

Institutionalizing segregation

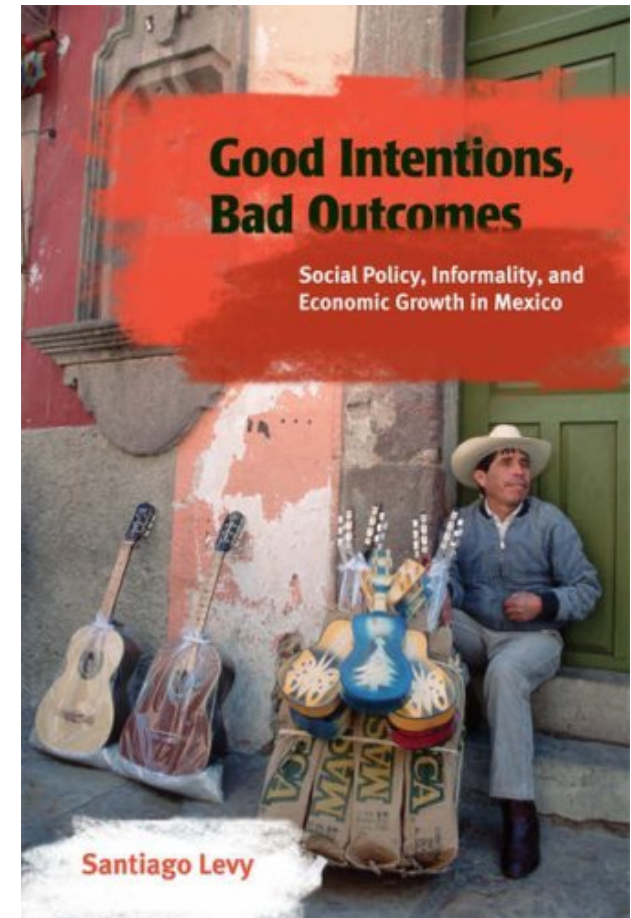
conditional cash transfers and employment choices

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The perversity rhetoric

- Levy (2008): formal workers contribute to social insurance while informal workers depend on social assistance
- Cash transfers contribute to trapping the poor into poverty: driven by vicious motives they self-select into informality
- My work explores the parallel to these debates in the Ecuadorian policy and political debates and evaluates such claims by means of presenting alternative accounts



Levy was one of the architects
of CCTs in the region
(*Progresa* | Mexico)

Erasmus

BDH and employment

- Vos, León and Bbrorich (2001)
 - Bono Solidario* → reduction in hours-of-work
 - Disincentive to work effort*
 - Reduction of work effort among women (increase in reproductive work)
 - Reduction of child labor (school enrolment)
- Gonzalez-Rozada and Llerena-Pinto (2011)
- Andemic Informality IBD (2013)
 - BDH → higher permanence in unemployment or separation of formal job [unemployment insurance literature | moral hazard]
- Mideros and O'Donoghue (2014)
 - BDH → decreases the marginal utility of paid work for single adults and female partners, but has no effect on household heads' labour participation
- Montaño and Bárcena Ibarra (2013)
 - BDH → higher inactivity rates among recipients [due to care needs and state policies e.g., social assistance]



BDH: target population

Cash transfer
with soft
conditions |
Unconditional
cash transfer
after enrolment



**Bono de
Desarrollo
Humano**

*Or Human Development
Grant*

2012



9.5 million persons



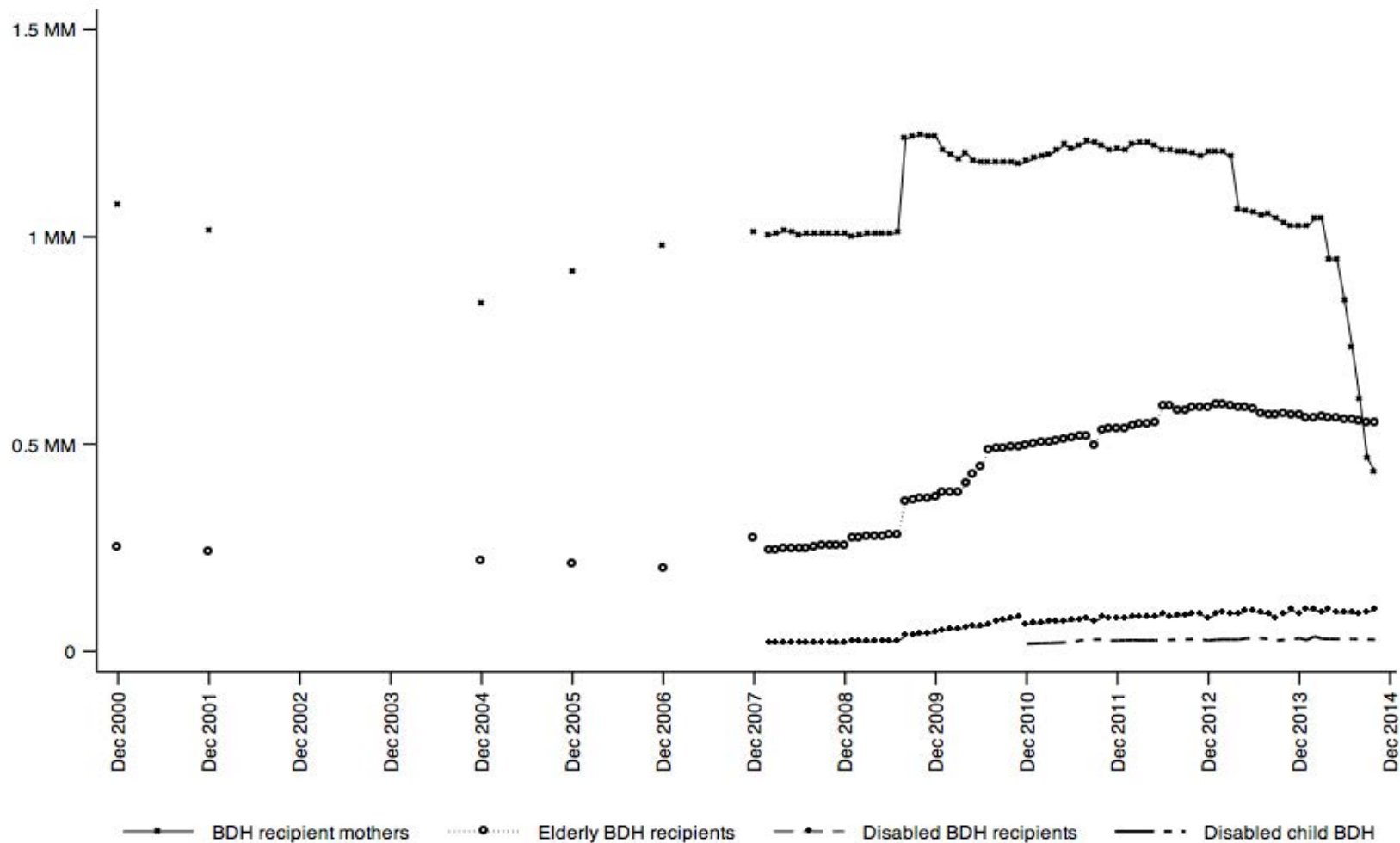
US\$50/month



1.8 million households

Created in the late 1990s to compensate poor families for elimination of gas subsidies

Number of BDH recipients over time, 2000-2014



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What the target population faces

Women and informality

- Informal employment is linked to vulnerability, economic insecurity, and social exclusion
- Labour markets do not operate in a vacuum: they are shaped by social norms and power inequalities
- Concrete manifestations:
 - Sex occupational segregation [rational response vs socialisation]
 - Skewed distribution of rights, resources, and risks

+ by assuming full-time, formal employment as the norm, social protection discriminates against women

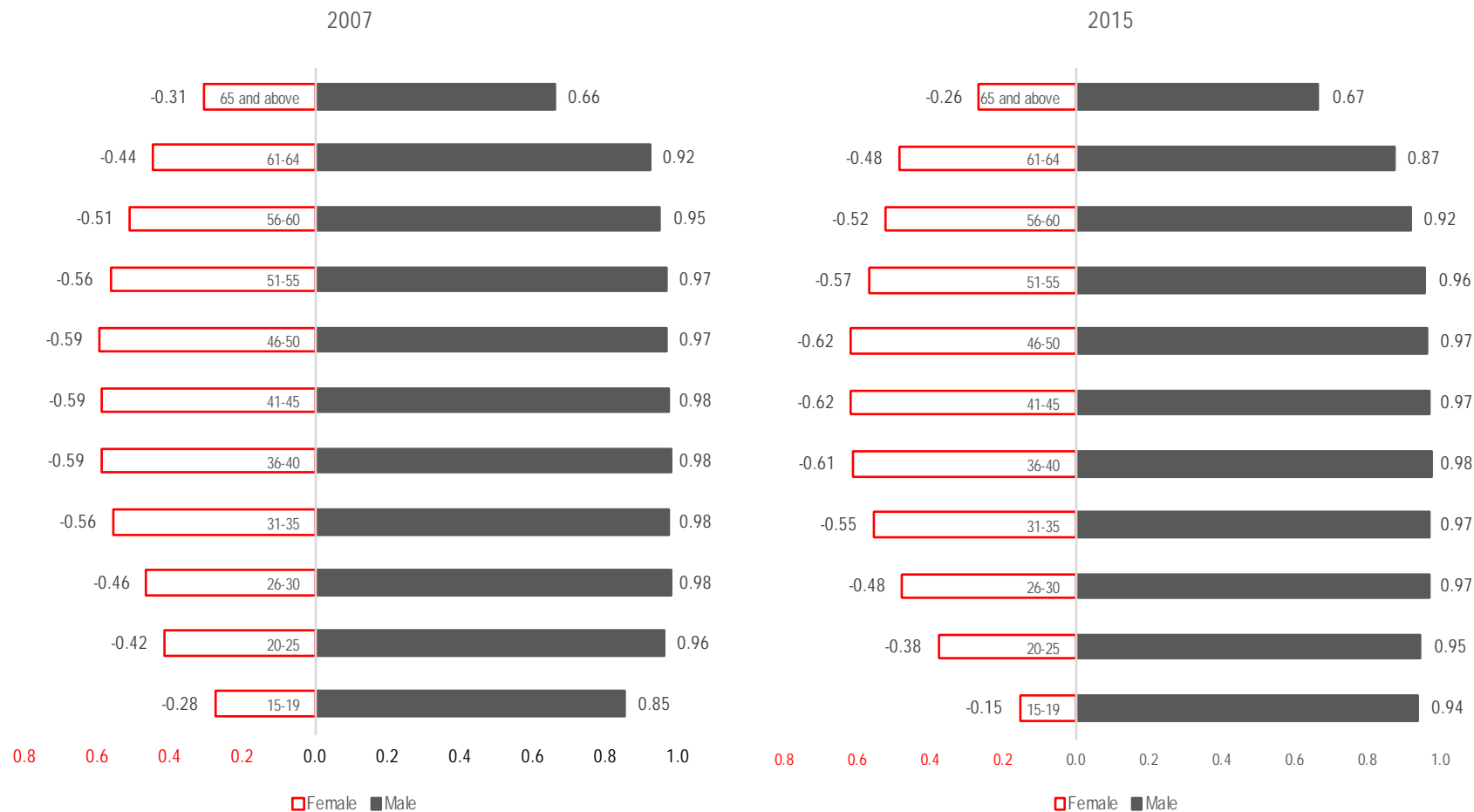
e.g., contributory social insurance uses a fixed definition of household, perpetuating gender bias in access to entitlements (Molyneux, 2007)

+ it is among the poor that the higher prevalence of female-headed households and cohabitation is higher

Amongst the poor, the male breadwinner model, has its most detrimental effect on women



Participation rates across age cohorts (disaggregated by sex)



Note: Participation rates account for employed and unemployed population. Calculations exclude full-time students.

Source: Author's calculations using ENEMDU data from the National Centre for Statistics and Censuses (INEC) 2007–15

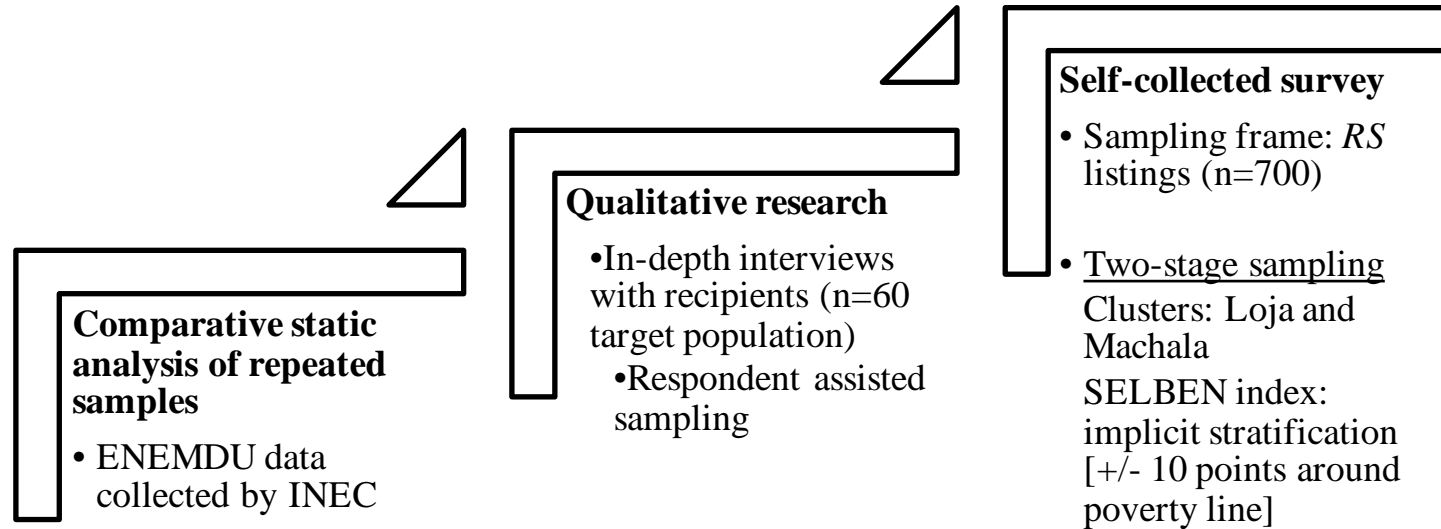


Motivation

- Isolating the effect of BDH on informal employment is problematic, as informality rates are nevertheless higher among the poorest population regardless of their participation in the BDH programme.
- The identification of the specific mechanisms through which targeted social protection affects labour market outcomes is contingent on broader institutional factors pushing poor women into flexible informal work
 - unequal access to childcare
 - low compliance with labour regulation
 - occupational sex segregation
- BDH recipients present a configuration of high and early fertility, compounding the aforementioned constraints to entering formal employment

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Methodological choices and procedure



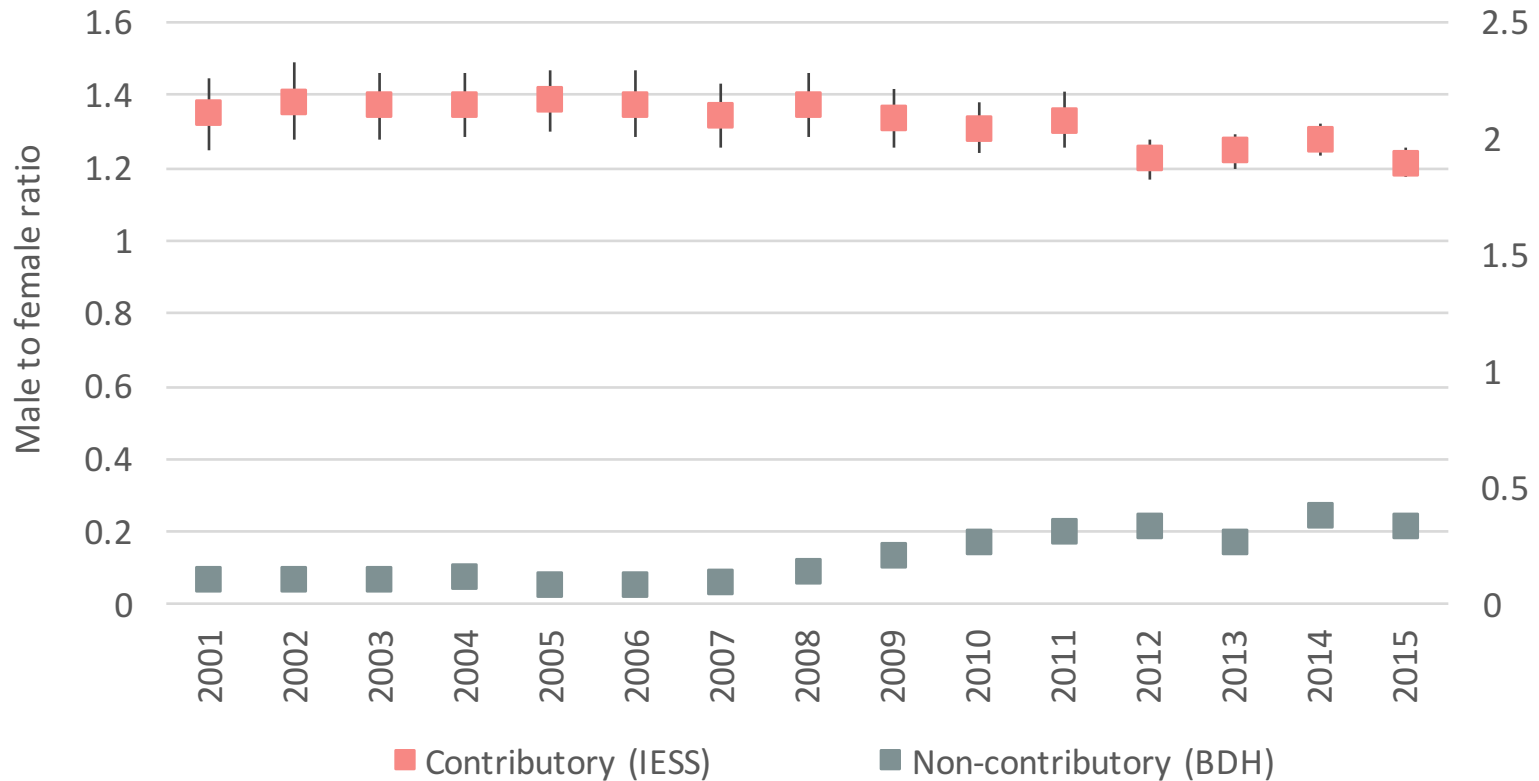
+household analysis vs individual (gendered)

- +aggregation problem
- +altruism vs utilitarianism
- +motivational complexity

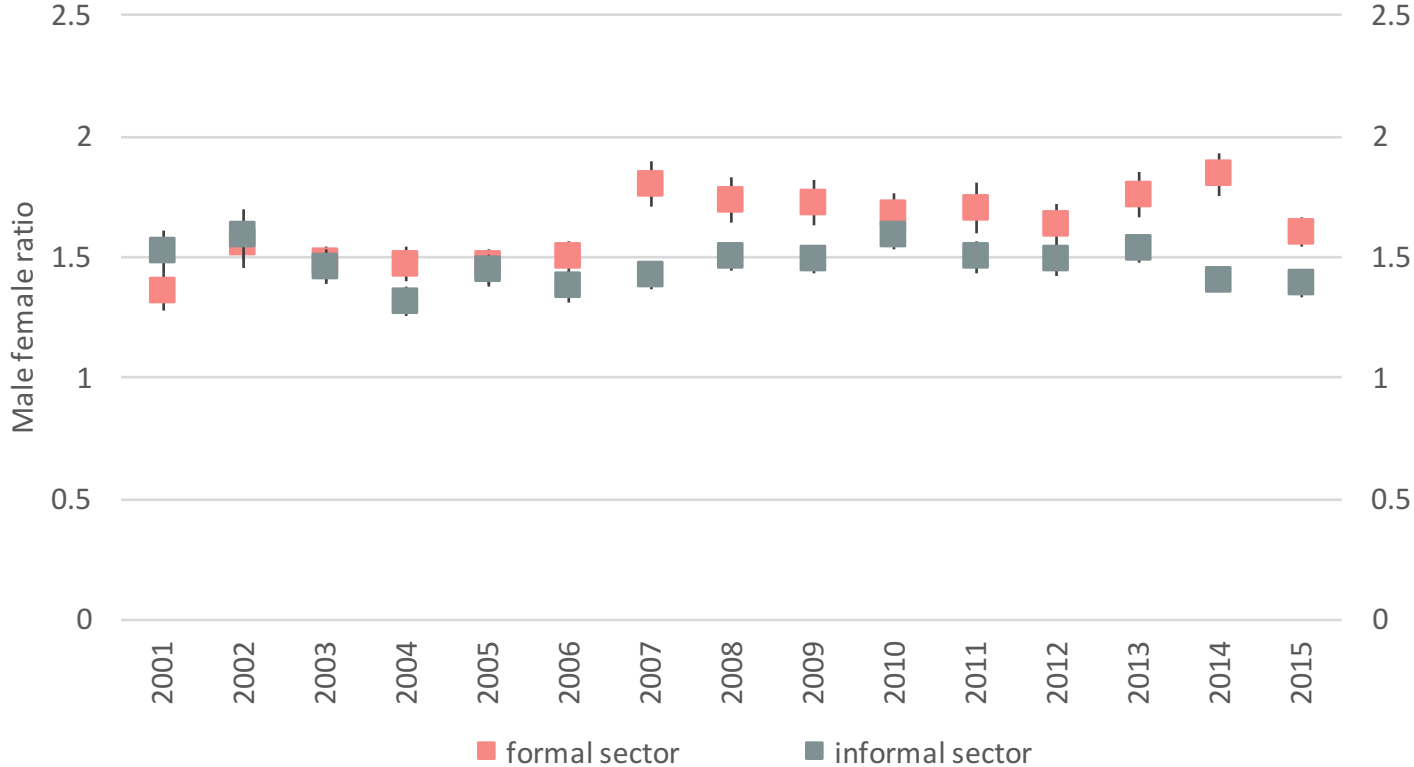
- Purposive sampling
+ informal workers not listed in official records

Ezra

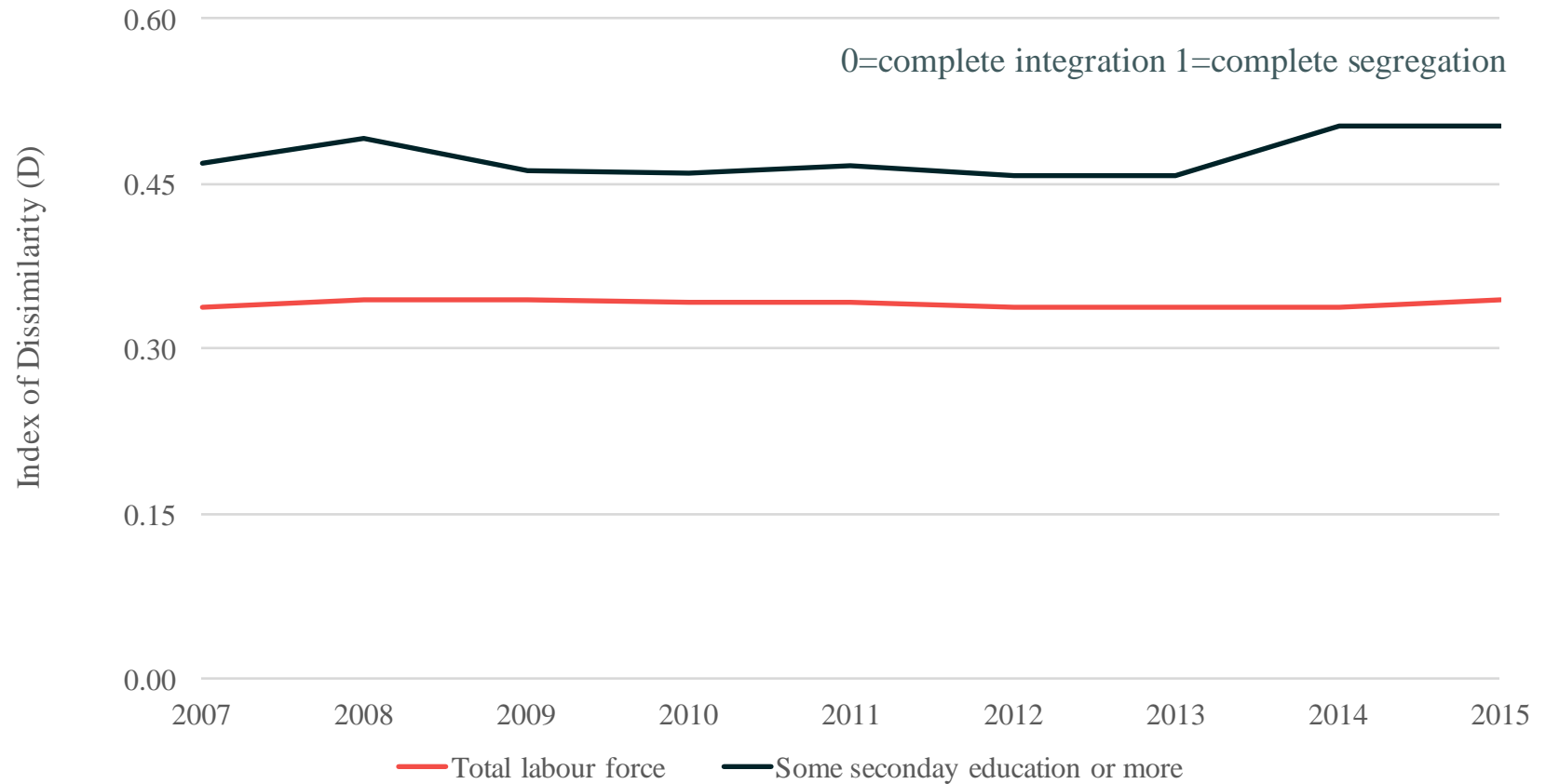
Male to female ratio in access to social protection [contributory vs non-contributory]



Male to female ratio in the formal sector and informal sector 2001-2015



Sex occupational segregation



Source: Author's calculations using ENEMDU data from the National Centre for Statistics and Censuses (INEC) 2007–15

Sex occupational segregation

$$D = 0.5 * \sum | N(M_i)/N(M) - N(F_i)/N(F) | \quad i = 1, \dots, I$$

where $N(M)$ and $N(F)$ are the overall group sizes.

D is the proportion of males that would have to change category in order to get the same relative distribution as in the group of females, or vice versa

- Mostly female sectors (total labour force):
 - Agriculture
 - Retail trade
 - Service work [incl. domestic work]
- Most 'typical' occupations amongst BDH recipients:
 - 'Inactive' dependent homemaker [family system] [legibility]
 - Domestic worker [age + ethnicity] [migration]
 - Home-based workers [reporting issues] [inactive | unpaid family workers]
 - Street vendors [entry barriers] [flexibility | career breaks]

In the intersection of gender with ethnicity, there is evidence of further stratification of the labour force



Inactive | 'ama de casa'



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Home-based worker | street vendor



Ezafus

Structural impediments faced by [recipient] women

- Women's employment options are limited
- Trying to reconcile care and paid work , women opt for **mother-friendly** options [in a stratified way]
 - Low compliance with labour regulation
 - Unequal access to childcare
 - Occupational sex segregation
- BDH recipients are further limited by their institutionalised role as **caretakers** e.g., mothers with dependent children
 - Informality rates are higher [75% employed in the informal sector]
[poverty and education]
 - Inactivity rates are also higher [care and unpaid work]
[extended family]

Erasmus

Selected indicators of fertility and family arrangements by BDH participation for women(*) (national urban)

	Never a recipient	BDH recipient
Mean age of women at first child	21	19
Women who were mothers by 18 years of age (%)	15	47
Mean number of children	2	3
Women managing households on their own with children of 18 years or younger (%)	7	34
Women cohabiting with men with children of 18 years or younger (%)	7	16

Note: *Women aged between 12 and 48 years old (fertile years)
Source: Author's calculations based on ECV Living Standards Survey data, (INEC 2014)

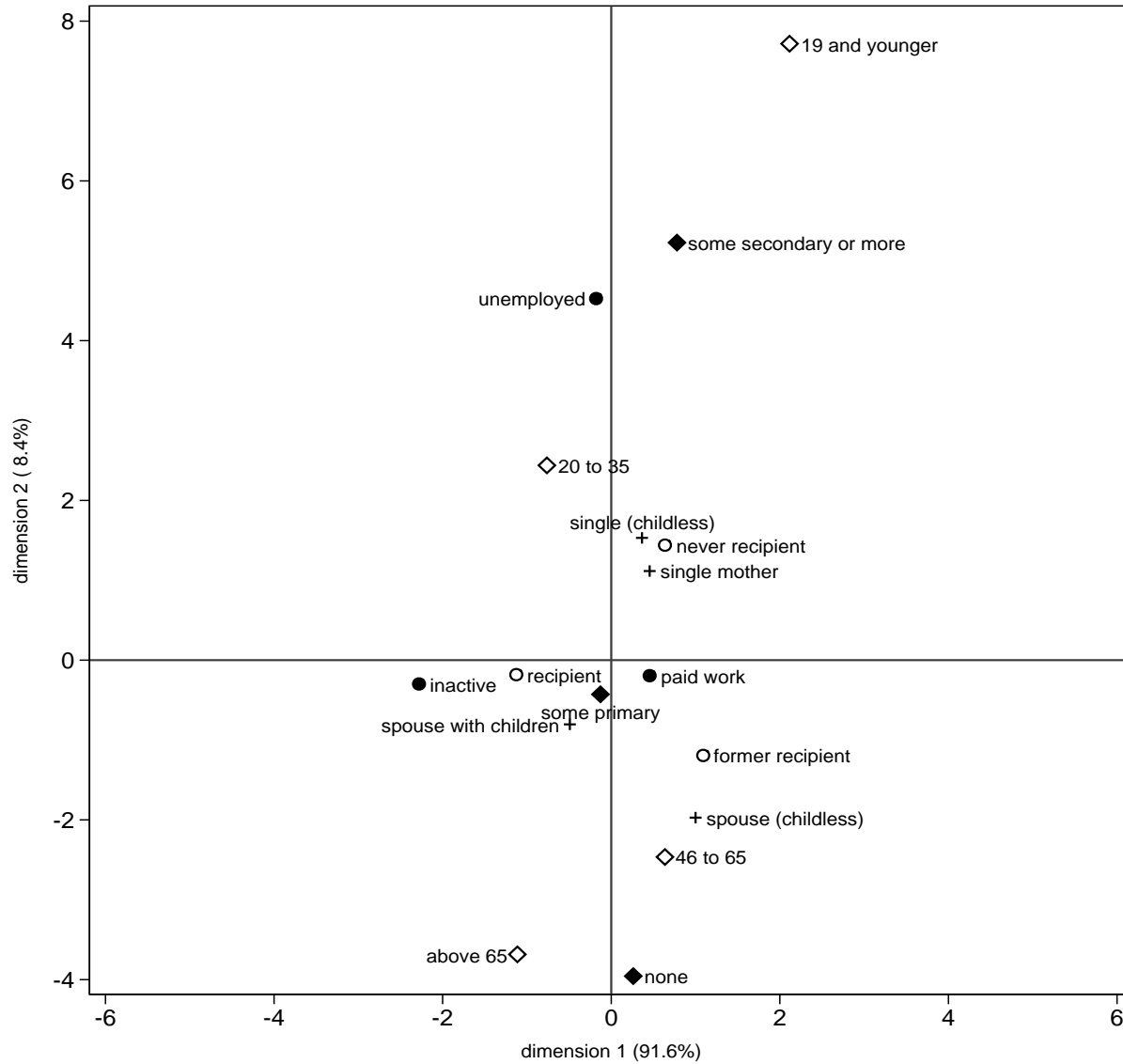
The logo for Erasmus, featuring a stylized, handwritten-style script of the word "Erasmus" in black.

MCA analysis

- A relational technique (variant of Principal Component Analysis)
- Multivariate exploration of the data, and simplifying complex structures (Ferragina, et al., 2012)
- The approach is not probabilistic, therefore is not aimed at predicting any value
- MCA Is suitable for small-n studies only (Asselin & Anh, 2008) and is presented as complementary to large-N regression methods
- Summarizes the associations between a set of categorical variables
 - access to BDH transfers [first dimension]
 - employment status [second dimension]
- Interaction with supplementary variables
 - marital status
 - age cohort
 - education level



MCA coordinate plot for Loja (female respondents only)



supplementary (passive) variables: marital status; age cohort; and education level coordinates in standard normalization

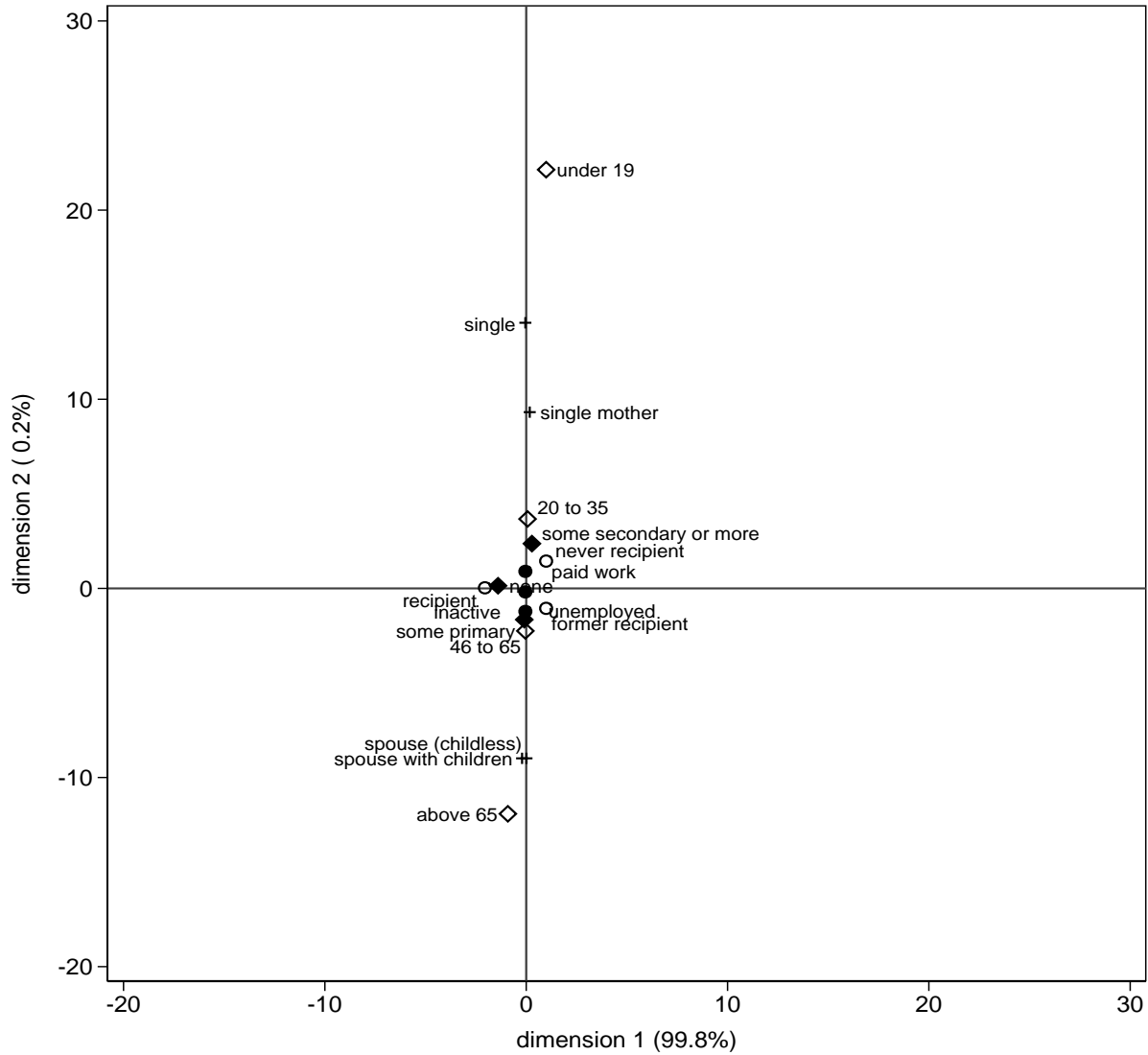
MCA - Loja

Three profiles could be identified

- 1) recipients who are either spouses with dependent children or elderly women, who are provided with some compensation from the maternity component or the pension component of BDH, respectively;
- 2) graduated BDH recipients, who are more likely to be in paid work—older spouses (above 46 years old) without dependent children
- 3) never recipients—following BDH inclusion criteria, childless women or under-age mothers do not qualify for BDH transfers [higher educational level - younger cohorts have had better access to education]

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MCA coordinate plot for Machala (female respondents only)



supplementary (passive) variables: marital status; age cohort; educational level
coordinates in standard normalization

MCA Machala

Two salient profiles could be identified

- 1) Higher inactivity among BDH recipients
 - Additional layer: marital status.
 - Inactive recipient women tend to be spouses with dependent children
- 2) Never recipients were more likely to be in paid work.
 - Home-based work, e.g., door-to-door sales, outweighs other occupations available to single mothers of younger age (between 20 and 35)
 - Lack of childcare services/facilities

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Conclusions: perverse incentives

- The perversity argument is largely misplaced: current social protection system has only marginally affected the structure of the labour market in Ecuador
- My results both question the transformative potential of (conditional) cash transfers while at the same time vindicate them against criticisms that they had introduced dependency and/or encouraged informality



Conclusions: occupational segregation and fragmentation

- The stratification of the labour market is accompanied by a fragmentation of social protection provisioning
 - The integration of women of minorities in social protection was mostly focused on social assistance rather than contributory schemes [implicit bias | occupational segregation]
 - Deepening of **social difference**
- Existing patterns of employment affect the distribution of income, economic security and risk, with implications for the design of social protection systems
- Non-contributory social assistance might help shifting risk away from employers towards employees e.g., domestic work

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Conclusions: familism and housewifisation

- Tensions between efforts to ‘empower’ women whilst reinforcing social divisions through which gender inequalities are reproduced
- Women’s care work is often considered non-work
- *Housewifisation* (Mies 1982): normative category [dependency]
- Recipient women are grouped as dependents instead of citizens with rights
 - The success of cash transfer programmes depends on women fulfilling traditional roles i.e., care work, hampering the possibilities of leveraging their position in the labour market
 - Women’s unpaid work continues subsidising social protection

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Pushing the boundaries

- Need for a critical reflection on the structure within which social protection operates
- Tension: maintaining 'technical' instruments or tackling the sources of marginalisation and vulnerability
- The challenge remains: how to include marginalized groups and guarantee their social rights

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Thank you!



Ezafus