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Bridging Gender Gaps? The Rise and Deceleration of Female Labor Force Participation in Latin America: An overview

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Centro de Estudios
Distributivos, Laborales y Sociales

Maestría en Economía
Facultad de Ciencias Económicas



UNIVERSIDAD NACIONAL DE LA PLATA

**Bridging Gender Gaps? The Rise and Deceleration
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America: An overview**

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Bridging gender gaps?

The rise and deceleration of female labor force participation in Latin America.

An overview*

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* A version of this paper will be published as Chapter 1 of Gasparini and Marchionni (eds.) (2015). *Bridging gender gaps? The rise and deceleration of female labor force participation in Latin America*. This is a forthcoming book written in the framework of a joint project between CEDLAS-Universidad Nacional de La Plata, CIEDUR and the International Development Research Centre (IDRC) of the Canadian government on *Enhancing women labor market participation and economic empowerment through better policies in Latin America*. Contributors to this volume include: Leonardo Gasparini, Mariana Marchionni, Nicolás Badaracco, Matías Busso, Pablo Gluzmann, Darío Romero Fonseca, Joaquín Serrano and Evelyn Vezza. We are grateful to Carolina García Domench, Víctor Funes, Germán Reyes, Jessica Bracco, Luciana Galeano, Santiago Garganta, Martín Caruso, Julián Amendolaggine, Cecilia Parada, Gaspar Maciel and Rosa Vidarte for excellent research assistance. We would like to thank Lisa Ubelaker Andrade for revising and editing the book. We are also grateful to Carolina Robino, Guillermo Cruces, Alma Espino, Jorge Paz, Martín Tetaz, Facundo Albornoz, Roxana Maurizio, and seminar participants at AAEP (Posadas, 2014), Network of Inequality and Poverty (UNGS, 2014) and Conference on Social Protection (IDRC and IPC, Brasilia, 2014) for valuable comments and suggestions. The usual disclaimers apply.

1. Introduction

In the 1960s two out of ten adult women in Brazil were in the labor force, either employed or actively seeking for a job; half a century later this figure has changed dramatically, climbing to seven out of ten. This pattern has been typical of all Latin American countries, although with different intensities. Compared to the situation some decades ago, women in the region now allocate a larger share of their time to market activities rather than working at home. The gap with men in labor market participation remains far from being closed, and it is still larger than in several regions of the world, but its width has been substantially reduced.

Arguably, the strong increase in female labor force participation (LFP) is among the most salient socioeconomic changes in Latin America in the last half-century. This fact not only implies a profound transformation in the daily life of millions of Latin American women and families, but also has substantial economy-wide labor and social consequences. Poverty, inequality, unemployment and education – just to mention a few social issues - are all affected by a more intense entry of women into the workforce.

Although remarkable, the long-run pattern of female gains has been insufficient to close the gap with males in most labor variables, such as wages, employment and labor force participation. Gender equality in the labor market remains a difficult challenge in the region. While gender gaps in education attainment have been substantially reduced or even eliminated, the region stills performs poorly in guaranteeing equality in the economic and labor dimensions. For instance, while Latin America ranks among the regions with relatively small gender gaps based on the Global Index of the World Economic Forum,¹ the performance becomes more mediocre in the Economic Participation and Opportunity Sub index, which captures the gender gap in labor force participation rates, earned incomes, and employment in top positions.

This book highlights a change in the trend of female labor force participation that makes the situation potentially more worrisome: after around half a

¹ Introduced by the World Economic Forum in 2006, the Global Gender Gap Index measures gaps in gender equality based on a set of outcome variables for four categories or subindexes - health and survival, educational attainment, economic participation and opportunity, and political empowerment (World Economic Forum, 2014).

century of sustained growth, there are signs of a widespread and significant deceleration in the entry of women into the Latin American labor markets. That deceleration seems to have been taking place since the early/mid-2000s, and it applies to all groups of women, but particularly to those married², and in more vulnerable households. The slower entry of women into the workforce has delayed the closing of the gender gap in labor participation, and makes improbable the fulfillment of the gender-equity Millennium Development Goals (MDGs) related to female employment. Although this book provides a general view of the issue of female LFP, the recent deceleration is highlighted in several of its chapters.

The contributions of this book

This book contributes to the understanding of female labor force participation in Latin America by documenting the changes that took place over the last two decades, exploring their determinants, analyzing the consequences on labor and social outcomes, and discussing the public policy implications. Ultimately, the book is aimed at contributing to the debate on public policies on employment in Latin America, from a gender perspective. A better understanding of the patterns, determinants and implications of female labor force participation is essential for a richer and more informed policy debate on gender, labor and poverty issues.

We believe the book makes six broad contributions to the rich literature that documents and analyzes labor participation in Latin America with a gender perspective.³ First, it provides careful evidence on female labor force participation based on microdata from a large set of national household surveys, which were previously standardized to increase the comparability of the results across countries. This database, which includes information on all Latin American countries over the period 1992-2012, allows an assessment of female LFP in Latin America with a wider coverage, higher frequency and greater detail than those of previous studies.⁴

² Throughout the book we do not make distinctions between women formally married and women cohabiting with a partner (consensual unions); for simplicity we include both under the group of *married*.

³ See Amador *et al.* (2013); Chioda (2011); Elías and Ñopo (2010); Piras (2004); and World Bank (2012 a, b), among others.

⁴ The dataset includes demographic, socioeconomic and labor information on more than 20 million people in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela.

Second, the study unveils a potentially interesting fact, which to our knowledge has not been highlighted yet: after several decades of steep and uninterrupted increase, the pace of growth in female labor force participation substantially slowed down in the 2000s. We believe this changing scenario should be of public concern, and in particular it should be placed high in the research agenda, arguably above the traditional inquiry on the causes of the long-run increase in female LFP.

Third, this study provides a detailed characterization of the pattern of change in female LFP, concluding that the recent deceleration was particularly intense among more vulnerable groups. This unbalanced change has some relevant implications. In contrast to what happened in previous decades, inequality among groups of women is growing in some countries, nourishing the possibility of a dual scenario in which labor participation of skilled richer women living in large cities converges to the levels of developed economies, while labor supply of women in more vulnerable groups reaches a plateau at substantially lower levels. In addition, the stronger deceleration in female LFP in disadvantaged groups substantially debilitates the poverty-reducing effect that characterized the growth in female labor supply in previous decades, and may turn the effect on the income distribution inequality-increasing.

Fourth, this study inquires into various alternative hypotheses on the contrast between the rapid growth in female labor force participation in the 1990s and the deceleration in the 2000s. Identifying causal relationships for complex socioeconomic variables in a large geographic region is extremely hard: the evidence shown in this book is never conclusive, and admits alternative explanations. Our preferred interpretation of the existing body of evidence is that the fast economic growth experienced by the region in the 2000s was an important (although certainly not the only one) determinant of the deceleration in female LFP. Lower unemployment and higher earnings of other income earners at the household (mostly male partners), plus increased social assistance, may have reduced the urgency of vulnerable women to take low quality jobs. Under this interpretation the deceleration in female LFP may not necessarily be seen as a setback, but rather as the natural adjustment at the family level to an improved economic situation with some positive implications, such as perspectives of better job matching, and more time for mothers for better childcare. However, on the other hand, the deceleration may help to reinforce the traditional gender roles within the household under which men go to work and women stay at home. If the deceleration becomes a plateau, as it has recently been the case in some Latin American countries, it could have long-run negative repercussions on female empowerment and gender equality.

Fifth, this book discusses the effect of the deceleration in female LFP on various socioeconomic outcomes. In particular, it quantifies the impact of the changes in female labor supply and other related phenomena, such as the reduction in fertility levels, on the income distribution. We conclude that the perspectives for the reduction of poverty and inequality in Latin America are less encouraging if the scenario of low growth in female LFP persists.

Finally, this study contributes with discussions and evidence on various policy instruments that could foster women employment. In particular, we survey a wide range of policies currently in effect in Latin America and some strategies applied in other regions. We derive some general policy lessons from the existing body of evidence, which is still fragmentary and incomplete.

Certainly, as a piece written by economists specialized in empirical quantitative evidence, the book has some limitations. For instance, there are few references to the historical context, to the sociological literature, to qualitative results, and to case studies. Some of these dimensions are tackled in the research program to which this book belongs,⁵ but are mostly ignored in our study, partly as a necessary strategy to go deeper into some issues and delve into certain types of analysis. This book should then be viewed as a contribution from the empirical economics to the knowledge and debate of a very complex socio-economic issue - female labor force participation in Latin America- to which many other areas should contribute.

This overview

This initial chapter serves as an introduction and overview of the book. Since the chapters are written by different authors, it also helps to provide a more unified view of the results and arguments. In this overview we summarize the main results of the book and discuss the main policy implications.

The rest of this overview is organized as follows. In the next section we clarify some basic issues regarding the measurement of labor force participation and employment in Latin America. In section 3 we summarize the main results regarding the patterns of change in female LFP, including inquiries into its determinants, while section 4 reviews the main policy implications, and summarizes the debate on policy instruments regarding female employment and empowerment. We close the overview in section 5 with a brief presentation of the chapters of the book.

⁵ “Enhancing women labor market participation and economic empowerment through better policies in Latin America”; CEDLAS, CIEDUR and IDRC.

As usual, there are many ways to read a book. For the non-technical time-constrained reader this overview may be enough: all the main results and policy implications are summarized in this chapter. Naturally, a summary ignores many issues and over-simplifies others. Reading the whole book is the only way to go deeper into the results and arguments sketched in this overview. Moreover, we believe that one of the main contributions of the book is the large amount of empirical evidence derived from our own database of national household surveys. In this initial chapter we just mention a few illustrative statistics from a much larger body of evidence.

2. The measurement of labor force participation

In this section we discuss issues regarding the measurement of labor force participation and employment in Latin America. We start by revising some definitions and then give details on the data sources used in the study.

Definitions

Although the concepts of being in the labor force and being employed are in principle simple to grasp, the precise definitions imply significant conceptual challenges and are often empirically hard to implement without ambiguities. A person is employed if she is regularly engaged in an economic activity. The idea is simple, but raises some issues difficult to solve: what is an “economic activity”?, what implies to be “regularly” engaged? The International Labour Organization (ILO) takes a particular definition: the employed are “those persons who during a specified brief period such as one week or one day, (a) performed some work for wage or salary in cash or in kind, (b) had a formal attachment to their job but were temporarily not at work during the reference period, (c) performed some work for profit or family gain in cash or in kind, or (d) were with an enterprise such as a business, farm or service but who were temporarily not at work during the reference period for any specific reason”.

The national statistical offices of Latin America follow these general recommendations and measure employment using the ILO guidance. However, even when a similar general definition is applied, various specific methodological issues are still decided by the national statistical offices, a fact that generates substantial differences in the measurement of labor variables across countries. Moreover, insofar the sources of information are not identical across countries, the empirical implementation of the concept of employment becomes heterogeneous. For instance, a more detailed questionnaire in the

national survey or census of a given country allows more precise (and hence different) measures than in other countries with shorter questionnaires. Unfortunately, employment is measured with considerable heterogeneity across the economies of Latin America.

The practical definition of employment raises some relevant conceptual debates. We briefly discuss two of the most important ones. First, under the usual definition a person who works one hour in a week is classified as “employed”, although her attachment to the labor market is very loose. Second, some activities, such as housework and children rearing, are not counted as employment when they are not performed for wage or salary, as is the typical situation for housewives. Of course, this is a controversial issue that is particularly relevant for studying female employment. In this book we follow the usual practice of including only the *market* activities as employment, although we believe that there are areas in which a wider, more comprehensive definition of employment should be applied (*e.g.* social protection and labor benefits).

This discussion highlights another way of contemplate the issue of female labor force participation: as a decision (usually taken under various constraints) between market and non-market activities. Through this lens an increasing pattern in female labor force participation is not necessarily a phenomenon of more women deciding to work, but one of more women deciding to get a job in the market, instead of working at home.

Besides these conceptual matters, in some cases the absence of a clear distinction between market production and work for the family blurs the measurement of labor force participation. That situation is more likely for women, in particular in early phases of economic development, or in certain areas (*e.g.* rural areas).

The definition of being *in the labor force* introduces more complications. Typically, a person is in the labor force if she is either employed or actively seeking a job. We have already discussed some issues regarding the definition of *employed*. The concept of being “actively seeking a job” is also full of ambiguities, and it is difficult to capture in a typical household survey or census, as it requires a detailed inquiry into all the activities that a person carried out with the aim of finding a job. The heterogeneity across countries in measuring employment is magnified when measuring labor force participation. Being aware of these comparability problems does not mean dismissing the use of data altogether. With all their limitations surveys and censuses still provide valuable information, being the best available sources to generate useful statistics on labor and socio-economic variables.

Labor force participation and employment are closely related, in particular when unemployment rates do not change much. Given this close association, the analysis of the determinants, consequences and policy implications of both phenomena becomes similar. In this book we focus on female LFP but most of the results and discussions apply equally well to female employment.

Data sources

There are two main types of data sources that are useful to study labor force participation: household surveys and censuses. Relying on household survey data has two main drawbacks. The first one is the typical statistical limitation of working with samples instead of with the whole population, while the second one is the scarcity of national surveys in decades before the 1990s. Mainly due to these reasons, part of the literature has used censuses as the main source of data to study long-run trends in labor force participation in Latin America (*e.g.* Chioda, 2011).

Despite these arguments, in our case four reasons tip the scales towards the use of household survey data: (i) our focus is on the developments of the labor markets over the last two decades, when the system of national household surveys was already fully developed in most Latin American countries; (ii) we are interested in studying the interactions between labor force participation and other variables that are reported in household surveys, but typically not in censuses, such as income or earnings; (iii) labor force participation is better measured in surveys that are designed to capture labor market variables, rather than in censuses that typically include a smaller set of questions;⁶ and (iv) survey data allows a closer monitoring of the developments in the labor market, as information is collected on a yearly basis and not every ten years as in censuses.

Most statistics in this book are obtained by processing microdata from household surveys, which are part of the Socioeconomic Database for Latin America and the Caribbean (SEDLAC), a project jointly developed by CEDLAS at the Universidad Nacional de La Plata and the World Bank's LAC poverty group (LCSPP). SEDLAC contains information on more than 300 household surveys in all Latin American countries. Table 1.1 lists the surveys used in this book for the 18 Latin American countries. When analyzing trends over the last two decades we exclude Colombia, Dominican Republic and Guatemala since

⁶ For instance, in the ILO labor database “a strict preference was given to labour force survey-based data, with population census-derived estimates only included for countries in which no labour force survey-based participation data exist.” (ILO, 2011).

they have a consistent and comparable body of national household surveys only for the 2000s.⁷ Most household surveys included in the sample are nationally representative; the exceptions are Uruguay before 2006 and Argentina, where surveys cover only urban population which nonetheless represents more than 85% of the total population of those countries.

Household surveys are not uniform across Latin American countries and in several cases not even within a country over time. The issue of comparability is of a great concern. Owing to that situation, we have made all possible efforts to make statistics comparable across countries and over time by using similar definitions of variables in each country/year, and by applying consistent methods of processing the data (see SEDLAC (2014) for details on the harmonization process).

Averages across Latin America

Although patterns and trends in labor force participation are not homogeneous across nations, and delving into the country experiences often unveils some interesting stories, in most of the book we present average statistics for Latin America, as a way to summarize an enormous bulk of information. Computing averages is straightforward; however some methodological details should be clarified. First, we present *unweighted* averages across countries, a practice that is consistent with the typical cross-country approach in the economics literature. Weighting by population would imply an assessment of a given phenomenon strongly affected by highly-populated countries, such as Brazil and Mexico, and almost ignoring the situation in other less-populated nations. Second, reporting averages for each year requires having a balanced panel; that is, information on a given variable for the same sample of countries every year. Since several countries in the region do not have national household surveys each year, we constructed a balanced panel filling the gaps where surveys were missing by interpolating information from adjacent surveys.

Sample

Most of the analysis on labor supply is restricted in this study to people aged 25 to 54 years old.⁸ Labor market decisions for the youth are usually more volatile, and driven by some factors whose relevance is weaker in the rest of the active

⁷ Cuba is not included since microdata from national household surveys are not publicly available.

⁸ The international literature also often chooses this age bracket (*e.g.* Blau and Kahn, 2013).

life, such as education enrollment. We prefer to isolate our analysis from factors that are more related to the issue of youth employment than to gender employment. Also, we limit our analysis to individuals younger than 55, since employment in older people has other determinants and dynamics (*e.g.* the relevance of a pension system).⁹

Period under analysis

Most of our analysis is focused on the period 1992-2012. The choice is driven by data availability: data before the early 1990s is scattered and in some countries surveys covered only urban areas; on the other hand, at the time of writing this book only a few countries had released microdata for their 2013 or 2014 surveys. In addition, the chosen period is convenient, since it is naturally divided into two decades: 1992-2002 and 2002-2012. Certainly, the division is arbitrary but captures changes in some fundamental socioeconomic variables: in the early 2000s most Latin American economies entered a phase of strong economic growth with falling poverty and inequality, while their governments intensified their social and labor policies. Moreover, female labor force participation in Latin America seems to have decelerated since around 2002. For simplicity, throughout the book we label the period 1992-2002 as “the 1990s” and the period 2002-2012 as “the 2000s”.

3. The results

In this section we review the main results of the chapters, deferring for the next section the discussion of the policy implications.

The scenario

Changes in female labor supply have taken place in a socioeconomic scenario affected by significant transformations. Throughout the book we highlight four main areas with strong interactions with female labor force participation: education, demography, economic growth, and policies. Changes in these areas have affected the pace of the entry of women into the labor market, and in some cases they have also been affected by that entry in a multi-directional causal process.

⁹ See Chapter 3 for arguments and evidence to justify the threshold at 55 years old.

Education affects wages and positions to which women can aspire, the attitudes of women towards work, career, and family, and social norms that shape the roles of women inside and outside the household. In Latin America, female educational attainment has increased over the years, along with the improvement of other development indicators. Twenty years ago, a typical Latin American woman would have left school right after completing primary education, while today the same woman would continue attending halfway secondary school. This increase in years of schooling is significant in terms of skills and knowledge and therefore on job prospects. Even though men's educational attainment has also improved in Latin America, progress has been faster for women, so that the gap that initially favored males has been closing over the years, and even reversed recently. Increasing schooling not only raises the prospect of employment for students in the future, but also eases the participation of their parents, mainly mothers, in the labor market. In particular, availability of educational facilities for young children promotes labor participation of mothers, beyond the benefits of early education on cognitive development and future educational attainment. Latin America has experienced advances in this area: preschool attendance rose from 33% to 53% over the last two decades.

The drop in fertility is a relevant factor in the explanation of the increase in female labor force participation during the twentieth century. The strong negative correlation between fertility rates and female participation in the labor market is a stylized fact in the world, and Latin America is no exception. Fertility rates began its downward trend only in the mid-1960s, reaching an average of 2.5 children per woman in 2005-2010. This significant reduction implies a clear convergence towards the levels of the most advanced regions of the world. The dramatic decline in fertility occurred without significant changes in the timing or prevalence of marriages, either formal or consensual. The percentage of married women has remained high over the years despite a slight decreasing trend, while the age at first marriage and first birth continues to be relatively low compared to developed regions. Instead, there have been profound transformations in family arrangements and household structure. In particular, female headship has risen markedly in the region, despite the slowdown in the share of females' earnings in total household incomes. The growth in female headship, which goes beyond the increase in the prevalence of single-parent households, reflects a slow process of empowerment of women within households.

The region has experienced substantial economic transformations with potential implications on female LFP. After a decade of stagnation, economic

growth resumed in the 1990s, although in a context of still high volatility and structural reforms that kept unemployment high in several economies. Various disequilibria and international shocks combined to generate a wave of rather short but deep macroeconomic crises that hit the region at the turn of the century. Since the early 2000s Latin America experienced a “golden decade” in terms of economic growth.¹⁰ A large increase in the terms of trade, a more favorable international scenario regarding financial conditions and direct foreign investments, and more prudent macroeconomic policies were key to sustain high growth rates during several years. An improved economic situation may affect female labor participation through various channels. Two of the most important have opposite signs: on the one hand, an increase in the spouse’s income alleviates the pressure on women to look for a job (conditional on traditional gender roles), while on the other hand the better economic perspectives may encourage women to enter a more attractive labor market.

The Latin American economies not only grew in size, but their structures experienced transformations. While the share of employment in primary activities and the manufacturing industry continued a decreasing path initiated decades before, some sectors gained participation. Interestingly, sectors that expanded during the 2000s were not necessarily those with higher than average women-to-men ratio (e.g. construction, utilities and transportation). Instead, there is evidence suggesting changes in the structure of employment within sectors toward tasks with a higher women participation. This unbalanced growth across tasks may have consequences in terms of female labor force participation and ultimately employment.

Changes in the policy environment are also crucial to understand patterns in female LFP. In particular, in the last decades Latin American countries have substantially expanded their social security systems, mainly through the extension of conditional cash transfer programs (CCTs) and non-contributory pensions. CCTs have had an undeniable positive social impact in terms of poverty and inequality reduction, and human capital accumulation, and hence are genuinely seen as a major improvement in social policy in the region. However, these programs could affect female LFP through various channels; in particular the fact that in most cases mothers receive the transfer and are responsible for the compliance of the conditionalities may reinforce traditional gender roles within the household, implying a disincentive for participation in the labor market.

¹⁰ See Fields *et al.* (2015) for evidence on growth in Latin America over the last decades.

In addition to cash transfers, several initiatives were introduced to protect and foster female employment in the region. These initiatives include policies geared to freeing up women's time, supporting the participation and productivity in the workplace through active labor market policies and labor regulations, and eliminating institutional biases against women economic participation and entitlements. These policies have been useful to foster women employment, although in many cases the impact has been limited, partly because the high informality levels that are prevalent in the Latin American economies.

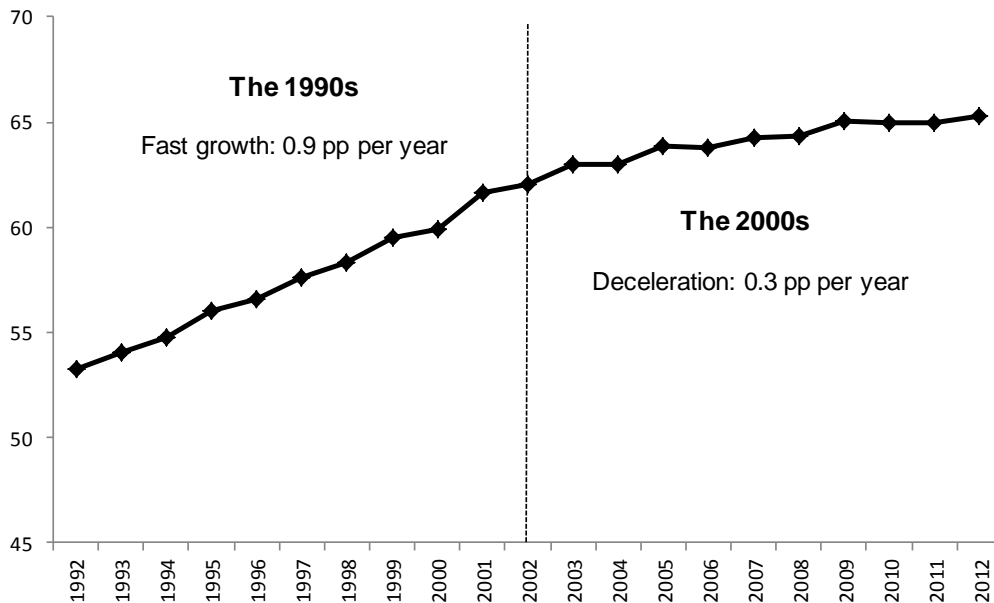
The evidence on female labor force participation

Based on a large database of harmonized variables drawn from Latin American national household surveys (SEDLAC), in this book we document the trends of female labor force participation in the region over the last two decades (1992-2012). Some interesting patterns emerge from the inspection of the empirical evidence.

The long process of increasing female labor force participation initiated in the last century has continued up to the present, contributing to a sizeable reduction of the gap between men and women. While male LFP stayed roughly unchanged around 95%, the rate for prime-age females climbed from 53% in 1992 to 65% two decades later. The female-male gap is far from being closed and it is still larger than in several regions of the world, including some developing ones, but its width has shrunk dramatically. The long-run increase in labor force participation has been strong for all groups of adult women.

This book highlights, however, a fact that has so far been overlooked: there are clear signs of a deceleration in the process of increasing female labor force participation since the early 2000s (Figure 1.1). While the female LFP rose at a rate of 0.9 percentage points per year between 1992 and 2002, that rate went down to 0.3 percentage points in the following decade. The contrast between a strong increase in female labor market participation during the 1990s and a substantial deceleration in the 2000s has been typical of most countries in the region, although not generalized to all economies. The set of countries in which there is evidence of a leveling off in female LFP includes Argentina, Bolivia, Brazil, Chile, Costa Rica, Ecuador, Mexico, Panama, Paraguay and Venezuela.

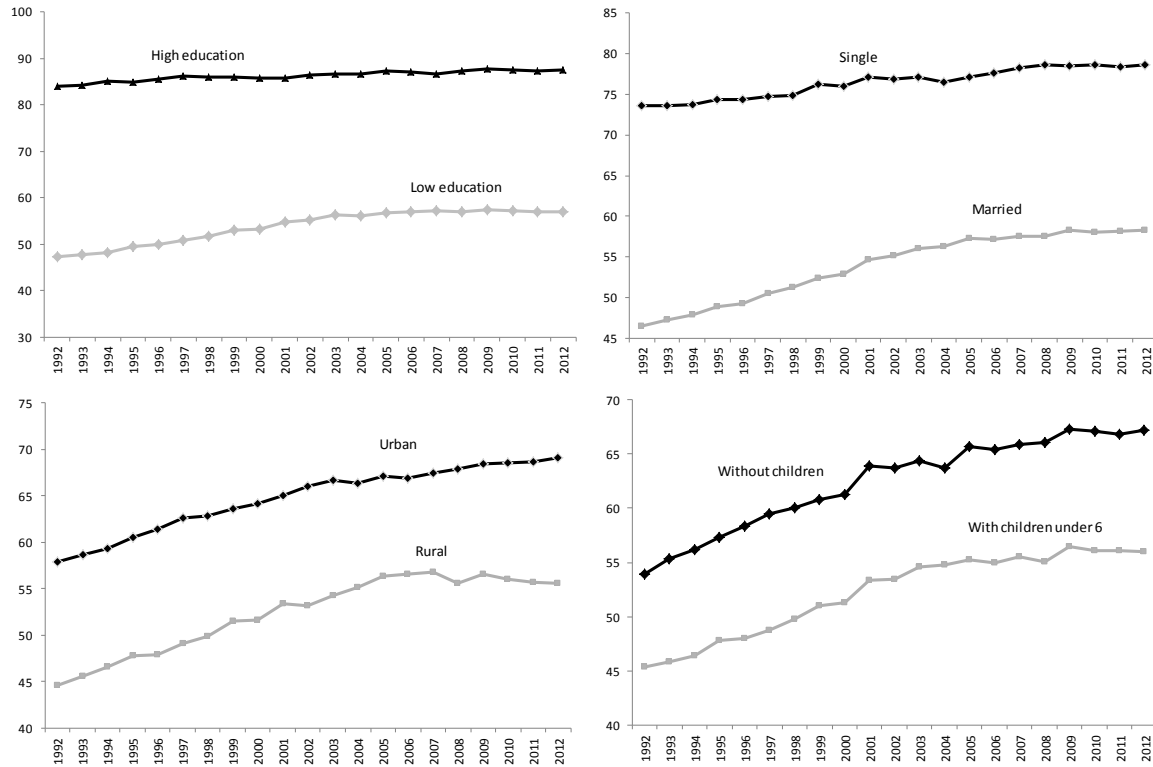
Figure 1.1: Female labor force participation
Latin America, 1992-2012



Source: own calculations based on microdata from national household surveys.
Note: women aged 25-54. Unweighted means for Latin American countries.
pp=percentage points.

The deceleration has taken place in all groups, but it is particularly noticeable among the most vulnerable women; *i.e.* those with low education, living in rural areas, with children and married to low-earnings spouses (Figure 1.2). For instance, while in the 1990s the LFP increased 0.8 points a year for women with low education (without a high school degree) and 0.24 points for those with tertiary education, in the 2000s the rates were 0.17 and 0.13 points a year, respectively. In contrast to previous decades, the gap in LFP between non-poor and poor women is growing in some countries, and ceasing to shrink in others. The slower entry of vulnerable women into the labor markets calls for a serious discussion about its determinants and policy implications.

Figure 1.2: Female labor force participation by group
Latin America, 1992-2012



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

Note: women aged 25-54. Unweighted means for Latin American countries. Education: low=less than secondary complete, high=tertiary complete. Married: includes formal and consensual unions.

Changes in hours of work for female workers were not large, not very different between decades, and not significantly different from those of males. Similarly, changes in unemployment seem to have been smaller and with no significant gender differences. These patterns reinforce the claim that the dynamics of labor force participation are among the most noticeable labor phenomena with a clear gender dimension over the last decades.

Interestingly, while the entry of women into the labor market in the 2000s was less intense than in the previous decade, it took place in better job positions. The share of women in full-time, salaried, formal jobs with social insurance significantly increased in the 2000s, a decade characterized by stronger labor markets and economic growth. Instead, the structure of employment across economic sectors seems to have moved slowly.

The determinants

Disentangling all the factors that may account for the observed pattern in women labor supply is not an easy task, since several potential driving factors were simultaneously at play in the period under study. Endogeneity issues and lack of data are among the serious obstacles for the empirical identification of the causal links between female participation and its covariates.

Since a comprehensive general equilibrium assessment of all the driving factors is not feasible, in this book we take a more modest approach: we deploy several empirical strategies aimed at contributing with pieces of evidence to assess the relevance of different plausible factors behind the observed patterns in female labor supply. Although certainly imperfect and incomplete, we expect that this patchwork of evidence sheds some light to the understanding of the processes that have shaped female LFP in Latin America.

Increasing female labor supply is typically associated to the process of economic development. Some of the phenomena that characterize modern development, such as the expansion in education, the reduction in fertility, the increase in white-collar activities and migration to urban areas are linked to an increase in female participation in market activities. To explore these issues we initially carry out a set of decompositions that suggests the extent to which observed changes in female LFP are accounted for by changes in the distribution of some direct determinants of the labor supply decision. For instance, the increase in female LFP could be just the natural consequence of an expansion in education, and the fact that women with higher education credentials are more attached to the labor market. The results of the decompositions suggest that changes in education, marriage, fertility, location and type of work (tasks) all favored a more intense labor market involvement of women in Latin America. Adult females are now more educated, have less children and are more likely to be single than two decades ago, while there is evidence suggesting changes in the structure of employment toward tasks with higher women participation. In this scenario, even with the same conditional propensity to participate in the labor market, the overall female LFP should increase. The relative contribution of these factors to the observed increase in female LFP was significant in the 1990s. In the 2000s these factors continued operating; in fact, without them, the observed deceleration in the growth of female LFP in Latin America would have been even more marked.

We confirm these results with a meta-analysis and in a multivariate regression framework based on a panel dataset of Latin American countries. In sum, some

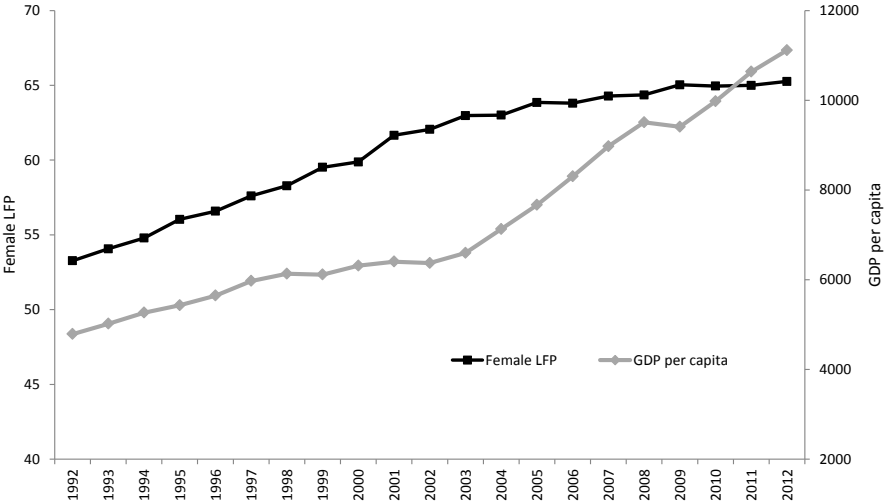
structural factors, such as education, fertility, location and job type, along with innovations or expansions in health (e.g. contraceptive methods), home (e.g. household appliances) and work technologies (e.g. telework), and some cultural changes seem important to account for the long-run increase in female LFP that characterized Latin American societies in the last decades. However, these factors cannot explain the recent deceleration in female LFP. In fact, that deceleration took place despite the fact several of those factors continued operating.

Identifying the reasons behind the slowdown in the growth of female labor supply in many Latin American countries is not an easy task, since the change coincides with many other socioeconomic and political transformations. To begin with, there are some factors that should not be ignored into the global explanation, although their contribution is likely to be small. First, male labor supply was also sluggish in the 2000s: the stagnation in female LFP may in part be traced to some more general negative forces affecting labor market participation. Second, changes in the sectoral structure of the economy did not benefit the entry of women into the labor markets as much as in the previous decade. The evidence we present in the book suggests that these two effects were probably small, leaving the phenomenon of strong deceleration mostly unexplained.

Unfortunately, it is still too early and the evidence is still too fragmentary to conclude whether the deceleration is a transitory phenomenon, or it is a sign of convergence to a long-run plateau. In fact, one possibility is that female LFP in Latin America is approaching a ceiling, which is mainly determined by cultural factors. In this scenario the LFP will not continue increasing, or will be crawling slowly, even when the region continues its path of economic growth and demographic changes. In this book we argue that this possibility is unlikely, although certainly not implausible. With a few exceptions, even the most developed countries have not reached a ceiling. Developed countries and several developing countries have female LFP rates well above those in Latin America and still increasing. If Latin America were indeed reaching a ceiling, the permanent gap with more developed countries, and even with other developing countries, would be large, growing, and not easy to explain. Another argument against the existence of a ceiling is that the deceleration occurred in most Latin American countries, even in those with low levels of female LFP, and then presumably far from the ceiling. Finally, in most countries the leveling off pattern is more noticeable among vulnerable women, who are still far from the participation levels of their more educated richer counterparts.

An alternative view is that the deceleration in female labor force participation could be just a transient phenomenon. The strong economic growth that experienced the region in the 2000s (Figure 1.3) may have allowed a surge in earnings and social protection benefits that slowed down the entry of women into the labor market. Without a more pressing need to seek for a job, given the higher earnings of their partners or the protection brought about by new social programs, some women may have delayed their decision to participate in the labor market.¹¹ In fact, the evidence suggests that on average those that did decide to participate found more decent jobs than in the past. In that light, the deceleration in LFP may be interpreted not as a setback, but rather as an optimal response to a positive economic scenario. If Latin American economies continue growing, the availability of good jobs rises, and women’s education keeps expanding, it seems natural that female LFP will resume its pace of growth in the near future.

Figure 1.3: Female LFP and per capita GDP
Latin America, 1992-2012



Source: own calculations based on microdata from national household surveys. GDP per capita (in PPP adjusted US\$) from WDI. Note: LFP for women aged 25-54. Unweighted means.

An alternative view is more worrisome. The initially short-term impact of an improved economic situation and more generous social programs on female labor supply may have long-term consequences. Women who prefer to stay out of the labor market given the new economic situation may be less prone to

¹¹ In addition there is evidence of stagnation in the reduction of the gender wage gaps in the region, a fact that could have contributed to the slowdown in the entry of women into the labor markets.

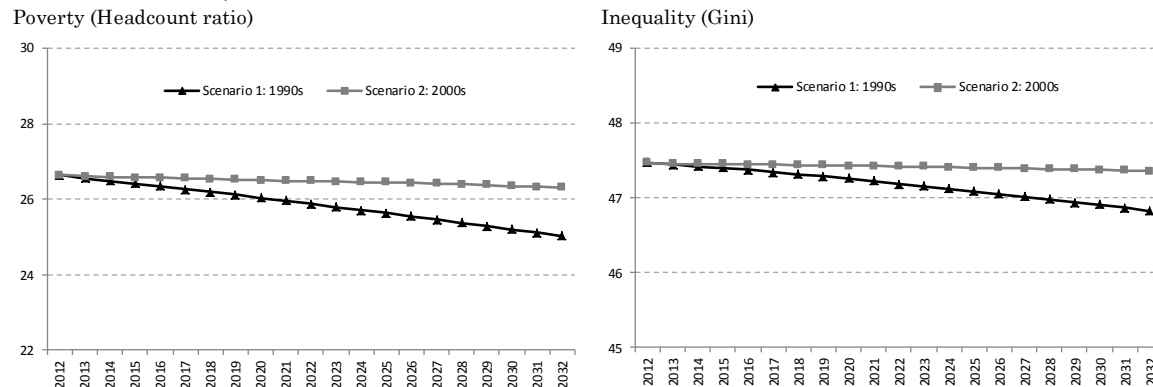
participate in the future, even in a scenario of improved supply of decent jobs. Being out of the labor market for some time may imply loss of productivity, and may reinforce traditional gender roles in the household, causing a reduction in the female attachment to the labor force.

The implications

The changing pattern of female labor force participation may have profound economic and social consequences. When a woman finds a paid job, a significant change in household income takes place, which may affect the poverty status of the family. In fact, the entry of women into the labor market could be a relevant driver of the whole income distribution.

By means of a set of microsimulations we conclude that the changes in female employment in Latin America over the last decades contributed to the observed fall in income poverty and inequality. The stronger insertion of vulnerable women in the labor market allowed some families to escape income poverty, and reduced the income gaps with more affluent households. Although this is certainly not the main reason behind the recent fall in poverty and inequality in Latin America, its contribution to that pattern appears to be significant. Given the positive distributive implications of the increased female employment levels, a natural concern emerges about the social consequences of the recent deceleration in female labor force participation. To further investigate this issue we project poverty and inequality trends in the region under two alternative scenarios regarding LFP (Figure 1.4). We conclude that if the observed deceleration of female labor force participation in the 2000s is not a transient phenomenon, and instead it is the beginning of a stage of low or even null growth in female labor supply, then the contribution of female LFP to the poverty reduction in the region would be negligible. This almost null effect contrasts with a significant, although small, poverty-reduction effect that would occur if the growth in female LFP observed in the 1990s and in most of the twentieth century resumed. The results are similar for inequality. In most countries the deceleration in labor force participation in the 2000s was larger among women with low education. This implies a deceleration of the inequality-reducing impact of the patterns in female LFP. The projected reduction is a negligible 0.1 Gini points in two decades under this scenario.

Figure 1.4: Poverty and inequality based on projections of female LFP Latin America, 2012-2032



Source: own calculations based on national household surveys.

Note: poverty is measured with the headcount ratio with a line fixed at USD 4 a day adjusted for PPP; inequality is measured with the Gini coefficient for household per capita income. Unweighted means across Latin American countries. Female LFP for each year is projected according to the growth rates prevailing between 1992 and 2002 (scenario 1), and alternatively in the period 2002-2012 (scenario 2). See chapter 7 for methodological details.

The implications of increasing female labor participation (and its deceleration in the last years) go well beyond the income dimension. A host of adjustments in family behavior may take place as a consequence of the female transition from inactivity to employment. Women’s empowerment, child care, family violence, education, male employment, and fertility are just examples of areas in which female labor force participation may have a significant impact.

The share of family income earned by women, and potentially the share of family resources under women’s control, has grown over time along with the expansion of female LFP in Latin America. Although female labor participation contributes to the economic empowerment of women, the evidence suggests a growing trend of female empowerment (as measured by self-assessment of female headship) that manifests even when LFP stagnates. It is likely that this phenomenon is due to changes in social norms that influence empowerment beyond the strictly economic dimensions.

There is also evidence that larger female income shares increase the share of expenditures on children, and eventually contributes to children’s human capital accumulation. However, it is not clear to what extent these conclusions would hold in other contexts with less gender inequality, nor is it obvious that economic development by itself would lead to more gender equality.

The increase in female LFP generates demands for childcare that are only partially met by the public sector, allowing a heterogeneous supply to bridge the gap. While children from high-income households can access the high-

quality private institutions, children from poorer households have access only to lower-quality services. This means fewer opportunities for the less-advantaged children. The situation worsens as labor participation of women from worse-off households (or in more precarious jobs) increases, which was particularly the case during the 1990s. Also, higher female LFP may be associated to higher school segregation if the women entering the labor market come from better-off households (or access better-paid jobs), thus having means to choose private schools with extended hours that allow them to work, unlike their poorer counterparts.

Theoretical models and empirical evidence highlight the link between LFP and a woman's risk of suffering domestic violence, but results are mixed and further research is needed to better understand the ways in which women's LFP impacts the risk of suffering domestic violence, and whether the effect varies with other characteristics such as education.

Although this book is mainly concerned with female labor force participation, we have also documented other changes that affect women's lives and that could have sizeable implications on their incomes and standards of living. In particular, fertility rates have been significantly falling during the last decades in Latin America. The average number of children decreased in households from all population groups, but the gap between the most and the least vulnerable groups shrunk, owing to a sharper decline in the number of children living in poor households. By applying decomposition techniques we find that in most countries the changes in fertility that took place over the last decades contributed to a reduction in income inequality as well as in poverty. The fall in fertility among the income-deprived contributed to a reduction in poverty. Besides, since it was larger than the fall among the non-poor, it contributed to the reduction in inequality, as well. The main channel was straightforward: lower fertility rates implied smaller families and hence larger per capita incomes that reduced the probability of falling into income poverty. Lower fertility also fostered labor force participation, especially among women, which contributed to the reduction of poverty and inequality in most countries, although the size of this effect was small.

4. Policy implications

Female labor force participation is desirable on several grounds, including but not limited to female empowerment and poverty reduction. For these and other reasons, promoting female employment should be among a society's objectives. In fact, one of the United Nation's Millennium Development Goals is to

“promote gender equality and empower women”, a goal monitored by the share of women in employment, among other indicators. Promoting female LFP seems particularly relevant in Latin America, given two facts that are stressed in this book: the level of female engagement in the workforce is lower than in other regions of the world, and it has largely reduced its speed of growth over the last decade. Moreover, both facts are particularly marked for vulnerable women. While highly-educated women in large urban areas in Latin America have employment levels not far from their counterparts in developed countries, vulnerable women are either less attracted to join the workforce or find more restrictions to enter the labor market. This dual situation is complex, and it reflects a host of different driving factors, from social norms to the weak labor perspectives for women with low formal education and other social disadvantages.

This study shows that the gender gap in employment remains very significant, and that its closure is still distant. The recent slowdown in female LFP is likely to place active labor policies at the center of the policy debate, after decades in which their need was less evident. In particular, the stronger deceleration for vulnerable women reinforces the need to consider employment initiatives for groups with less attractive job prospects, and more prone to leave the labor market when there are no urgent needs.

This book identifies and discusses a large set of policy interventions that may help foster female employment, especially among the most disadvantaged. Some of these initiatives are already in place in Latin America, some are taken from the experience of developed countries, and some could be explored as new options. Achieving women’s economic empowerment demands multiple interventions. Policy strategies can be classified according to three main objectives: relaxing the constraints on women’s time, improving women’s agency, and attaining fair labor markets.

Relaxing the constraints on women’s time

Reducing the time-burden attached to family responsibilities may enhance women’s economic empowerment. Significant decisions concerning education, work, and fertility overlap with women’s active age. As a result, family decisions may crowd out labor market insertion for mothers and wives. The intrinsic gender roles related to maternity increase the costs of women’s engagement in a labor market experience and are sometimes reinforced by the caregiving and home-production responsibilities that rely substantially on women. As a response, co-responsibility and care policies seek to alter the

within-household distribution of roles to promote women's engagement in paid work.

Maternity leave is a mandatory break period from labor before and after birth, during which time entitled women receive a full salary. The evidence, mostly for developed countries, suggests that maternity leave has a positive impact on female LFP. In Latin America, all countries offer maternity leave schemes with 100% income replacement and almost half of them have paternity leave for birth; only a few extend the benefit to childcare. However, extended maternity leave may deepen traditional gender roles to the extent that they take for granted that women are the primary caregivers, thus detaching them from the labor market for longer periods and eroding their seniority and human capital accumulation. Moreover, small or inexistent paternity leave schemes could make it difficult for women to return to work. The experiences of some countries suggest other promising options: paternity leave that cannot be transferred to women, parental leave for childcare, more flexible schedules and collective financing.

Poor women face serious economic barriers to addressing childcare demands. The weak pre-primary public school systems increase the demand of care services at the household level, raising the costs for mothers who participate in the labor market. In addition, even when these services exist, they provide an incomplete solution because early childhood school hours are shorter than the typical workday. Early childhood education thus does not fully ameliorate the pressures placed on women's work-family balance. Many Latin American countries are advancing in this area, extending the compulsory years of pre-primary education, investing in formal education at that level, and launching public programs that provide assistance during early childhood to families in poverty. In many cases these programs are based in community centers. However, these initiatives are vastly insufficient and programs have still very low coverage.

The supply of care services for the elderly and people with disabilities also appears as a relevant demand for women, as these care responsibilities are also gender-biased. State support to conciliate labor participation with elderly care is almost inexistent in Latin America.

A serious strategy to facilitate the labor force participation of vulnerable women will give a high priority to policies that expand childcare centers and pre-primary education, extend school hours, and provide care services for the elderly. Such measures can help bridge the gap between vulnerable women and men as well as the gap between vulnerable and well-off women. Men and well-

off women represent two groups that experience a comparatively reduced child and elderly care burden, owing to various cultural and economic reasons.

Pregnancy may imply a severe obstacle to the labor prospects of young disadvantaged women. Pregnancy and childbearing at a younger age can generate a work interruption that may have permanent consequences on a woman's attachment to the labor market. By comparison, having children in a later stage of career advancement could ease her return to her previous position. Evidence indicates that the timing of childbearing matters for labor supply, and that negative labor-market consequences are more severe for poor and less educated women.¹² Data from the Demographic and Health Survey for four Latin American countries reveals that while most women in their thirties have at least one child, regardless of their socioeconomic status, the situation of women in their early twenties is very different: while more than 80% of those with low education have at least one child, only 20% of those with high education are mothers at that age. Although fertility decisions are obviously within the private sphere, governments and the civil society can provide information, ease access to contraceptive methods and avoid incentives to increase or jumpstart fertility decisions, which might be implicit in some public policies.

In addition to labor and social policies, advances in other areas may ease time constraints and enhance labor force participation. As an illustration, many poor women face some serious limitations: (i) insecure neighborhoods imply that they spend time protecting their families and homes from crime; (ii) poor public transportation systems limit the possibility of working far from home; (iii) low access to time-saving home appliances, and in some cases even basic services of water and electricity imply a heavy burden on women and could hinder labor market participation.¹³ Improvements in these areas, and in the possibilities to work for the market at home, will certainly facilitate the entry of vulnerable women into the workforce, and improve their job prospects.

Gender roles are culturally rooted but are not immutable features of a society, as the history of women's achievements in the last century teaches us. In most Latin American families, caregiving and home-production responsibilities disproportionately depend on women, reducing the time available for working

¹² In addition to the timing of childbearing, the number of children is as important. The evidence suggests that the desired number of children per woman is below the actual number in Latin America, especially in high-fertility countries and among poor and less-educated women.

¹³ For instance, in Bolivia only 70% of women in the poorest decile of the distribution have access to electricity and just 3.5% have a washing machine. The figures are even lower in El Salvador, Guatemala and Nicaragua.

outside home.¹⁴ Advocacy for co-responsibility at home may help modify some cultural norms on household arrangements, empower women, and in turn ease time constraints and facilitate their insertion into the labor markets.

Improving women's agency

Women's agency refers to the ability to exercise control over resources, sometimes denied by norms or as a result of gender inequality in the economic sense. Policies that ameliorate unequal access to economic resources aim to provide autonomy, promote self-worth and encourage women to participate on equal, rather than subordinated terms. Education, social protection and regulatory policies are examples of this set of policies.

There has been undeniable progress in terms of education enrollment in all Latin American countries over the last decades. Improvements have especially benefited women, closing the gaps with men in all educational levels, in most countries. Universal coverage in primary school has almost been achieved in several Latin American nations, but the target of universal coverage in secondary school is not under reach in the near future, whereas in most countries only a minority of the population has access to tertiary education. Undoubtedly, extending education to the disadvantaged groups, including vulnerable women, remains a top priority in the policy agenda, with sizeable repercussions in terms of labor force participation.

Conditional cash transfer programs have been major policy innovations in Latin America over the last 15 years. CCTs have had unambiguous positive social consequences, contributing to the substantial fall in income poverty and inequality over the 2000s, and fostering the accumulation of human capital. Despite these positive effects, the impact of CCTs on gender-related issues is subject to debate. The majority of CCTs entitle women to receive the transfer, a design feature that has promoted women's empowerment in terms of household managing. However, the cash subsidy may be viewed as income earned by mothers for taking care of the children and assuring compliance with the program conditions, and hence it may reinforce traditional intrahousehold gender roles, and act as a disincentive for women to participate in the labor market. In addition, CCTs may capture the space and efforts in the public arena to develop more employment-oriented interventions, especially those active labor market policies focused on vulnerable women.

¹⁴ For instance, in 85% of the poorest households (four bottom deciles) of Argentina, women are the main responsible for the household chores, whereas only 43% of men help with those chores.

The evidence on the impact of CCTs on female labor supply is still mixed. Although most of the studies do not find significant short-run effects of cash transfers on LFP, the global validity of this result cannot be taken for granted. In fact, recent studies find evidence on labor supply disincentives of CCTs in some countries and for some groups. We believe that CCTs should be defended as key instruments in the national strategies for poverty alleviation and income redistribution; however, it should not be simply assumed that these programs have no negative impact on labor outcomes. Governments should pay attention to the unintended effects of CCTs on gender issues, and be creative in the design of new components that help alleviate some of these potential side effects. A few countries in the region have become aware of possible negative effects and are complementing CCTs with access to labor-oriented programs and training courses.

Regulations on property rights are aimed at guaranteeing women's ability to exercise decisions over economic resources in equitable conditions. For instance, the evidence suggests that land property programs increase women's involvement in household and production decisions. Laws should avoid discriminatory clauses that deny women access to land or housing titles, inheritance or marital assets. There is still room for improvement on this issue.

Labor policies

Active labor market programs (ALMP) include a broad set of interventions such as training, employment services, incentives to small business development, protected employment, and direct employment generation through public employment programs. They seek to overcome poor endowments in education, employment tenure, social networks, and productive assets in order to increase employability among women. Rigorous evaluations of the impacts of these policies on female labor outcomes are scarce, and the results are mixed. In particular, it seems that many programs fail to generate sizeable effects on employability and employment quality.

Anti-discriminatory clauses as well as women's participation quotas in employment are enforced in labor legislations across the region. These labor laws designed to empower women are subject to a lively debate concerning their actual payoffs. Some protective norms may create incentives that warrant their purposes inoperative or even generate adverse outcomes. For example, laws that restrict women's working hours may deter employees from hiring women. Similarly, part-time job schemes or reduced working hours for women may promote female participation but could also favor precarious employment

relationships in segmented markets. In contrast, other protective legislations, like anti-discrimination regulations, guarantee equal treatment.

Finally, policy advocacy pursues changes in social attitudes regarding female stereotypes. Policies that raise awareness about the importance of integrating women and generating gender equality in the economy are reflected in initiatives to promote transparency in recruitment and promotion practices, and generating gender balances in top-level boards, seniority positions, and political decision-making. Policy advocacy also implies the dissemination of information about replicable public policies. Some countries in the region have advanced policies that provide firms' certification on gender policies, advise employers on how to create gender-equality corporate policies, or seek to promote anti-discriminatory practices and enable workers to balance work-life responsibilities. These initiatives could be taken as models for countries that lag behind in this arena.

Job flexibility and labor informality

The issue of job flexibility lies at the core of the debate over gender and labor policy. In most societies, and Latin American ones are not exceptions, women have heavier responsibilities at home, at least during certain periods of their lives. Given this, more flexible labor arrangements may be a useful to achieve the individuals' objectives of caring for children and older adults at home, while at the same time participating in the labor market and pursuing a career. Policies should be aimed at facilitating women insertion into the labor market without losing sight that staying at home, at least some hours a day, could be the optimal choice in some cases. In a recent study Goldin (2014) argues that next advances in the struggle toward gender equality must "involve changes in the labor market, especially how jobs are structured and remunerated to enhance temporal flexibility".

Although job flexibility may be a key instrument to attract more women to the labor market, it has some potentially relevant drawbacks that makes the assessment of its convenience ambiguous, and calls for a case-by-case evaluation. Blau and Kahn (2013) conclude that "there may be a tradeoff between some policies that make it easier for women to combine work and family and women's advancement at work". On the one hand, family-friendly policies facilitate the labor force entry of women who are at a stage in the life cycle when they would prefer to reduce labor market commitments, but at the same time entitlements to part-time work, longer leave and other related

benefits may encourage part-time work and employment in lower level positions.

Developing countries, such as those in Latin America, are characterized by a form of job flexibility: labor informality. Most workers in the region are self-employed or part-time salaried workers in small, precarious firms without a signed contract in compliance with the labor regulations. Despite some changes in the last decade, labor informality continues to be a key feature of the Latin American labor markets: more than half of the workers in the region (56.6%) are informal. Labor informality may have a positive side in a developing country: unskilled workers could avoid unemployment by carrying out low-productivity activities in the more flexible informal sector of the economy. In particular, that sector could act as a shelter for unskilled workers when the economy enters a downturn. Labor informality may also be useful for people who cannot engage in more stable labor arrangements, a situation that is more likely among women than among men. However, the benefits of more flexibility come usually at a considerable cost: informality is associated to a lack of social and labor benefits, and frequently also lower wages. While the social costs of informality have been largely discussed elsewhere, we stress an additional relevant downside. Many policies that favor female employment and empowerment require regulations in the formal sector of the economy (maternity leave, income taxation, in-the-job care services, gender quotas). Insofar as informality levels remain high, especially for vulnerable women, these policy instruments will be of a limited scope. In that sense, efforts to increase labor formalization would be central to a strategy of supporting improvements in female employment and empowerment.

Policy evaluation

There has been undeniable progress in the rigorous evaluation of public policies in Latin America over the last decade. The body of evidence on the impact of public programs on various outcomes is increasing at a high pace, encouraged by the active support of international organizations and most governments. In this book we review the evidence on the impact of several policies on female labor participation and other related outcomes. Although the literature is growing, the evidence is still fragmentary. Rigorous impact evaluations are lacking for many specific programs, and there are broad policies with gender and labor consequences that are difficult to evaluate with the available data and instruments. While in many cases the existing pieces of evidence do not allow for clear identification of the causal links between

policies and outcomes, they provide some warnings about dimensions that should be taken into account.

The task of identifying best policy practices is full of difficult challenges. The task is even harder, given that the choice of the optimal policy varies with the context. However, although the challenge is enormous, more empirical evidence is the only road to better, more informed policy decisions.

5. Outline of the rest of the book

The rest of the book is organized as follows. In Chapter 2 we characterize the framework in which changes in female labor force participation have been taking place. These include economy-wide changes in the labor markets, trends in the educational structure of the population, and demographic changes. This initial chapter is descriptive and does not take into account the likely interactions between these phenomena and the changing role of women in the labor markets.

Chapter 3 is aimed at documenting the main trends in female labor market participation and employment in Latin America. It provides evidence on patterns and trends in female labor market participation by country and by period. In particular, we look for signs of a recent reduction in the speed of female entry into the labor markets.

Chapter 4 makes the first step toward the understanding of the changes in female labor force participation by analyzing whether the recent patterns are mainly accounted for by changes in some direct determinants of the labor supply decision, such as education, fertility, location or type of job, or instead they are chiefly related to some more profound transformation in behavior.

In Chapter 5 we explore the argument that female LFP may be reaching a ceiling, and then analyze the potential link between the economic expansion in the 2000s and the deceleration in female LFP, and explore the movements of female LFP along the business cycle.

Chapter 6 is focused more on the long-run determinants of female labor force participation than in the more recent developments. The chapter starts by carefully discussing the theoretical links between female LFP and a large set of covariates, and then reviews the empirical literature, carrying out a meta-analysis. Chapter 6 also offers a statistical exploration of the relationship between several covariates and female LFP in Latin America. Some of these covariates are jointly determined with labor supply (education, marriage and

fertility choices), while others are virtually outside the control of the individual: returns to work at home, returns to work outside home for a wage, technologies (health, home, and work), preferences, and decision making setups.

Changes in female labor market participation are likely to have profound labor and social consequences. The aim of chapter 7 is to discuss and provide evidence on some of these potential effects. By applying microeconomic decompositions we provide estimates of the implications in terms of income poverty and inequality of the observed changes in female labor force participation over the last two decades. We also look at the future by projecting rates of female LFP based on the observed patterns in the past, and assessing the impact on income poverty and inequality. The chapter includes an examination of the potential distributive impact of another phenomenon closely linked to female labor force participation: fertility.

Finally, chapter 8 reviews public policies implemented in the region that are aimed at dealing with gender issues in the labor market. The chapter identifies and analyzes policies in the region that address obstacles that women face as they attempt to exercise power in the economic dimension, and in particular, obstacles that they face when making labor market choices.

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Table 1.1: National household surveys used in this study

	Name of survey	Acronym	Surveys used
Argentina	Encuesta Permanente de Hogares Puntual	EPH	1992-2003
	Encuesta Permanente de Hogares Continua	EPH-C	2003-2012
Bolivia	Encuesta Integrada de Hogares	EIH	1992, 1993
	Encuesta Nacional de Empleo	ENE	1997
	Encuesta Continua de Hogares	ECH	1999, 2000
	Encuesta de Hogares	EH	2001, 2002, 2005, 2007-2009, 2011, 2012
Brazil	Pesquisa Nacional por Amostra de Domicilios	PNAD	1992, 1993, 1995-1999, 2001-2009, 2011, 2012
Chile	Encuesta de Caracterización Socioeconómica Nacional	CASEN	1992, 1994, 1996, 1998, 2000, 2003, 2006, 2009, 2011
Colombia	Encuesta Continua de Hogares	ECH	2001-2005
	Gran Encuesta Integrada de Hogares	GEIH	2008-2012
Costa Rica	Encuesta de Hogares de Propósitos Múltiples	EHPM	1992-2009
	Encuesta nacional de hogares	ENAHO	2010, 2012
Dominican R.	Encuesta Nacional de Fuerza de Trabajo	ENFT	2011
Ecuador	Encuesta de Condiciones de Vida	ECV	1994, 1995, 1998, 1999,
	Encuesta Nacional de Empleo, Desempleo y Subempleo	ENEMDU	2003-2012
El Salvador	Encuesta de Hogares de Propósitos Múltiples	EHPM	1995, 1996, 1998-2012
Guatemala	Encuesta Nacional sobre Condiciones de Vida	ENCOVI	2011
Honduras	Encuesta Permanente de Hogares de Propósitos Múltiples	EHPM	1992-1999, 2001-2011
Mexico	Encuesta Nacional de Ingresos y Gastos de los Hogares	ENIGH	1992, 1994, 1996, 1998, 2000, 2002, 2004-2006, 2008, 2010, 2012
Nicaragua	Encuesta Nacional de Hogares sobre Medición de Nivel de Vida	EMNV	1993, 1998, 2001, 2005, 2009
Panama	Encuesta de Hogares	EH	1995, 1997-2012
Paraguay	Encuesta Integrada de Hogares	EIH	1997, 2001
	Encuesta Permanente de Hogares	EPH	1999, 2002-2011
Peru	Encuesta Nacional de Hogares	ENAHO	1997-2012
Uruguay	Encuesta Continua de Hogares	ECH	1992, 1995-1998, 2000-2012
Venezuela	Encuesta de Hogares Por Muestreo	EHM	1992, 1995, 1997-2012

Source: own elaboration.