Inequalities of income and wealth (vertical inequalities) may hide significant differences among social groups. One key dimension of such inequality is gender: women tend to be disadvantaged vis-à-vis men in most spheres, including the labour market. Like ethnic and racial inequalities (discussed in chapter 3), gender inequalities are complex. They are reflected in the political and economic structures of a country (including its labour markets), which generate specific types of exploitation and material deprivation. But they also reflect the way society is structured in terms of cultural values and social norms that are embedded across a wide spectrum of institutions in both private and public life. Inequalities in these areas can lead to the misrepresentation and devaluation of women, subjecting them to discrimination, exclusion and violence.

Over the past two to three decades, significant changes have occurred in the social and economic status of women that have helped reduce gender inequalities. Such changes in women's lives are associated with the social transformations that accompany economic development. But they are not simply a by-product of economic growth. Indicators of well-being across Indian states, including child sex ratios,

reveal a troubling and complex relationship between economic growth and gender inequality. In north Indian states that have seen dramatic agricultural growth, for example, indicators of gender equality are worsening. According to a number of recent studies, economic development and the associated accumulation of wealth seem to have lowered girls' life chances also in the southern state of Tamil Nadu, which has historically been more gender equal. Sex-ratio imbalances have also deepened in China, where the one-child policy has combined with strong son preference to diminish a female's chances of survival because of sex-selective abortions and post-birth neglect. China and India account for nearly 80 per cent of all “missing women” in the world. The fact that these two countries have also produced some of the fastest rates of economic growth over the past decade or so only underscores the point that there is no guarantee that growth will enhance gender equality. In fact, some patterns of growth and structural change are premised on, and reinforce, gender inequalities.

Economic growth does not necessarily reduce gender gaps in earnings or enhance women’s economic autonomy

As the 2005 UNRISD report, Gender Equality, argued, the positive outcomes of the past decade – in terms of girls' enrolment in primary and secondary education, women's representation in politics, and new legislation prohibiting violence and discrimination – must be qualified in the light of continuing gender inequalities and a less than favourable economic environment. The ambiguous nature of women's achievements is illustrated most strikingly in what has been termed the feminization of labour. Not only has women's access to paid work increased in most countries (with the exception of Eastern Europe and Central Asia), but at the same time, a deterioration has occurred in the terms and conditions of much of that work. The growth of informal work across the world (see chapter 1) has allowed employers to lower labour costs and sidestep social protection obligations and labour laws. For many workers, both female and male, the outcome has been increasing precariousness of jobs, and greater insecurity in their livelihoods.

Informal employment tends to be a greater source of employment for women than for men in most developing regions, with women often concentrated in the most casual and exploitative segments of informal work. In some contexts, earnings are so low that even the existence of multiple
earners is not sufficient to pull the household above the poverty line. Even though women tend to have far lower earnings than men, they are not always counted among the poor because poverty status is measured at the household level based on pooled income. However, even when women are able to escape material poverty by pooling income with other members of the household, especially male partners, this can leave them in a situation of dependence. This may, in turn, stifle their voice in domestic relations and close their exit options.8

The relationship between poverty and gender is complex because it is placed at the intersection of at least three sets of institutions: labour markets, which differentially structure and reward male and female labour; households, where decisions are made about the allocation and distribution of resources, including labour and earnings, and where labour itself is (re)produced; and states, which, through a constantly changing mix of regulatory and provisioning roles, shape the broader policy environment within which the other two institutions operate. As the evidence in this chapter will show, gender inequalities in labour markets are remarkably persistent and deeply embedded across diverse development paths.

Gender inequalities in labour markets are remarkably persistent and deeply embedded across diverse development paths

While households and families can play a crucial role in pooling resources, and sustaining and protecting their members, they also face major limitations. First, where the development trajectory is exclusionary and polarizing and where public provisioning is insufficient, kinship solidarity networks become exhausted. Second, unequal power relations within households mean that household resources are unequally distributed to meet individual needs and the costs of non-market work carried out in sustaining household members are unequally borne. In a monetized world, those who primarily do such work are placed at a disadvantage. The fact that this work is almost exclusively performed by women has repercussions for their access to paid work: it tends to penalize women and weaken their position in terms of earnings and occupational status.9 Policy priorities therefore include the need not only for more and better work opportunities for women – the focus of this chapter – but also the provision of social services and infrastructure to ease the domestic and care burden, a fairer distribution of such work within the household, and the recognition of such work in social protection systems (as elaborated in chapter 7).

In essence, the chapter tells the story of women working harder, but under poorer conditions and with lower wages and fewer opportunities for advancement than men. The main conclusions are as follows.

- Economic growth does not necessarily reduce gender gaps in earnings or enhance women’s economic autonomy. In fact, even in the world’s richest countries, women’s wages and the terms of their employment have failed to keep up with men’s.
- In many developing countries, economic liberalization has fuelled a rise in informal employment, which has affected women disproportionately. Moreover, women’s earning potential is often constrained by social norms and power imbalances with men.
- While sustained improvements in both the quantity and quality of paid work are important for enhancing women’s economic security, they are not sufficient. Investment in social services, infrastructure and social protection that can help reduce the unpaid care work that is assumed by women is also critical, as are the social and legal changes that can enhance women’s options.

Section 1 of the chapter explores how labour markets, states and households affect women’s income in advanced industrialized countries.

Section 2 examines how gender inequalities are embedded or reproduced in labour markets. It draws its evidence from a range of developing countries clustered into three
groupings: the late industrializers of East Asia; a wider range of countries with stalled industrialization; and agrarian economies.

Section 3 looks at how household structures shape women’s risk of being poor.

Section 4 turns to public policies and considers a range of interventions that address income poverty and gender inequality. Here the report underscores the importance of labour regulation and protection, which have been marginalized in the social policy agenda.

1. Women’s Work and Income in Advanced Industrialized Economies

This section analyses how three institutions – labour markets, states and households – shape women’s economic outcomes across a range of high-income countries that have largely followed the classic path of economic development (gradually moving from agriculture to manufacturing, then to services). Countries are grouped into five clusters (Anglophone, Continental, Eastern, Northern and Southern European) based on shared principles of social welfare entitlement and relatively homogeneous outcomes. The evidence on high-income countries is useful for underscoring the diversity of gender patterns of employment and the role of social policies in narrowing the gender gap in poverty.

Women’s participation in the labour market is growing, but gender gaps in wages and work conditions persist

In most advanced industrialized countries, the gap between male and female labour force participation has narrowed significantly. However, while men’s rates of participation are high everywhere, the variations in women’s labour market participation across regions are significant. Nordic and Anglophone countries show the highest participation rates by women, followed by Continental European countries. In Southern Europe, gender gaps of more than 20 percentage points are not uncommon. In Eastern European economies that have undergone economic liberalization, on the other hand, labour market participation has declined and unemployment has skyrocketed for both men and women. This has reduced and sometimes even reversed previously common features of these economies, such as the high presence of women in the labour market.

Significant gender inequalities remain beyond simple economic participation rates. For example, women are overrepresented in part-time employment vis-à-vis men in all countries studied. This shows continuity in the gender division of labour, with men still specializing in full-time paid employment and women doing the bulk of unpaid care work and adapting their labour market behaviour to the possibility of combining both. Furthermore, significant gender wage gaps persist – caused by occupational segregation and associated wage penalties for “women’s jobs” as well as discrimination. Across member countries of the Organisation for Economic Co-operation and Development (OECD), median wages for men are higher than those for women, even among full-time employees. In 2004, the average difference was 15 per cent; it exceeded 30 per cent in Japan and the Republic of Korea, and 20 per cent in Canada, Germany, Switzerland and the United States.

State transfers help narrow the poverty gap between men and women

A large body of research has established that, in many developed economies, women are more likely to be poor than their male counterparts. Though the causes underlying women’s higher risk of economic insecurity are complex and overlapping, weaker attachment to the labour market, in part attributed to the inaccessibility of public and/or private care services, largely accounts for women’s lower income and higher relative poverty rates.
However, this is not the whole story. Significant differences across countries emerge in the extent to which social transfers (such as pensions and unemployment benefits) mitigate labour market outcomes across social classes. The poverty-reducing effect of such transfers is much stronger in the social democratic Northern European cluster than in the Anglophone and Southern European regime types (see also table 5.1 in chapter 5). State transfers also narrow the gender gap in poverty almost everywhere, but women are still slightly more likely to be poor than men in most countries. The Northern and some Eastern European countries whose transfer systems seem most progressive (both in terms of social class and gender) represent the exception to this rule.16

Because poverty is measured at the household level, there is little known about the distribution of income and women’s access to personal income within households. The pooling of income from various household members is an important means to reducing gender gaps in market income. However, in such situations, women remain to a large extent dependent economically on their partners and families.

Again, patterns of dependence are substantially shaped by the dominant policy regime. Northern and Southern European countries represent two opposite scenarios, with women’s reliance on a male breadwinner being low in the first group and extremely high in the second. Indeed, income pooling within the household does not seem to play a major role in providing poor women with income in the Nordic countries, where that role is largely assumed by the state’s tax-and-transfer system.

Pooling income within households can ease women’s poverty but create dependency

Single mothers who cannot count on the mitigating effect of a partner’s market income remain economically vulnerable in many countries. In most countries for which poverty rates among single parents can be compared, single mothers are more likely to be poor than single fathers, and sometimes dramatically so. As figure 4.1 shows, Nordic countries are high performers in reducing the poverty of single mothers. Here, the combination of high levels of employment for single mothers and strong public services and transfers keeps poverty rates low. In contrast, Anglophone countries stand out with very high poverty rates. The experience of the United States suggests that this is due to the concentration of single mothers in poorly paid employment and the low level of public transfers.17 Southern European countries also show relatively high rates, reflecting low state support for lone mothers.

The dynamics of employment and poverty in advanced industrialized countries show that structural transformation of the economy can have very different implications for gender equality, depending on the interplay between labour markets, states and households. The following sections will explore the implications of these issues for a range of developing and transitional countries.
2. Poverty, Work and Gender in a Development Context

Given this report’s concern with poverty, and the economic and social policies that are effective routes out of it, this chapter examines how gender as a social structure affects people’s access to income when mediated through a number of key institutions, including labour markets.

Employment is usually defined as work in activities that produce goods and services that are valued and included in a system of national accounts – that is, those economic activities that are officially counted as part of an economy’s gross domestic product (GDP). These market-based exchanges can take many different forms and are not confined to situations where individuals exchange their labour directly for a salary or a wage. Those who are self-employed – whether farming their own land, working in a family-run enterprise, or working as street vendors and waste-collectors – engage in other forms of market transaction to realize the value of their labour. The definition of employment and labour markets used in this report embraces all these forms of exchange, even though in practice they are not all consistently captured and counted in labour force surveys and calculations of GDP.

Access to employment in itself is not a guaranteed path out of income poverty, as the term working poor suggests. A large proportion of employed individuals worldwide do not earn enough to lift themselves and their dependants above the poverty threshold. The quality of employment matters, not simply the quantity of opportunities. As chapter 1 has shown, the quality gap between formal, regular employment and informal (or non-standard) employment represents one of the principal cleavages in the overall structure of employment today, particularly in developing countries but increasingly in high-income industrialized countries as well. The concept of informal employment captures employment relations that are not governed by formal economic regulations and/or basic legal and social protections.

Research findings suggest that informal employment has been expanding as economies have undergone liberalization, both domestic and external, especially in the context of economic crises to which liberalized economies are prone. Moreover, though it is often assumed that informal work is linked to low rates of economic growth, the relationship between the two is more complicated. While there is an inverse relationship between the informalization of labour and economic growth (confirming the countercyclical nature of informal work), informal employment has been growing not only in contexts of low economic growth but also where rates of growth have been modest. The latter suggests that informal forms of paid work are not just lingering vestiges of backwardness or a by-product of economic stagnation. In fact, in some contexts, the very growth of global production networks made possible by the expansion of foreign direct investment (FDI) has generated informal production processes. Multinational firms have sought out “low-cost and ‘flexible’ labour relations in their production-level operations”, where women tend to predominate.

Women are disproportionately affected by the rise in informal employment

Hence, the term informal employment captures very different kinds of work, some more akin to survival strategies with low returns that people resort to when economies stagnate. Other kinds of work (piece-rate, wage work) are integrated into and contribute to processes of accumulation on a national or global scale (as is the case with industrial outworkers, for example). Research has shown that workers in informal employment earn less, have more volatile incomes, lack access to basic public services and protections, and face higher risks of poverty compared to workers in formal employment. As described below, women are often overrepresented in the most casual and low-earning segments of the informal economy. In the absence of global datasets, special research was commissioned...
for this report to develop the statistical base for selected countries, drawing on the most recently available survey data.\textsuperscript{22}

The informal economy is stratified by gender and other social identities

Women and men, as noted for the advanced industrialized countries, tend to be grouped into different occupations (often referred to as horizontal segregation). Women are also more likely than men to be in occupations with lower pay, poorer working conditions and limited prospects for advancement (vertical segregation). Despite some improvements in the 1990s, levels of gender segregation in the labour market remain high throughout the world.\textsuperscript{23} Hence, in the absence of effective state regulation, labour markets themselves tend to reproduce gender inequalities.

Similar segmentation occurs in the informal economy. Figure 4.2 illustrates the gender characteristics of the informal economy: men tend to be overrepresented in the top segment of the informal economy (among informal employers); women tend to be overrepresented in the bottom segment (among industrial outworkers); and the relative share of women and men in the intermediate segments tends to vary across sectors and countries.\textsuperscript{24} Comparable stratifications based on caste, ethnicity and religion, not represented in figure 4.2, also mark the informal economy.\textsuperscript{25}

Contrary to conventional wisdom, economic downturns affect the informal economy in similar ways as they do the formal economy

Workers in the informal economy have been particularly hard hit by the global economic crisis. Contrary to the conventional wisdom that the informal economy serves as a cushion for formal workers who lose their jobs, economic downturns affect the informal economy in similar ways as they do the formal economy. Unlike formal sector workers, however, informal workers have no cushion to fall back on.\textsuperscript{26} In India, for example, informal wage workers in diamond polishing have already faced massive lay-offs, and employment contracts have become even more precarious. Similarly, women construction workers have suffered from a decline in working days and earnings. Other workers, such as self-employed waste-collectors, are finding it more difficult to survive as demand drops and prices fall.\textsuperscript{27}

As previous chapters have shown, growth paths differ in their ability to generate employment of sufficient quantity and quality. This, in turn, shapes women’s (as well as men’s) prospects of finding work that provides good terms and conditions. Yet women generally occupy a more precarious position in the labour force than men. Four factors conspire to push women into an unfavourable economic position in terms of their access to income from gainful employment.

- the gender gap in labour force participation (female participation rates are increasing, but are still consistently lower than those of men);
- employment segmentation (women are disproportionately employed in lower quality employment, including informal employment, with low returns to labour);
- the gender earnings gap (in general, women earn less for a given amount and type of work than do men, even within the same broad category of employment); and
- fewer hours of work (due to the competing demands of unpaid care work and non-market production).

All of these factors lower the total income earned by women.
Social norms and power relations affect women’s access to paid work and control over earnings

Social norms and practices associated with kinship and family institutions place further constraints on women’s ability to turn their labour power into a decent wage, and to retain control over that wage. For example, women’s rates of economic activity have been historically low in the Middle East and North Africa region (MENA), as well as in parts of South Asia, and continue to be relatively low, despite some changes. The cultural acceptability of paid work, especially when it takes place outside the home, the motivations (or pressures) that lead women to take on work, the kind of work they do, the varying effects of their life course, and the status of their households have all been shown to be important factors in shaping women’s experience of paid work. Evaluations of young unmarried women entering the paid workforce have tended, by and large, to be positive. However, the picture that emerges from micro-level research is more ambiguous and contradictory with respect to married women, who tend to report resistance from their husbands to their attempts to secure paid work. Sometimes this resistance is linked to fears about public disapproval, anxiety about their wives’ sexual fidelity, concerns about neglect of domestic duties and their children’s well-being, and the conviction that access to an independent income would destabilize male authority.

Women’s responsibility for providing unpaid care work often limits the kind of paid work that can be undertaken to jobs with lower pay and more flexible hours – factors that very often translate into lower earnings and weaker claims to social protection. However, ethnographic research suggests that married women often make additional concessions in their private lives in return for permission to take up paid work. Sometimes this entails handing over their wages to their husbands to keep the male breadwinner role intact. At other times it may mean redefining motherhood to include the purchase of basic essentials or education for their children. It may also mean that men reduce their own contribution to the household budget, while women cover the deficit from their wages. Very often it involves women putting in long hours of unpaid work to ensure the fulfilment of their domestic responsibilities.

The remainder of this section explores how different paths of structural change, along with other forces, have shaped labour markets in three clusters of countries or areas. Emphasis is placed on the gender inequalities that have been generated in terms of employment availability, informality, unemployment and earnings.

Gender inequality in labour markets is persistent across diverse development paths

Late industrializers in East Asia: Fuelling growth through women’s low wages

Republic of Korea and Taiwan Province of China. A much-noted feature of the development strategies of these late industrializers was their ability to avoid the type of vertical inequalities that marked the early history of industrialization of pioneer countries, such as the United Kingdom. Yet as this section shows, the low levels of class inequality in the East Asian late industrializers went hand in hand with significant gender inequalities in the labour market during the heyday of their development, which continue into the current era.

Low levels of class inequality in East Asia have gone hand in hand with significant gender inequalities in the labour market

Despite important differences in their market structures – large businesses in the Republic of Korea versus small- and medium-sized enterprises in Taiwan Province of China – a key component of their strategy of catching up was to target investment in strategic sectors to help industries acquire the technology they needed to upgrade. It has been argued that low wages for women, roughly half those of men, were a stimulus to growth, since women’s low wages kept the cost of exports down, financing the acquisition of technology. These low-cost exports were produced primarily by women, who faced job segregation in export industries (see box 4.1 for other examples). Young, unmarried
women played a key role in the early, labour-intensive phase of industrialization between the early 1960s and 1973, with state policy deliberately mobilizing such labour. The reliance on cheap female labour also bred social conflict and labour militancy. During the 1970s and early 1980s, women workers in the Republic of Korea actively sought to improve the terms and conditions of their work through sit-ins and demonstrations, despite the fact that strikes and other forms of social mobilization were illegal and often met with police violence.

High rates of economic growth and structural transformation guaranteed near-full employment, rising wage rates and some forms of corporate welfare (in the case of the Republic of Korea) for a significant share of the male workforce. Women workers, in contrast, remained in a relatively disadvantaged position throughout this period. To be sure, the number of economically active women grew continuously in the 1960s and 1970s, and women’s share of total employment also increased. The sectoral composition of the female workforce also shifted during that period, from agriculture to manufacturing. From the 1980s onwards, post-industrial strategies in Taiwan Province of China and the Republic of Korea turned from the manufacturing of labour-intensive exports and diversified into capital- and skill-intensive products in an attempt to “upgrade their economies technologically”.

When industries upgrade technologically, it is the female workforce that is often displaced. So while export-led regimes of the 1960s resulted in the feminization of manufacturing labour in Taiwan Province of China, the simultaneous opening up to FDI and domestic capital mobility from the 1980s onwards has reversed into a “de-feminization of labour”. The displacement of female manufacturing employees was not matched with a significant absorption of female workers into other sectors. A similar process of de-feminization has been documented in the Republic of Korea, where the demand for women’s labour in manufacturing weakened by the early 1990s, and where the composition of the workforce in the electronics industry changed in favour of male workers as production in this sector shifted to more sophisticated communication and computer products.

How do women and men fare in terms of job security in these two Asian Tigers? After three decades of industrial development and high growth, only about 37.6 per cent of female workers in the Republic of Korea had regular full-time jobs in 1990 (compared to 64.5 per cent of male workers), while 62.4 per cent had temporary or daily work (compared to 35.5 per cent of male workers). The bulk of employed women therefore faced considerable insecurity and instability in terms of employment and income. The general sectoral shift in Korean employment from manufacturing to services has been accompanied by greater labour market flexibility, which has resulted in increased use of non-regular or non-standard (temporary and daily) workers by companies, especially following the East Asian crisis of 1997. Based on a revised method of data collection, non-standard employment was estimated to account for 24.1 per cent of men’s employment and 40.3 per cent of women’s employment in 2005. Weekly hours of work are significantly lower in non-standard employment, compared to regular wage employment and to various forms of self-employment. Average hourly earnings are also significantly lower than those of regular paid employees. These factors place serious limitations on women’s earning potential.

Moreover, rapid growth in wages does not eliminate gender gaps in wages. Despite rising pay scales in the Republic of Korea’s manufacturing sector from 1980 to 1992, the gender wage gap was far from closed. The average all-industry (excluding agriculture) ratio of women’s to men’s wages was 42.9 per cent in 1980, rising to 53.4 per cent in 1990, indicating that women were earning only about half as much as men. Data for 2002 indicate that this ratio rose to 66 per cent for the Republic of Korea and 70 per cent for Taiwan Province of China. Contrary to neoclassical expectations, increasing exposure to import competition and rising trade shares over the period 1980–1999 in both places did not help reduce discrimination against women, nor did it increase employment opportunities for cheaper women workers. Taiwanese employers transferred production to mainland China and Southeast Asia, where they could employ cheaper labour, while local male labour was retained in the newer technology-intensive industries. Earnings discrimination increased as women’s employment declined.
In the context of trade liberalization, women have constituted an important share of the workforce employed in export-oriented manufacturing industries in a wide range of developing countries. However, this development has often differed from the production for export in the late industrializing economies of East Asia, where export manufacturing was actively promoted while also protecting domestic markets. Not only has foreign direct investment (FDI) played a more central role in many of these developing countries, but the industries have also been criticized for their enclave nature, given their weak linkages to the national economy.

There has been a curious absence of systematic analysis of social policies in the extensive literature exploring different facets of women’s employment in these export-oriented industries. Economists have tended to focus on wages and gender-based wage gaps in the context of export-orientation. The more sociological strands in the literature explore the processes of gender subordination and women’s agency in households, communities and factories where they live and work. The corporate social responsibility and activist literature by trade unions, NGOs and women’s organizations concerned with working conditions comes closest to asking questions that relate to social policy. But little attempt has been made to link these findings to broader social policy trajectories.

A six-country study by UNRISD showed that women workers in export-oriented economies are for the most part disadvantaged in terms of social rights accessed via the employment contract. Hence formal employment does not seem to constitute a route for women to access social protection measures and a social wage. The countries included China, India, the Republic of Korea, Mauritius, Mexico and South Africa. In China and Mexico, in particular, export manufacturing has constituted an important engine of growth.

In China the rise of the private and foreign sector has led to a rapid growth of demand for women workers both in the export-oriented factories of the special economic zones (SEZs) in the coastal provinces of the eastern seaboard, as well as in the Town and Village Enterprises. This reflects the significant transformation in the structure of the labour market since China reoriented its economy to global markets. In the SEZs, there is a multifaceted labour hierarchy: most technical and managerial posts are held by foreigners and sometimes by middle-class Chinese men, while the semi-skilled workers are predominantly female. Most of the permanent workers are local inhabitants. But the majority of the workforce is recruited from rural areas, many of them released from agriculture as a result of decollectivization in the late 1970s. Estimates based on numerous surveys show female workforces comprise around 80 per cent. They have temporary status in their place of work and no access to social protection mechanisms or welfare benefits. They return home periodically, during spells of unemployment, when ill, or to give birth.

In Mexico most employment creation within manufacturing over the past 10–15 years has been concentrated in the maquiladora sector, a large part of it located in the northern states near the Mexican–US border. The fact that women make up about half of this workforce would seem to suggest that they are in a position to reap benefits from being contributors to the principal engine of national economic growth. Has this been the case? On the more positive side, there is some evidence to suggest that women workers in maquiladora cities, particularly in the north, have some access to social protection measures and greater employment stability than those in non-maquiladora cities in the interior. Female maquiladora workers, for example, have access to some basic legally mandatory benefits such as social security and paid leave. Yet they have little or no access to gender-specific non-wage benefits such as childcare provision or maternity leave – both essential for women workers and mandatory entitlements for formally employed women. Women’s relative advantages have also been more than offset by the shifting location of low technology assembly plants – which offer lower pay and poorer access to protection and regulation – to the interior provinces where women outnumber men. Between 1975 and 1999 women’s share of the blue-collar workforce went down from 67.3 to 45 per cent. It is widely believed that part of the reason for this decline has been due to the recruitment of men (rather than women) into the more technologically advanced industries and occupations.

Export success is clearly useful but not sufficient for promoting rapid growth of employment combined with rising real wages and meaningful access to social welfare. Moreover, where women have been confined to sectors that seek low-cost labour, as in apparel and textile production, there seems to be less scope for wage bargaining and welfare provisioning, as companies can threaten to exit to lower cost countries (see also chapter 9).

As supply chains are faced with falling global demand, women in export sectors are often the first to be laid off

Stalled industrialization in dualist economies: Persistent gender and ethnic inequalities

In a number of middle-income countries, including Argentina, Brazil, Mexico and South Africa, structural change was well under way in the 1970s and 1980s. In contrast to the East Asian experience, skewed income distribution in favour of high-income groups encouraged skill- and capital-intensive forms of industrialization that limited the incorporation of marginalized groups into the development process. Today, access to employment in many of these countries is still characterized by sharp vertical and horizontal inequalities, including those based on gender and ethnicity.

Brazil and South Africa. Brazil and South Africa provide a case in point. In both countries, agriculture plays a relatively small role in terms of employment and household income, even though it is a more important source of employment for men than for women (see table 4.1). The feminization of agriculture observed in other middle-income Latin American countries does not seem to be occurring in these two countries. Women’s and, to a lesser extent, men’s employment is thus concentrated in non-agricultural sectors.

The combination of lower labour force participation rates, employment segmentation, fewer hours of work and significant gender gaps in earnings lowers women’s income from employment in both countries and puts them at a disadvantage in relation to men. However, two important differences arise between the South African and Brazilian cases, and both are heavily influenced by gender and ethnicity.

| TABLE 4.1: Labour force indicators by sex, around 2005 (population aged 15 years or older) |
|---------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                           | Male  Female      | Male  Female      | Male  Female      | Male  Female      |
| Labour force participation rate           | 82.0  59.1        | 86.0  43.4        | 74.5  66.2        | 59.4  43.4        |
| Unemployment rate                          | 7.7   13.6        | 2.1   2.6         | 9.4   8.8         | 23.2  30.5        |
| Agricultural employment as % of total employment | 23.1  15.6        | 50.5  73.9        | 56.3  69.7        | 12.1  7.2         |
| Informal employment as % of total employment | 63.0  65.9        | 91.0  95.2        | 82.6  92.1        | 30.7  39.0        |
| Informal agricultural employment as % of total employment | 20.5  8.4         | 50.1  73.7        | 53.6  67.5        | 5.9   5.5         |
| Contributing family members in informal agricultural employment as % of total employment | 2.7   5.4          | 10.0  37.4        | 20.9  26.7        | n.a.  n.a.        |

First, the relative weight of informal employment is far more important in Brazil than it is in South Africa. Although Brazil has experienced growth in formal employment since the early 2000s, informal employment still accounted for around two-thirds of male and female employment in 2005 (see table 4.1). The relatively smaller size of the informal economy in South Africa has been attributed to apartheid policies, which placed restrictions on the economic engagement of Africans prior to 1994.

In both countries, women are particularly concentrated in informal wage work, reflecting the large numbers of domestic workers—a phenomenon closely tied to ethnic and income inequalities. In 2006, domestic service employment in Brazil accounted for 18.3 per cent of women’s and 0.4 per cent of men’s employment. More than half of female domestic workers are of African descent. In South Africa, domestic service employment accounted for 16 per cent of female and 2 per cent of male employment in 2007; again, the large majority of domestic workers (91 per cent) are from ethnically disadvantaged groups.

Second, while informal labour relations are less extensive, unemployment is much higher in South Africa than in Brazil (see table 4.1). In both countries, however, women are more affected than men. In Brazil, women are almost twice as likely as men to be unemployed, mirroring the situation of other Latin American countries, including Argentina, Chile, Costa Rica and Uruguay, where women are also overrepresented among the unemployed. It is important to bear in mind that women’s unemployment (as a general rule) is likely to be undercounted relative to men’s, since it is more acceptable for a woman to declare that she is a homemaker (and thus outside the labour force) rather than looking for work (and thus technically unemployed), even though she may, in fact, be an unsuccessful work-seeker.

Within most categories of employment, women earn less than men. Hourly earnings are particularly low in informal employment. In Brazil, for example, domestic workers earn less than 50 per cent of average hourly earnings of all employed individuals. In South Africa, this share drops to 30 per cent. Even when compared to female workers in other informal, non-agricultural occupations, differences are still substantial.

Differences in the hours worked by employed women and employed men are likely to further exacerbate women’s lower access to income from gainful employment. In both countries, women’s weekly hours of paid, market work are 80–90 per cent those of men. One of the principal explanations for the gender difference in the work week is that, on average, women are engaged in much more non-market, unpaid work in their households and their communities than are men (see chapter 7).

Ethnicity is a potentially important determinant of social and economic well-being in both South Africa and Brazil. This is not to ignore equally important divisions within other countries analysed in this chapter, such as those created by the caste system in India, for example, or experienced by immigrant and ethnic minorities in the Republic of Korea or distinct ethnic/linguistic groups in Kenya. However, Brazil and South Africa are useful case studies in terms of the impact of ethnicity, which clearly acts as a stratifier on the labour market and often intersects with gender, as in the case of domestic workers.

In South Africa, ethnic disadvantages in the labour market are the combined result of economic exclusion (high unemployment rates) and unfavourable inclusion (concentration in low-quality employment) – particularly for the African population (see table 4.2). There is also a significant ethnic earnings gap within each category of employment: earnings are lowest for Africans, somewhat higher for mixed ethnicity (known as Coloured in the administrative ethnic categorization of the apartheid era), higher still for Indians, and the highest overall for the white population.

*In Brazil and South Africa, ethnicity clearly acts as a stratifier on the labour market and often intersects with gender*
In Brazil, labour force participation and unemployment rates are rather similar across ethnic groups, and labour market disadvantages appear to manifest themselves more in terms of unfavourable inclusion. This means that informal employment accounts for a much larger share of employment among Afro-descendants and indigenous populations as compared to whites and Asians (see table 4.2). In terms of average hourly earnings, Afro-descendants and indigenous workers systematically receive the lowest returns on their labour. Asian workers receive the highest average returns on their labour, followed by the white population.

### Agrarian economies: Insecure livelihoods for both women and men

Over the past two decades, rural livelihoods have become less secure. States have cut back their support to domestic agriculture. At the same time, exposure to competition from large subsidized producers has increased and global commodity markets have become more volatile. Many observers note that a striking feature of agrarian change in contemporary developing country societies is the growing prevalence of livelihood diversification (defined as “the process by which rural families construct a diverse portfolio of activities and social support capabilities in their struggle for survival and in order to improve their standard of living”\(^{51}\)). For vast sections of the population, both female and male, this has meant a constant search for income through wage work and self-employment that is often thinly disguised wage work, in or away from the village. In developing countries with extensive informal economies, off-farm activities are for the most part informal, even if a small fraction of workers obtain jobs in the formal economy (as public sector employees, usually frontline service providers in rural clinics and schools).

### India and Kenya

India and Kenya. Although GDP growth rates in India accelerated sharply in the 1980s and 1990s, driven mainly by the service sector, employment is still dominated by agriculture (engaging 74 per cent of the country’s workforce). In Kenya, both the productive and employment structures are dominated by the primary sector (63 per cent), and it is also this sector that provides the high-value-added horticultural exports that are critical to Kenya’s trade balance.

---

**TABLE 4.2: Basic labour force indicators, by ethnic group, in South Africa and Brazil**

<table>
<thead>
<tr>
<th>South Africa</th>
<th>African</th>
<th>Coloured</th>
<th>Indian</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of working-age population</td>
<td>77.0</td>
<td>9.0</td>
<td>3.0</td>
<td>11.0</td>
</tr>
<tr>
<td>Labour force participation rate</td>
<td>48.3</td>
<td>59.2</td>
<td>56.9</td>
<td>62.2</td>
</tr>
<tr>
<td>Employment-population ratio</td>
<td>33.1</td>
<td>46.0</td>
<td>48.8</td>
<td>58.8</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>31.5</td>
<td>22.3</td>
<td>14.1</td>
<td>5.5</td>
</tr>
<tr>
<td>Informal employment as % of total</td>
<td>44.3</td>
<td>21.4</td>
<td>15.0</td>
<td>8.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Brazil</th>
<th>Afro-descendants</th>
<th>Indigenous</th>
<th>White</th>
<th>Asian</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of working-age population</td>
<td>48.1</td>
<td>0.2</td>
<td>51.2</td>
<td>0.5</td>
</tr>
<tr>
<td>Labour force participation rate</td>
<td>71.1</td>
<td>71.0</td>
<td>69.1</td>
<td>69.3</td>
</tr>
<tr>
<td>Employment-population ratio</td>
<td>60.6</td>
<td>60.8</td>
<td>61.2</td>
<td>63.8</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>11.6</td>
<td>10.9</td>
<td>9.1</td>
<td>6.8</td>
</tr>
<tr>
<td>Informal employment as % of total</td>
<td>70.6</td>
<td>69.0</td>
<td>58.2</td>
<td>57.4</td>
</tr>
</tbody>
</table>

While labour force participation rates among Kenyan women and men are relatively high and fairly similar, India exhibits a large gender gap (see table 4.1) – patterns that are fairly typical of the two respective regions. In general, employment is largely informal in both countries, far more than in dualist economies discussed in the previous section, and women are less likely than men to have access to scarce formal employment.

In both countries, agricultural employment accounts for a larger share of women’s employment than men’s – the reverse situation of Brazil and South Africa – and virtually all of this employment is informal (see table 4.1). In fact, women constitute the backbone of the agricultural sector as smallholders and casual wage earners in both countries. The share of women working as contributing family members in informal agricultural activities is particularly high.

In Kenya, agricultural production has been increasing in recent years and is now the leading source of growth. The rapid expansion of horticultural production initially spurred growth in production of smallholder farms as well as an increase in the number of workers on large commercial operations. Women in Kenya work as smallholders (either managing their own farms or working on the family farm) and as seasonal agricultural wage workers in high-value export production (particularly flowers) organized by larger commercial enterprises. However, the absolute numbers involved do not exceed 100,000. Employment in the horticultural sector does appear to reduce poverty and raise living standards among households when compared to households that do not participate in the sector. Yet many of the jobs generated are casual and seasonal, and income is volatile. Furthermore, the number of jobs generated by the sector in the near future is likely to be relatively small compared to the employment challenge Kenya currently faces.

In India, women comprise an increasingly important proportion of the casual labour force in rural areas, as men withdraw from agriculture into other occupations. In contrast to Kenya, agricultural growth rates in India in the 1990s were sluggish (around 2 per cent per year), especially when compared to the strong growth record of the economy as a whole. Moreover, public investment in agriculture (in irrigation and flood control) has been low and declining, putting real limitations on productivity and employment growth in this sector – key challenges in the long-term quest for poverty reduction.

Services in India, as in many other developing countries, have expanded to include a broad range of activities – from domestic work (catering to the growing middle class) and street hawking to servicing a burgeoning information technology industry. Most of these occupations entail long hours of work and minimal or no social protection, and yield vastly different levels of income, skill, productivity and career prospects. The employment share of services is low for the level of output it generates (less than 25 per cent of total employment, contributing 53 per cent of GDP).

The boom of information technology services and the off-shoring of office work by multinational companies have opened up career opportunities in formal skill-intensive employment for educated, English-speaking women from the urban middle classes. While women make up a large share of the workforce in this emerging sector, segmentation and discrimination along the lines of gender, caste and class are widespread, and women tend to be concentrated in low-end occupations. Furthermore, as chapter 1 has shown, the information technology sector employs less than one million people. Its potential for transforming aggregate employment patterns in the near future is thus rather low, and most working women in India are still to be found in either informal agricultural work or lower paid service activities of the more precarious kind (such as domestic work).

Gender gaps in weekly earnings are significant due to a combination of lower hourly wages and less time dedicated to paid work in both countries, but are wider in India than in Kenya. On average, women’s weekly earnings amount to only half of those of men in India, and two-thirds of those of men in Kenya. Weekly earnings are lowest in informal agricultural employment, where most working women are concentrated. In sum, while there is much variation in the extent, form and quality of women’s employment across the three clusters of countries analysed in this section as well as between countries in each cluster, gender hierarchies are nevertheless pervasive and a powerful force in shaping labour markets.
3. Gender, Poverty and the Role of Household Structures

The findings in previous sections are important to understanding the relationship between employment and poverty outcomes for women. While women’s weaker labour market attachment reduces their access to personal earnings, this is not always reflected in greater female poverty rates (measured at the household level). Section 1 of this chapter has shown, for instance, that despite relatively low labour market earnings in Southern European countries, women are not significantly poorer than men, largely due to income pooling within the household. Are women’s labour market disadvantages and lower earnings in other countries also compensated for in this way? This section looks at the poverty rates of the working poor, assessing the likelihood that workers in particular types of employment will live in income-poor households.

Income pooling is not sufficient to close gender-based poverty gaps in the Republic of Korea

In the Republic of Korea, working poor poverty rates are equally low for men and women in regular employment. However, the estimated poverty rates among women working as temporary and daily (that is, non-regular) workers are much higher than those of men in similar employment situations. This suggests that income pooling within the household is not sufficient to close gender-based poverty gaps. Women in temporary and daily employment in urban areas are almost three times as likely to live in poor households as are men in the same employment categories (see table 4.3). Gender gaps are slightly smaller in rural areas. This pattern may be related to the fact that a larger proportion of daily and temporary female workers are the only earners, or the primary earners, in their households (46.5 per cent of daily workers and 39.8 per cent of temporary workers, as opposed to 35 per cent of regular workers). Given the large gender gaps in wages, poverty rates for households in which women are the main or only breadwinners are higher than those of households in which men are the main or sole earners.

Income pooling effects in Brazil and South Africa vary according to household structures

In Brazil and South Africa, the poverty risk by employment category increases as people move from formal to informal employment (see table 4.4). Informal agricultural workers, contributing family workers and domestic workers have particularly high rates of poverty relative to other employed individuals. If poverty rates are disaggregated by gender, however, the figures show that employed women, at least in Brazil, often have a lower average poverty rate than employed men, particularly in specific categories of employment.

### TABLE 4.3: Working poor poverty rates in the Republic of Korea, 2005

<table>
<thead>
<tr>
<th></th>
<th>Male (%)</th>
<th>Female (%)</th>
<th>Female to male (ratio)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Paid employment (urban)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular worker</td>
<td>0.1</td>
<td>0.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Temporary worker</td>
<td>2.6</td>
<td>7.0</td>
<td>2.7</td>
</tr>
<tr>
<td>Daily worker</td>
<td>13.1</td>
<td>37.6</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Paid employment (rural)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular worker</td>
<td>n.a.</td>
<td>0.3</td>
<td>n.a.</td>
</tr>
<tr>
<td>Temporary worker</td>
<td>6.8</td>
<td>9.1</td>
<td>1.3</td>
</tr>
<tr>
<td>Daily worker</td>
<td>15.6</td>
<td>36.3</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Note: Poverty rates are based on employment earnings only, not total household income. Source: Heintz 2008.
Why might employed women – who are disadvantaged in terms of employment opportunities and earnings – have lower poverty rates than men in similar categories of employment? This seemingly contradictory result emerges because aggregate household income, not an individual's position in the labour market, determines poverty status. Thus, employed women may have lower poverty rates on average than men in similar employment categories because their contribution to family income makes the difference as to whether the household is considered poor or not – even when women’s employment is of very low quality.

In South Africa, the picture is quite different. Here, poverty rates among employed women are almost always higher than those among employed men, suggesting that income pooling does not have the same effect as it does in Brazil. One possible explanation can be found in the combination of employment patterns with household structure. And in this Table 4.4: Working poor poverty rates by employment status, formality and sex, around 2005 (%; population aged 15 years or older)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Formal employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid employee (non-agricultural)</td>
<td>11.0</td>
<td>5.9</td>
<td>1.5</td>
<td>2.2</td>
</tr>
<tr>
<td>Of which are in the private sector</td>
<td>11.6</td>
<td>5.6</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Of which are in the public sector</td>
<td>8.2</td>
<td>6.5</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Self-employed (non-agricultural)</td>
<td>3.5</td>
<td>5.8</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Formal agricultural workers</td>
<td>27.2</td>
<td>22.9</td>
<td>4.0</td>
<td>n.a.</td>
</tr>
<tr>
<td>Informal, non-agricultural employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid employee</td>
<td>23.2</td>
<td>22.6</td>
<td>11.6</td>
<td>14.0</td>
</tr>
<tr>
<td>Of which are domestic workers</td>
<td>31.0</td>
<td>30.1</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Own-account workers</td>
<td>23.5</td>
<td>22.3</td>
<td>9.7</td>
<td>12.3</td>
</tr>
<tr>
<td>Employer</td>
<td>5.5</td>
<td>2.0</td>
<td>0.3</td>
<td>n.a.</td>
</tr>
<tr>
<td>Contributing family worker</td>
<td>35.7</td>
<td>29.5</td>
<td>9.4</td>
<td>15.5</td>
</tr>
<tr>
<td>Informal, agricultural employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid employee</td>
<td>47.5</td>
<td>41.9</td>
<td>30.7</td>
<td>30.5</td>
</tr>
<tr>
<td>Self-employed</td>
<td>45.5</td>
<td>47.2</td>
<td>13.4</td>
<td>10.2</td>
</tr>
<tr>
<td>Contributing family worker</td>
<td>65.3</td>
<td>57.6</td>
<td>15.6</td>
<td>16.4</td>
</tr>
<tr>
<td>Other employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production for own use</td>
<td>45.1</td>
<td>50.3</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Total</td>
<td>24.0</td>
<td>21.2</td>
<td>14.6</td>
<td>18.4</td>
</tr>
</tbody>
</table>

Notes: National poverty lines are determined using different methodologies. Poverty rates are therefore not comparable across countries. However, patterns of the relative risk of poverty may be compared across countries. * Excludes formal private domestic workers. Formal domestic workers are included in the estimates for all formal paid employees – public and private. n.a. = not available. Source: Heintz 2008.
respect, one finds an important difference between Brazil and South Africa. First, dual-earner households (using the proxy of employed males and females) are much more common in Brazil than in South Africa. This means that a woman’s lower average earnings are at least theoretically off-set by combining her earnings with that of other household members. Second, households in which women are the sole or dominant earner are more common in South Africa than in Brazil – either because men are absent or because they are unemployed or economically inactive. This increases women’s risk of poverty since they have no male partner with whom to pool their income. The South African phenomenon of “absent men” may be influenced in part by the country’s historical growth path characterized by enclave economies (that is, with few linkages to national economy) and an extensive male migrant system, which has left an indelible imprint on household structures and gender relations.41

Interestingly, the fact that income pooling at the household level sometimes mitigates gender inequalities in earnings does not hold true in terms of ethnicity, another horizontal inequality. As described in the previous section, ethnicity acts as a powerful stratifier in dualist labour markets. Given ethnic disadvantages, one would expect to find them reflected in working poor poverty rates. Tables 4.5 and 4.6 generally confirm this expectation for South Africa and Brazil.

### TABLE 4.5: Working poor poverty rates by employment and ethnic groups in South Africa, 2004 (%)

<table>
<thead>
<tr>
<th>Employment Type</th>
<th>African</th>
<th>White</th>
<th>Indian</th>
<th>Coloured</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formal employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid employee (non-agricultural)</td>
<td>26.5</td>
<td>24.1</td>
<td>17.4</td>
<td>30.1</td>
</tr>
<tr>
<td>Of which are in the private sector</td>
<td>28.2</td>
<td>25.3</td>
<td>20.3</td>
<td>30.8</td>
</tr>
<tr>
<td>Of which are in the public sector</td>
<td>18.3</td>
<td>20.7</td>
<td>5.8</td>
<td>24.2</td>
</tr>
<tr>
<td>Self-employed (non-agricultural)</td>
<td>25.6</td>
<td>34.1</td>
<td>18.8</td>
<td>33.7</td>
</tr>
<tr>
<td>Formal agricultural</td>
<td>53.2</td>
<td>25.3</td>
<td>10.7</td>
<td>43.0</td>
</tr>
<tr>
<td><strong>Informal, non-agricultural employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid employee</td>
<td>61.4</td>
<td>32.7</td>
<td>18.2</td>
<td>49.3</td>
</tr>
<tr>
<td>Of which are domestic workers</td>
<td>71.1</td>
<td>74.8</td>
<td>100.0*</td>
<td>60.2</td>
</tr>
<tr>
<td>Own-account workers</td>
<td>72.2</td>
<td>28.0</td>
<td>27.3*</td>
<td>53.5</td>
</tr>
<tr>
<td>Employer</td>
<td>51.2</td>
<td>28.2</td>
<td>14.0*</td>
<td>29.9*</td>
</tr>
<tr>
<td><strong>Informal, agricultural employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid employee</td>
<td>68.1</td>
<td>37.8*</td>
<td>–</td>
<td>63.4*</td>
</tr>
<tr>
<td>Self-employed</td>
<td>95.0</td>
<td>60.6*</td>
<td>–</td>
<td>92.0*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45.9</td>
<td>26.4</td>
<td>17.8</td>
<td>36.4</td>
</tr>
</tbody>
</table>

Note: * Small number of observations. Estimates should be treated with caution. Source: Heintz 2008.
### TABLE 4.6: Working poor poverty rates by employment and ethnic groups in Brazil, 2005 (%)

<table>
<thead>
<tr>
<th>Employment Type</th>
<th>White</th>
<th>Afro-descendants</th>
<th>Asian</th>
<th>Indigenous</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formal employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid employee (non-agricultural)</td>
<td>5.9</td>
<td>13.4</td>
<td>3.7</td>
<td>12.0</td>
</tr>
<tr>
<td>Of which are in the private sector</td>
<td>6.5</td>
<td>14.1</td>
<td>4.5</td>
<td>11.2</td>
</tr>
<tr>
<td>Of which are in the public sector</td>
<td>4.4</td>
<td>11.4</td>
<td>1.5</td>
<td>14.2</td>
</tr>
<tr>
<td>Self-employed (non-agricultural)</td>
<td>2.8</td>
<td>10.6</td>
<td>2.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Formal agricultural</td>
<td>15.5</td>
<td>35.2</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Informal, non-agricultural employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid employee</td>
<td>14.8</td>
<td>30.3</td>
<td>10.5</td>
<td>26.0</td>
</tr>
<tr>
<td>Of which are domestic workers</td>
<td>22.5</td>
<td>35.3</td>
<td>26.8</td>
<td>39.2</td>
</tr>
<tr>
<td>Own-account worker</td>
<td>14.5</td>
<td>31.6</td>
<td>11.6</td>
<td>37.4</td>
</tr>
<tr>
<td>Employer</td>
<td>2.5</td>
<td>8.8</td>
<td>7.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Contributing family worker</td>
<td>16.7</td>
<td>46.3</td>
<td>4.6</td>
<td>72.6</td>
</tr>
<tr>
<td><strong>Informal, agricultural employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paid employee</td>
<td>36.8</td>
<td>52.0</td>
<td>19.7</td>
<td>49.5</td>
</tr>
<tr>
<td>Self-employed</td>
<td>31.7</td>
<td>56.9</td>
<td>7.9</td>
<td>68.4</td>
</tr>
<tr>
<td>Contributing family worker</td>
<td>45.5</td>
<td>72.0</td>
<td>20.7</td>
<td>85.5</td>
</tr>
<tr>
<td><strong>Other employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production for own use</td>
<td>35.7</td>
<td>57.5</td>
<td>48.6</td>
<td>71.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>13.9</td>
<td>32.4</td>
<td>8.0</td>
<td>33.7</td>
</tr>
</tbody>
</table>


When working poor poverty rates are analysed by gender, employed women sometimes have lower measured poverty rates than employed men, mainly due to income pooling. This is because women and men tend to live together in the same household and, in households where women are in paid employment, the overall risk of poverty will be lower.

Although inter-ethnic households certainly exist in Brazil and South Africa, it is common to find that all household members belong to the same ethnic group and face similar economic disadvantages. Therefore, working poor poverty rates often more closely track ethnicity-based labour market disadvantages than gender-based disadvantages in paid employment.
In India, women’s employment is often induced by distress, in contrast to Kenya

In India and Kenya, the differences between women and men in terms of average earnings are also not necessarily reflected in a comparison of their poverty rates (see table 4.4). In India (as in South Africa), poverty rates among employed women are almost always higher than those among employed men. However, in Kenya (as in Brazil), the same generalization cannot be made, especially in formal employment and in informal non-agricultural wage labour. How can this difference be explained?

A number of factors seem to be at work here. First, female employment in India appears to have more of a distress character, especially in urban areas. In Indian cities, income-poor households exhibit a higher female employment rate (19.3 per cent) than the average employment rate for all urban women (16.6 per cent). Poverty can therefore be seen as a factor that pushes women into the paid workforce, and often into marginal forms of employment with very low pay. This does not hold true for men: in poor urban households, the male employment rate is actually lower than the average rate for all urban men (49.8 per cent and 54.9 per cent, respectively).

In Kenya, there is less evidence of women’s employment having a strong distress character. Female participation in the workforce seems to be generally high and evenly spread across income strata. The labour force participation rate among poor women is actually somewhat lower than among non-poor women (63 per cent versus 69 per cent). If this pattern is combined with the significantly higher female labour force participation rates overall, this suggests that distress employment may account for a smaller share of women’s total employment in Kenya as compared to India. Although a lot of factors are at work here, it also suggests that, in Kenya, women’s employment may lower the risk of poverty (due to the income they earn), instead of poverty pushing women into very marginal forms of employment (which appears to be the case in India).

Two conclusions emerge from the analysis in this section. First, the poverty risk that different categories of workers face is determined by both labour market institutions and the structure of the household in which they live.

Second, even if by pooling income with other household members (usually partners or husbands) women can compensate for their own very low earnings and escape poverty, this reinforces their financial dependence on others who decide how resources are allocated, while restricting their exit options.

4. The Role of the State in Addressing Gender Inequality and Poverty: Implications for Policy

Development strategies can have a direct effect on the extent and severity of poverty by creating jobs and incomes. Conversely, generalized policies of macroeconomic contraction that operate through demand deflation are likely to have a negative effect on the conditions of poorer groups, as has been seen in many developing economies.

As this chapter has shown, gender inequalities are not necessarily reduced, and may even be reinforced, during the process of structural change. The East Asian scenarios clearly showed that success in employment generation does not necessarily reduce gender inequalities. Job creation can easily bypass women or, in the absence of labour market policies that counter gender discrimination, can include them on unfavourable terms. Yet neoliberal policy prescriptions have argued that deregulation, flexibility and the removal of market distortions can generate better and more work, a rise in real wages and a reduction in gender gaps. In practice, this has not happened. In many developing countries, as described in this report, the larger part of the economy operates beyond the regulatory reach of the state, and this has had a particularly detrimental impact on marginalized groups. Not only have governments curbed
recruitment into the public sector. They sometimes also violate their own regulatory framework through the segmentation of their employees into permanent, contract and voluntary workers, and it is among the latter that women predominate. The desirability of, and urgent need for, a set of clear public policy choices that create, expand and give “teeth” to the legal rights of workers – regardless of gender and caste/ethnicity, both at work and with respect to social protection – cannot be denied.

There is an urgent need for a set of clear policy choices that create, expand and give “teeth” to the legal rights of workers

Feminist mobilization at multiple levels has succeeded in articulating previously unheard views, has confronted established conventions, exposed previously unchallenged biases and, to some extent, rewritten political agendas. One area of remarkable policy convergence has been female education, valued for both intrinsic and instrumental reasons. The elimination of gender disparity in primary and secondary education is one of the targets of the third Millennium Development Goal (MDG). Girls’ enrolment in primary education has increased rapidly the world over, sharply reducing or closing and, in some cases, reversing the gender gap in school attendance; the secondary enrolment rate for girls has also grown, surpassing that of boys in three regions.

However, the distribution of jobs by gender can be only partially explained by different educational endowments. Women tend to be crowded into lower paying jobs, and the bulk of gender wage differentials are explained by factors other than human capital differences. Labour market discrimination often means that women are in practice required to have higher levels of education than men to compete in the workforce on equal terms. Although highly educated women have advanced their careers despite the discriminatory forces that remain stubbornly in place, most women are still trapped in informal and low-return economic activities.

Action in three areas is critical for enhancing women’s economic security:

- formalization of informal jobs through stronger employment regulation;
- improvement of protection mechanisms for people who have no access to formal employment; and
- increased access to other productive assets that facilitate income generation in the absence of formal employment opportunities.

Protect informal workers through state regulation

There is no single solution for the problem of labour informality, given the heterogeneity of informal work. The common policy prescription of formalizing the informal economy thus needs to be comprehensive in design but tailored to different forms of informality. To date, the formalization debate has focused primarily on the self-employed in informal enterprises and often, more specifically, on micro-entrepreneurs who hire others (hence, the emphasis on property rights, which is supposed to promote entrepreneurship and economic dynamism). At a minimum, this debate needs to distinguish between wage workers in informal jobs and the self-employed in informal enterprises. As already demonstrated, the main attraction of the informal economy for employers is precisely the absence of labour regulation, allowing lower labour costs and greater exploitation of workers. This means that a fundamental policy issue is the absence of regulation and lack of protection for workers as well as workers’ lack of voice and political influence. Hence the lack of rights at work needs to be much more forcefully addressed in policy agendas.

The case for greater regulation is particularly strong when it comes to wage employment. One area of typically female informal work that is receiving increasing attention from trade unions, governments and multilateral development agencies is paid domestic work (see box 4.2).
COMBATING POVERTY AND INEQUALITY

Promote social protection, but not as a substitute for decent employment

In the context of greater labour market flexibility and deregulation, increasing emphasis has been placed on the expansion of social protection to informal workers or other vulnerable groups. While this is a timely and welcome development, there is also the danger of de-linking social protection from the operation of the labour market. Narrowly conceived social protection agendas cannot be a substitute for employment creation and decent work agendas.

In the Republic of Korea, for example, the state’s response to the deregulation of the labour market has been to strengthen and extend the reach of key social welfare programmes, particularly social insurance. Thus, multiple health insurance funds were merged into a single integrated public scheme, National Health Insurance, in 2000. Similarly, universal coverage for old-age security was achieved by the end of the 1990s through the National Pension Plan (see chapter 5). Despite the recent expansion in entitlements to insurance benefits, lack of compliance by employers, especially of non-regular workers, remains a key obstacle. This affects women more...
than men, given their already noted overrepresentation among temporary and daily workers. In the case of the National Pension Plan, which has been gradually extended to all workers, including daily, temporary, self-employed and family workers, women make up less than a third of the total. The main reason is to be found in the low pension enrolment rate among women until recently, and the mandatory minimum 25-year maturity for pension benefits.

Dualist economies, such as Brazil and South Africa, have focused on social assistance as a means to combat poverty and economic insecurity. In Brazil, where contributory programmes cover less than half of the economically active population, cash transfers targeted at the poor have become central within the social protection system since the late 1990s. This includes non-means-tested rural pensions and the main conditional cash transfer programme, Bolsa Familia. South Africa has also gradually expanded non-contributory social assistance benefits financed out of tax revenues (see table 4.7). Cash grants (such as the Child Support Grant) are claimed to be highly redistributive and to have contributed to a reduction in poverty of about 2 per cent in 2005. Similar to other cash transfer programmes, women predominate among the beneficiaries in both Brazil (93 per cent) and South Africa (85 per cent).

Although data are scant, it can be assumed that transfers have a positive effect on the resources poor women have at their disposal. There is some debate as to whether the targeting of cash transfers leads to net benefits for women beneficiaries themselves, especially in terms of their access to employment and economic security. However, a regular and reliable source of income should be viewed positively, particularly in contexts where large numbers of women care for children and other dependants on their own. In some cases, cash transfers may facilitate women’s job search and access to paid employment. However, means testing has also been shown to be problematic: local officials sometimes add new tests of eligibility, such as proving that taxes have been paid and requiring letters to be certified by police officers. Social assistance claimants may be perceived as dependants on government handouts, thereby justifying the discretionary handling of these benefits (see chapter 5).

### Table 4.7: Distribution of different grants among men and women in South Africa, 2008

<table>
<thead>
<tr>
<th>Grant</th>
<th>Male</th>
<th>Female</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Support Grant</td>
<td>83,652</td>
<td>4,852,514</td>
<td>98</td>
</tr>
<tr>
<td>Older Person’s Grant</td>
<td>629,233</td>
<td>1,673,017</td>
<td>73</td>
</tr>
<tr>
<td>War Veteran’s Grant</td>
<td>1,437</td>
<td>323</td>
<td>18</td>
</tr>
<tr>
<td>Disability Grant</td>
<td>618,540</td>
<td>765,349</td>
<td>55</td>
</tr>
<tr>
<td>Foster Child Grant</td>
<td>17,814</td>
<td>290,537</td>
<td>94</td>
</tr>
<tr>
<td>Combination of grants</td>
<td>180</td>
<td>6,544</td>
<td>97</td>
</tr>
<tr>
<td>Care-Dependency Grant</td>
<td>3,483</td>
<td>98,731</td>
<td>97</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,354,659</td>
<td>7,687,408</td>
<td>85</td>
</tr>
</tbody>
</table>

Source: Department of Social Development, South Africa 2008.
Increase women’s access to land, microcredit and other productive assets

A third area for policy intervention comprises measures that support women’s income-earning activities through access to productive assets, including land and microcredit. Microcredit schemes, like cash transfer programmes, can be seen as a response to the failure of economic strategies to generate sufficient employment that provides decent wages. It is also often believed that self-employment generated through microcredit will help women reconcile the competing demands of income earning with their family responsibilities.

In India, the banking sector reforms in 1991 led to a decline in the bank credit given to rural areas, and the government has sought to fill a part of this gap through a rapid expansion in the provision of microcredit through the formation of Self-Help Groups, especially of women. The Self-Help Group–linkage programme has grown from support to 500 such groups in 1992 to 500,000 in 2002, covering over 40 million poor people, 90 per cent of whom are women. Such an enormous expansion of credit oriented to women in groups, rather than household production units, is potentially beneficial. However, since these programmes disburse small loans, this could also result in a two-tier system in which women have excellent credit access, but only to small amounts that have to be quickly repaid (and do not allow funds to go into income-bearing activities that have a long gestation period), while men access bank loans that are large enough for significant investments.

More importantly, though, is the fact that the provision of credit, while necessary, is far from sufficient for successful self-employment. Rather, it is the general economic context that plays a determinent role. Evidence of the impact of credit programmes on women’s empowerment at the household level, in terms of gender relations, are contradictory, with some evidence of more frequent domestic violence, sometimes linked to pressure to repay debts, and increased work burdens, as well as greater financial autonomy. A final note of caution raised by village-level studies in India is that, with the decline in formal sector banking in the countryside, the exploitation of the rural poor has intensified as informal sources of credit (moneylenders, merchants, landlords) have rushed in to fill the gap. Microcredit schemes controlled by NGOs have not managed to achieve the spread and reach of the formal rural banking system, and can only be a supplement in a much more diverse system of rural credit.

Institute policies that support women’s long-term economic security

Social assistance, social insurance and microcredit cannot resolve the problem of gender-based poverty and inequality unless they are underpinned by policies that promote women’s long-term economic security. Access to decent jobs, vocational training, enabling social services and amenities are just as necessary to providing women with a sustainable route out of poverty and access to personal income.

Especially in countries where agriculture remains important to people’s livelihoods, access to land is a crucial component of economic security. Gender analyses of land tenure institutions have exposed the complex of laws, customs, social norms, social relations and practices that conspire to exclude women from ownership and control of property in many regions (the situations in South Asia and Latin America have been most extensively researched). Some of this work has been taken up in certain policy and advocacy circles. The rather simplistic view has been constructed that rural women’s poverty can be attributed to their lack of access to land and that land markets are the solution.
This raises two key issues. First, given the centrality of land markets and of market-based agrarian reform in the currently dominant neoliberal economic agenda, it is important to ask if market prescriptions are likely to accommodate women’s land claims. Although the empirical base is far from comprehensive, a judicious reading of the existing evidence points to the severe limitations of land markets as a channel for women’s inclusion, especially for the vast majority of women smallholders, landless agricultural labourers and those doing different kinds of informal work.  

Second, a broader agenda is necessary to meet the needs of women farmers. In many parts of rural sub-Saharan Africa, for example, women’s farming is often constrained not because they are prevented from accessing land, but because they lack capital or regular non-agricultural income to hire labour, purchase inputs and access marketing channels. This calls for a more comprehensive set of policies to support smallholder agriculture (see chapter 1).

In situations where capital accumulation relies on the incorporation of women into paid work, whether agricultural or not, and is not matched by a reduction in the amount of unpaid care work that women and girls undertake to meet their social obligations, it is very likely to result in the extension of total work time, with negative implications for their well-being (see chapter 7).
Notes

1 Fraser 1997.
2 Child sex ratios are the number of girls to boys in the 0–4 year age bracket. The excess mortality of girls, reflected in sex ratios, is influenced by exposure to life-threatening treatment, and by the quantity and quality of resources allocated to them. Girls may routinely receive lower quantity and quality of food and of medical care. Further in some situations there may be selective and deliberate abortion of female foetuses or infanticide.
3 Nillesan and Harriss-White 2004; Jackson and Rao 2009.
4 Croll 2000; Klases and Wink 2003. The one-child policy is not implemented in rural areas.
5 Sen 1990.
6 UNRISD 2005.
7 ILO 2002.
8 Hirschman 1970.
9 Elson 1999.
10 Heintz 2009.
11 Esping-Andersen 1999, 1990. Based on Gornick and Jäntti (2008), this section draws on evidence from five Anglophone countries (Australia, Canada, Ireland, United Kingdom, United States), seven Continental European countries (Austria, Belgium, France, Germany, Luxembourg, Netherlands, Switzerland), three Eastern European countries (Hungary, Poland, Slovenia), four Northern European countries (Denmark, Finland, Norway, Sweden) and three Southern European countries (Greece, Italy, Spain).
12 Orloff 2002.
13 OECD 2008b.
14 OECD 2005.
15 Wright 1993; Casper et al. 1994; Pressman 1995.
16 Gornick and Jäntti 2008.
18 Kapsos 2004.
19 ILO 2002.
21 Chen et al. 2005.
22 Heintz 2008.
23 Anker et al. 2003.
24 Chen 2009.
26 Horn 2009.
27 Horn 2009.
28 UNRISD 2005.
29 See Kabeer (2007) for a review of relevant case studies.
31 See references in Kabeer (2007).
32 Seguino 2000a.
34 Greenhalgh 1985.
35 Berik 2009.
39 UNDESA 1999.
41 Grubb et al. 2007.
42 Hence the figures for regular/temporary/daily employment for the period before 2000 (cited above) are not comparable to those for the post-2000 period.
43 Berik 2009.
44 Berik 2009.
45 Deere 2005.
46 ECLAC 2008.
48 Lund and Buddlether 2009.
49 ECLAC 2008.
50 The National Household Sample Survey (PNAD) classifies individuals into five ethnic groups: brancos (whites), pretos (blacks), pardos (brown or mixed descent), amarelos (Asians), and indígeno (indigenous). Given the similarity in labour market standing for pretos and pardos, this discussion combines pretos and pardos into a single category: Afro-descendants.
52 Heintz 2008.
54 Jenkins 2005.
55 Heintz 2008.
58 Paliwala and Neetha 2009b.
59 Ghosh 2009.
60 Heintz 2008.
61 Budlender and Lund 2009.
62 Breman 1996.
63 Harriss-White 2010.
64 UN 2008a.
67 Chen 2009.
68 Ghosh 2009.
69 Kwon and Tchoe 2005.
70 Peng 2009.
71 Lund 2009.
72 Lindert et al. 2007.
73 Molyneux 2007; Bradshaw 2008.
74 Veras Soares et al. 2007.
75 Goldblatt 2005.
76 Fraser and Gordon 1994.
77 Palriwala and Neetha 2009a.
78 Ramachandran and Swaminathan 2004.
81 Ghosh 1998.
83 Ramachandran and Swaminathan 2004.
84 Agarwal 1994.
86 World Bank 2001a.
87 See Razavi (2007a) for a review of the existing evidence; Razavi 2003; UNRISD 2006b.
89 Elson 2005.