





Women and Work: Stepping on the accelerator of change



Copyright © United Nations Development Programme and International Labour Organization, 2019 First edition 2019

The publications of the International Labour Office and the United Nations Development Program Copyright © 2019 Inter-American Development Bank. enjoy the protection of intellectual property rights under Protocol 2 annexed to the Universal IGO 3.0 Attribution-NonCommercial-NoDerivatives Copyright Convention. However, short excerpts (CC-IGO BY-NC-ND 3.0 IGO) license (https:// from these publications may be reproduced without creativecommons.org/licenses/by-nc-nd/3.0/igo/ authorization, on condition that the source is legalcode) and may be reproduced with attribution

Libraries, institutions and other users registered with a reproduction rights organization may make Any dispute related to the use of the works of the IDB copies in accordance with the licenses issued to them for that purpose. In www. ifrro.org can find the to arbitration pursuant to the UNCITRAL rules. The reproduction rights organization of your country.

UNDP-ILO-IDB Women and Work: Stepping on the accelerator of change. United Nations Development Program and International Labour Organization, CC-IGO license. Panama, Panama 2019.

### UNDP-ILO cataloguing data.

The names used, in accordance with the practice The opinions expressed in this publication are those followed at the United Nations, and the way in which the data are presented in the ILO and UNDP publications do not imply any judgment on the part Board of Directors, or the countries they represent. of the International Labour Office and the United Nations Development Programme on the legal Supervisors: Eugenia Piza López, Gender Team status of any of the aforementioned countries, areas Leader for Latin America and the Caribbean (UNDP) or territories or their authorities, nor regarding the María Arteta, Gender and Non-discrimination delimitation of their borders.

The responsibility for opinions expressed in articles, studies and other signed contributions rests solely with their authors, and their publication does not mean that the ILO and UNDP sanction them. References to firms or commercial processes or products do not imply any approval by the International Labour Office and the United Nations Development Programme, and the fact that no signatures or commercial processes or products are mentioned does not imply any disapproval.

This publication was made within the framework of the regional project on the Sustainable Development Goals of the Regional Bureau for Latin America and the Caribbean of the United Nations Development Translation: Phoenix Design Aid Programme (UNDP)". We thank the representatives of the government institutions, and the regional Graphic Design: Phoenix Design Aid specialists who provided information to carry out this Guide.



This work is licensed under a Creative Commons to the IDB and for any non-commercial purpose. No derivative work is allowed.

that cannot be settled amicably shall be submitted use of the IDB's name for any purpose other than for attribution, and the use of IDB's logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this

Note that link provided above includes additional terms and conditions of the license.

of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its

Specialist (ILO), Andrew Morrison, Chief of the Gender and Diversity Division (IDB)

Coordination: Guillermina Martin

Authors: Claudia Piras, Guillermina Martin y Maria Arteta, based on the documents of Alma Espino, Norma Sanchis, Daniela dos Santos, Monserrat Bustelo, Luca Flabbi, Claudia Piras y Mauricio

Revision: Guillermina Martín (UNDP), Carolina Cornejo (UNDP), Hugo Ñopo (ILO), María Arteta (ILO), Claudia Piras (IDB).

Style Edition: Elena Lafuente

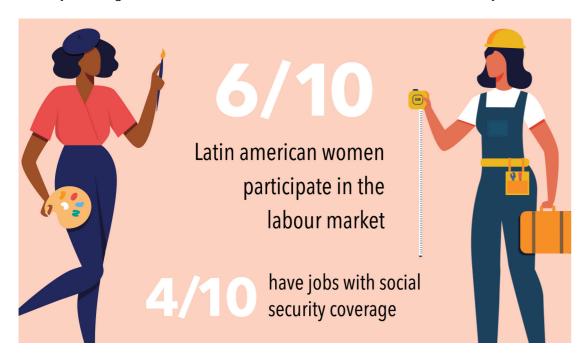






# Female labour force participation: Let's step on the accelator

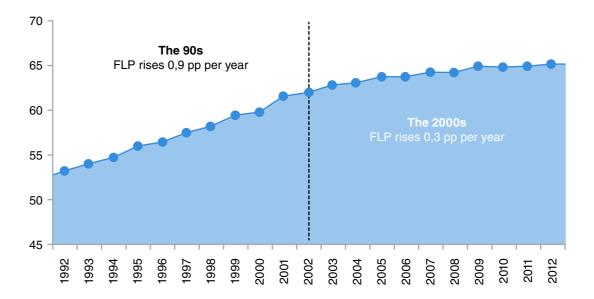
The massive influx of women into the labour market in the Latin American and Caribbean region has filled pages and pages of books, reports, articles and media. The phenomenon has been characterized as "the most important socio-economic change of the last half century." Looking back, it is true that we can demonstrate substantial advances in the employment situation of Latin American women both in terms of quantity and quality of their participation. If in the 1960s only two out of 10 adult women worked or actively looked for work, today that figure has tripled. Currently, six out of 10 Latin American women participate in the labour market, and 41% of women workers maintain jobs with social security coverage. One the other hand, nine out of 10 men are economically active.



Some of the factors that have contributed to the reduction of the gap in labour participation between men and women include the increasing level of education of women (an area in which women have surpassed men for the past two decades) as well as some demographic changes in the region (decreasing birth rate, increasing age at first marriage and first birth, increasing divorce rate and an increasing number of female-headed households).

However, although a narrowing of the gap is certainly good news, the pace at which it occurs is not. Despite its continued growth during the 2000-2015 period, female labour force participation slowed significantly. Specifically, while the participation rate of women grew 0.9 points per year in the 1990s, by the beginning of the 21st century, the rate decreased to 0.3 points per year (Figure). At this rate, it will take 42 years to close the female labour force participation gap.

Figure 1: Female Labour Force Participation in Latin America, 1992-2012 1



What are the factors behind the labour force participation gap? Has the incorporation of women into the labour market been the same for women from different economic strata? What would be the economic benefits of stimulating the incorporation of women into the labour market? How can we reaccelerate closing the gender gap of labour force participation between men and women with quality jobs? These are some of the questions that this document will attempt to answer, integrating the key conclusions of the studies carried out by three reference institutions: the Inter-American Development Bank (IDB), which has economically quantified the effects of a hypothetical reduction of the labour gap for Latin America based on two specific public policies; the International Labour Organization (ILO), which examines occupational segregation data and analyses its causes and consequences, and the United Nations Development Programme (UNDP), which looks beyond averages to analyse the existing differences in women's labour participation based on the economic stratum to which they belong.





<sup>1</sup> Source: Gasparini and Marchionni, 2015

### A VERY POWERFUL LABOUR FORCE

The gender gap in labour participation has a significant cost in terms of economic growth, to such extent that it constitutes a large reserve of untapped human resources, which if brought to the market, would have substantial positive impacts on the GDP per capita of countries. This potential impact has increased over time (and continues to do so) as women continue to acquire more human capital with every passing generation.

To quantify this economic cost, the <u>IDB conducted a study</u> on female labour force participation and GDP that simulated the impact of certain public policies that reduced two of the main barriers that women face: a) childcare and child-rearing and b) access to higher productivity jobs.

The results were overwhelming. The implementation of childcare policies produces an increase in female labour force participation between 7% and 9%, depending on the country and the educational level of women. This increases GDP per capita in the range of 4% to 6%. In addition, applying policies that increase average female productivity by 10% would have a considerable impact on GDP per capita in the range of 15% to 25%



Photo: UNDP Peru



Figure 2. Impact of childcare policies on GDP per capita (by level of education) <sup>2</sup>

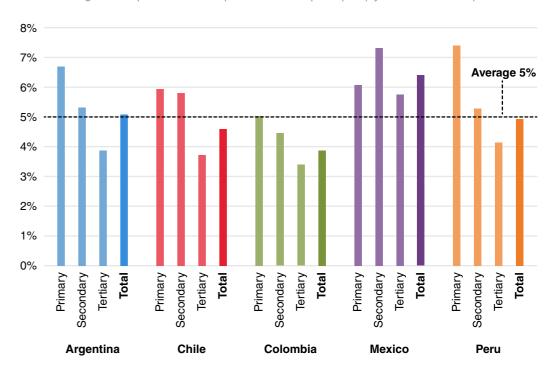
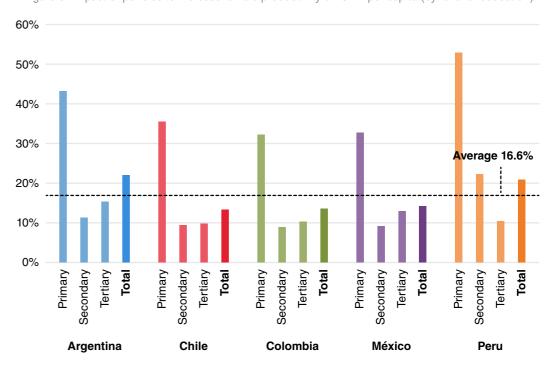


Figure 3. Impact of policies to increase female productivity on GDP per capita (by level of education)<sup>3</sup>



#### 2 Source: IBD

Note: The graph shows changes in GDP per capita as a result of a policy experiment that reduces by half the average value of non-participation for mothers with children aged 5 or younger.

3 Source: IDB

Note: The graph shows changes in GDP per capita as a result of a policy experiment that increases the average value of women's productivity by 10%.



# LARGE DIFFERENCES BETWEEN WOMEN: LESS AND WORSE WORK FOR THE POOREST

The results of this study lead us to believe that the incorporation of women into the labour market and the closing of this ominous gap between men and women could become one of the most important and necessary factors of change for the economies of Latin American and the Caribbean. But, for now, we still face very important challenges, which require an understanding and analysis of the different labour realities that Latin American women confront on a daily basis. What is their profile? Where do they work? What are their working conditions? What factors determine and limit their participation within the labour markets?

In this sense, it is very useful to break down the averages and analyse the situation of women of different income levels. The results of <u>this analysis</u>, developed by UNDP, show that the progress achieved over the last 15 years has not been distributed equally and that the gaps between women from different strata are far from closing.

For example, while between 2000 and 2015, although the activity rate grew among women of all income levels, there are still **considerable differences between women from different strata**: the participation rate of the women from the highest-income tertile (Tertile 3) exceeded that of women from the lowest-income tertile by 27%, a significant gap that has remained, and in some cases increased, throughout the 15 years analysed. Thus, the participation gap between women with children under the age of six years in the first and third tertiles increased from 33% in 2000 to 40% in 2015; and that of women in union expanded from 32% to 40%.

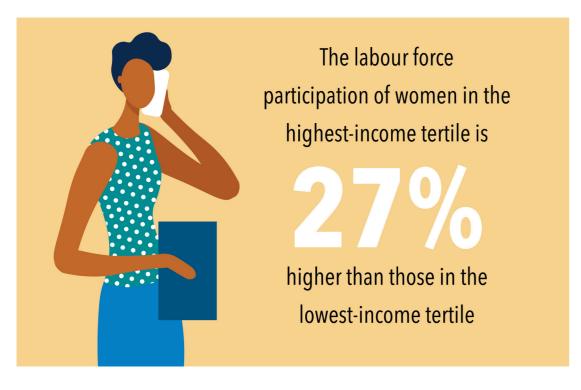
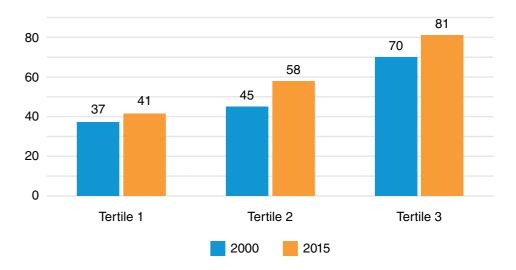




Figure 4. Economically active population of women who have at least one child under the age of six years by household income tertile (in percentages) in Latin America (selected countries), 2000 and 2015 <sup>4</sup>



In general, the data shows the close correlation between economic structures and the functioning of labour markets and social and gender inequalities. The most economically disadvantaged women (belonging to the first income tertile) have lower labour participation rates and, in general, work in less productive and lower quality jobs (part-time and with higher rates of informality). Among the factors that support these gaps are the educational disadvantages and the burden of care that households must assume, with varying magnitudes depending on the economic and family resources available to households to cope with that burden. And all this, combined with gender segregation by occupation and sector, which will be discussed later, intensifies and perpetuates the existence of these gaps.

<sup>4</sup> Source: Prepared by the authors based on data processed by the Inter-American Development Bank (IDB) for this work.

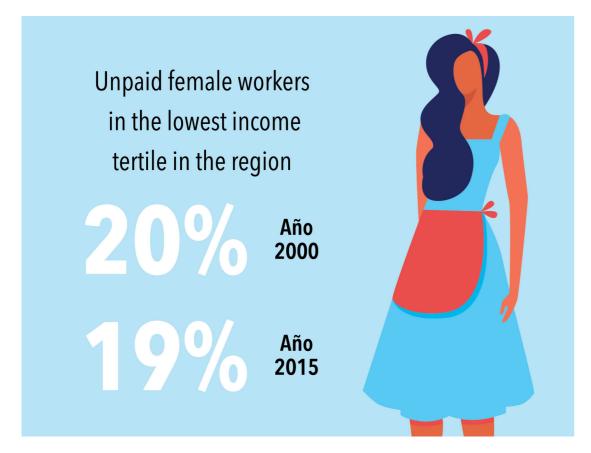


Photo: UNDP Dominican Republic



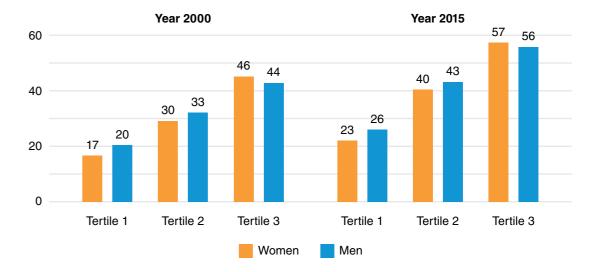
#### **QUALITY MATTERS: MORE IS NOT ENOUGH**

An analysis of the quality of women's employment concludes that there has been little improvement in the last 20 years. The most extreme situation is that of unpaid workers. Almost a fifth of the female workers in the lowest income tertile in the region are still unpaid, this proportion has decreased only by one percentage point in the past 15 years.



Inequalities among women are associated with the type as well as the quality of said employment. In this sense, one of the highlights in the past 15 years is the improvement in the access to social security for both men and women, particularly in the two higher-income tertiles. Greater access to formal jobs with social security coverage represents an important difference in the quality of employment, since it implies the right to a formal employment contract, paid vacations, defined working hours, health permits and maternity and paternity protection measures, among others. The other side of this good news is that, despite the improvements observed, the informality of employment is still greater in the first tertile. Although the number of formal jobs grew during the period analysed (2000-2015), informality is still prevalent among the poorest women, who are primarily self-employed or domestic workers.

Figure 5. Proportion of employed persons with social security coverage by household income tertile (in percentages), 2000 and 2015 <sup>5</sup>



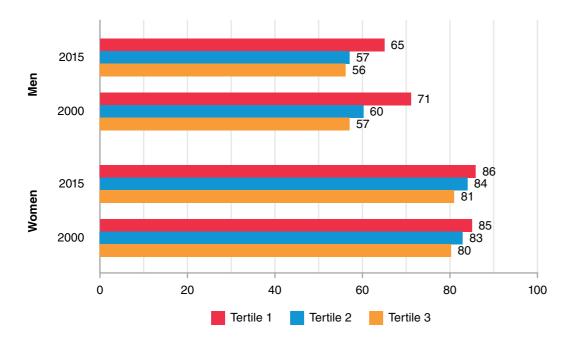
# WHEN WOMEN ARE CAREGIVERS AND MEN DRIVERS: OCCUPATIONAL SEGREGATION CONTINUES

With regard to occupational segregation, it appears that the existence of male and female positions persist as an indisputable reality in Latin America. A study prepared by ILO provides a detailed analysis of this reality. Despite the increasing educational levels of women, more than 80% of female workers are employed in low-productivity sectors (agriculture, commerce and services), and this proportion has not changed in the last 15 years. In medium-productivity sectors (construction, manufacturing and transport) and in high-productivity sectors (financial services, electricity and mining), close to the technological forefront and characterized by a higher educational level of employees, better working conditions and greater labour protection, female employment is much lower than male employment, with differences of over 20 percentage points.



<sup>5</sup> Source: Prepared by the authors based on data processed by the Inter-American Development Bank (IDB) for this work.

Figure 6. Population employed in low-productivity sectors by household income tertile and gender (in percentages) in Latin America (selected countries), 2000 and 2015 <sup>6</sup>



## THE VICIOUS CYCLE OF OCCUPATIONAL SEGREGATION

This gender-based occupational segregation has multiple causes. For example, on the demand side causes are related to stereotypes, discrimination and unconscious biases; while on the supply side, gender differences in the type of human capital of the workers are key and these, in turn, are conditioned by gender stereotypes that cause families to invest differently in education and training of girls and boys. Segregation also has consequences related to the persistence of inequalities in labour markets (participation, salaries and promotions, among others).

Gender-based occupational segregation perpetuates stereotypes, conditions the education and training of future generations and determines, to a large extent, gender pay gaps and the professional trajectory of women. It also limits the functioning of the labour market (causing misalignments between skills and jobs) and is one of the factors associated with the low productivity of female employment (recalling that, according to the IDB study, a 10% increase in the average productivity of women would increase GDP between 15% and 25%).

Have there been substantial changes in gender segregation in the Latin American labour market in recent years? Have women's job opportunities improved in terms of formalization and participation in more dynamic and productive activities or sectors? What barriers hinder women's access to training that contributes to the reduction of segregation?

When examining the evolution of gender-based occupational segregation between 2002 and 20157, few changes in labour market insertion patterns are observed. In fact, there was an upward trend in five of the eight countries selected (segregation decreased in two and remained almost constant in one). In other words, labour segmentation by gender tends to increase slightly or, at best, remain the same, especially in those occupations that demand lower educational profiles.

A common feature among occupations with an increase in female participation (comparing women and men by occupation) is the requirement of higher educational levels, and in some cases, of tertiary studies. However, the occupations in which employment grew the most, in general terms, correspond to low-productivity activities.

Figure 7: Percentage of women employed in the 10 occupations with the highest growth in female participation with respect to total female employment (in percentages) in Latin America, 2000 and 2015 <sup>8</sup>

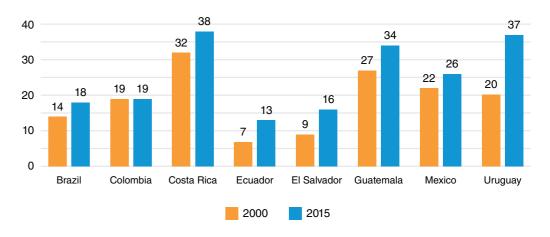
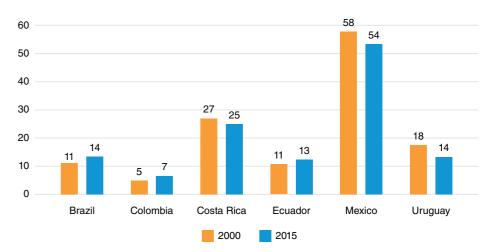
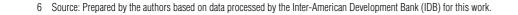


Figure 8: Female participation in the 10 types of employment with the highest hourly wage growth (in percentages) in Latin America (6 countries), 2000 and 2015 9



<sup>7</sup> Measured through the Duncan (DI) and Karmel and MacLachlan (KM) indices





<sup>8</sup> Source: Prepared by the authors based on data processing of household surveys.

<sup>9</sup> Source: Prepared by the authors based on data processing of household surveys.

### PUBLIC POLICIES FOR CHANGE

# **Box 1**A NEW GENERATION OF EQUALITY POLICIES

The analysis of the different factors that contribute to the disadvantage of women reveals the need to "open" and analyse national averages, as well as to detect local and territorial dynamics of the female labour market (municipality by municipality), which in terms of public policies, requires <u>a new generation of inter-institutional and territorial policies</u> that consider the following factors:

Ethnoracial characteristics and migratory conditions.- These factors are important when establishing the most appropriate empowerment strategies for the needs of each group to combat poverty and the exclusion of the most disadvantaged.

Geographical location (distance from productive and commercial centres).-Contemplate the specificities of urban or rural areas and situations of insecurity.

Formal and informal sectors.- It is necessary to consider the existence of both realities to promote non-discriminatory measures, establish minimum wage systems and combine actions regarding social protection and measures aimed at promoting the participation of women in paid work.

Multisectoral synergies and inter-institutional approaches.- It is essential to promote inter-institutional and multilevel dialogues on women's labour force participation, the future of work and the new generation of public policies. In these dialogues, which should include representatives from all the ministries involved and from private companies, the participation of women targeted by the actions is a key component.



Photo: UNDP Jamaica

Despite the advances in female labour force participation in the last 50 years, we need to step on the accelerator in order to eliminate the many labour market barriers that women continue to face and close the gaps that still exist between men and women in practically all labour indicators.

In general, and despite increasing levels of education, women continue to face a set of restrictions that limit their access to quality employment opportunities: stereotypes and sexist cultural norms, a greater burden of care and domestic work, training in occupations with fewer work opportunities, smaller job networks and less mobility due to insecurity in public transport, among many others. These barriers are present with greater intensity among women of the lower socioeconomic strata, which reinforces the need to focus public policy efforts in these segments to improve labour outcomes.

Gender-based occupational segregation (the existence of male and female jobs) has been and continues to be a constant in the Latin American labour market. This segmentation, which once again is largely caused by gender stereotypes that condition both the supply and demand for employment, has negative consequences on female labour force participation, since it limits women's employment opportunities in more productive occupations and impacts the education and training of future generations, thus perpetuating inequalities and stereotypes in a vicious cycle that needs to be broken.





As we have seen, the implementation of public policies that aim to increase the participation of women in the labour market can represent a significant increase in GDP per capita. Ultimately, we are talking about the economic potential of 50% of the population and its implications in terms of economic growth, productivity and well-being of society as a whole.

To promote this process, it is essential to issue a call to action for public policies and actions in the corporate and labour world as well as in the public space and in the household. Based on the diagnosis presented by the three institutions (UNDP, IDB and ILO), an approach has been proposed below for the construction of the policies that attempt to break the sectoral silos. Therefore, actions are presented for each income tertile in four public policies sectors: active employment policies, social protection policies, care policies and policies that transform social norms in the educational and sociocultural world.



## 1 - Active employment policies

#### Policies aimed at women in the first income tertile

Redefine policies that target the most vulnerable groups of women (those in the first income tertile). Efforts will be made to strengthen their participation within the labour market, promote entry into economic activity, and compensate for low levels of education and qualification through the development of training programmes, professional training with a focus on access to technology, access to associativity and cooperativism, and access to credit.

Minimum wage policies. In many Latin American countries the gender wage gap is driven primarily by wage gaps at the lower end of the wage distribution. This has important implications for wage policy since a well-designed minimum wage policy with broad legal coverage serves as an effective salary floor and could reduce the wage gap between men and women.

Digital participation policies. The future of work will require digital skills. Therefore, if deliberate actions are not taken to close the digital gaps, gender inequities will multiply and will be magnified in the digital economy. Women from the poorest communities as well as rural women tend to have the lowest levels of digital inclusion.

Generation of public employment. The generation of public employment in which jobs include training is another mechanism aimed at promoting income generation among the poorest women. This includes the participation of women in programmes with a traditional approach to temporary employment in infrastructure, as well as programmes that expand the concept to include child care components and other social services that not only generate employment for women in the community but also alleviate the burden of unpaid care work and allow for participation in the paid labour market.

Policies that address horizontal market segmentation. This includes prioritizing the training as well as the placement of lower-income women in jobs within highly masculinized sectors (such as construction and transportation), in which they have almost no presence.

Policies aimed at professionalization of the care sector. Studies on the future of work have concluded that the care sector is one of the sectors with the greatest growth prospects. The promotion of professionalization of care work is a win-win situation. On one hand, it promotes early childhood development as a mechanism for women's labour force participation, and on the other, it promotes the certification of skills within the care sector – which employs women with little formal education-, and is a mechanism for the professionalization and formalization of the sector.

Vocational training policies that promote women's labour force participation in non-traditional areas and training programmes with certification mechanisms for previous skills (regardless of where those skills were acquired) can contribute to the formal recognition of the knowledge and labour skills of people traditionally relegated by the labour market.

## **General policies**

Training policies for young women that focus on the acquisition of new knowledge and skills that, as a result of the changes in the world of work, are essential in sectors that demand other kinds of knowledge and skills, specific to specialized means of production and characterized by higher levels of technology.

Labour force participation policies that strengthen labour guidance and intermediation services with gender equality (single window) and the link between vocational training institutions and market demand.

Encourage female labour demand. This line of action developed by some countries is based on offering benefits to companies and the state to promote the hiring of women and the generation of temporary public employment with trades training.

Promote certification programmes for the business sector (gender equality seal programmes in companies) in order to review internal procedures and action frameworks for gender equality of companies in the various sectors, with a special focus on highly strategic sectors (technology, communication and services) and highly masculinized sectors (industrial, energy and environmental).







## 2 - Social protection policies

#### Policies for women in the first income tertile

Policies aimed at establishing social protection floors. To promote the well-being of vulnerable and excluded population strata, the implementation of universal social protection floors that consider the inequality of people in socioeconomic and gender terms throughout their entire life cycle is recommended.

Conditional Cash Transfers (CCT) policies and programmes with training and labour force participation. Promote transfer policies and programmes that contemplate the strengthening of the labour capacities of vulnerable women.

Policies to prevent premature or frequent fertility of girls and adolescents living in contexts of poverty, through the implementation of programmes that ensure that pregnant women and teenage mothers remain in the education system; they provide job training and education, and promote the strengthening of autonomy and the prevention of rapid repeat pregnancies.



Photo: UNDP Peru



The ultimate goal of care policies is the recognition, redistribution and reduction of domestic and care work. Although these policies are for all citizens regardless of income level, the evidence indicates that some have a direct impact on the employment of women in the first income tertiles.

The investment in quality care services can be a strategic political intervention to improve the economic empowerment of women, not only because it is indispensable for the participation of women in the labour market but also because it creates decent employment opportunities in a sector in which most jobs tend to be occupied by women.

## Policies aimed at women in the first income tertile

Public services policies for early childhood care. Another set of measures that alleviate the burden on women is state action with regard to public services for the creation of day cares or kindergartens. When the public offer is insufficient, the burden of care falls on households, and this imposes strong restrictions on the performance of mothers in the labour market.

## **General policies**

Leave policies for maternity, paternity, lactation or care of children or other sick relatives. These policies tend to mitigate the effects of the double burden of paid and unpaid work. However, it should be noted that this instrument only applies to the formal work sector, therefore in a region with a very large informal sector, an "implementation gap" is generated that significantly limits coverage and marginalizes significant segments of the population in the exercise of these rights.

Comprehensive policies to meet the demands for care. These policies would meet the threefold objective of attending to the care needs of dependent people, while valuing the work of caregivers and promoting shared responsibility for the care of dependents.







# 4 - Active policies that transform social norms in the educational and sociocultural world

Policies aimed at combating gender stereotypes in education and employment. Establish dissemination policies to counteract traditional social representations that support the sexual division of labour and that promote the access of women and men to non-traditional areas of formal education and vocational training, as well as access to leadership positions.

Policies to promote the participation of girls and adolescents in non-traditional areas that are increasingly dynamic and relevant (STEM areas), through the generation of training spaces free of gender stereotypes.

Policies to promote changes in the media including advertising agencies, TV channels, graphic media and social networks, such as content regulation, promotion of non-traditional roles for girls and boys, inclusion of inclusive communication strategies and non-sexist language in advertising.



Photo: UNDP Costa Rica











Empowered lives. Resilient nations.

