; UN Women 2017).

## Gender limitations

The root causes of gender inequalities lie in different types of limitations faced by women. On the one hand, Kabeer (2012) identifies intrinsic limitations: the standards, beliefs and values that condition and characterise social and family relationships and define each society's dominant models of masculinity and femininity. Thus, society assigns women, men, girls and boys certain roles and responsibilities based on housework distribution and on supposedly gendered labour market positions, according to prejudices associating gender with specific qualifications and abilities. On the other hand, markets are governed by formal and informal rules, procedures and practices that reflect and reproduce preconceived ideas about masculinity and femininity. Acknowledged as being imposed on workers, these limitations are echoed in employers' preferences, cultural standards and legal regulations covering access to and the control of resources (land, capital, credit, technology etc.), *inter alia*. Even among women themselves, both types of limitation mark differences between people based on their ability to design personal strategies and to take internal and external household decisions about their own life and about family or community situations.

The possibility to overcome such limitations and thus revert gender inequalities through empowerment processes is at least partially linked to the opportunity to participate in the labour market and earn one's own income through a quality paid job—one that offers access to social protection and an adequate income level.

## Evidence from Latin America

A recent investigation<sup>4</sup> carried out in eight Latin American countries<sup>5</sup> confirms that women's decisions are conditioned by their nearly exclusive responsibility to do the housework and care for the

general population. Likewise, employers and policymakers regard this pattern as being intrinsic to women—and probably to wives and/or mothers.

In some societies, such as in Bolivia, Ecuador, Nicaragua and El Salvador, the conditions for entering the labour market and obtaining jobs that foster women's economic empowerment are linked to education level and the very limited availability of care services for dependants and children. In addition, there is a widespread understanding that women are responsible for caring for their children or dependants, while men are only there to 'assist them'.

In other societies such as Argentina, Chile and Uruguay, the situation is quite different, as women have better education levels, on average higher than men's, and it is more socially accepted to see women participating in the labour market on an equal footing with men. In the countries reviewed and in the region more broadly, people still believe that women are essentially responsible for care services, and this belief is then reflected in policies and entrepreneurial attitudes. Hence, the most relevant result observed in these countries is that gender gaps arise less from personal or intrinsic reasons than from limitations imposed by the market or by institutions—in other words, they arise from employers' preferences, cultural standards and legal regulations.

In the qualitative studies, the women interviewed and focus group members identify and describe gender-associated stereotypes, either critically or from a perspective that naturalises and leads to embracing them. These stereotypes refer to the different abilities, roles, responsibilities and activities assigned to men and women. Accordingly, many feminine attributes are closely linked to women's role in the private sphere: interpersonal skills, household responsibility and caregiver/mother function.

By contrast, the abilities, responsibilities and roles identified in the interviews as being



Photo: James Rodríguez/Panos Pictures for IDRC. Woman makes corn tamales at home, Chiapas, Mexico, 2017.

“ A recent investigation carried out in eight Latin American countries confirms that women’s decisions are conditioned by their nearly exclusive responsibility to do the housework and care for the general population.

masculine are mostly related to the public sphere. Several women acknowledged that the concept of a supplier-man remains relevant within intra-household relationships. Being a breadwinner is actually regarded as men’s most relevant responsibility, and their engagement in paid work is seen as an intrinsically masculine characteristic. Persisting throughout society, these stereotypes perpetuate the sexual division of labour and reproduce inequalities in the labour market.

The qualitative studies show that, in all countries, women with young children tend to reduce their paid workload, work as self-employed or in salaried employment, choose temporary jobs or withdraw from the labour force. The scarcity of services, labour regulations and cultural transformations towards redistributing care responsibilities limits the chances of finding quality and higher-income jobs, as corroborated by the qualitative studies. Women explain that they opt for more flexible working hours to be able to look after their offspring. Taking care of young children is often prioritised over achieving professional fulfilment or earning an income.

To adapt paid work to care constraints, many women opt for reduced working hours or teleworking. However, these flexible options can have negative impacts in terms of economic autonomy, as they imply losing one’s income, benefits and experience.

In some cases, such decisions are also connected to households’ income and

composition and to women’s marital status: whether they live with a partner or not. Employment options often depend on households’ resources to purchase services or on the availability of family members—possibly elder daughters—to look after children or dependants.

The tension emerging from care responsibilities often urges people to withdraw from the labour market to personally care for their children and no longer outsource this task to third parties. In several countries, choosing this option is followed by a subsequent reintegration in informal employment.

### Final considerations

Labour participation and economic empowerment are not synonyms. To transform labour participation into an empowerment process, gender stereotypes have to be debunked, and the labour market has to become an environment where work and care are compatible. ●

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1. This article is based on Espino and Salvador (2016).

2. Department Coordinator on Development and Gender at the Interdisciplinary Centre for Development Studies, Uruguay (CIEDUR).

3. CIEDUR.

4. This research was conducted under the project ‘Promoting women’s economic empowerment through better policies’ (*Promoviendo el empoderamiento económico de las mujeres a través de mejores políticas*), supported by the International Development Research Center (IDRC), UN Women and UNDP. The project was coordinated by the *Centro Interdisciplinario de Estudios sobre el Desarrollo-Uruguay* (CIEDUR) and the *Centro de Estudios Distributivos Laborales y Sociales* (CEDLAS), under the *Universidad de La Plata*, Argentina. Quantitative studies were conducted based on econometric analysis and household or employment surveys from each country; on qualitative studies involving in-depth interviews and focal groups; and on a policy mapping providing an insight into the strategies implemented in each country to tackle this issue. For further information, see <[http://www.ciedur.org.uy/proyecto.php?id\\_proyecto=98](http://www.ciedur.org.uy/proyecto.php?id_proyecto=98)>.

5. The countries participating in the project were: Argentina, Bolivia, Chile, Ecuador, El Salvador, Mexico, Nicaragua and Uruguay.

# The economic case for reducing gender gaps in the labour market

by Magali Brosio, Gala Diaz Langou and Martin Rapetti<sup>1</sup>

Gender gaps in the labour market remain a pressing global challenge. Female labour force participation has risen in recent decades, but it is still nearly 27 percentage points lower than the rate for men, and no improvements are expected in the short term (ILO 2017a). Female participation rates have stagnated in recent years, casting doubts on the future tendency of this phenomenon and the reduction of gender gaps in the labour market. Gender inequality is not only observed in terms of participation rates: women who do participate are less likely to find a job than their male counterparts, and if they do manage to find employment, they often find additional obstacles: vertical and horizontal segregation, lower wages, etc.

The state of gender gaps in the labour market is worrisome *per se*, but the very slow rate of progress makes things even more shocking. According to the World Economic Forum's last *Global Gender Gap Report*, the situation of women actually worsened for the second year in a row in 2017. If the current trend continues, economic gender equality will not be achieved for at least another 217 years (World Economic Forum 2017).

Both the state and the evolution of gender gaps highlight how relevant the obstacles to both the fulfilment of women's rights and sustainable development are. First and foremost, the persistence of gender gaps in the labour market represents a violation of women's economic rights, which have been recognised internationally through human rights commitments and specific women's rights instruments (such as the Convention on the Elimination of All Forms of Discrimination Against Women—CEDAW—adopted in 1979 by the United Nations).

There is also a large body of research suggesting that there are substantial potential economic gains to be made by reducing gender gaps. This literature, which is briefly surveyed in this article, suggests

that gender inequality is not only unfair but also inefficient. Narrowing and eliminating gender gaps may yield important economic returns, both nationally and globally.

## Economic arguments for addressing gender gaps: three important channels

Gender labour gaps may affect economic performance in several ways. One obvious channel emphasises the underutilisation of talent associated with women's lower participation in the labour market. Increasing their participation—by, for instance, exploiting the economies of scale of extending the supply of day care—would imply an increase in a country's potential gross domestic product (GDP) and per capita income (OECD 2012; McKinsey Global Institute 2015; ILO 2017a).

A second channel through which gender gaps affect efficiency is the underinvestment in women's human capital. Blackden et al. (2006) argue that gender inequality in education—in addition to that in the labour market—reduces both the actual and potential stock of human capital. The disadvantaged position of qualified women in labour markets and the artificial restriction posed on the pool of talent create inefficiencies and hamper economic growth. A similar argument can be made specifically regarding entrepreneurial talent, which is arguably distributed randomly among individuals independently of their gender. If women have fewer opportunities to reach management positions—a phenomenon known as the 'glass ceiling'—the speed of innovation and technology adoption in the economy shrinks and, as a consequence, so do aggregate productivity and GDP per capita (Esteve-Volart 2009).

A third channel operates through the impact of gender inequality on the stock of human capital of the next generation. Sen (1990) and Klasen and Wink (2003), for instance, argue that asymmetries in employment and income undermine women's bargaining power within the household. Since women are typically more likely than men to invest in their children's well-being (Duflo 2003;

2012), their relative lower bargaining power may lead to underinvestment in children's education and health. Similarly, Slotsky (2006) argues that increasing women's decision-making power favours aggregate productivity in the long term, as they seem to have a stronger preference for goods and services that contribute to their children's human capital (de Hoop et al. 2017). Finally, because the increase in female education levels renders women's time more expensive, families tend to reduce the number of children they have and spend more on them. This leads, on average, to higher income per capita (Lagerlof 2003).

## Economic returns of reducing gender gaps: some evidence

An increasing literature has documented and quantified the economic returns of reducing gender gaps in the economy. A group of studies has analysed how different aspects of the gender composition of boards of directors or managerial positions within a firm impact their performance. The Credit Suisse Research Institute (CSRI 2014), for instance, finds that within large companies—with market capitalisation greater than USD10 billion—those in which managing boards have a higher-than-average percentage of women outperformed those with fewer-than-average by 36 per cent in terms of stock market performance between 2005 and 2014. Similarly, Catalyst (2011) shows that Fortune 500 companies with a higher representation of women in senior management positions financially outperform companies with proportionally fewer women at the top: between 2004 and 2008, they obtained 26 per cent higher return on invested capital and 16 per cent higher return on sales. Kim and Starks (2016) show that women directors enhance the effectiveness of advisory boards due to a more diversified pool of skills. Greater director heterogeneity of expertise is associated with higher company value—a gender-diverse board has the potential to increase company value (Kim and Starks 2015). Ali et al. (2011) find evidence of an overall positive relationship between gender diversity and employee

productivity in Australian companies. Finally, Cuberes and Teignier-Baqué (2011) estimate that male-dominated industries could increase their productivity by between 3 per cent and 25 per cent in many developing countries by improving female labour force participation.

Consistent with the evidence at the micro level, positive effects are estimated at the macroeconomic level. McKinsey Global Institute (2015) constructs an ideal future scenario in which women participate in the economy identically to men. According to its estimations, this could add up an extra USD28 trillion dollars in 2025 to annual global GDP, compared with a business-as-usual scenario. These numbers arise from closing different gaps. For instance, rising female participation in the labour force accounts for 54 per cent of the potential increase. Closing the gap in hours worked would generate 23 per cent of the estimated incremental GDP. Finally, women tend to be overrepresented in lower-productivity sectors, while men are overrepresented in those with higher-than-average productivity. Thus, shifting women into positions in higher-productivity sectors to match male distribution patterns would add another 23 per cent to the total potential incremental GDP.

Since this scenario seems unrealistic in the medium term, the report evaluates achievable scenarios more closely. For example, if all countries matched their progress in terms of gender parity with the best-performing country in the region, global GDP would increase by USD12 trillion by 2025. Similarly, the International Labour Organization (ILO) estimates the potential gains in terms of GDP if all countries were to meet the G20 target, established in 2014, of reducing the gap between male and female labour participation rates by 25 per cent by 2025. This amounts to an increase of USD5.3 trillion dollars in global GDP. Moreover, the report highlights the potential self-financing effects related to public investment that is attributed to closing gender gaps: it is estimated that this could increase global tax revenues by USD1.4 trillion dollars (ILO 2017b).

## Conclusions

Observed gender gaps in the economy imply a straightforward disadvantage for women. The case for closing such gaps can

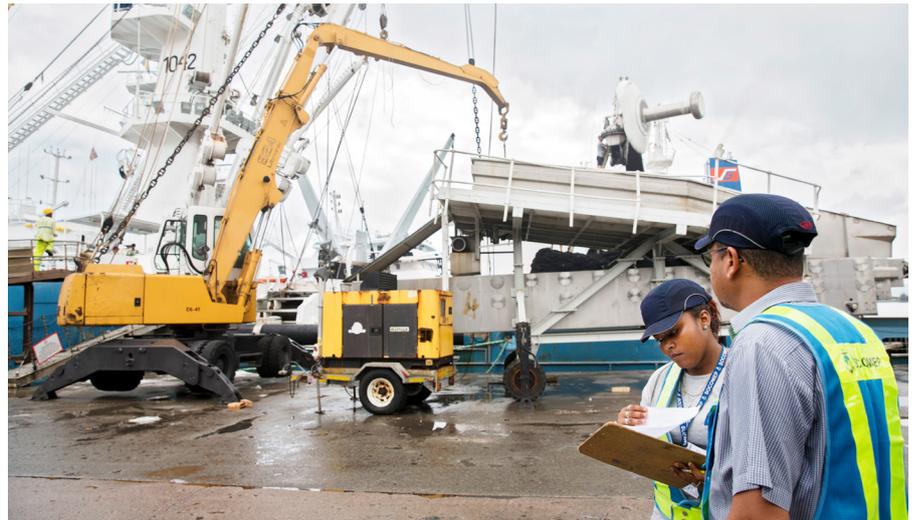


Photo: UN Women/Ryan Brown. One of the few women who work on the ships and docks at Port Victoria, Seychelles, 2017 <<https://goo.gl/P16Gfg>>.

and should be made in terms of fairness. An emerging literature suggests that the case could also be made in terms of economic efficiency and growth. Giving equal opportunities to women in the labour market is in many cases a good deal for individual companies, but it is clearly a good deal for societies as a whole. ●

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# Women's labour force participation in South Asia

by Arjan de Haan<sup>1</sup>

Across the world, gender disparities in education and fertility rates have been decreasing, but in many places this has not been accompanied by women finding paid jobs. The following piece explores this dilemma, drawing extensively on findings from IDRC's Growth and Economic Opportunities for Women (GrOW) programme, a multi-funder partnership between the IDRC, the United Kingdom Department for International Development (DFID), and the Hewlett Foundation, as well as evidence from the wider literature on the topic. Since the 1980s, gender gaps in labour force participation have been declining, but the gap seems more persistent than originally perceived, as the increase in women's labour force participation has halted.

Moreover, regional differences across the global South are extremely large, as Figure 1 shows. In sub-Saharan Africa and East Asia, the ratio of female-to-male labour force participation is high—around 80 per cent. In Latin America, while female labour force participation has increased at a fast rate in the past, this trend is declining. The ratio is much lower in the Middle East

and North Africa, but also—and perhaps more surprisingly—in South Asia.

In Sri Lanka, as Minister da Silva stressed during a regional meeting in Colombo organised by the Growth and Economic Opportunities for Women (GrOW) programme and its partners,<sup>2</sup> only 36 per cent of women are in the labour force (*The Nation* 2017).<sup>3</sup> In India, female labour force participation is only 24 per cent, and according to official statistics it has even declined from 34 per cent over the last two decades (Sarkar et al. 2017). Around 20 million women have dropped out of the labour market (rural and urban) since the mid-2000s, according to World Bank estimates (Andres et al. 2017).

Importantly, there are also large differences within South Asia, as Figure 2 shows. Female participation rates are lowest in Pakistan and India. These rates converged as India's declined. There is also significant heterogeneity within India (Ministry of Labour & Employment 2012).<sup>4</sup> Participation rates among women are much higher in Bangladesh and, particularly, Nepal.

When women work, they are tremendously disadvantaged. Indian women earn less

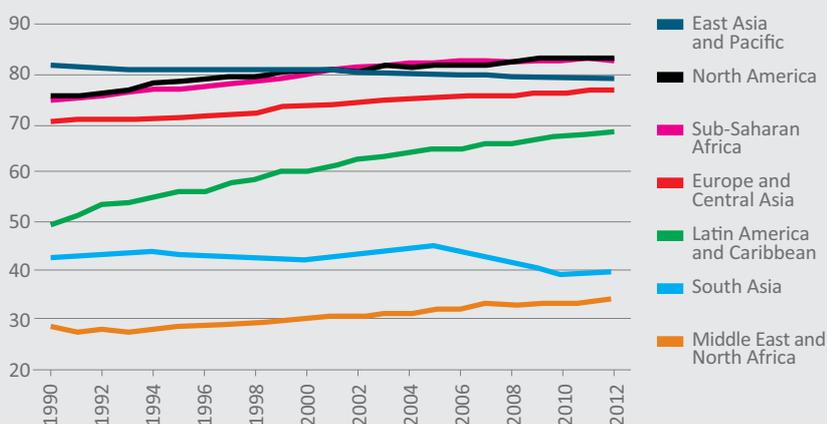
than two thirds of what men earn for the same work (World Economic Forum 2017). Women are more likely than men to be 'informal workers' (ILO 2018; Chen and Doane 2008)—contract labourers, domestic workers etc.—usually without social security or job protection.

The differences in women's labour force participation within the different countries of South Asia and between South Asia and other low-income contexts defy common and general explanations. The 'U-hypothesis' that Goldin (1994) introduced<sup>5</sup> suggests that (married) women's female labour force participation first declines with economic growth—particularly industrialisation—and high fertility and levels of education make it less likely that women join the labour market, with income levels causing differentiated responses. As growth and the economic structure evolve, and women's fertility and education gaps decline, women's participation starts to increase again. The cross-regional differences and differences within South Asia clearly indicate that explanations need to take into account diversity and complexity, and suggest that context-specific (and changing) norms play a key role.

## What is causing the lack of progress in women's labour force participation?

Why are the differences in labour force participation across genders, geographies and time so stark? Explanations revolve around three main issues. First, the data may be wrong. Women's participation in the labour force may be under-recorded, which seems particularly pertinent in assessing the impact of structural transformation (which has major gendered implications), as agricultural and home work is difficult to record. Further, definitions may have changed over time. For example, the decline in women's labour force participation in India may have been caused by changes in the way this has been measured. These definitional issues may explain some of the patterns, but not all (Klasen 2017a).<sup>6</sup>

**FIGURE 1:** Ratio of female-to-male labour force participation, by region, for population aged 15+ (percentage)



Source: Author's elaboration based on ILOSTAT <[www.ilo.org/ilostat](http://www.ilo.org/ilostat)>.

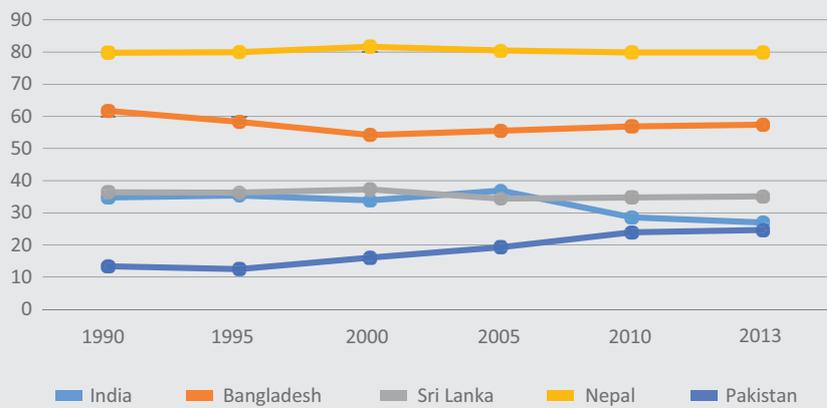
Second, demand for female labour may be restricted compared to that for men, due to gendered norms or expectations. The majority of World Value Survey respondents in India (52 per cent) and Pakistan (75 per cent) agreed with the statement that “when jobs are scarce, men should have more right to a job than women” (against 2 per cent in Sweden) (World Values Survey 2018). As few jobs have been created in the region, women may have been pushed out of labour markets.

Although it is widely recognised that employers may favour hiring men over women (Gerdeman 2017), there is no easy explanation for this. Gender stereotyping of jobs is common, but with significant variation across contexts and time (Borrowman and Klasen 2015; Klasen 2017b). In Bangladesh, women form the vast majority of the unskilled labour force in the (export-oriented) textile and garment industries, though in similar occupations in the region the proportion of men was much higher.<sup>7</sup> Importantly, as women join the labour force, they tend to be concentrated in specific sectors—often with lower pay and fewer opportunities (Klasen 2017b).

Despite norms about women not working, or jobs not being suitable for women, in South Asia, they do take up the hardest jobs. GROW-supported research in India and Nepal (Interactions for Gender Justice 2018a; 2018b) shows that poor women’s work outside the household can be extremely exploitative and hard, even in development programmes such as India’s national employment scheme. This entails high risks of dropping out of the labour force because of accidents or deteriorating health. Norms about the suitability of work can take effect when household socio-economic conditions improve, when the income of other household members increases, and with higher levels of education of male household members (Sarkar, Sahoo, and Klasen 2017).

Third, women may be less able or willing to enter the labour force. Their supply of labour may be constrained by a range of factors. Where women are primarily responsible for the ‘care economy’—the work in the household and care of dependants—their time may be restricted. Research confirms that women spend significantly more time than men on care

**FIGURE 2: Female labour force participation rates in South Asia, all ages (percentage)**



Source: Andres et al. (2017).

and household duties. In India, according to Counting Women’s Work (2016), women spend 40 hours per week on unpaid care and housework on average, while men spend 3.5 hours on these activities (see Figure 3). These responsibilities can represent a significant barrier for women in terms of the kind of jobs they can take up, the small businesses they might start or potentially develop, and hence the income they can earn.

Social norms play a critical role in both the demand for and supply of women’s labour, and this has been—perhaps surprisingly—neither well analysed nor integrated in policymaking. A study by the International Center for Research on Women (ICRW)

found that 80 per cent of men “agreed that changing diapers, bathing and feeding children are a mother’s responsibility” (ICRW 2011). Social norms are a key force behind the division of labour that assigns most care responsibility to women. As mentioned above, a majority of the population in India and Pakistan think men have more right to a job than women, and the higher level of education of men reduces the likelihood of women participating in the labour force at all. Though there are similarities, these norms can vary across the region’s many social-cultural and religious groups.

On the demand side, social norms and stereotypes also appear to be a key factor. The segmentation in the labour market

**FIGURE 3: Indian adults’ hours spent per week on market and non-market activities**



Source: Counting Women’s Work (2016).

“ Despite norms about women not working, or jobs not being suitable for women, in South Asia, they do take up the hardest jobs.



Photo: Asian Development Bank. Woman works as a welder, a job once reserved for men, Nepal, 2011 <<https://goo.gl/P16Gfg>>.

is often accompanied by stereotypes of which jobs are suitable for women, even though poor women are heavily involved in manual labour in the informal sector, which lacks protection. And the lower pay for the same work that is unexplained in analysis is also likely the result of gender-discriminatory norms.

### Policy priorities

As we have seen, the reasons for women's disadvantages and the lack of progress in economic empowerment are complex, and policies need to take different contexts into consideration. However, as documented by Naila Kabeer (2017a; 2017b), there is evidence of which policies and interventions do work.

Both formal and voluntary regulation make a difference. Gender differences in the law are common, including in South Asian countries, according to the World Bank and International Finance Corporation (IFC) programme 'Women, Business and the Law', and legal reforms removing discriminatory clauses have been shown to help enhance women's opportunities (World Bank 2018). However, even where equality is legally guaranteed, compliance and implementation are critical. Workplaces without facilities for women—such as separate toilets—are likely to hold women back. Information technology companies have found that safe transport was critical for young women in Indian cities. Civil society organisations also play a key role in advocating for equal opportunities. For example, the Self

Employed Women's Association (SEWA) has for many years advocated for the recognition of women as workers. Private companies, particularly leading multinationals, have also been increasingly committing to improving women's opportunities and working conditions.<sup>8</sup>

Moreover, reform of education systems and training is often needed to improve the link between skills formation and changing labour market demands. Tailoring skills formation systems to the specific needs of women is particularly urgent. Similarly, regular cash transfers and tailored financial services can enable women to overcome constraints and invest in economic opportunities. An IDRC-supported research project in Bangladesh assessed what kind of incentives can help young women from rural areas access jobs in the formal sector (IDRC 2018d).

If women have to spend 40 hours a week on domestic tasks, their chances for exploring alternative opportunities are limited, so addressing women's double burden has to be a key part of policies to enhance their economic opportunities. Work by the IFC (2017) establishes that it is profitable for companies to promote childcare. GrOW-supported research in Rajasthan is assessing the impact of a child-care programme provided by a non-governmental organisation (IDRC 2018e). A wide range of other public investments can also play a role: for example, the research in India and Nepal

by the Institute of Development Studies (IDS) and the Institute of Social Studies Trust (ISST) highlights that women prioritise investment in infrastructure and water facilities, as this would reduce their workload and time spent collecting water.

The data on cross-country differences in labour force participation and differences across socio-economic groups clearly suggest that social norms matter. As previously mentioned, there has been relatively little research in this area. SEWA has shown how women's voice can be enhanced. GrOW-supported research in poor villages in two states in India is showing the importance of social mobilisation and collectivisation. The *Mahila Samakhya* government-run programme has aimed to raise the voices of marginalised women, challenge patriarchy and address social constraints—with positive impacts also on women's economic participation (Jha and Menon 2016; Centre for Budget and Policy Studies 2015). These are likely long-term and non-linear processes, and need sustained investment. ●

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  2. See IDRC (2018a); for emerging evidence on labour force participation, see IDRC (2018b).
  3. See also World Bank (2017).
  4. Female labour force participation rates (in 2001) varied from 40 per cent in Chhatisgarh and Himachal Pradesh to less than 20 per cent in, for example, Kerala, West Bengal and Delhi.
  5. See Klasen (2017a) and Braga et al. (2017) for discussions.
  6. In India, the National Sample Survey and the Indian Human Development Survey show different levels in female labour force participation, but similar declines (Sarkar, Sahoo, and Klasen 2017).
  7. De Haan (1994) describes changes in gender patterns in the jute industry, eastern India's main export industry, between the 1920s and 1960s.
  8. See, for example, IDRC (2018c).

# Bridging gender gaps? The rise and deceleration of female labour force participation in Latin America<sup>1</sup>

by Leonardo Gasparini<sup>2</sup>  
and Mariana Marchionni<sup>2</sup>

One of the most salient socio-economic changes in Latin America over the last half-century has been the strong rise in female labour force participation. This trend has had a profound impact on the daily life of millions of Latin American women and families and it has also generated substantial economy-wide labour and social consequences. However, although remarkable, the long-term pattern of gains for women has been insufficient to close the gap with men in most labour market outcomes—including wages, employment and labour force participation. Gender equality in the labour market is still a challenging goal in the region.

In a recent book (Gasparini and Marchionni 2015), we highlight a change in this trend that makes the situation potentially more

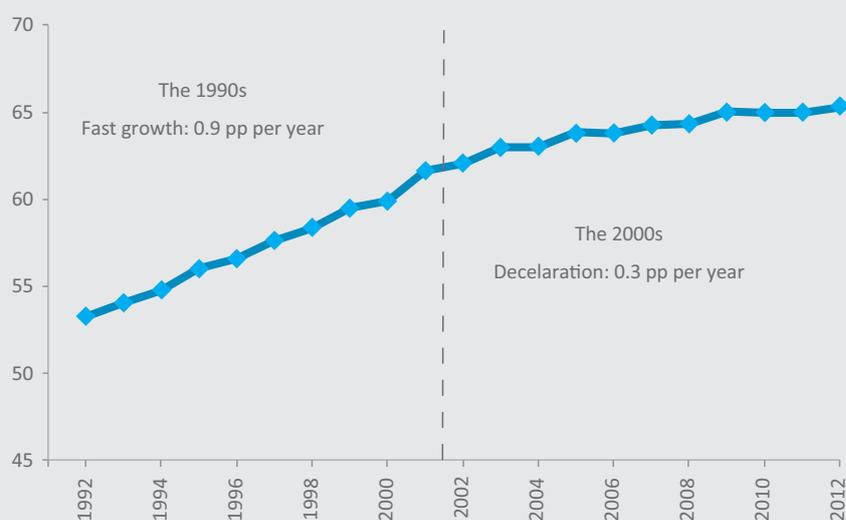
worrisome: after around half a century of sustained growth, there are signs of a widespread and significant deceleration in the entry of women into Latin American labour markets.<sup>3</sup> While female labour force participation rose at a rate of 0.9 percentage points per year between 1992 and 2002, that rate fell to 0.3 percentage points in the following decade (see Figure 1). The slower entry of women into the workforce has delayed the closing of the gender gap in labour participation, and makes improbable the fulfilment of the Sustainable Development Goals related to female employment. Moreover, this trend may also compromise poverty reduction targets, as the increase in women's labour earnings has been a significant contributor to the reduction in poverty in the region.

The deceleration in female labour force participation has been generalised, but it is particularly noticeable among married

and vulnerable women—i.e. those with low educational attainment, living in rural areas, with children, or married to low-earning spouses. For instance, while in the 1990s labour force participation increased by 0.80 points per year for women with low education (without a high school degree) and by 0.24 points for those with tertiary education, in the 2000s the corresponding rates were 0.17 and 0.13 points per year, respectively (see Figure 2). In contrast to what happened in previous decades, inequality among groups of women with different demographic and socio-economic characteristics is growing in some countries, increasing the likelihood of a dual scenario in which the labour participation of skilled (richer) women living in large cities converges to the levels of developed economies, while the labour supply of women in more vulnerable groups reaches a plateau at substantially lower levels. The slower entry of vulnerable women into labour markets

“After around half a century of sustained growth, there are signs of a widespread and significant deceleration in the entry of women into Latin American labour markets.

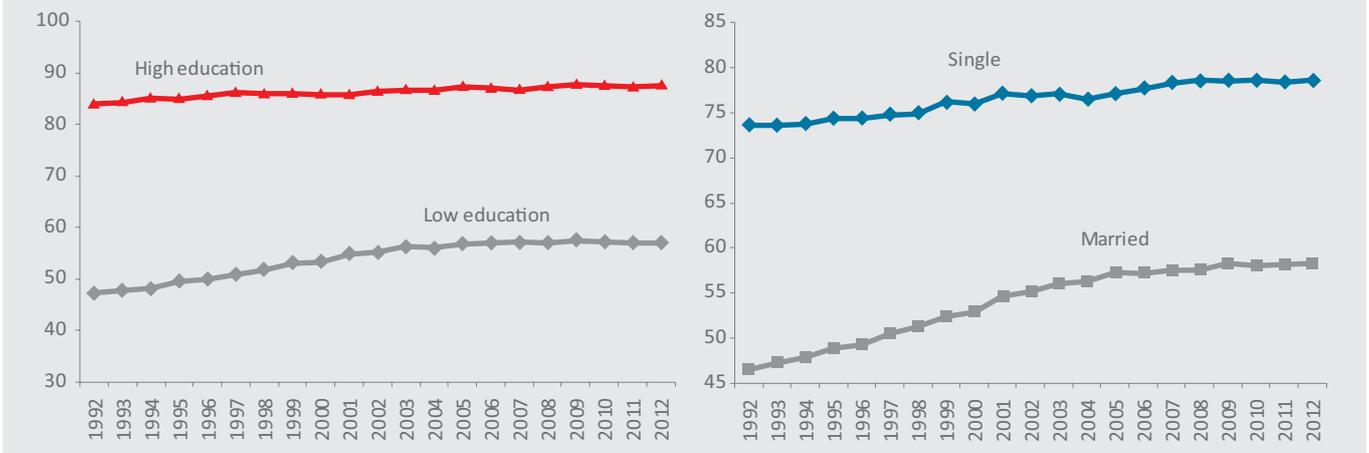
**FIGURE 1:** Female labour force participation, Latin America, 1992–2012



Note: Women aged 25–54. Unweighted means for Latin American countries. pp = percentage points.

Source: Authors' own calculations based on microdata from national household surveys.

**FIGURE 2: Female labour force participation by group, Latin America, 1992–2012**



Note: Women aged 25–54. Unweighted means for Latin American countries. Education: low = less than secondary completed; high = tertiary completed. Married: includes women in formal and consensual unions.

Source: Authors' own calculations based on microdata from national household surveys.

calls for a serious discussion about its determinants and policy implications.

### The determinants

Our book and a follow-up paper with our colleagues Joaquín Serrano and Pablo Gluzmann (Serrano, Gasparini, Marchionni, and Gluzmann 2017) delve into various alternative hypotheses on the contrast between the rapid growth in female labour force participation in the 1990s and its deceleration in the 2000s. Of course, identifying causal relationships for complex socio-economic variables in a large geographic region is extremely hard: the evidence is never conclusive, and admits alternative explanations.

Our preferred interpretation of the existing body of evidence is that the fast economic expansion experienced by the region in the 2000s was an important (although certainly not the only) determinant of the deceleration in female labour force participation. Lower unemployment and higher earnings of other income earners in the household (mostly male partners), plus increased social assistance, may have reduced the pressing need for vulnerable women to take low-quality jobs. Under this interpretation, the deceleration in female labour force participation is not necessarily a setback; rather, it can be understood as an optimal response at

the family level to improved economic conditions. This may have some positive implications, such as a potential for better job matching, and more time available for higher-quality parental childcare.

However, an alternative interpretation leads to more worrying conclusions. The initial short-term impact of improved economic conditions and more generous social programmes on female labour supply may have undesirable long-term consequences. Women who prefer to stay out of the labour market given the new economic situation may be less prone to participate in the future, even in a scenario with a greater supply of decent jobs. Being out of the labour market for some time may imply loss of productivity, and it may also reinforce traditional gender roles in the household. These factors may cause a reduction in the attachment to the labour force for women and, ultimately, reduce possibilities for autonomous income generation in the longer term. This may in turn hinder the process of poverty reduction in the region, in which women's work has played a crucial role in recent decades. Therefore, there is room for policy action to encourage female labour force participation.

### Policies

Fostering female employment is a complex task; therefore, policy strategies are not simple or unique. Following a discussion of

the available evidence, our book suggests some directions in which governments in Latin America could move forward. The lessons could also be helpful to most developing countries around the world.

- Advocacy on joint responsibility at home may help modify some cultural norms on household arrangements, empower women and, in turn, relax the constraints on women's time, facilitating their participation in the labour market.
- The expansion of child-care centres and pre-primary education, the promotion of schools with extended hours, and the provision of care services for elderly people should be prioritised in any strategy to facilitate female labour force participation, especially for vulnerable women.
- The system of parental leave should be extended and updated. The experiences of some countries suggest some promising options, including paternity leave that cannot be transferred to women, parental leave for childcare, more flexible schedules and collective financing.
- Governments and civil society could help by providing information and resources for family planning, easing access to contraceptive

“ The slower entry of vulnerable women into labour markets calls for a serious discussion about its determinants and policy implications.



Photo: Sérgio Amaral/MDS. Child care centre in Brasília, Brazil, 2013 <<https://goo.gl/Dv8fyG>>.

methods and removing incentives for increased fertility.

- In most countries, there is still room to advance towards gender equality in terms of property rights (e.g. by guaranteeing the rights of cohabiting, widowed and divorced women).
- Governments should pay attention to the unintended gender biases introduced by social programmes, and be creative in the design of new components that help alleviate some of their potential side effects (e.g. complementing conditional cash transfers with access to programmes oriented to the labour market).
- Advances towards more flexible work arrangements (i.e. more part-time jobs, flexible work schedules) could be useful for the dual objectives of caring for children and older adults at home (since women will probably be over-represented in these tasks in the medium term), and at the same time participating in the labour market and pursuing a career. However, job flexibility has some potentially relevant drawbacks (e.g. reinforcing traditional gender roles within the family); this initiative, therefore, calls for a case-by-case evaluation.
- Extending access to high-quality education to disadvantaged groups, including vulnerable women; this remains a central policy for labour force participation. ●

Gasparini, L., and M. Marchionni (eds). 2015. *Bridging gender gaps? The rise and deceleration of female labor force participation in Latin America*. La Plata: Centro de Estudios Distributivos, Laborales y Sociales.

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1. This article is based on Gasparini and Marchionni (2015). This book was written at the *Centro de Estudios Distributivos, Laborales y Sociales* (CEDLAS) at the *Universidad Nacional de La Plata*, as part of the project 'Enhancing women's economic empowerment through better policies in Latin America', a joint initiative with the *Centro Interdisciplinario de Estudios sobre el Desarrollo* (CIEDUR) that was carried out with the aid of a grant from the International Development Research Centre (IDRC), Ottawa, Canada. The views expressed in the book do not necessarily represent those of IDRC or its Board of Governors. The book is available at <[www.labor-al.org](http://www.labor-al.org)>. There is also a companion article forthcoming (Gasparini, L., and M. Marchionni. 2017. "Deceleration in Female Labor Force Participation in Latin America." *Economía-LACEA Journal*).

2. CEDLAS, *Universidad Nacional de La Plata*, and the *Consejo Nacional de Investigaciones Científicas y Técnicas* (CONICET).

3. The results are based on microdata from a large set of national household surveys, which were previously standardised to improve the comparability of the results across countries (the harmonisation is part of the Socio-Economic Database for Latin America and the Caribbean (SEDLAC) project of CEDLAS and the World Bank). This database, which includes information on all Latin American countries over the period 1992–2012, allows an assessment of female labour force participation in Latin America with a wider coverage, higher frequency and greater detail than previous studies. The dataset includes demographic, socio-economic and labour information on more than 20 million people in all Latin American countries.

# Linking inequality with the gender wage gap in Latin America

by *María Magdalena Camou and Silvana Maubrigades*<sup>1</sup>

The composition of the labour market in most Latin American countries has changed greatly in the last four decades, with a huge increase in the proportion of women in the urban labour market (Camou 2012). Female labour force participation began to increase in the 1970s and continued through the 1980s and 1990s. In Argentina, Brazil, Uruguay, Mexico and Chile, the female participation rate of around 20 per cent in 1960 increased to 40–50 per cent in 2000.

Despite this increase in female labour force participation, inequality remains—in particular with respect to wages. Thus, our main aim in this article is to reconstruct the gender wage gap from a sample of Latin American countries to frame explanations for its evolution and impact on inequality.<sup>2</sup>

Our research involves an exhaustive analysis of wage differences between men and women and focuses on how the gender gap has changed over time and its relation to wage inequality in the different countries.<sup>3</sup>

Latin America has always had high levels of inequality, and today, despite recent improvements, it is still the second most unequal region in the world, just below sub-Saharan Africa. Our hypothesis is that the evolution of the gender wage gap is positive related to overall inequality, and that it has non-linear effects. Although this gap has narrowed in recent decades, it is still wide, especially in countries where inequality is high and where the incorporation of women into the labour force has lagged behind.

## Theoretical approach

Many studies of Latin America agree that the main cause of rising inequality in the region has been the concentration of political power, wealth and income in the hands of landowning and capitalist elites, and of the people who control work and trade relations (Bértola

and Ocampo 2010). Starting in the 1970s, the previously achieved levels of equity began to diminish. This was due to many factors, including: the drastic deregulation and increasing segmentation of labour markets; a widening gap between the skilled and the unskilled workforce; a slowdown in industrialisation; lower State social expenditures; and cutbacks in redistributive policies.

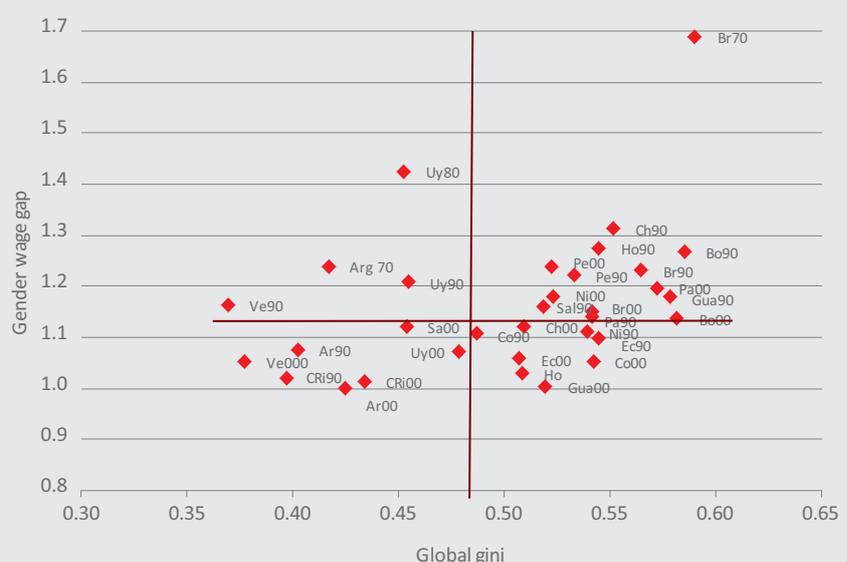
Since then, women in Latin America have achieved considerably higher levels of well-being—measured in terms of health and educational outcomes—than women in other developing regions (Maubrigades 2016). However, despite this progress, Latin American women have not had equal income opportunities and have largely been excluded from positions of power in political and economic institutions. This makes the region an interesting context in which to consider the effects of globalisation, both because the moves towards liberalisation have been substantial and because women

have fulfilled many of the prerequisites to participate in the market economy.

There is considerable discussion in the literature about the consequences of increasing women's participation in the labour force during the globalisation period, and interpretations of the evidence are diverse. According to the neoclassical view, as exemplified by the Stolper–Samuelson model, in developing countries free trade leads to increased wages for unskilled work, which is the relatively abundant factor in these economies (Samuelson 1948). Since unskilled work is often done by women, we can infer from this model that globalisation leads to increased demand for women to work, and hence should have as a final consequence a relative expansion of female participation and a narrowing of the gender gap (see the case of Mexico in Dell 2005; Artecona and Cunningham 2002; Garcia-Cuellar 2001).

However, the evidence for the period between 1970 and 1990 does not

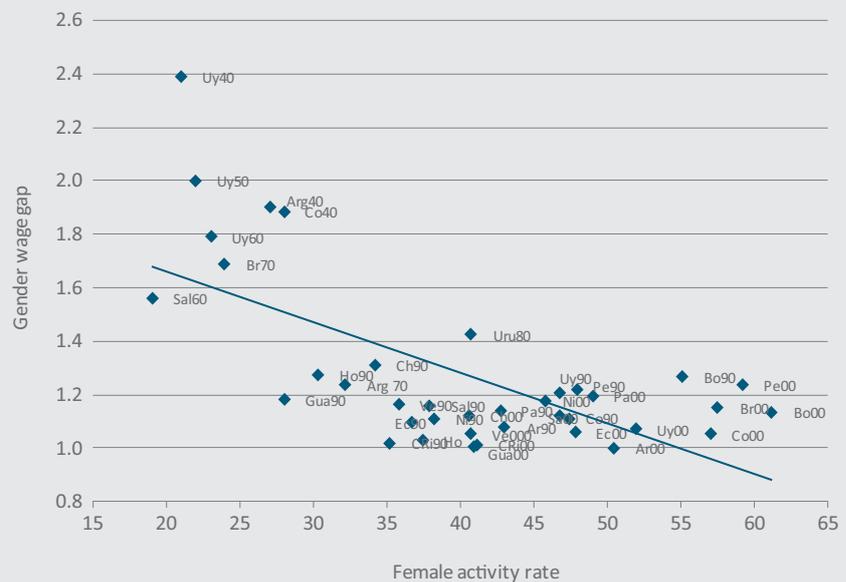
**FIGURE 1: Overall inequality and gender wage gap, 1970–2000**



Source: Household surveys.

“The trends in women’s activity rates in Latin American labour markets in the 2000s differ greatly between countries.

**FIGURE 2:** Female activity rate and gender wage gap in selected South American countries, 1940–2000



Source: Activity rates: household surveys. Gender wage gap: authors’ elaboration based on ILO 1940-1980 <<http://laborsta.ilo.org>> and household surveys.

support this theory, insofar as the growing demand for female labour has not produced any robust decline in the gender earnings gap, which varies greatly between different regions of the world (Çağatay and Ertürk 2004). Moreover, the narrowing of gender gaps cannot be attributed solely to globalisation.

It may be that the improved quality of female labour with the incorporation of workers who were more experienced and better educated (O’Neill and Polachek 1993; Goldin 2000), and the decrease in wages for less-skilled male workers (Blau and Kahn 1997) came into play, rather than just an increase in the demand for female labour.

The most common heterodox approach to this question has been to consider the effect of successful export-led growth on gender wage gaps. Given that women are excluded from certain occupations and sectors, the opening of trade brought with it an increase in the labour supply of women in certain kinds of work, and this led to increased unemployment rates and reduced wages (Bergmann 1974) or perpetuated wage gaps (Joekes 1999; Seguino 2000; Berik et al. 2003).

Another approach in the literature has focused on the sacrifices that women in developing countries have had to make with the advent of globalisation (Beneria 2003; Beneria, Floro, Grown, and MacDonald 2000). With very small improvements—or, in some cases, none—in household technologies, greater female participation levels in paid occupations have led to more total work hours for women than for men. Adjustment policies and public expenditure cutbacks in the same period have had negative effects on welfare, health and other human capital services. This affects women more than men, since they are usually responsible for the human capital formation of their children. Therefore, changes in the economic situation of women must be analysed in tandem with other human and social capital conditions that determine their final market power.

#### Explaining the gender wage gap

At first glance, evidence from Latin America confirms the positive relationship between inequality and the gender wage gap. On the one hand, countries that are more unequal (with Gini ratings above 0.5; see Figure 1) also have wider gender wage

gaps. On the other hand, considering the level of overall inequality and changes in the gender wage gap between 1970 and 2000, we can identify two distinct groups. The first group comprises countries where overall inequality remained relatively high and the gender gap narrowed, but female wage earnings remained lower than male earnings. This was the case in Chile, Bolivia, Honduras, Peru, Nicaragua and Ecuador. Brazil was a special case because it did not reduce its gender gap in the same extent as other high-inequality countries.

The second group comprises countries with relatively low total inequality and a narrowing gender gap, including Argentina, Uruguay, Costa Rica and Venezuela. In particular, Argentina and Uruguay exhibited a lower gender gap in the past and a higher activity rate. In any case, path dependence does not seem to be the only way to achieve a narrower gender gap: Venezuela belongs to this group, although traditionally it has had a low female participation rate.

Adding to the relationship between the gender wage gap and inequality, we also observe a mild association between

the gender wage gap and the historical pattern of women's participation in the labour market. From 1940 to 1970, gender inequality was high in Latin America, and this was reflected in a low level of female labour participation and a wide gender gap. There are few data available for the 1980s, the so-called 'lost decade'. In the 1990s, a new phase began, with a narrower gender wage gap and greater variability in women's activity rates across the region. By the end of the 1990s, women's participation in labour markets was still rising, but the gender gap had not been significantly narrowed. Thus, this correlation between the two variables was not very strong towards the end of the period, when many countries have similar gender gaps and there is a wide spread in the participation rate.

The trends in women's activity rates in Latin American labour markets in the 2000s differ greatly between countries. While the general trend is an overall increase over time, only in very few cases does the average increase reach 50 per cent. The heterogeneity revealed in Figure 2 could have many explanations and is probably linked to various impacts of liberal deregulatory economic policies that have prevailed in these countries since the 1980s. Gender wage gaps remained stable in the 1990s and 2000s.

The evolution of the wage gap between men and women is different across educational levels. Although countries

have achieved high female labour market participation rates, it is clear that educational equality is not sufficient to secure gender parity in income. In the tertiary education group, the gender gap was wide at the start of the period (1940), and there was little subsequent improvement, whereas in the group with only primary education the gap narrowed further during the same period. This is consistent with the presence of a 'glass ceiling' effect, which prevents educated women from entering the highest-paid occupations.

Increasing female labour force participation and improved educational attainment in a context of relatively stable male labour force participation and educational attainment have contributed to an average narrowing of the wage gap. However, a steady convergence between the wages of women and men is not linear. The portion of the wage gap that cannot be explained by labour market characteristics related to workers' skills is generally attributed to discrimination and to differences in preferences between men and women.

Over the last 50 years, schooling levels have increased, and the upgrading of the occupational structure as a result of technological changes and economic growth has created a demand for more skilled and educated labour. This has resulted, among other things, in policies to raise the overall educational level

of the population. Yet Figure 3 reveals a high level of sex segregation persisting among employees with tertiary education, despite the relative equalisation in the overall level of educational attainment between men and women. There are wage disparities between men and women with the same educational qualifications in all Latin American countries analysed and across all educational levels, but this is particularly pronounced among the better-educated population.

### Conclusion

We have found that the most unequal countries are also those which exhibit the greatest gender wage gap, and recent evolution reveals much inertia. The most 'advanced' countries in terms of gender equality are those in which female labour participation rates increased in the first half of the 20<sup>th</sup> century, with higher levels of educational attainment and a narrower gender wage gap. In the less 'advanced' countries, women's entry into the labour market has lagged behind that of the average of the advanced group, and this was associated with less developed economies with large indigenous and black populations.

The results suggest that labour market structures are different across genders, and that a narrowing of the gender gap depends not only on women's participation at the end of the period analysed, but also on path dependence in occupational segregation.

**FIGURE 3:** Education and the gender wage gap



Source: Authors' elaboration based on ILO 1940-1980: <<http://laborsta.ilo.org>> and household surveys.

“ Labour market structures are different across genders, and a narrowing of the gender gap depends not only on women’s participation, but also on path dependence in occupational segregation.



Photo: Everton Amaro/FIESP. Woman in a work competition, São Paulo, Brazil, 2013 <<https://goo.gl/P16Gfg>>.

The increased participation of women in the labour market impacts overall inequality: while their share of the wage bill has increased, and they have gradually moved up the educational ladder, they have found the more skilled occupations to have higher gender wage gaps, so that overall inequality has risen on that account. ●

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1. Social Science Faculty, *Universidad de la República*, Uruguay.
2. Our data come from the censuses (Integrated Public Use Microdata Series—IPUMS—1940–1980) and household surveys (1980–2010) from Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Paraguay, Peru, Uruguay and Venezuela.
3. In this research we compare hourly wages.

# Furthering women's empowerment through labour force participation<sup>1</sup>

by Margarita Beneke de Sanfeliú,  
Lissette Calderón, Dolores Polanco  
and Lidia Vásquez<sup>2</sup>

Women's economic empowerment is important in and of itself, as a moral imperative to provide women with equal rights and opportunities, but there is also an increasing body of evidence of its relevance to economic development and to reducing poverty and inequality (de Haan 2017).

It can be understood as women's capacity to make their own economic decisions (agency) and their ability to improve their economic situation (economic advancement) (Golla et al. 2011). Choosing to seek employment, and having the chance to do so, may augment their ability to make choices in their domestic life (ibid.), to negotiate within the household, to take control of their resources and profits, and to learn new skills and build new networks (Morton et al. 2014). In this way, there is a virtuous relationship between female labour force participation and women's economic empowerment (Kabeer 2012).

The paper this article summarises (Beneke de Sanfeliú et al. 2016) aims to identify critical issues in Latin America that could affect the ability of different groups of women to have full and productive labour force participation. To that end, we review current policy and academic literature focusing on regulatory frameworks, public policies and possible changes in the business environment, and examine regional data-sets, comparing the trajectory and current situation of countries that have achieved different measures of success, exploring perceptions about social norms.

## **Main research findings from 'Furthering women's empowerment through labour force participation' (Beneke de Sanfeliú et al. 2016)**

Exploring differences in female labour force participation among eight Latin American countries (Chile, Argentina, Uruguay, Ecuador, Bolivia, El Salvador,

Nicaragua and Mexico) and different groups of women within them, a key message emerged: there is a need to look beyond regional or national averages to understand and bridge gender gaps.

Latin America experienced rapid progress in female labour force participation: from 43 per cent in 1990 to 58 per cent in 2014—still lower than the 84 per cent for men (World Bank 2015). While male participation rates are mostly similar and stable across countries—close to or above 80 per cent—trends in female labour force participation vary widely.

Women are less likely to participate than men, regardless of their characteristics, but gaps are wider among groups of women than of men. Participation is lower among poorer, often rural women, those with fewer skills, older (over 54 years) and younger (18–24 years) women. Regardless of their characteristics, women lag behind men in access to quality employment and equal pay. Currently, employed women earn 78 per cent of what employed men earn. (ECLAC, FAO, UN-Women, UNDP, and ILO 2013). The gender gap varies among countries and among groups of women within the same country, in terms of labour participation and quality of employment.

## **Factors associated with female labour force participation in Latin America and the Caribbean**

Factors that restrict or facilitate women's productive participation in the labour market tend to be similar in most contexts, despite different levels of development among countries.<sup>3</sup> Insufficient education (usually less than complete secondary education) and time constraints are the main difficulties that women face in joining the labour market. Social norms and discrimination also present obstacles to women achieving full and productive employment with equal pay. In addition to assigning the burden of unpaid care work to women, they also influence women's career and occupation choices, resulting in reduced participation in certain types of jobs and sectors, which are usually better paid.

These factors affect women in general, but they are more constraining for certain groups of women, including poorer, older, rural and indigenous populations, as well as for young women not in employment, education or training.

As highlighted in Espino and Salvador (2016), even though there have been reductions in average gender gaps with respect to labour participation, these have been based on the effort of women who incorporate non-paid work at home into their usual working day. The current situation is creating differences and inequalities among women themselves, between those who can overcome restrictions to access and remain in the labour market and those who do not have the opportunity to do this.

## **Survey of public policies related to female labour force participation**

Achieving women's economic empowerment through female labour force participation requires: (1) increasing education and training; (2) reducing barriers to participation; and (3) changing cultural norms. Institutional frameworks that relate to these goals include laws and regulations and active labour market policies.

## **Laws and regulations**

Regulatory frameworks, at least as stated, do not impede gender equality, particularly regarding earnings and preventing discrimination. However, compliance and enforcement are not complete in all countries; most laws and regulations apply to the formal sector.

Some regulations tend to reduce the flexibility needed to balance employment with household responsibilities. In El Salvador, full-time work is considered the rule; employers are obliged to pay for a full day's work even when fewer hours are worked, which discourages the negotiation of flexible arrangements.

Other regulations, with a protectionist intention, might impose a limitation on

women. In Bolivia, women are prohibited from working night hours. In El Salvador and Argentina, occupations considered hazardous are prohibited for women.

Restrictions related to discrimination against women of reproductive age or with children, or related to flexibility of schedule, are perceived higher in countries where formality is higher (Corporación Latinobarómetro 2015). Policies designed to protect female workers can raise the cost of hiring women relative to men. Maternity leave (between 12 and 16 weeks) is common, but paternity leave is limited to a few days. Legal arrangements to promote part-time work are only available in Uruguay.

The analysis of regulatory frameworks seems to suggest that they should be revised to identify and modify elements that reduce flexibility and/or increase the costs of hiring women in relation to hiring men.

#### Active labour market policies

Programmes to reduce barriers to labour market participation are varied, usually targeting both men and women, with some giving priority to the latter.

Some countries have separate programmes to address the particular restrictions faced by different groups of women; others address them within one programme or help participants access other programmes to cover other needs.

In general, addressing more than one restriction faced by participants seems to be more effective. Few programmes have incorporated elements of advocacy to promote women's agency, and fewer encourage networking or provide mentoring opportunities or follow-up.

Even when programmes have the objective of promoting gender equality, no attention is paid to the restrictions domestic work and care place on women's participation. Rare programmes provide child-care facilities; however, since the support ends when women leave the programme, many fail to join the labour force.

The effectiveness of active labour market programmes might be improved by considering participants' capacities and limitations. It would also be convenient to prioritise and incentivise the participation to of vulnerable groups and provide them with subsidies to cover service fees as well as travel costs. If possible, these programmes should also provide child-care arrangements.

#### Care support: relaxing constraints on women's time

Early childhood and pre-primary education provide opportunities for mothers to work outside the home. Mandatory education includes one or two years for pre-primary education, except in El Salvador, where the starting age for mandatory education is 7. Universal coverage is not assured, and quality can be an issue.

The existence of child-care services is not enough. Usually operating hours are inconvenient for parents' work schedules; poorer families face difficulties paying travel costs to reach existing centres. There are some examples of programmes addressing these issues. Mexico promotes a network of care centres providing: (a) a subsidy to parents; (b) an economic stimulus to individuals interested in creating new centres; and (c) monetary support to existing centres if they join the network. Promoting organised initiatives at community level brings centres closer to users. Peru's *Wawa Wasi* organises volunteers, both men and women, to provide care in community centres.

Care support for elderly people and those with disabilities are rarely available, and coverage is extremely limited. Argentina has a programme based on the professionalisation of care labour; this helps to achieve quality in the services provided and to reduce the gender-specific labour division inherent in these tasks. In Uruguay, a programme provides home care assistance to people with disabilities who need help with activities of daily life.

Based on these observations, programmes and policies to reduce constraints on women's time should be rapidly expanded. Possible initiatives include: a) aiming to provide universal access to initial childhood care and pre-primary education; and b) increasing the availability of community-based child-care facilities and facilitating care support for elderly people

“ Early childhood and pre-primary education provide opportunities for mothers to work outside the home.



Photo: Pedro Ventura/Agência Brasília. Children eat lunch at a daycare centre, Brasília, Brazil, 2015 <<https://goo.gl/uY6eCX>>.



Photo: Charlotte Kesl/World Bank. Woman raises poultry in Vale de Cauca, Colombia, 2010 <<https://goo.gl/MqyCHq>>.

“ Programmes and policies to reduce constraints on women’s time should be rapidly expanded.

and those with disabilities. Incentives to increase the supply of care services and subsidies to users who cannot cover costs should be provided. Attention should be paid to operating hours.

#### Advocacy

Social norms prescribe that women are primarily responsible for caregiving and housework; in addition to making participation harder, they usually have a double burden: working outside and inside the home. Advocacy for joint responsibility at home and in the workplace may help to modify them. Very few advocacy efforts target men.

Several international organisations (the World Bank and UN Women, for instance) and local non-governmental organisations are promoting certification of public or private organisations which observe good labour practices that seek to close gender gaps in the workplace.

Drawing on these observations, we consider it is important to expand advocacy campaigns to promote: a) shared responsibility in the home between women and men; b) women’s agency, to change traditional gender roles, including career and occupation choices; and c) good labour practices that favour equality and a balance between work and family.

#### Concluding thoughts

To advance towards the goal of empowering all women and girls, and to track progress, it is important that, when

designing and implementing policies, programmes or initiatives, researchers and policymakers make a conscious effort to include a gender perspective (considering differences between men and women) to discover the appropriate solution for each population group in each context. Factors that restrict full participation intersect in vulnerable populations, making the gaps wider; special attention should be paid to the needs of vulnerable groups.

It is important to monitor programmes and evaluate their impact from the start to make necessary changes and adaptations. ●

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2. *Fundación Salvadoreña para el Desarrollo Económico y Social (FUSADES)*.

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# Policies toward female labour force participation in Latin America

by Evelyn Vezza<sup>2</sup>

While countries in the Latin American region have substantially reduced gender gaps in educational attainment in recent decades, they have performed poorly in guaranteeing equality in labour force outcomes (Gasparini and Marchionni 2015). The main policy responses targeting women during of working age to enhance their labour market participation can be classified according to their goals: 1) relaxing constraints on women's time; 2) improving women's agency; and 3) supporting women's participation and productivity in the workplace. The discussion forwarded in this article acknowledges interventions already in place and the ongoing deficits in achieving these goals.

## Relaxing constraints on women's time

These policies seek to alleviate the burden on women addressing their competing roles at the household level and in the labour market. Initiatives in place seek to enhance joint responsibility at home and care support. Maternity leave is one of the most common initiatives to this end, while paternity leave, tax incentives for the second household earner and child-care services for children under 5 years old are less common.

Maternity leave is closely connected with formal employment; thus, the high rates of informal employment in the region pose an additional challenge to the universalisation of leave policies. Therefore, this type of initiative is less likely to affect the distribution of care responsibilities between women and men. Moreover, care responsibilities fall mainly on women in the absence of comparable parental leave in the current schemes.

The supply of early-age child-care services is insufficient, and access to high-quality childcare is especially difficult for vulnerable women. In most countries, pre-school education is not mandatory at early ages—indeed, only one year of pre-primary education is mandatory, when

children are 5 years old. Some countries experience low enrolment rates for children aged 5, and for younger children who are not subject to the mandatory education requirement, enrolment rates are even substantially lower. Although recent efforts to increase the compulsory years of education at the primary or basic education levels have made some progress in closing attendance gaps, they do not guarantee universality. Indeed, the enrolment gap between the richest and the poorest income quintiles is significant, no matter the age group considered (see Figure 1).

Some countries have developed public programmes to provide a set of services to families living in poverty during early childhood, including childcare. The coverage and quality of the care services provided vary across countries and programmes, and even when these services exist, they offer an incomplete solution. In general, early childhood school hours are shorter than the typical workday, and some programmes assign caring roles mainly to women. Thus, they do not completely solve women's challenges in balancing work and family.

The supply of care services for elderly people and persons with disabilities also faces constraints. Existing services are attached to the social security system, which means availability for people engaged (currently for workers or in the past for retired people) in formal employment. The process of ageing in the region will exacerbate the care issue and add new pressures on the existing care systems.

## Improving women's agency

In addition to regulations on women's rights regarding economic resources, social protection initiatives consider women's ability to exercise control over economic resources. Conditional cash transfers (CCTs) are common initiatives within social protection programmes; most of them link mothers' entitlement to receive the transfers to caregiving and

childrearing responsibilities: they must ensure conformity to conditionalities in children's school attendance and health checks to receive the benefit. In contrast, CCTs linked to employability are uncommon (see Table 1).

As these types of programmes strengthen the gendered division of household responsibilities (i.e. women, instead of men, are tasked with care), women may face disadvantages in assigning their time to paid work, and thus may remain outside the labour force. Existing evaluations do not reveal a clear picture of the impact of CCT programmes on women's labour outcomes in the region. Most studies do not find that these programmes have a significant effect on female labour supply. However, some studies do find some disincentives for female labour force participation. Although the effects of these policies on female labour supply might not be substantial, CCTs have been prioritised over employment-oriented interventions, gaining more traction in the policy agenda and more resources. Indeed, active labour market policies (ALMPs) overlap with CCTs for beneficiaries, because both policies emphasise that poor and vulnerable women are the most suitable potential beneficiaries.

## Achieving fair labour markets for women

ALMPs, labour laws and advocacy aim to overcome gender barriers associated with labour market entry, discrimination and asymmetry of information.

Although women make up a substantive proportion of participants in employment programmes, some countries develop initiatives that specifically target women to increase their chances of employment. A weakness of employment programmes lies in the need to reconcile women's participation with motherhood responsibilities. The lack of care services induces dropout and 'cream-skimming effects'. Employment programmes—particularly those without cash transfers—usually face low participation

**FIGURE 1:** Gross enrolment rates for children in Latin America (15 countries), circa 2012



Note: Household surveys correspond to 2012 in most countries, with the exception of Nicaragua (2009) and Chile, Guatemala, Honduras and Paraguay (2011).

Source: Authors' calculations based on microdata from national household surveys.

rates among women because mothers cannot afford child-care services.

Regarding labour laws, many countries have legislation to prevent anti-discriminatory behaviours. Laws protect workers from discrimination based on pregnancy or motherhood. Additionally, during the 1990s and 2000s, some Latin

American countries set gender quotas for the legislature, enhancing gender equality at the policymaking level. Recently, unions have also begun to use gender quotas.

Finally, policy advocacy has been related to increased awareness of the importance of gender equality in the economy, such as the promotion of transparency in

“ The enrolment gap between the richest and the poorest income quintiles is significant, no matter the age group considered.

**TABLE 1: CCT entitlement and responsibilities, selected Latin American and Caribbean programmes**

Country	CCT	Transfer receiver			Attends training
		Household member	Responsible for conditionalities on		
			Children	Mother	
ARG	<i>Asignación Universal por Hijo</i>	mother	yes	yes	no
BOL	<i>Bono Juana Azurduy</i>	mother	yes	yes	no
BRA	<i>Bolsa Família</i>	mother	yes	no	yes
CHL	<i>Chile Solidario</i>	mother	yes	yes	yes
COL	<i>Familias en Acción</i>	mother	yes	no	no
CRI	<i>Avancemos</i>	tutor	yes	no	no
DOM	<i>Programa Solidaridad</i>	tutor	yes	no	no
ECU	<i>Bono de Desarrollo Humano</i>	mother	yes	no	no
SLV	<i>Bonos comunidades solidarias</i>	mother	yes	yes	no
GTM	<i>Mi Familia Progresa</i>	tutor	yes	yes	no
HND	<i>Programa de Asignaciones Familiares</i>	mother	yes	yes	no
JAM	<i>Programa de Avance mediante salud y educación</i>	mother	yes	yes	no
MEX	<i>Oportunidades</i>	mother	yes	no	no
NIC	<i>Red de Protección Social</i>	mother	yes	no	yes
PAN	<i>Red de Oportunidades</i>	mother	no	no	no
PRY	<i>Programa Tekopora</i>	mother	yes	yes	no
PER	<i>Programa Juntos</i>	tutor	yes	yes	no
TTO	<i>Programa de Transferencias monetarias condicionadas focalizadas</i>	tutor	no	no	no
URY	<i>Programa de Asignaciones Familiares</i>	mother	yes	no	no

Source: Economic Commission for Latin America and the Caribbean (ECLAC) database of non-contributory social programmes, and official agencies.

recruitment and promotion practices, and gender balance in top-level boards, senior positions and political decision-making.

### Challenges to policy design

Some studies (Rossel 2013; Arriagada 2007) argue that policies in the region are built on a paradigm that focuses on the whole household and do not weigh the gender-equality effects—in contrast to the individual empowerment and gender-equality approach adopted by Nordic countries, where gender gaps are narrower. Evidence from other regions (based on cross-country data) suggests that the policies that intend to relax constraints on women's time and strike a balance between work and family responsibilities have had positive effects on women's participation in the labour market (Blau and Kahn 2013; Adema, Ali, and Thévenon 2014; Bettendorf, Jongen, and Muller 2012).

Findings suggest that the association between policies and female labour participation becomes complex, and

that desired labour market outcomes are hard to obtain. There are difficulties in establishing causal links between gender policies and labour outcomes based on scant evidence; therefore, we believe that some policy effects remain unclear. Nevertheless, they do highlight some of the potential problems that should be taken into account when designing public policies and interventions. ●

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# Economic empowerment of young women in Bangladesh: barriers and strategies

by Erica Field,<sup>1</sup> Rachel Glennerster<sup>2</sup> and Shahana Nazneen<sup>3</sup>

Despite providing most of the workforce for the country's successful garment sector, young women in Bangladesh have little economic power. Persistently high rates of child marriage force many girls to drop out of school early, curtailing their ability to gain skills valued in the labour market. Once married, women's access to and interaction with the marketplace is often tightly controlled by their husbands and/or parents-in-law. Sharp increases in secondary education rates (9 per cent in 2007 vs. 25 per cent in 2014) have not translated into proportional increases in employment (35 per cent in 2007 vs. 36 per cent in 2014, according to the Bangladesh Demographic and Health Survey—BDHS).

To understand women's economic empowerment, we need to go beyond outcomes such as education and labour force participation and investigate the process by which women take control over strategic life decisions (Kabeer 1999). What motivates women's engagement in the labour market, what barriers do they need to overcome to participate in the labour market, what strategies do they use to do so, and who controls the fruits of their activity?

We address these questions by drawing on both quantitative and qualitative sources, including a 10-year panel study of 91,500 women collected as part of a randomised control trial (RCT) of an adolescent empowerment programme—*Kishoree Kontha* (KK)—conducted in rural southern Bangladesh by Save the Children.<sup>4</sup> This is complemented by in-depth qualitative interviews with 116 young women in the study area.<sup>5</sup>

We find that labour force participation is not synonymous with economic empowerment. In our qualitative interviews, some women report working out of economic necessity, such as caused by the death of a father or illness of a husband. In addition, women frequently describe very limited autonomy in their

income-generating activities (IGAs): many are able to undertake IGAs only inside the home. At the same time, our data suggest that, on average, women who engage in IGAs tend to score higher on a number of measures of empowerment, including better health and decision-making power.

Many strategic life decisions with long-term impacts on women's future economic power are made during adolescence and young adulthood (such as how long to dedicate to schooling, whom to marry and under what conditions, whether or when to start a family, and whether and how to engage in income generation). In societies such as Bangladesh, however, many of these strategic life decisions are made while women are still children. In our sample of women who were not part of the KK programme, 23 per cent of the women were married before 16, and 46 per cent before 18 (the national figure is 59 per cent, according to BDHS 2014).

The decision on when and whom to marry is nearly always made by parents: 90 per cent of marriages in our sample were arranged. Early marriage also often requires women to drop out of school: 45 per cent of women who left school report marriage as the reason.

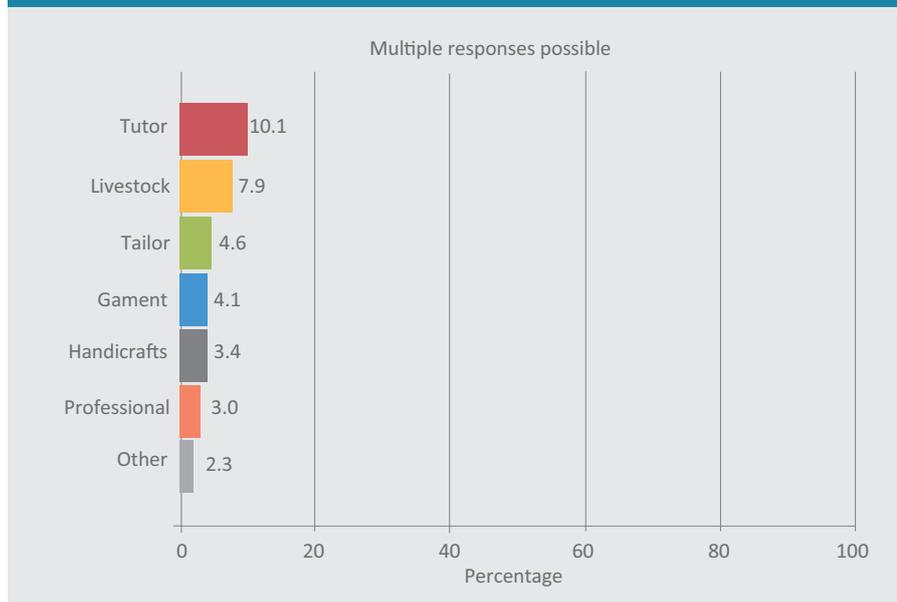
Parents who marry their daughters before 18, curtailing their education, are often portrayed as uncaring. Our qualitative work revealed that parents agonise over the decision. Marriage offers come infrequently, and with each offer a parent must weigh the costs and benefits of accepting. Parents risk never again receiving an equally good or reasonably priced offer (i.e. low dowry) and worry about being able to afford the ongoing cost of their daughter's schooling. They are also subject to strong community pressure: as a girl gets older, parents are constantly asked why she is not married yet. A delay in marriage can be perceived as a signal of an unobserved 'problem' with the girl.<sup>6</sup> Marriage delay is also financially burdensome: a hypothetical survey of matchmakers shows that the dowry for a 20-year-old is USD300 higher than the

dowry for a 16-year-old (and USD230 higher than that of an 18-year-old), all other characteristics being equal (Buchmann et al. 2017).

Women who are married before becoming an adult often have little economic decision-making power after marriage. For example, 10 years ago, 89 per cent of married women in our sample expressed the desire to be involved in IGAs, but only 31 per cent of these women are currently involved in IGAs (overall, 30 per cent of married women are involved in IGAs, as opposed to 45 per cent of unmarried women). According to qualitative interviews (including with matchmakers), some IGAs, such as tailoring or tutoring, are acceptable for young women, while other IGAs, such as work in garment factories, are often considered shameful. Nonetheless, young unmarried women, typically from poorer families, migrate to Dhaka to earn money in the garment sector. Some women described keeping their past employment secret from future husbands. However, the very aspects of garment factory work that create its stigma—working in a new environment away from family and mixing with men and women from other backgrounds—can lead young women to question their position in their rural society and take more control. For example, one woman described how confining rural society felt when she returned from working in Dhaka. Similarly, the most sophisticated articulation of economic life goals and strategies were provided to us by a young woman who had met and married her husband while working at a garment factory.

To explore how economic empowerment is achieved by women remaining and marrying in rural areas, we study cases of women who successfully negotiated this process. A strategy utilised by a few who were able to participate in their marriage negotiations was to use this as an opportunity to insist on being able to continue their education or employment after marriage. It was noteworthy that continuing education was easier post marriage if the woman had already finished high school by the time of

**FIGURE 1:** Bangladeshi women’s income-generating activities



Source: Authors’ elaboration.

her marriage: the strong social barrier to a woman who has moved in with her husband attending high school does not extend to college, where married women are not unusual. This helps explain our quantitative finding that delaying marriage until 18 leads to a higher probability of women being in education during their mid-20s.

Our evaluation of KK suggests that encouraging young women to negotiate about education and labour force participation prior to marriage may not be successful. While KK had many benefits, it did not lead to a delay in marriage age—suggesting that girls may not have the power or opportunity to do so even if they so desire. We have also heard from women who thought that they had successfully negotiated their freedom to work and study, but whose husbands and in-laws had reneged on their commitments after marriage.

How then can women manage to achieve their goal of income generation in these conditions? Our data suggest that many women undertake IGAs that do not threaten gender roles, such as tutoring and tailoring, and which do not require a young woman to leave her house. In addition, many married women seem to use a co-opting strategy: rather than opposing husbands and in-laws directly, they seek to appease

them. Women report having reached their goal of income generation by taking every opportunity to show in-laws and husbands respect, give them gifts and respond to their needs. Given their lack of power, they must prove that they will not neglect household duties when earning income.

This raises the important question of whether income generation by young women in Bangladesh is economically empowering. Several women working as tailors reported that their husbands both buy the inputs for their products and sell the finished goods. This implies that these women lack the necessary market access to learn about changing fashions or customer needs. This not only restricts women’s control over the income-generating process but also limits their income: on average, women engaged in tailoring earn only USD15 a month. While household tutoring is considered more prestigious than tailoring and is often undertaken by women with more education, tutors earn only slightly more at an average of USD18 a month. While the income generated from these informal activities is modest, most women (83 per cent) said they had control over how they spend it.

In conclusion, the significant barriers to women’s economic empowerment

in Bangladesh mean that even when women are successful in achieving their goal of generating independent income, the process is not as empowering as one might hope: most women earn relatively little and must use co-opting strategies to achieve their goals. Encouragingly, our RCT demonstrated that providing young women with negotiating tools through KK led more women to undertake IGAs and earn more from them. Many of these young women also aimed to leverage their current experience into more substantial IGAs in the future. ●

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1. Duke University.
2. UK Department for International Development (DFID). This article was written when Rachel was at the Abdul Latif Jameel Poverty Action Lab (J-PAL) at MIT.
3. Innovations for Poverty Action (IPA).
4. All girls aged 10–19 were invited to take part in one of four six-month cycles of the programme, which ran between December 2007 and August 2010. They met from five to six days a week, two hours each day for six months, to receive educational support and social competency training from peer educators. More detail can be found in Buchmann et al. (2017).
5. The qualitative study purposefully sampled women with a range of labour market, educational and marriage experiences, oversampling those who had been successful in generating income to better understand the process of successfully negotiating economic empowerment. More detail on the study strategies can be found in Nazneen and Glennerster (2017).
6. We explore this possibility more formally in Buchmann et al. (2017).

# Eliciting women's willingness to take a job: evidence from displaced and extremely poor women in Cali, Colombia<sup>1</sup>

by Susana Martínez-Restrepo,<sup>2</sup> Juan Camilo Mejía<sup>3</sup> and Erika Enriquez<sup>2</sup>

Despite significant reductions in poverty in the last decade, by 2013 it was estimated that 9.1 per cent of Colombia's population (4.4 million people) lived in extreme poverty, 52 per cent (2.3 million) of whom were women (DANE 2013). Moreover, while female labour force participation in urban areas is 57.8 per cent, male labour force participation in the same area is 74.5 per cent (ibid.). Only 31.9 per cent of extremely poor women in urban areas participate in the labour market. Job informality among extremely poor women can reach as high as 90 per cent (ibid.).

A previous study (Martínez-Restrepo, Mejía, and Enriquez 2015) revealed that while many women living in extreme poverty found paid work empowering, their husbands would not allow them to work. Therefore, this article aims to understand how women's interactions with their husbands affect female labour participation decisions. How do women negotiate with their husbands about whether or not they could have a paid job? What factors influence the preferences of both husbands and wives? Does this differ by whether the job is formal or informal? To answer these questions, we performed an experimental behavioural analysis of labour market preferences and decisions among married women living in extreme poverty or displaced by violence in Cali, Colombia. To interpret these women's labour preferences and choices, we measured their willingness to take a job given several constraints: the cost of childcare, the cost of travel, hourly wages, and the number of hours worked.

Recently, experiments have emerged as an alternative for studying household decision-making and intra-household bargaining. We modelled our experiment based on Bursztyń and Coffman's design

(2012), focusing on women's willingness to accept (WTA) a formal or an informal job, which measures the minimum monetary amount that women are willing to receive for selling their labour in either the formal or the informal market. A trade-off between these two sectors emerges because, while formal jobs are often seen as more stable and of higher quality, they also allow less flexibility and require long displacements across the city. To perform the analysis, we used an ordered probit model comparing the probability of taking job offers with higher earnings and more hours, by women with husbands present and women without husbands present.<sup>4</sup>

## The experiment

The experiment was created among randomly selected women beneficiaries of Red UNIDOS (a government programme aimed at eradicating extreme poverty) living in Cali, Colombia. A total of 255 women living in extreme poverty and displaced by violence from other areas of the country participated. All randomly selected<sup>5</sup> women had to be either married or in a partnership and to have children younger than 18. The

treatment group comprised 123 married women with their husbands present in the experiment, while the control group comprised 132 married women without their husbands present at the site. Couples were invited to negotiate when presented with different hypothetical scenarios of labour choices.

In the experiment, women had to establish their WTA a job given a wage, a number of hours worked and the cost of childcare and transportation. For each hypothetical scenario, women needed to take into consideration: 1) an increasing wage, given an increasing number of hours away from the home, including commuting time; 2) a constant USD1.5 cost of transportation; and 3) the cost of childcare and supervision. In the first hypothetical round, all of the 'jobs outside the home' are informal, and in the second hypothetical round, all of the jobs are formal and include health and pension benefits.

First, we explained that they would have to choose between a constant wage of USD6 per day for a low-productivity, stay-at-home job (selling food, weaving etc.)



Photo: Adam Cohn. Woman works as a fruit vendor, Piedecuesta, Colombia <<https://goo.gl/P16Gfg>>.

“ This article aims to understand how women’s interactions with their husbands affect female labour participation decisions.



Photo: Pedro Szekely. Costumers at work in Jardin, Colombia, 2014 <<https://goo.gl/7H3YdT>>.

and accepting a job, taking into account different scenarios with a constant rate of transportation (USD1.5) and an increasing cost of childcare (free or USD1 to USD3.5). The experiment was repeated wboth for an informal and a formal job. This methodology was carried out for each of the different salaries offered until the ‘breaking point’ was found—i.e. until each woman stated that she would prefer to leave the house at a certain income level instead of staying at home earning USD6. If there was no breaking point even at the highest possible salary, we considered that she would not accept any job. Both formal and informal jobs had the same constraints and offered the same wage per hour.

When offering the formal job, the following was stated: “Now we are going to decide whether you want to take a job, but this time it is a formal job. This means you would be offered and pay into

a pension plan, paid vacation days, paid sick leave and health insurance with an EPS instead of a SISBEN.”<sup>6</sup> The treatment group—women with their husbands present—were encouraged to talk about and negotiate over the decision. Table 1 shows the scenarios provided to the treatment and control groups for formal and informal jobs.

### Results

Having a husband and negotiating with them does affect women’s willingness to take on a job, particularly a formal one. Table 2 shows that women who negotiated with their husbands (the treatment group) were less willing to take a part-time formal daily job outside their homes than married women whose husbands were not present at the experiment (the control group). No significant differences were observed between the treatment and the control groups when it came to informal jobs. Women were less likely to accept a formal

job when the cost of childcare increased to USD1 and USD3.5 per day. Finally, women who negotiated with their husbands were more likely to stay at home in every single scenario, suggesting that child-care costs and job flexibility do matter in a couple’s preferences.

How to explain these results? Intuitively, one could argue that there is a preference for formal jobs, as they often provide health coverage, pension benefits and more stability. However, the results show that women exhibit lower acceptance of formal jobs than informal jobs when negotiating with their husbands. One possible explanation could be that formal jobs take away some of the time-use flexibility offered by many informal jobs. The cost of childcare is certainly important in the equation, since it increases the opportunity cost of working, and child-care services are not necessarily of high quality.

**TABLE 1:** Experiment scenarios with increasing cost of childcare for a formal and informal job per day

Hours worked	Travel time (hours)	Income (USD)	Travel cost (USD)	Scenario 1		Scenario 2		Scenario 3	
				Child-care cost (USD)	Available money (USD)	Child-care cost (USD)	Available money (USD)	Child-care cost (USD)	Available money (USD)
4	2	6	1.5	0	4.5	1	3.5	3.5	1
5	2	8	1.5	0	6.5	1	5.5	3.5	3
6	2	10	1.5	0	8.5	1	7.5	3.5	5
7	2	12	1.5	0	10.5	1	9.5	3.5	7
8	2	14	1.5	0	12.5	1	11.5	3.5	9
9	2	16	1.5	0	14.5	1	13.5	3.5	11

Source: Authors’ elaboration.

**TABLE 2: Willingness to accept a job, treatment group**

Income offered			Scenario 1		Scenario 2		Scenario 3	
			Free childcare		Child-care cost = USD1/day		Child-care cost = USD3.5/day	
Hours worked	Work at home (USD)	Work outside the home (USD)	Informal job	Formal job	Informal job	Formal job	Informal job	Formal job
4	6	6	-0.00676 (0.00592)	-0.0908* (0.0546)	-0.00544 (0.00572)	-0.104** (0.0491)	-0.00659 (0.00629)	-0.0543* (0.0297)
5	6	8	-0.0310 (0.0228)	-0.0126 (0.00812)	-0.00455 (0.00478)	-0.0162* (0.00876)	-0.00186 (0.00238)	-0.0201* (0.0119)
6	6	10	-0.0312 (0.0228)	-0.00532 (0.00393)	-0.0299 (0.0272)	-0.0156* (0.00826)	-0.00514 (0.00504)	-0.0268* (0.0152)
7	6	12	-0.0143 (0.0106)	0.000120 (0.00141)	-0.0179 (0.0165)	-0.00426 (0.00352)	-0.0262 (0.0215)	-0.0166* (0.00957)
8	6	14	-0.00185 (0.00184)	0.00427 (0.00349)	-0.0103 (0.00956)	0.00397 (0.00362)	-0.0255 (0.0209)	-0.00625 (0.00449)
9	6	16	0.000829 (0.00134)	0.00523 (0.00377)	-0.000696 (0.00101)	0.00368 (0.00250)	-0.0129 (0.0107)	0.00272 (0.00295)
10	6	Always stays at home	0.0843 (0.0598)	0.0990* (0.0587)	0.0688 (0.0619)	0.132** (0.0607)	0.0781 (0.0629)	0.121* (0.0628)

Note 1: These results showing WTA a job in the treatment group were obtained while controlling for displacement by violence, age, number of children under 18, number of people in the household, participation in Familias en Acción, educational attainment of the woman, informality, and the husband's labour participation.

Note 2: Statistical significance is noted at the 1 per cent (\*\*\*) , 5 per cent (\*\*) or 10 per cent (\*) level. Standard errors in parentheses.

Source: Authors' elaboration.

### Concluding remarks

The fact that women that negotiated with their husbands were less willing to accept part-time formal jobs, and more likely to stay at home, shows that every gender relationship involves the distribution of power between women and men (Agarwal, 1997) a number of economists have in recent years proposed alternative models. These models, especially those embodying the bargaining approach, provide a useful framework for analyzing gender relations and throwing some light on how gender asymmetries are constructed and contested. At the same time, the models have paid inadequate or no attention to some critical aspects of intra-household gender dynamics, such as: What factors (especially qualitative ones). However, it was not clear from the experiment whether men were more likely to influence women's WTA a job because they could advise women regarding opportunity costs (due to their greater exposure to the labour market) or out of jealousy and chauvinism. Regardless, the finding that men restrict women's opportunities to work is consistent with evidence from the qualitative component of the impact evaluation of Red UNIDOS among extremely poor and displaced women (Martinez-Restrepo, Mejia, and Enriquez

2015), in which women reported that their husbands would not allow them to have paid jobs outside their homes.

In addition, in Colombia, the low quality and the lack of trust in child-care institutions are often associated with women's preference for staying at home and taking care of their own children (ibid.). Violent deaths among adolescents are also a major concern for mothers living in urban slums, where children and adolescents are exposed to gang violence, drug trafficking and drug consumption (ibid.).

Although this experiment presents results of hypothetical scenarios for women, it provides crucial evidence regarding the process of intra-household bargaining over job decisions and formal job preferences, particularly for families with children and constraints regarding income and access to transportation and childcare. ●

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1. This article is based on Martinez-Restrepo, Mejía, and Enriquez (2016).
2. Fedesarrollo.
3. Fedesarrollo and Los Andes University.
4. For more details about the methodology, see Martinez-Restrepo et al. (2016).
5. The Red UNIDOS operator in Cali provided a list of all programme participants who were married and with children under 18. We randomly selected women and offered a stipend equivalent to a daily wage to participate in the experiment.
6. The EPS is the contributory health care system in Colombia, and SISBEN is the subsidised one. Because of their condition of extreme poverty and forced displacement, and the fact that they were beneficiaries of Red UNIDOS, these women had access to the SISBEN system.

# Washing machines, gender roles and time use: a pilot study intervention in Colombia<sup>1</sup>

by Camilo García-Jimeno,<sup>2</sup> Laura Martínez<sup>3</sup> and Ximena Peña<sup>4</sup>

Many low-income households in developing countries share three characteristics: views related to asymmetric gender roles (deep-rooted, shared opinions according to which women must perform most of the domestic work and childcare); limited access to appliances and other labour-saving home production technologies; and, almost as a consequence of the first two, an asymmetric distribution of household labour between men and women. Such gender imbalances have not shifted in response to the rise in female labour market participation, compounding intra-household inequality, as women work outside the home and are responsible for a large share of household work at the same time (Bianchi et al. 2000; Shelton and John 1996; Brines 1993; Marini and Shelton 1993). Evidence of policies effective at improving these gender imbalances is scarce.

The historical experience of developed countries, however, is suggestive. The introduction and fast spread of home appliances, such as refrigerators and washing machines, starting in the 1950s, was accompanied not only by increased female labour market participation but also by significant changes in views regarding gender roles (Greenwood et al. 2005; Burda et al. 2007; Heising 2011). Despite the potential benefits from time savings, improved family environment and changes in gender role perceptions, a lack of information or the ability to afford them may be holding back demand for labour-saving appliances in poor households in developing countries.

In this article, we detail the design and results of a pilot intervention in Colombia aimed at exploring the short- and medium-term effects of access to a washing machine (the most labour-saving appliance available, targeting the household chore that shows the most gender imbalance) on the time-use distribution within households across genders, on gender role perceptions, and on

female mental health and child outcomes. With the help of local non-governmental organisations (NGOs), the study identified eight poor neighbourhoods in Bogotá, Colombia, to implement the intervention.<sup>5</sup> All neighbourhoods are distant from each other, and vary in the quality of their infrastructure, location and degree of informality. For most of these households, washing machines are unaffordable (the price of a standard washing machine is USD435, almost double the average monthly family income of USD235). This population also faces credit constraints. Moreover, household expenditure decisions are disproportionately influenced by men, who may be unwilling to invest in an appliance perceived to mostly benefit women.

## Sample and intervention design

Because our focus is the distribution of time use within families, our main aim was to build a sample of bi-parental households with young children. Such households were the main focus of our study, but given the large proportion of single-parent households in these communities, we also sampled a small number of mono-parental families.

The baseline survey was undertaken in the spring of 2015 in six of the neighbourhoods. The remainder of the data were collected a year later. Families within the neighbourhoods under study know and interact with each other, raising the possibility of spillover effects within neighbourhoods. To address this issue, we implemented a random saturation design, where we first randomised different intensities of treatment across neighbourhoods (measured as the ratio of treated households to total number of households in the neighbourhood), and then randomised the allocation of treatment (a washing machine) across candidate families within each neighbourhood through a public lottery. This assignment generated 132 treated households and 130 control households at baseline.

The lotteries took place in the autumn of 2015, the first follow-up survey was undertaken in the spring of 2016, and the

second follow-up survey was undertaken in the spring of 2017. Both follow-up surveys collected detailed information on time use for mothers and fathers. They also collected responses to questions about gender roles and female empowerment, and measures of children's health outcomes.

Given the nature of the treatment (a washing machine at a 'symbolic' cost, plus training in its use), compliance with treatment was almost complete.<sup>6</sup> As such, our findings can be considered close to treatment on the treated effects. Our inference analysis, however, excludes a subset of households that experienced family composition changes during the study period.

The families in our study exhibit high rates of relationship terminations, and this was reflected in our sample: 34 bi-parental households at baseline experienced a break-up, and 11 mono-parental households at baseline became bi-parental during the course of the study. Since our main focus is the dynamics of intra-household time allocation, we excluded these families from our analysis.<sup>7</sup> Consequently, our findings should be interpreted as speaking to the impacts of the intervention among relatively stable home environments only.

## Findings

Results at baseline reflect significant inequalities in time use between genders. Mothers do most of the home production and most of the childcare. They work fewer hours than men in the labour market, but men enjoy almost four more hours of leisure a day. Perceptions denoted asymmetry in gender roles: 40 per cent of mothers were tired from being home-makers, and more than half felt their work inside the household received little recognition. Almost 65 per cent of mothers thought women are better than men at domestic chores.

Because of the small sample size, the difficulties associated with accurately measuring outcomes such as time

“The allocation of time use across genders is responsive to access to technological changes.

use—despite our best efforts—and the possibility of interference across households, standard inference procedures were inappropriate for our study. Instead, we rely on exact randomisation tests that allow for interference between units (see Rosenbaum 2007). In this way we are able to make inferential statements about the presence of effects of treatment, by partially giving up on the explicit computation of magnitudes.<sup>8</sup>

Reassuringly, we find that after the intervention, mothers in treated households spend an average of 45 less minutes per wash. More important, we find evidence of a somewhat unexpected reallocation of time use between genders. Mothers increase the amount of time they spend on childcare, both relative to their time budget and in absolute terms. Moreover, the time use of fathers also exhibits reallocation: although they do not increase their time spent on home chores, they report less leisure time and more spent on childcare, both relative to their time budget and in absolute terms.

These differences suggest that the mother’s time freed by the washing machine is reallocated towards time with children, and that this leads fathers to subsequently reallocate some of their leisure time towards childcare. It is likely that spouses are spending this extra time with children simultaneously.

The ratio of male to female time spent on childcare increases too, suggesting that, on average, the response for fathers is larger than the response for mothers. In addition to this important change in the distribution of time use within households, women also report improved perceptions of fairness in the distribution of household work. However, mothers’ responses to questions about gender role perceptions do not differ between treated and control households. These results suggest that beliefs may be inelastic, or that they may only respond to family outcomes that the intervention was unable to significantly affect, such as male home production time.

Naturally, increased time spent on childcare by both fathers and mothers is likely to translate into better outcomes for children along their entire lives. Based on our first follow-up, we measured child

outcomes including: weight, height and a vector of socio-emotional scores.<sup>9</sup> We fail to find systematic differences between treatment and control households, except for responses about the child’s emotional well-being. Children in treated households report significantly higher responses to these questions.<sup>10</sup>

### Conclusions

This pilot intervention randomised almost free access to washing machines among poor urban households in Bogotá, Colombia, to trace the impact of this labour-saving technology on the distribution of time use within households and other outcomes. The medium-term results provide evidence that the allocation of time use across genders is responsive to access to technological changes. It also suggests the existence of a multiplier effect: when women redistribute their time from home production towards childcare, men respond by redistributing their leisure time towards childcare as well. These results might be related to the effects found in children’s emotional well-being.

The significant inequalities in time allocation between men and women do not respond during the one-year horizon of the study, nor do the perceptions of asymmetric gender roles. We also find no evidence of differences in child outcomes such as weight and height. Our findings on the dynamics of time use, however, are novel and may be of interest beyond the particular intervention we undertook. A replication of this study in a different environment would be very informative. We are currently undertaking a qualitative study on a subset of the treated sample to understand the channels of time reallocation induced by the intervention. ●

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2. Assistant Professor, Economics Department, University of Pennsylvania.
3. Research Project Manager, Economics Department, Universidad de Los Andes.
4. Associate Professor, Economics Department, *Universidad de Los Andes*. RIP.
5. The neighbourhoods of Las Aguas, Valparaíso, Barrio Inglés and Bosa are located in Bogotá proper, while the neighbourhoods of Altos de Cazucá, Florida Alta, Divino Niño and Comuna 1 are located in the municipality of Soacha, part of Bogotá’s metropolitan area.
6. Eight control households purchased a washing machine during the study period, and two treated households lost their washing machine. We exclude these non-compliant families from our main analysis.
7. We excluded 18.3 per cent of the follow-up families for this reason: 15 per cent of treated households and 21 per cent of control households.
8. Effect magnitudes may be effectively measured in a scaled-up version of this intervention.
9. We do this for the youngest child under 8 years of age in the household.
10. Given their very nature, we expect children’s outcomes to be more responsive to the intervention in the second follow-up, which we are currently analysing.

# The impact of after-school care on women's labour outcomes

by Claudia Martínez<sup>1</sup> and Marcela Peticar<sup>2</sup>

Female employment is a high-return poverty alleviation strategy (Costa et al. 2009). In Latin America, female labour force participation reached 52.6 per cent in 2010 (ILO 2012). More than half of inactive women report domestic and care-related activities as the main reason for not participating in the labour force.

A natural policy to alleviate this constraint is to publicly provide or subsidise childcare. The literature has focused on the effects of childcare for young children, finding that free provision or subsidies do indeed increase female labour force participation (Gelbach 2002; Baker et al. 2008; Lefebvre and Merrigan 2008; Nollenberger et al. 2015). However, evidence regarding the impacts of childcare for older children is scantier, with no generalising results (Felfe et al. 2013; Lundin et al. 2008; Bettendorf et al. 2015).

In Chile there is no evidence that the provision of free childcare for young children affects female labour outcomes (Medrano 2009; Encina and Martínez 2009). Chile represents an interesting case study for two reasons. First, the female labour force participation rate in the country has increased for almost 20 years, rising from 34.3 per cent in 1992 to 43.5 per cent in 2011. However, it remains low when compared to international standards and exhibits a nine-point gap relative to the Latin American average. Second, since 2006 the availability of publicly provided childcare for children under 5 has increased significantly: by 450 per cent for children up to 2 years old and by 50 per cent for children aged 3–5.

We can find in the literature several possible explanations for the null effects of day care on female labour force participation in Chile. One is the potentially high rate of substitution between free and paid care, both formal and informal. In this case, we would not observe changes in employment outcomes for women because there is no change in the use of care: they simply opt

out of paid childcare and begin using the free child-care services.<sup>3</sup> The provision of public care for young children might also have little effect on female labour force participation if facilitating childcare for pre-school-age children is not enough to fully address the mothers' child-care needs. This might arise due to, for example, the presence of older children in the household who also require childcare but are not eligible for the care options provided. This might be the case in Chile, where not all schools are full day; some end at 1pm, while others end at 4pm. A half-day school period is incompatible with full-time work, while the supply of part-time jobs is very limited in Chile (Rau 2010).

In this article, we use a random assignment to an after-school programme for older children to analyse whether offering free care for school-age children has any impact on female labour outcomes. We not only focus on average effects but also on whether offering child-care services for older children triggers a heterogeneous reaction among women who also have younger children. This will allow us to (indirectly) explore whether the lack of effect of the expansion of day care on women's labour market outcomes found by prior studies could be due to a lack of available care for older children.

## Evaluation

In Martínez and Peticar<sup>2</sup> (2017), we studied the impact of an after-school programme implemented by the Chilean government in 2012, aimed at increasing female engagement in the labour force. The programme offered three hours of childcare on school days after regular hours. It offered mostly recreational activities for children, with a 30-minute slot for doing homework and studying. Eligibility depended on several conditions: being economically active and over 18 years of age; having responsibility for at least one child between 6 and 13; working or living in the municipality of the educational institution where the programme would be implemented or having at least one

child studying at that institution; and scoring below 14.236 on the *Ficha de Protección Social* (Social Protection Score).

Since the demand for the programme exceeded the number of available spots dictated by the government budget, it was possible to randomise applicants in a subgroup of schools into treatment and control groups. Individuals assigned to the treatment group were offered a place on the programme, whereas those in the control group did not receive an offer during the evaluation year (2012). The evaluation had a total of 2,110 participants, with 1,137 women in the treatment group and 973 in the control group.

We found that there was a significant take-up rate for the programme. Moreover, a large number of the participants substituted previous (mostly informal) childcare with the service provided by the programme. The presence of this strong substitution effect probably mitigated the impact on female labour outcomes but could have had a positive impact on children's welfare and/or available income. Women who were offered a place increased their labour force participation by 4.3 percentage points (7 per cent of the control group average), and their employment by 3.4 points (almost 5 per cent of the control group average). These figures are relevant considering that in the past 15 years female labour force participation and employment rates have increased by 18 percentage points and 16 percentage points, respectively.

Previous literature found that strong predictors of female labour force engagement were their labour history and the presence of small children. Correlational analysis shows that women are more likely to participate in the labour market if they have participated before, and if they do not have young children. At the time of the experiment, we had in mind this previous finding and stratified the randomisation using these two variables. That is, we have four different strata: women not working at baseline with



Photo: Nora Elizabeth G. Silva. Woman sells crafts, Temuco, Chile, 2007 <<https://goo.gl/uY6eCX>>.

“ In Latin America, more than half of inactive women report domestic and care-related activities as the main reason for not participating in the labour force.

and without eligible children (under 5 years old) and women working at baseline with and without eligible children.

Surprisingly, we found that the effects were driven by a substantial impact on women who were not working at baseline and had small children. The programme increased the probability of employment of this group by 12.3 percentage points (84 per cent with respect to the control group mean). Although this was not the group with the highest take-up, the relatively short school hours of their older children might have prevented them from working, even when they did have child-care options for their younger children.

Given this result, we studied whether there were some complementarities between this after-school programme and childcare for younger children, as obviously mothers can participate in the labour market only if all their children are taken care of. We found that infants of mothers in the treatment group were 6.5 percentage points more likely to be enrolled in day care—a substantial increase considering that the mean use in the control group was 7.8 per cent. That is, offering the programme for school-age children induced mothers to enrol their young children at public child-care centres as well. This result is consistent with women being more constrained by the lack of after-school care for older children than by the lack of childcare for younger children, in a country where the number of public day-care centres for children under

5 has increased by 600 per cent over the past 10 years and where school hours are incompatible with full-time work.

Working women at baseline with small children also increased their probability of participating in the labour market by almost 15 per cent; the substitution effect between the programme and previous forms of childcare was fairly strong for this group, which could be dampening the effect of the programme on labour market outcomes. No statistically significant effects were found on employment in this group.

Mothers who were not working at baseline without small children (the group of women with the highest take-up) experienced a decrease in their stress levels (defined according to the Cohen-Kamarck-Mermelstein scale, adapted for Chile by Tapia et al. 2007) after the programme was offered. The reduction in stress levels for this group was meaningful (8 per cent of the mean of the control group, and 0.23 standard deviations). For this group of women, the programme did not have any impact on employment or on labour market participation. That is, other restrictions might have prevented these women from working, but the programme had a positive effect on their well-being.

Overall, we did not find any impact of the programme on the intensive margin (worked hours) or on income. But we did find some effect on expenditure related to schooling (13 per cent) and women’s clothing (19 per cent). This last result

“ Having both school-age children and small children imposes a strong restriction on women, as it is not easy to reconcile school, childcare and working hours.



Photo: Ryan Greenberg. Children in Osorno, Chile, 2006 <<https://goo.gl/iqU28m>>.

is consistent with women investing to meet the fixed cost of entering the labour market and reallocating expenditures towards children.

### Conclusion

Using a randomised experiment, we have provided strong evidence that offering after-school care for children aged between 6 and 13 had an impact on labour market outcomes and other welfare measures for their mothers. There was heterogeneity in the size and statistical significance of the effects, depending on the presence of both pre-school and school-age children and whether the women were already working at baseline.

Having both school-age children and small children imposes a strong restriction on women, as it is not easy to reconcile school, childcare and working hours. In a country such as Chile, where school hours are relatively short but public pre-school childcare options have expanded at a rapid pace and with relatively flexible schedules, offering after-school care seems to be an effective policy. Our results also suggest that the provision of after-school care for older children could trigger the use of free day care for young (ineligible) children, as women must find care for all their children in order to enter the labour market. This fact should be taken into account when designing child-care policies.

For women who were working at baseline, we did find strong substitution effects on informal childcare that might have

dampened the impact of the programme but was a result in itself. That is, providing free formal childcare for older children might increase disposable income and could have beneficial effects on children's welfare, depending on the quality of alternative childcare. ●

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1. Instituto de Economía, Pontificia Universidad Católica de Chile and Abdul Latif Jameel Poverty Action Lab (J-PAL).

2. Universidad Alberto Hurtado.

3. For example, Lundin et al. (2008) find that expanding access to public childcare in Norway crowds out the use of paid childcare.

# The impact of subsidised early childcare on women's labour force participation in an African slum

by Shelley Clark,<sup>1</sup> Caroline W Kabiru,<sup>2</sup>  
Sonia Laszlo<sup>1</sup> and Stella Muthuri<sup>2</sup>

## Early childcare and maternal employment

Several governments in Europe and North America subsidise early childcare (ECC) as an effective means of increasing women's labour force participation and promoting gender equity (Baker, Gruber, and Milligan 2008; Brilli, Del Boca, and Pronzato 2016). Studies from Latin America and Asia similarly show that access to affordable childcare is associated with greater maternal employment (Angeles et al. 2012; Calderon 2012; Du and Dong 2013; Jain 2016). In comparison, research on ECC and women's paid work in Africa is sparse (Brown et al. 2014). One study in Kenya shows that mothers most often cite high user costs as the primary reason for not using centre-based childcare<sup>3</sup> (Murungi 2013). Another study in Kenya finds a negative relationship between the costs of local ECC facilities and maternal employment (Lokshin, Glinkaya, and Garcia 2000). Further research in Kenya suggests that concerns about the poor quality of care may prevent mothers from using centre-based childcare, but direct links between low quality and maternal employment have not been previously examined (Githinji and Kanga 2011).

Despite these findings, potential conflicts between paid work and childcare in sub-Saharan Africa are often minimised based on two widespread beliefs. First, some argue that African women can rely on large kin networks to provide childcare while they work. Second, many policymakers and researchers implicitly assume that mothers participate in economic activities that are compatible with childcare. However, the validity of each of these assumptions has weakened over time. Support from kin is waning as fertility rates fall and a growing proportion of the population lives in urban areas often far removed from their extended kin networks (Clark et al. 2017a). In addition, with rising levels of education,

more women are seeking employment opportunities in factories and other businesses where simultaneous childcare is not feasible. In response to these trends, ECC facilities, including day care or pre-schools, have multiplied, particularly in slum areas in Africa. Although some of these ECC facilities are operated by non-governmental organisations, over 90 per cent are private, and some are reputed to be of low quality (Bidwell and Watine 2014).

To assess whether high user costs or low quality, centre-based child-care services prevent mothers from using them and, hence, restrict their participation in paid work activities, researchers from McGill University and the African Population and Health Research Center conducted a randomised intervention in one of Nairobi's poorest slum areas, Korogocho, in 2016 (for full details, see Clark et al. 2017b). We began by first assessing whether there was a demand for subsidised or higher-quality ECC among mothers with children aged 1 to 3 years. We then assessed whether mothers who used ECC services were more likely to be engaged in economic activity. Finally, we examined whether, conditional on being employed, using centre-based childcare influenced the number of hours mothers spent working or their total earnings.

## Research design

Our study included 849 mothers living in Korogocho who were not sending any of their children aged 1 to 3 years to centre-based ECC at baseline. These mothers were randomly assigned to one of three study arms. Mothers in the first arm received vouchers for services at regular ECC centres. Mothers in the second arm received vouchers for quality-improved ECC centres, which were given additional child-care provider training and materials such as mattresses, toys and potties. The third arm of our study consisted of mothers who did not receive any ECC vouchers and served as our comparison group. A year later, we re-interviewed 87 per cent of our

original respondents, and assessed their use of ECC and employment outcomes.

## Use of centre-based childcare

Over the intervening year, use of ECC increased substantially. Even among mothers who were not given vouchers, more than half (57.7 per cent) had begun sending their children to an ECC centre. Uptake among mothers who received vouchers was even higher, with more than 80 per cent regularly using centre-based ECC. There was no difference in use among mothers who were given vouchers for regular or quality-improved centres. These findings reveal a strong underlying demand for centre-based child-care services. Further, they show that the user cost of these services (rather than their quality) is a significant obstacle for many mothers with young children.

## Maternal employment

More mothers receiving subsidised ECC were employed. Most mothers were employed in the informal sector. Access to subsidised childcare significantly increased the likelihood of women finding and keeping a job. Employment was 8.5 percentage points (or 17 per cent) higher among mothers who were given a voucher than mothers without vouchers. Among mothers who used their vouchers for child-care services, the difference was over 30 percentage points. The quality of child-care services, however, did not affect employment. These findings suggest that the lack of affordable ECC discourages women's labour force participation.

## Maternal hours worked and earnings

Among working mothers, those who received vouchers earned about the same amount as those without vouchers, but they worked on average five hours less per week. Most of this reduction in hours came among women working 60 hours or more per week. These extra hours spent not working have an intrinsic value to mothers, who can devote more time

on leisure, childcare or other domestic and social activities. It also suggests that when mothers need to combine work and childcare, they spend more time working but work less efficiently.

### Policy implications

#### High demand for subsidised ECC among poor households in African cities

Our findings belie the common perception that African women do not need centre-based childcare. We show that in poor urban settings the demand for centre-based ECC is quite high. More than half the mothers are willing to pay for these services, and an additional 25 per cent would like to send their children to ECC but cannot afford it. Increasing urbanisation and a growing proportion of women working in the service and manufacturing industries will further exacerbate the conflict between childcare and paid employment.

#### Subsidised ECC promotes maternal employment and reduces inequalities

Findings from our study are consistent with those from Europe, North America, Latin America and Asia, which show that policies that subsidise ECC can significantly increase women's labour force participation and promote gender equality (Angeles et al. 2012; Baker, Gruber, and Milligan 2008, Brilli, Del Boca, and Pronzato 2016 Calderon 2012; Du and Dong 2013; Jain 2016). Since child-care responsibilities are borne most heavily by women (World Bank 2011), women base their decision on whether to engage in paid work by subtracting child-care costs from their

potential earnings. This amounts to what is referred to as a 'wage tax' of childcare, which in our study represented about 17 per cent of women's earnings. We found that removing this wage tax could nearly eliminate the gender gap in labour force participation in Kenya (World Bank 2017).

#### Making ECC subsidies a priority

To date, most governments in sub-Saharan Africa focus their limited funding on improving the quality of ECC services rather than subsidising their costs (Githinji and Kanga 2011). While quality of care is essential, our study shows that user cost is a larger deterrent to ECC use. Failure to address this barrier can further disadvantage the poorest households. The benefits of subsidised childcare are generally strongest among low-income households, where wages are often too low to afford quality private childcare (Del Boca 2015).

#### Subsidised ECC is cost-effective

Lastly, subsidising ECC is comparatively inexpensive and yields multiple benefits. In Korogocho, on average, centre-based childcare costs about USD60 per child per year. In comparison, a year of primary schooling in Kenya costs over USD300 per child per year. Furthermore, the benefits of subsidised ECC are potentially shared across multiple individuals and accrue over their entire lives. In addition to increasing women's labour force participation, studies show that ECC services are beneficial to child health and cognitive development (Leroy, Gadsden, and Guijarro 2012; Chaudry et al. 2017), while also preventing

“ Potential conflicts between paid work and childcare in sub-Saharan Africa are often minimised based on widespread beliefs.



Photo: Peter Kapuscinski/World Bank. Woman sells her bead crafts in Kisumu, Kenya, 2016 <<https://goo.gl/bKYBRm>>.



Photo: GPE/Deepa Srikantaiah. Kids receive food at school in Kibera slums, Nairobi, Kenya <<https://goo.gl/Bs9cii>>.

“ There is a strong demand for early childcare and the user costs of these services prevent many mothers from using them.

school dropout of older siblings—and particularly of sisters (Lokshin, Glinkaya, and Garcia 2000). Taking these additional benefits into account, the potential benefits of subsidised childcare are likely to far outweigh the costs. For example, a recent evaluation of two ECC programmes in the USA found that over the life course of mothers and children, benefits exceed the costs by a ratio of 7.3 to 1 (Garcia et al. 2016).

### Conclusions

Our study is among the first to rigorously evaluate the impact of subsidised childcare on maternal employment in sub-Saharan Africa. We show that, contrary to common perceptions, there is a strong demand for centre-based ECC, and that the user costs of these services prevent many mothers from using them. Removing this barrier, by publicly subsidising childcare, can significantly increase overall maternal employment, while simultaneously distributing opportunities for growth more equitably. As such, our findings bolster growing efforts to include subsidised ECC in the budgets of national ministries and in international development agendas. ●

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3. ‘Centre-based childcare’ and ‘ECC’ are used interchangeably throughout this article.

# Effects of domestic worker legislation reform in Brazil<sup>1</sup>

by Joana Costa,<sup>2</sup> Guilherme Hirata<sup>3</sup> and Ana Luiza Neves de Holanda Barbosa<sup>4</sup>

In Brazil, approximately 16 per cent of women with professional occupations (more than 6 million people) held jobs as domestic workers in 2014. This occupation is historically associated with poor working conditions, such as lack of legal registration (informality), low wages and high weekly working hours. It is also a unique occupation because, until 2015, it was not governed by the same labour rules as all other private occupations. Other private occupations are subject to the Consolidated Labour Laws of 1943. Instead, labour rules for paid domestic work were set by a specific law (Law No. 5,859) in 1972 and by the 1988 Federal Constitution, comprising fewer rights for workers in these occupations.

The reason for this distinct treatment is the nature of the job performed by domestic workers, which is an unskilled job performed at the employer's home and very close to their family. Moreover, in Brazil, this type of work was previously done by slaves. In fact, some of these workers actually live in the employer's household, as evidenced by several household surveys conducted in the country.

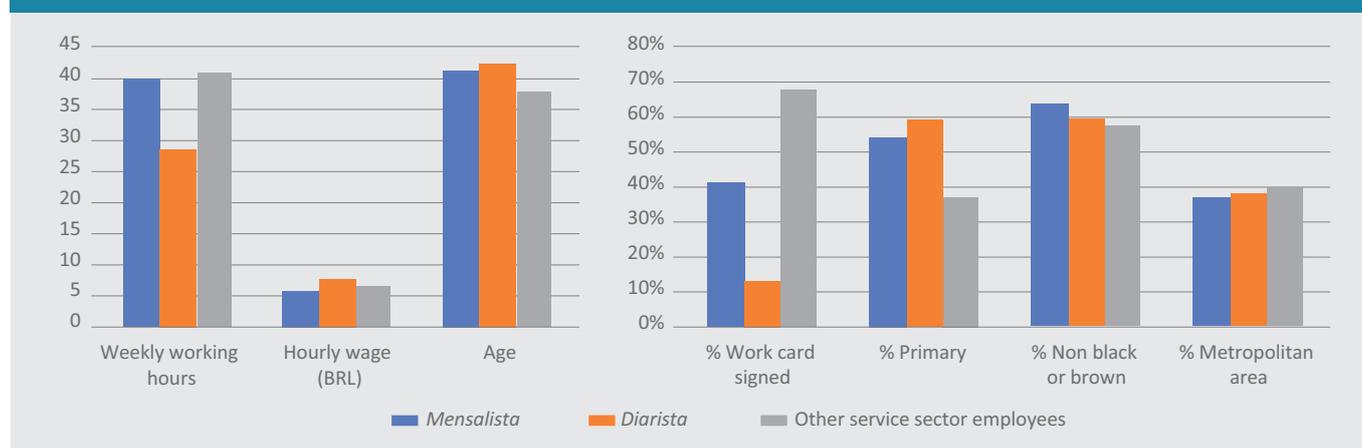
In April 2013 the House of Representatives approved an Amendment to the Constitution (*Emenda Constitucional—EC—72*) that guarantees labour rights that other employees already enjoyed. Immediately after April 2013 the only practical effects of the legislative change were the limitation of working hours (up to eight hours a day and 44 hours a week) and the obligation to pay overtime. Other rights included in the Amendment depended on specific regulation: a worker's severance payment account (*Fundo de Garantia por Tempo de Serviço—FGTS*), compensation in the event of dismissal without fair cause, unemployment insurance, a bonus for nightly work shifts, and insurance against work-related accidents, among others. Although not all changes included in the Amendment came into effect immediately after its approval, we believe it is possible to assess whether the proposed changes produced any impact on the working conditions of domestic workers, as reflected in the intense debate that took place in the Brazilian press highlighting the positive and negative effects of the reform.

Despite the notable increase in female labour force participation over recent decades, gender inequality still persists in the Brazilian labour market. In addition

to higher levels of informal employment among women, they receive lower salaries, on average, than men. Data from the 2014 National Household Sample Survey (*Pesquisa Nacional por Amostra de Domicílios—PNAD*) show that 29 per cent of men and 37 per cent of women who are employees hold an informal job, while the salary for men was approximately 35 per cent higher than for women. Given that paid domestic work is mostly a female occupation (more than 92 per cent of domestic workers are women) and that more than 6 million people work in this sector, the Constitutional Amendment may have an impact on gender inequality as a whole at the national level, not only in terms of wage inequality but also in terms of working conditions.

There are two 'types' of domestic workers in Brazil, the *mensalista* (monthly worker) and the *diarista* (daily worker). The former usually works for the same household the entire month and receives a monthly wage. This is the most common arrangement for all jobs in Brazil and comprises 40 per cent of paid domestic workers. On the other hand, the *diarista* usually works for two or more households during the week—one or two days in each household—and receives daily payments. It is important to note that the law defines as domestic workers only *mensalistas*.

FIGURE 1: Characteristics according to occupation —*mensalistas*, *diaristas* and other employees, 2012



Source: Authors' elaboration based on the 2012 PNAD.



Photo: Neusa Cadore. Constitutional Amendment proceedings in Congress regarding domestic worker legislation, Brasília, Brazil, 2013 <<https://goo.gl/oZeeGy>>.

“ In April 2013 the House of Representatives approved an Amendment to the Constitution that guarantees labour rights that other employees already enjoyed.

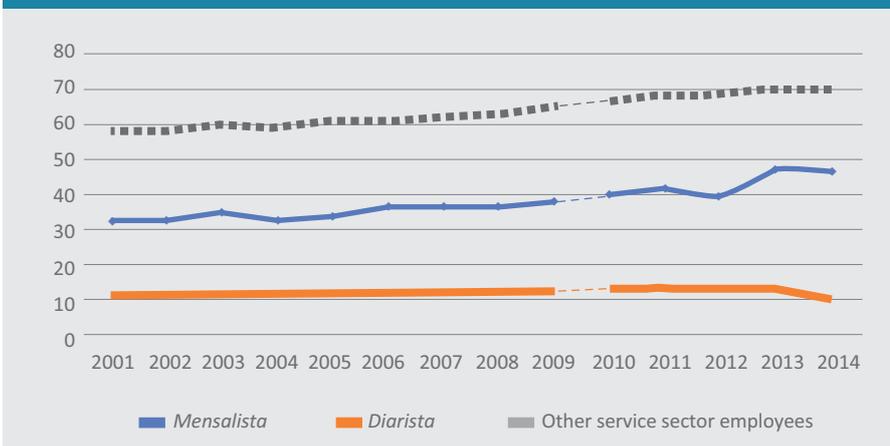
Therefore, labour rights are not guaranteed for *diaristas*—and, indeed, never were.

Figure 1 presents the main differences among *mensalistas*, *diaristas* and other service employees in 2012—that is, before the change in legislation—using data from the PNAD.<sup>5</sup> It shows that the typical domestic worker (either *mensalista* or *diarista*) is 41 years old, has a low educational attainment level (more than half of the sample have not completed primary education), is non-white (more than 60 per cent are black or brown—*pardos*) and lives outside metropolitan areas. The differences between *mensalistas* and *diaristas* appear in the characteristics related to employment. A typical daily worker earns

a higher hourly wage and works fewer hours per week. This wage premium works as compensation for *diaristas* not having access to the same labour rights guaranteed by law. In addition, there is a large difference in the proportion of workers with signed work cards (formal workers): 13 per cent for *diaristas*, 41 per cent for *mensalistas* and 68 per cent for other employees in the service sector.

Figure 2 shows the evolution of the share of *mensalistas* and *diaristas* with formal labour contracts according to the 2001 to 2014 waves of the PNAD. Therefore, after approval of the Constitutional Amendment, we have data for 6 and 18 months after the reform (2013 and 2014, respectively).

**FIGURE 2:** Percentage of workers with signed work card, 2001–2014 (*mensalistas*, *diaristas* and other employees)



Source: Authors' elaboration based on the PNAD. There was no PNAD in 2010 (a census year).

“ Despite the notable increase in female labour force participation over recent decades, gender inequality still persists in the Brazilian labour market.



Photo: Gabriel Jabur/Agência Brasília. Woman fills out form for her first work card, Brasília, Brazil, 2015 <<https://goo.gl/Pqej8u>>.

We can see an upward trend for monthly workers (dotted line) throughout the period, with a sharp increase between 2012 and 2013 (7 percentage points). For the daily workers (continuous line), the proportion is stable. For the sake of comparison, we also depict the same proportion for other female employees. The proportion of workers with formal contracts for this group is almost twice that of the *mensalistas*. The proportion for other employees also increased during the period, but there is no path-breaking at the end.

To evaluate whether this increase in formality among *mensalistas* is related to the legislative reform, we perform a difference-in-differences (DID) analysis considering as a control group other female employees in the service sector. We weight the estimating equation by the probability of being a domestic worker (the propensity score), a strategy known as inverse probability weighting (IPW).<sup>6</sup>

The results show a statistically significant increase of 4 percentage points in the probability of *mensalistas* having a signed working card as a consequence of the Amendment. This represents an increase of 10 per cent in the formalisation rate of monthly workers. Since the Amendment did not necessarily aim to encourage formalisation, this increase is an important and persistent effect (it was also found 18 months after the implementation of the Amendment).

The reduction in working hours is one of the expected effects, since the Amendment

defined an upper limit. The estimated impact on *mensalistas*—a reduction of one hour in a working week—represents a reduction of 2.5 per cent in average weekly working hours. This impact may seem low quantitatively, but it is worth noting that, according to our descriptive analysis, the working-hour limit is not binding, since the average is lower than the 44-hour limit.

It is natural to expect an increase in the hourly wage, due to at least one of three mechanisms. The first one is a direct mechanism via overtime pay, since this is one of the subjects the Amendment specifically refers to. The other two mechanisms are indirect. First, the hourly wage could have increased due to a reduction in non-overtime working hours, which has indeed occurred. Second, it could also be a result of formalisation. On average, the wage of an informal worker is less than the minimum wage. Therefore, if a given worker has a signed work card, it is likely that they have received a wage increase. Nonetheless, we identify no impact on wages for *mensalistas*.

We also investigate whether the Amendment had general effects on the labour market. There is no clear evidence that it decreased the probability of being a *mensalista*. On the other hand, the probability of being a daily worker among domestic workers increased. In addition, there is an increase in the probability of being unemployed. Therefore, it is possible that at least part of the reduction in informality among *mensalistas* is a

consequence of migration to informal jobs or to unemployment, rather than an increase in the absolute number of legally registered workers.

In sum, we found evidence that *mensalistas* would be transitioning to another labour status such as *diarista* or unemployed. Nonetheless, the changes do not seem large enough to imply that this is the main reason to explain higher formalisation rates among monthly domestic workers after the Constitutional Amendment. One important caveat of our analysis is that our data are not longitudinal. If we could observe the same individuals throughout time, we could conduct more robust evaluations to examine the mechanisms underlying the process of increasing formalisation and decreasing working hours. ●

Costa, Joana, Ana L. Barbosa, and Guilherme Hirata. 2016. “Effects of domestic worker legislation reform in Brazil.” *IPC-IG Working Paper*, No.149. Brasília: International Policy Centre for Inclusive Growth.

1. This article is based on Costa, Barbosa, and Hirata (2016).
2. Institute for Applied Economic Research (*Instituto de Pesquisa Econômica Aplicada—Ipea*).
3. IDados.
4. Ipea.
5. This is an annual survey with a September reference period.
6. The idea is to give more weight to the control group observations that are most similar to the treatment group in terms of observable characteristics.

# Social protection, economic opportunity strategies and women's empowerment in Peru

by Lorena Alcázar and J.J. Díaz<sup>1</sup>

Social protection policies and programmes, such as conditional cash transfers (CCTs) and productive development policies, face the challenges of promoting income-generating and self-sustaining capacities that enable households to escape poverty.

However, without a specific gender strategy, these policies and programmes may have negative and/or unexpected effects on women's well-being.

This article presents results from two evaluation studies aimed at providing evidence of the impact of social protection programmes on women's well-being. Specifically, the studies evaluate the impacts of the Peruvian programmes *Haku Wiñay* and *Juntos* on women's empowerment dimensions, such as decision-making on household resources, gender roles and ideology, self-esteem and domestic violence. Findings from these studies provide policy-relevant evidence for improving mechanisms to empower women and improve the welfare of their families and communities.

*Juntos* and *Haku Wiñay* are two important interventions within the social protection strategy of the Peruvian Ministry of Development and Social Inclusion. *Juntos* is a CCT that targets rural households living in poverty, with children under 19—or who may not have completed secondary education—and pregnant women. By 2017 the programme—one of the most important social programmes in Peru—transferred a cash incentive equivalent to about USD1 per day to more than 685,000 households.

The cash is given to the mothers, who may use it freely; however, the transfer is conditioned to the fulfilment of health and education conditionalities—mainly the attendance of their children to school and periodical checks in health care centres.

*Haku Wiñay* promotes economic inclusion and targets the poor households in rural areas. The programme focuses on developing productive and entrepreneurial skills to promote sustainable income generation, income diversification strategies, and food security for poor households in rural areas with little or no access to economic opportunities.

A key characteristic is that training for beneficiaries is provided by *Yachachiq*—people from local communities with traditional knowledge who received training from the *Fondo de Cooperación para el Desarrollo Social* (Cooperation Fund for Social Development—FONCODES) to facilitate knowledge exchange. *Haku Wiñay* is deployed in coordination with *Juntos*. The programme does not have a gender focus; participation is voluntary for both men and women, but their households must be enrolled in *Juntos* to participate.

## Assessing the impacts of *Juntos* on women's empowerment

CCT programmes create a new environment for women, providing them with a non-salary income which may change intra-household dynamics and women's own perception of themselves. As the main focus of these programmes is poverty alleviation at the household level, only few studies have researched the effect on women's empowerment; furthermore, the limited existing evidence is inconclusive.

The study discussed here aims to identify the impact of *Juntos* on women's empowerment (Alcázar et al. 2016). Bearing in mind that this is a complex process involving multiple dimensions, the study analyses the impacts of the programme on decision-making regarding household resources, freedom of movement, gender roles and ideology (including domestic violence), and self-esteem and the perception of life.

The study uses both quantitative and qualitative methods. The quantitative approach relies on two databases: the Peruvian Demographic and Health Survey (*Encuesta Demográfica y de Salud Familiar*—ENDES) and the Young Lives Study Survey (YLS). Given that *Juntos* has not followed an experimental design, it was necessary to use quasi-experimental techniques, following previous studies (Perova and Vakis 2012; Jaramillo and Sánchez 2012).

Pooled data from ENDES from 2004 to 2012 were used to estimate generalised difference-in-differences regressions, comparing empowerment outcomes for women in households affiliated with *Juntos* to women from potential beneficiary households that do not receive the programme because of implementation delays in certain districts and budget limitations.

The YLS panel database was used to implement double-difference regressions combined with propensity score matching applied to women from affiliated and non-affiliated households. For the qualitative approach, in-depth interviews and focus groups techniques were applied to *Juntos* beneficiaries, their partners and other local actors, such as programme managers and community leaders in rural areas in five selected regions (Piura, La Libertad, Apurímac, Huánuco y Junín) of Peru.

The strongest result of the quantitative estimates was the effect of *Juntos* in allowing women to become more involved in decisions on how to allocate household resources, including regarding major household purchases and even resources earned by their partner. This result was reinforced by the findings of the qualitative approach, which evidenced greater participation of women in the households on resource management and other decisions.

In addition, the results of the quantitative approach suggest significant improvements in women's self-esteem as an effect of *Juntos*. This result was strongly reinforced by the qualitative approach, which found that women felt better about themselves and their future, and more integrated into their communities.

This result was explained by the fact that activities related to programme participation allowed women to leave the family sphere and exchange ideas, information and knowledge—mainly with other programme participants. However, it was found that these improvements may be hampered in some cases where the study observed vertical interaction between representatives of local programme management and beneficiaries.

In these cases, women appeared as passive subjects who receive benefits and instructions from the programme. This type of relationship, with little participation and limited information, may have negative effects on women's empowerment, counteracting the positive effects previously mentioned.

Finally, quantitative estimations did not find significant impacts of *Juntos* on other dimensions of women's empowerment, such as perception of rights, rejection of male domination and domestic violence. The findings revealed that the programme had some positive impact on autonomy and self-esteem, but the results were uncertain regarding gender ideology, given

that traditional roles within the household seem to prevail even several years after the introduction of the programme.

We also found that *Juntos* did not have significant effects on any of the empowerment indicators when using treatment assignment at district level instead of household level. This result indicates that the effects only involve women who receive the cash transfer and that there are no spillover effects, even though other women might be exposed to a common environment in which *Juntos* is displayed.

### Assessing the impacts of *Haku Wiñay* on gender outcomes

The study of *Haku Wiñay* assesses impacts on gender-related outcomes (Díaz 2017) and broadens the scope of a previous economic impact assessment (Escobal and Ponce 2015).<sup>2</sup> The evaluation design is a clustered randomised control trial.

A sample of rural communities covered by *Juntos* was randomly assigned to treatment and control arms. Communities in the treatment arm entered *Haku Wiñay* in 2013, while those in the control arm were delayed to enter in 2017.

The survey for the study examines gender issues such as domestic violence, women's perceptions about their rights and liberties, decision-making power, satisfaction and socio-emotional indicators, and male attitudes towards their wives. It also examines family

“ Conditional cash transfer programmes create a new environment for women, providing them with a non-salary income which may change intra-household dynamics and women's own perception of themselves.



Photo: Marlon del Aguila Guerrero/CIFOR. Female group in San Martin, Peru, 2017 <<https://goo.gl/P16Gfg>>.



Photo: Juan Carlos Huayllapuma/CIFOR. Women and a child from La Roya indigenous community, Colombia, 2015 <<https://goo.gl/P16Gfg>>.

businesses conducted by women and women's labour force participation. The study finds some evidence of an increase in women's economic empowerment. Women in treated and control communities have a similar likelihood of conducting a business; however, women in treated communities have a greater number of businesses (almost double), and they employ more paid and non-paid aides.

Nevertheless, a major finding of the study is that physical violence against women increased in treatment communities. Furthermore, the severity of physical violence, measured with information about whether the abuse caused injuries or required medical attention, also increased. In turn, husbands' behaviours of marital control increased, both for behaviours that represent suspicion of their wives and behaviours that aim to isolate them; by contrast, there was no effect on husbands' behaviours related to emotional support towards their wives.

Even more, women's justification of domestic violence increased—for instance, when they neglect their household chores or when they leave the home. In addition, women's satisfaction with their lives and achievements increased, but self-esteem, persistence or ambition did not change appreciably.

Finally, women's agency in terms of decision-making on household matters remained unchanged.

These results can have multiple interpretations. One possibility is that the increase in the number of women-led businesses and the greater contact they may have with other people (employees and clients) may result in increased female economic empowerment or independence. This may challenge the husband's hierarchy or status within the household, and he may exert physical violence as a coercion mechanism to restore his previous status.

This is also consistent with the increase in husbands' controlling behaviours related to distrust/jealousy and attempts to isolate their wives. These reactions to female empowerment conform to the theory of 'male backlash' from the sociological literature (Faludi 1992).

### Conclusions

Evidence from the studies on *Juntos* and *Haku Wiñay* suggests that such interventions have the potential to significantly affect women's well-being.

Therefore, policymakers should consider implementing complementary initiatives to increase the positive effects or mitigate the negative effects of this kind of programme. In Peru these interventions could be complemented by strategies of community mobilisation aiming at transforming gender norms, improving the status of women, family courts and emergency care centres for women who experience violence in rural areas, training staff in local police

“ Without a specific gender strategy, these policies and programmes may have negative and/or unexpected effects on women's well-being.

departments to effectively address complaints of family violence and training programme representatives to avoid patronising women. ●

Alcázar, Lorena, María Balarin, and Karen Espinoza. 2016. "Impacts of the Peruvian conditional cash transfer program on women empowerment: a quantitative and qualitative approach." *Working Paper*. Nairobi: Partnership for Economic Policy.

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1. Grupo de Análisis para el Desarrollo (GRADE).

2. Data for the study came from a survey carried out in May–June 2016.





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Labour participation and economic empowerment are not synonymous. To transform labour market participation into an empowerment process gender stereotypes have to be debunked.

**Alma Espino and Soledad Salvador**

”

Of particular relevance to these inequalities within the labour market is a key inequality outside it: women’s increasing entry into paid work has not been accompanied by a commensurate change in the gender division of unpaid labour within the home.

**Naila Kabeer**

”

The deceleration in female labour force participation has been generalised, but it is particularly noticeable among married and vulnerable women—i.e. those with low educational attainment, living in rural areas, with children, or married to low-earning spouses.

**Leonardo Gasparini and Mariana Marchionni**



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