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# WOMEN, GENDER AND WORK

**Volume 2**  
**SOCIAL CHOICES AND INEQUALITIES**

*Edited by Mark Lansky, Jayati Ghosh, Dominique Méda and Uma Rani*

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AND WORK

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*Social choices and inequalities*

Edited by

Mark Lansky, Jayati Ghosh,  
Dominique Méda and Uma Rani

Prefaced by

Martha C. Nussbaum

INTERNATIONAL LABOUR OFFICE – GENEVA

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## Preface

Most of the world's adult women work many hours a day. Their work is sometimes paid, sometimes unpaid; sometimes meaningful, sometimes monotonous; sometimes chosen, sometimes a necessity. Sometimes women work in conditions that protect their health, safety, and bodily integrity; sometimes they encounter health hazards, crushing hours, and sexual harassment or even violence. To sum it all up, sometimes women's work shows respect for their equal human worth, and sometimes it does not.

This impressive volume continues the study of women and work begun in Volume 1. This volume deliberately focuses on practical strategies and less on theory, but in the process it sheds light on a number of highly practical theoretical issues.

First, what is work? Most definitions of work in economics contrast wage labour with unpaid household labour, and some even classify the latter as a leisure activity. Obviously that is inadequate. Much of the work women do around the world is unpaid care and domestic labour, and even when women also have a job outside the home they typically shoulder a large proportion of child care, elder care, and homemaking. The present volume, by contrast, begins with the conceptually revolutionary definition of the 19th International Conference of Labour Statisticians: "Work comprises any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use" (*Introduction*, p. 22). Many essays in the volume then reflect productively on how we might assign a hypothetical monetary value to women's household labour, and also how we may enhance the dignity and working conditions of those who provide such services for a wage, given that these services are currently devalued on account of their gendered history.

Another crucial theoretical question that pervades these excellent, diverse, and rigorous essays is that of the value of work and its relation to the good life. As the *Introduction* notes, work has not always been understood as a constituent part of the good life. For much of history, at least in the Western tradition and in the Indian tradition (the only non-Western tradition at all known to me), work has been thought of as instrumental to things that are really important, rather than as having any inherent value. Thus in ancient Greece (at least for the elites who dominate philosophical discourse) the free citizen was imagined as someone who had a lot of free time, and did not have to make money. Indeed women were often assigned the job of estate management precisely because that task was thought to be banal, base, and lacking in inherent value. The Indian tradition imagined the life of the "householder" as

a phase to be transcended in the direction of a solitary religious life (usually for males, who were free to make this choice).

Such ideas persisted for millennia, as elites disparaged people who did wage labour and disparaged, at least as much, women's unpaid domestic labour. But by the nineteenth century, a different view became common: that work is an important aspect of human self-definition, and that its configuration thus has immense importance for the fate of human dignity in class-stratified social worlds. Marx held that workers are alienated from their own humanity because they are permitted neither to control the product of their labour nor to organize and affiliate with other workers. This view, enormously influential thenceforth, has led to a set of questions that urgently demand answers. What are the conditions under which work is meaningful? What types of control must workers have over their work in order to be dignified people rather than serfs? What protections for health, safety, bodily integrity, and leisure must be part of a decent labour arrangement?

These questions obviously pertain to women's work, but they have rarely been posed clearly about the "informal economy", in which a large proportion of the world's women are employed, and still more rarely about women's unpaid care and domestic work, whether combined with wage labour or not. The essays in this volume thus break new ground and help us all to press such questions further.

We need to think, as well, about what work precludes: that is, about leisure and play. Human beings need time to reflect, to imagine, to develop friendships, community affiliations, and political concerns. Many of these "leisure" pursuits are made impossible for women by the "double day" – the extra burden of domestic labour at the close of a taxing day of work outside the home.

The essays assembled here suggest directions for law in shaping women's opportunities, but they also make it clear that social attitudes and changes in the shape of the workplace are also part of any meaningful solution.

The world economy is changing, and these changes have implications for women's work. Specifically, the transition to a service economy has made education far more central for employment than in previous generations. When women get educational opportunities, they excel: women are overrepresented in most of the world's universities. But ongoing problems with primary education need to be solved if the world's women are to realize their potential. This volume also sheds new light on these urgent current issues.

In my contribution to Volume 1 of *Women, gender and work*, I defended (my version of) the Capabilities Approach as a helpful way of looking at goals for women and work. The present volume convinces me that these arguments are still important. The Capabilities Approach is valuable in this area, first of all, because we need to consider work in a larger context of what women are able to do and to be, a context that includes life, health, bodily integrity, practical reason, emotional health, affiliation, play, and the other capabilities on my list. The list helps us remember what to look for. By focusing on substantive opportunities, it also provides a rationale for affirmative efforts: if women are

to reach the same level of capability as men, social institutions must in most cases work harder to overcome existing injustice. The approach thus offers a useful corrective to merely formal approaches to equality and non-discrimination. The focus on capability – rather than actual functioning – makes room for choice and expresses respect for women’s agency.

Although my version of the Capabilities Approach focuses on law and political principles, it can also be used to study workplace policies and family attitudes, so it is a flexible tool that can assist us as we diagnose problems and recommend solutions.

This splendid and challenging volume, a feast of diverse arguments and perspectives, makes me hungry for even more. So what do I propose for a future Volume 3? I would like to see more about progress in law on issues of sexual harassment and sexual violence. I would like to see more about the contrast between work and leisure or play, and about the value of each in a meaningful life. As we approach a future in which much work will be done by automata, we need to think about how governments can extend to people meaningful active lives without many of the types of work they used to do. What will take that place? What new forms of work, and of meaningful activity outside work, should we encourage?

But a major focus of any future volume must be on the relationship between gender and ageing. All populations are ageing, and ageing raises many new issues of justice that bear on women’s role. First and obviously, there is now – as there will be as time goes on – more and more care labour to be done; and caring for ageing relatives is usually more difficult, physically and emotionally, than caring for children. At present most countries leave such care to the family, and it is therefore primarily assigned to women, as if they will do it without pay for love. We must think better about how to provide this care on an equitable basis while respecting the dignity of ageing people and without debarring younger women from other work and chosen activities.

Second, women make up a large proportion of the world’s ageing people. So issues of justice and inclusion that arise in this sphere pertain especially to women. The evil practice of compulsory retirement, still practised in most countries, removes active women from the work that they love, marginalizing them and diminishing their self-respect. I am sixty-nine, and I am lucky to be able to work as long as I wish and am able; my friends in other countries are not so lucky. A variety of arguments are marshalled to defend this practice, but they all fail. Justice usually costs more than injustice, but we have never thought that the extra cost of including people with disabilities in schools and workplaces counted against their inclusion: indeed courts have ordered schools to integrate such children as an instance of the equal protection of the laws, and employers in the United States are required by law to make “reasonable” accommodations to equip the workplace for any special physical issues that an employee may have, a conclusion with obvious implications for ageing workers.

The age when one *must* stop working is and should be different from the age at which one *may* stop working; and there should be clarity on this point,

as well as encouragement for career transitions for people in their sixties and seventies who may want to change paths, and public support for late-life education, a time when most of us search for meaning.

Age discrimination, now ubiquitous in all countries, must stop. Now people look the other way, as if it were “just nature”, and therefore not at all the same bad thing as racial or gender discrimination. Of course, it is. As John Stuart Mill remarked about the subordination of women, so here: “Was there ever any domination which did not seem natural to those who possessed it?”

Isolation and lack of mobility are big capability issues for ageing people, and women are especially likely to live alone, isolated from friends and community. So a focus on issues of mobility without relying on the car, whether through access to public transportation or through a future of self-driving cars, is a major aspect of getting ageing women to work or to play, as they choose.

The stigma currently attached to the ageing body is just as damaging as racial stigma or the stigma against people with disabilities, and it falls most heavily on ageing women, since ageing male bodies code as powerful and seductive, while a long tradition sees ageing female bodies as useless. Stigma is an issue for law indirectly: there is much that institutions can do to change social attitudes to women’s bodies, by public rhetoric and also by inclusion in the workplace.

Law is in its infancy in this area. We need new work on competency and guardianship (different, often, in different areas of life), and on the conditions under which ageing people can express consent to sex and/or marriage and divorce. Once again, all these issues are disproportionately significant for women, since women are disproportionately represented among the ageing.

In short: this volume is a huge contribution, and it is to be warmly applauded. Now let us get to work on the next step.

*Martha C. Nussbaum*

# Contents

PART I – Introduction

PART II – Concepts and conceptions

PART III – Female labour force participation:  
Gender gaps and segregation

PART IV – From unpaid to underpaid:  
The care-work continuum

PART V – Regulation of “women’s work”: A mixed record

PART VI – Organization for empowerment and better work

PART I

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## INTRODUCTION

## Social choices and inequalities

Mark LANSKY,\* Jayati GHOSH,\*\* Dominique MÉDA\*\*\*  
and Uma RANI\*\*\*\*

Over the past half-century, economic development and attendant social change have brought about steady narrowing of the differences between economic and social indicators of the lives of women and men in most parts of the world. In some cases, particularly in the developed countries, the traditional gender gaps have even been reversed in recent years, raising “gender issues” that are now variously but increasingly attracting attention to men, with the realization that they too are part of the broader picture.<sup>1</sup> Indeed, while women have been moving out of their old preserves as homemakers and wives into the competitive labour markets of the globalizing economy, working men have generally failed to make commensurate progress the other way, out of their traditional roles as family breadwinners and husbands into (unpaid) care work and homemaking (although this too is beginning to happen, especially in the northern European countries and North America). And as if to exacerbate the asymmetry, the reconfiguration of the global labour market has been eroding “traditional male jobs” in most of the developed economies, generating higher unemployment and lower-paid jobs among men.<sup>2</sup> Moreover, since the collapse of male employment that followed the 2008 crisis in a number of these countries, the widespread shift from the traditional male-breadwinner model to dual-earner households is being overshadowed by emerging evidence of impoverished female-breadwinner households, amidst the general decline of the middle class and widening income inequalities (Vaughan-Whitehead, Vazquez-Alvarez and Maitre, forthcoming).

Developing countries also face some of these issues, albeit on very different terms. The dynamics differ partly because these countries never experienced the sharp separation of workplace from home that today’s developed

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<sup>1</sup> For an overview of the general arguments, see Lansky (2001).

<sup>2</sup> For an interesting essay on the societal outcomes of these dynamics, see *The Economist* (2015).

countries inherited from the industrial revolution. There are other cultural and historical factors at play here too, such as the legacy of slavery (illustrated by Ricketts and Bernard's case study on Jamaica in Chapter 11 of this volume), or post-colonial ethnic divides that widen inequalities between women and between men, as documented by Kolev and Suárez Robles' research on Peru in Chapter 10. In many of the developing countries, however, inequalities to the disadvantage of women remain acute, often exacerbated by more constraining socio-cultural norms and extreme poverty (see Harriss-White's contribution on social regulation in Chapter 4, and Carr and Chen's on social exclusion in the context of globalization, in Chapter 8).

The rationale and outcomes of this lopsided process have been abundantly researched and documented, primarily in terms of persistent labour market inequalities, heavily feminized responsibility for care work and the added burden that women have to shoulder in combining paid employment with family responsibilities. This book makes a further contribution to that literature. However, the case for reducing the resulting gender gaps in various aspects of work has so far been conceptualized, quantified and argued – particularly at the policy level – in ways that may ultimately prove self-defeating in some cases because they typically play on implicit conceptual and analytical tensions between stylized gender constructs (including statistics) that tend to misrepresent the real lives of men and women at the household level (Chant, 2000, pp. 9–11; Chodorow, 1994, pp. 90–91; Tavris, 1992). The prevalence of this perspective has been interpreted as a typical outcome of bureaucratic preference for “economistic frameworks” in understanding motivations and in defining problems and their solutions (Goetz, 1994, p. 31; see also Supiot, 2015).<sup>3</sup>

Not only have these and related issues long been identified by various currents of feminist thinking and gender scholarship, but specific proposals have been articulated for addressing them in applied research and policy thinking. One such proposal, introduced in the first volume of *Women, gender and work* (Loutfi, 2001), is the “capabilities approach” pioneered by Amartya Sen and developed further by Martha Nussbaum (1999a, 2000 and 2011). Drawing on Nussbaum's (1999b) particular conception of feminism, this framework connects closely with Sen's notions of rights that transcend legal recognition, plural affiliation and, ultimately, development as freedom (see Sen, 2000, 1999a and 1999b, respectively). This approach has lost nothing of its potential for helping policy to address the root causes of disadvantage, particularly where the latter fails to show up in a narrow focus on standard statistical indicators of gender inequality, as is typically the case among impoverished households scraping a living from the informal economy.

Against this background, this second volume of *Women, gender and work* brings together further insights and analysis from a selection of articles pub-

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<sup>3</sup> More generally, however, it is probably also linked to what feminist writers have called “the ascendance of male rationality”, on which “the destruction of maternal values” is blamed when women venture into the world outside the home (Benjamin, 1988, p. 185). For a radical view of what that “outside” means for women, see Dworkin (1997, pp. 196–216).

lished in the *International Labour Review* over the past decade or so. In keeping with the spirit of the first volume, the selection presented here largely eschews theoretical debate in favour of empirical and applied research, whose potential for informing policy on gender equality and societal change is, we believe, far from exhausted. In contrast to the 2001 volume, however, this one, compiled in 2015, marks the twentieth anniversary of the Fourth United Nations World Conference on Women with a deliberately sharper focus on the working lives of women in the developing world, taking stock of the progress they have achieved, but also of the huge challenges ahead. Indeed, while some indicators show significant improvements – to the point of actually reversing the old gender gaps in some cases – others are proving much more resistant to change (ILO, 2016a).

The remainder of this introductory chapter is organized into five sections that contextualize the contributions that follow. The first considers some of the conceptual, regulatory and practical concerns that have been raised in regard to the objective of “equality” at work and how it is being pursued. The second section reviews global patterns of female labour force participation and the gender gaps they exhibit, particularly on account of occupational segregation, part-time work and consequent gender pay differentials. Extending this overview, the third section addresses the particular challenges posed by care work and domestic work, together with the prospects for empowerment of women in these occupations through organization. The fourth section examines (women’s) changing perceptions of work as an expression of social worth and identity. The fifth section concludes with a consideration of some of the broader cross-cutting policy issues highlighted by the collection of papers presented here, and elsewhere, by writers who have tried to stress the need for greater global sensitivity, realism and diversity in analytical and policy approaches to statistically measurable gender inequality.

## The social choice of equality: Legal, conceptual and practical considerations<sup>4</sup>

[H]uman dignity is frequently violated on grounds of sex. Many women all over the world find themselves treated unequally with respect to employment, bodily safety and integrity, basic nutrition and health care, education and political voice. In many cases these hardships are caused by their being women, and in many cases laws and institutions construct or perpetuate these inequalities (Nussbaum, 1999a, p. 227).

The efforts that societies have undertaken to counter the effects of gender on people’s lives have focused mostly on women’s lives and on the deceptively simple concept of equality. And the most common vehicle for delivering equality has been the law. As a result, some form of legislated “equality”

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<sup>4</sup> In keeping with the spirit of this compendium of articles from the *International Labour Review*, this section draws on Lansky (2001, pp. 99–105), which was published in Volume 140 (2001), issue No. 1, of the journal.

– e.g. non-discrimination on grounds of sex, the right to equal treatment, equal opportunity, etc. – is now a feature of the legal systems of most countries. This is clearly a necessary first step (ILO, 2000, pp. 2–3), but one taken on a path that leads to fairly complex considerations. First, the variety of formulations and conceptions of equality found in national and international law have very different implications in terms of what they can actually deliver in practice.<sup>5</sup> Aspects of this general point are discussed in the contributions to this volume by Hepple (Chapter 2) and Tomei (Chapter 3). And second, particularly in the light of feminist critiques articulated since the mid-1990s, it has become questionable whether a conventional equality framework alone can compensate for the differential effects of gender on people’s lives without the support of much wider changes, both in the way the framework is conceptualized, operationalized and implemented and in the very values and norms whereby economies, societies and people function (Lansky, 2001). This is illustrated in this volume by Harriss-White’s insights into the workings of social regulation in the informal economy (Chapter 4) and by Franck and Olsson’s Malaysian case study of the problems this can pose for the statistical measurement of labour market outcomes, by showing that women’s *expressed* preference for gender role conformity can diverge radically both from their actual behaviour and, in a formal sense, from “the social choice of equality” (Chapter 6). It is indeed important to bear in mind that “cultures are not monoliths; people ... are constrained by social norms, but norms are plural and people are devious. Even in societies that nourish problematic roles for men and women, real men and women can find spaces in which to subvert those conventions” (Nussbaum, 1999b, p. 14).

The main legal response to these concerns has centred on a shift from formal to substantive equality and from negative to positive duties to promote equality (see Hepple’s contribution to this volume, in Chapter 2; for another perspective, see Schiek, 2000). But the feminist critiques of equality are grounded in a variety of real-life concerns that make the challenge truly daunting. These range from the intersection of different causes of disadvantage (e.g. gender, race, economic status) to the status of caring labour, recognition of dependency (in infancy, disability, old age), and the contextual sensitivity of (women’s) agency (e.g. Kittay, 1999; Folbre, 1998; Lewis, 2001; Riger, 2000).

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<sup>5</sup> This can be true even when the formulations are identical but interpreted and applied in different cultural settings. For example, Saudi Arabia’s ratification of the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), has generated some enlightening correspondence with the ILO Committee of Experts on the Application of Conventions and Recommendations, on the precedence of Islamic law and compatibility between compliance with the Convention and the Labour Code’s stipulation that “in no case may men and women commingle in the place of employment” (for a sample of the Committee’s comments, see [http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100\\_COMMENT\\_ID:2096336](http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:2096336)). The same goes for the variability of interpretations of a given legal framework over time. As Politakis’ contribution shows (Chapter 26), the ILO’s Night Work (Women) Convention, 1919 (No. 4), was adopted almost a century ago in order to “protect” women with a ban on their night work, but it gradually came to be seen as a constraint on their employment and freedom, so it was eventually scrapped. In France, for example, night work by women was re-legalized in 2001, in a complete reversal of values, after a “protective” ban that lasted well over a century.

Many of these concerns too can be traced to the tensions between family affiliations and the demands of a competitive workplace, which typically resolve into the interplay of gender roles that Williams (2000) calls “domesticity” (for a modelling exercise that aptly sums up its economic implications for households, see Chichilnisky and Hermann Frederiksen, 2008). In more generic terms, the issue boils down to the contextually sensitive nexus of reproductive and productive roles and identities and the compulsion for their mutual validation in the daily lives of women and men.<sup>6</sup> At the interpersonal level, which ultimately determines much else, being a “good woman” or a “good man” can mean many different things depending on such contextualizing variables as culture, ethnicity, religion, class, education, etc. And to make matters worse, these people typically transition via the marriage market to pair up and form households within which they cooperate, pool resources and do what they can to bring up “good boys” and “good girls”, thereby mostly reproducing gender.

Despite the resulting diversity of socio-economic norms, statuses and preferences, the basic non-discrimination approach to equality, which underpins most countries’ policies on gender equality, derives from a principle that addresses all manner of grounds for discrimination, e.g. race, ethnicity, religion, HIV status, etc. This approach implicitly postulates a comparator as the norm to be matched in respect of some socially valuable measure, e.g. civil rights, access to employment, pay, etc. In other words, if X is not treated like Y – the implicit norm – in respect of Z (say, pay), then a legal problem arises and X is ultimately entitled to go to court to sort it out. Such formal equality, or “equality as sameness”, is based on the assumption that it is both possible and sufficient to “make people equal” in some socially valued respect(s) regardless of who they are and where they stand in other respects (see Kittay, 1999, p. 6). But as Schiek asks: “Can the quest for equality against the reality of asymmetrical, group-based discrimination be mirrored in individual rights that are enforced directly between private persons?” (2000, p. 263). The answer has to be no, for at least three reasons. The first is that this approach typically circumscribes the pursuit of equality to a particular sphere, itself not necessarily accessible to all, such as formal-sector employment or work of equal value to that done by a man with a wife at home. The second is that even when equality does get enforced between (some) private persons in that particular sphere, “this may leave untouched the processes, attitudes and behaviours which ... lead to prejudice and stereotyping or to practices which unwittingly have the effect of putting women ... at a disadvantage” (Hepple, Chapter 2 of this volume, p. 54). And the third, particularly disturbing to feminists outside the liberal current, is the implicit choice of a (male) norm as the comparator for equality. The question then becomes: equal to what?

If the answer lies in some idealized male-power model that even (some) men are giving up on – if they ever were equal to it themselves – then everyone may be in trouble (for elaboration, see Lansky, 2001; see also Beder, 2000).

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<sup>6</sup> For other interesting perspectives on societal norms, see Nelson (1998) and Williams (2000).

“Equality under the law would be an excellent goal for women if it weren’t that it always seems to travel a one-way street of making women equal to men” (Tavris, 1992, p. 122). The traditional emphasis on formal equalization of the existing terms of labour market competition – as if it were a disconnected, separate sphere, and the all-important one – is thus clearly not enough, even if non-discrimination in employment is supplemented by paid maternity leave, equal pay provisions, action against sexual harassment at work and perhaps even affirmative action. Such policies have made an enormous contribution to changing women’s lives and society as a whole, particularly in the developed countries, and they must therefore be continued and strengthened. On their own, however, they somehow miss a basic point. By opening up options specifically for women without addressing the wider context of gender roles and workplace norms within which those options may or may not be exercised, they have often forced women into “no-win, either-or choices, motherhood versus career” (Friedan, 1997, p. 7; on “mommy track” policies, see also Williams, 2000, pp. 94–95). And many of those who choose to do both have little time left to live (e.g. Shelton, 1992) – and thus forfeit a crucial qualitative aspect of the wider freedom of choice they are supposed to have exercised in the first place. “If women can see no future beyond joining the masculinist elite on its own terms, our civilization will become more destructive than ever. There has to be a better way” (Greer, 1999, p. 309).

Equality may still have some use in circumscribed circumstances, such as in the context of arguing about measures when women and men stand in relatively equal positions (e.g. equal pay for equal work or equal voting rights), but there are many situations where positions are too unequal for equality to be of use. The argument is not that the concept is useless, but rather that equality should no longer be the overarching goal of feminist legal theory – the meta-objective that drives all other considerations. ... In general, it seems that an increasing number of legal feminists are concluding that a so-called neutral equality model for law reform will serve as an artificial limit on the feminist project in law (Fineman, 1995, pp. 41–42 and 47).

Taking an economic perspective, Nancy Folbre has argued that the challenge to feminism is to strike a balance between “a liberal feminism that emphasizes individual rights and a social feminism that emphasizes the obligations of care” (1998, p. 43). This means preserving the advantages of market competition, while establishing rules that prevent it from taking a destructive form: “If we are going to compete, let it be in a game of our own choosing” (ibid., p. 3). Folbre’s strong economic argument proceeds from the social and ultimately economic implications of “family failure” or “community failure” (see also Kittay, 1999; Williams, 2000; Lewis, 2001). This notion centres on the under-supply and qualitative deterioration of both family-based and market-based “caring labour” seen as a public good or, rather, as a “common property resource”, depletable, yet vital to the development of human capabilities and hence to the success of policies, like education, which also contribute to their development (Nussbaum, 2011). The danger is that this resource may be over-exploited, to the point of non-replenishment, unless social institutions control access to it. “In the long run, ... the norms and internalized preferences that

generate [non-economically motivated care] are probably influenced by large shifts in relative prices. Women who feel aggrieved that they have been penalized for specializing in [such care] may encourage their daughters to behave differently” (Folbre, 1998, p. 30). Of course, this does not mean women should be encouraged to backtrack to their old, private-sphere gender role. Rather, Folbre argues, the answer lies in a reappraisal of the real costs and economic value of care and, on that basis, in the design of social and labour-market policies that will eventually bring about more sharing of family and social responsibilities for care between women and men (see also Kittay, 1999; Lewis, 2001). Some of these issues are considered below and in Part IV of this book, which is devoted to exploring the challenges posed by care work in national and global context. Besides, there is arguably much else in a fully human life that can be lost if competitive market employment – albeit a crucial measure of equality – is over-idealized as an end in itself, in isolation from its social and human contexts: “it behooves us to think about what a good life means” (Folbre, 1998, p. 17; see also Beder, 2000).

A useful starting point for imagining a new policy framework is the distinction some have drawn between “equality as sameness” – which few authors seriously believe in today – and “equality as acceptance” or “substantive equality”.<sup>7</sup> Such approaches address a much wider range of the socio-economic consequences of gender and sex differences, without pretending that the differences themselves do not exist: “acceptance arguments ... encompass both biological and cultural sexual differences and seek to ensure symmetry in the ultimate positions of women and men by taking account of those differences” (Fineman, 1995, p. 42). “‘Eliminating discrimination’ should not be understood simply as a negative duty. The notion should be refocused, so as to emphasize the responsibility of governments, organizations and individuals to generate change by positive actions” (Hepple, Chapter 2 in this volume, p. 56). Indeed, a more general problem with equality as a legislated right is that it risks remaining just that – a legislated right and a dead letter for many – unless the legislator and other stakeholders also see to it that the material, social, economic and institutional conditions of human existence actually enable people to exercise that right, which then implicitly needs to be understood more in terms of freedom to be “equal”, or better, or just different. Drawing on Sen’s (1992) work, Kittay argues that “what we seek to equalize then is not a set of goods (not even ‘primary goods’) but the ability to realize those functionings we deem valuable” (Kittay, 1999, p. 179; for the full rationale, see Nussbaum, 1999a, 2000 and 2011).

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<sup>7</sup> On the first, see Tavis (1992, pp. 123 et seq.) and, on the second, Hepple (Chapter 2 in this volume) and Schiek (2000). See also Nussbaum (1999b, pp. 132–133), on the distinction between “equity feminism” and “gender feminism”; MacKinnon (1987), for a critique favouring the concepts of “dominance” and “subordination”; Kittay (1999, pp. 8–19), for a review of the various feminist critiques of equality based on “difference”, “diversity”, etc., and her own critique based on “dependency”; and Williams’ (2000) arguments on “domesticity” and the need to refocus the entire debate on workplace norms.

This dimension of equality is now commonly emphasized, not least because it appears to strengthen the universality of the concept of equality itself.<sup>8</sup> Indeed, what such freedom actually means to individuals and how they will exercise it is bound to differ, though extrapolations from interpersonal to group-based variability are perhaps best avoided. For example, Singer analyses the contrast between the conceptions of freedom of Simone de Beauvoir and Jean-Paul Sartre, which she respectively construes as a female conception “with attachments” and a male one without (Singer, 1993, pp. 131–144).<sup>9</sup> This generalization seems hazardous enough. But in a broader cross-cultural perspective, the argument that the notion of freedom may a priori be subject to some hard-wired, collectively socialized relativity – gender-based and hence, perhaps, religious, political, etc. – is highly risky for the purposes of practical rights-based thinking, depending on how far this argument is taken. Both feminists and cultural relativists have attacked the human rights framework from different angles:

... because the commonality of gender is the basis for feminists to organize, just like the commonality of culture is the basis for cultural relativists to organize, the tendency to reduce everything to this common element is natural. ... Attempting to create the “essential woman” or the “essential African” or Asian or whatever, leads not only to ignoring the differences inside those categories, but also to an artificial isolation from their opposite, which is perceived as the enemy (Brems, 1997, pp. 154–155).

The answer is probably to draw a line between acceptance of the variability of individual preferences exercised in a truly enabling environment and acceptance of the socio-cultural or political relativization of the (legal) boundaries of freedom in the exercise of rights.<sup>10</sup>

But this too raises some difficult questions if the substantive dimension of the right to equality is valued beyond a conventional focus on quantifiable socio-economic proxies. For example: what is an enabling environment? How can policy-making provide it?<sup>11</sup> How to measure what has been achieved by giving people what they are presumed to need in order to exercise the right to be “equal” in that sense?<sup>12</sup> For example, in addition to a non-discriminatory labour market in the formal sense, this might require subsidized childcare facilities on a sufficient scale, attention to working-time regimes and their impli-

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<sup>8</sup> On this point, see Hepple’s argument for empowering the disadvantaged groups themselves as a means of implementing substantive equality within the framework of the ILO’s (1999 and 2000) concept of decent work (Chapter 2 in this volume).

<sup>9</sup> Another interpretation, of course, is that the difference is not so much between what women in general and men in general feel or want as between the terms in which applicable gender norms make individuals describe their experiences and feelings (Williams, 2000, pp. 180–181).

<sup>10</sup> For a discussion of relevant concerns, see Perry (1997); for an interesting confrontation of points of view, see Okin (1999).

<sup>11</sup> Two options are Hepple’s argument for empowerment (in Chapter 2), which is further explored in Part VI of this volume; and Nussbaum’s (2000 and 2011) capabilities approach.

<sup>12</sup> For a discussion of the relationship between social choice and individual freedom, see Sen (1999b, Ch. 11–12).

cations for *conditions* of employment, and adjustments to taxation and social security systems originally tailored to the male breadwinner model.

At the policy-making level, awareness of this agenda is being demonstrated in a great many countries, albeit with widely varying degrees of commitment, as illustrated by Méndez's contribution on childcare arrangements in southern European countries (Chapter 24), Sparreboom's on part-time work in Europe (Chapter 15), and Fultz and Steinhilber's on social security reforms in eastern Europe (Chapter 28). These last authors show how those reforms largely neglected their own gender implications, resulting in less redistribution overall, but with a more negative impact on women than on men. As a result, by 2012, Hungary and the Czech Republic were the EU countries where motherhood had the strongest adverse impact on female employment, while the Czech Republic was the country with the EU's widest gender pay gap. Moreover, these countries' emphasis on tax-based family support has put women in poor households at a particular disadvantage.<sup>13</sup>

But even in Sweden – which has few fiscal and working-time disincentives and pursues an active policy of childcare – labour market outcomes are far from equal, displaying a high level of occupational segregation by sex, both in absolute terms and relative to other developed countries (Jarman, Blackburn and Racko, 2012; Melkas and Anker, 1997). Recent research on Sweden suggests that the persistence of this pattern over time is due to the reproduction of gender between parents and their same-sex children (Hederos Eriksson, 2015). Especially when this gets encoded in early educational decisions, it often translates into restricted career opportunities and lower pay for female workers – a concern central to Folbre's (1998) economic analysis. However, Jarman, Blackburn and Racko (2012) find no evidence that occupational segregation by sex is *driven* by inequality. A similar finding shows up in Behr and Theune's (forthcoming) careful study of gender pay gaps in Germany: highlighting the decisive effect of field of study, these authors question the current focus on "equal pay politics" and conclude that the policy focus should shift to the reasons motivating women to choose fields of study which lead to lower-paid occupations.

In the circumstances, the awkward issue of (gendered) individual preferences and their determinants clearly needs to be considered, with particular attention in this case to the apparent paradox that occupational segregation by sex in Sweden – arguably the world's most egalitarian socio-economic environment – turns out to be significantly more pronounced than it is in countries which rank much lower on the equal opportunity scale, such as Japan, Greece, Ecuador or Romania (Jarman, Blackburn and Racko, 2012). A similar point can be made about the distinctly cultural differences in patterns of female labour force participation that Losa and Origoni identify between the German-speaking, French-speaking and Italian-speaking parts of tiny Switzerland (see Chapter 14 in this volume). Another example is given by Franck and Olsen's

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<sup>13</sup> A comprehensive update on the original article is available from the authors on request.

contribution on Malaysia's "missing women", who do not show up in labour force statistics because they *prefer* not to report that they work outside their home, in order to uphold the appearance of gender role conformity (Chapter 6). At the other extreme, Ricketts and Bernard's contribution on Jamaica (Chapter 11) reports historically high female labour force participation, with little occupational segregation but, increasingly, worse outcomes for men than for women in terms of both educational attainment and occupational status.

The following section reviews the labour market outcomes that these unstable dynamics have produced around the world. Beyond their empirical observation and analysis, however, the central question is whether there comes a point in the process of social development at which individual preferences, based on perceptions of personal welfare, can be equated with well-being in a sense that overrides the social choice of "equality" – except in its construction as ever-expanding freedom.

## Global patterns of female labour force participation: What the numbers say<sup>14</sup>

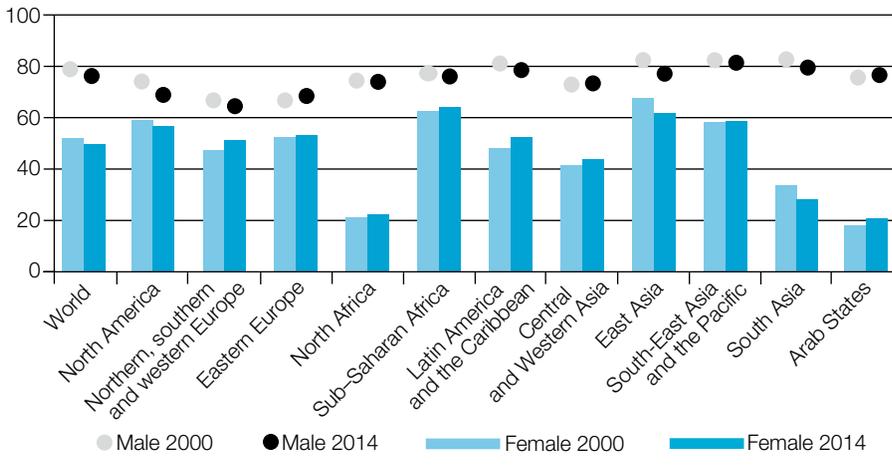
Somewhat surprisingly, given the long-term trends, women's share of the global labour force has declined by more than 2 percentage points since 2000, from 52.0 to 49.6 per cent in 2014. Current rates of female labour force participation are slightly lower than in the 1980s, averaging 50.2 per cent globally (Ka-beer, 2012). Although men's labour force participation also declined over the period 2000–14, from 78.7 to 76.1 per cent, it remains higher than women's in all regions of the world (see figure 1). While these global figures no doubt partly reflect the breadwinning responsibilities that are typically ascribed to men, there are regional differences in women's participation rates, which are influenced by cultural norms, beliefs and values, and also by the social expectation of shared breadwinning responsibilities as labour market conditions deteriorate (on Europe, see Vaughan-Whitehead, forthcoming).

Across the whole of western Europe, female participation rates increased by 4 percentage points between 2000 and 2014, from 47.3 to 51.5, while the male rates declined by 2 percentage points, from 66.6 to 64.4 per cent, largely because of the weak recovery of labour markets since the 2008 financial crisis, especially among the young (ILO, 2016b). In eastern Europe, the female participation rates increased only marginally (by 0.5 percentage points on average). In North America, by contrast, female labour force participation rates declined by 2.4 percentage points, from 59 per cent in 2000 to 56.6 per cent in 2014, and the male participation rates declined by twice as much, i.e. 5 percentage points (figure 1).

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<sup>14</sup> The figures in this section are ILO calculations based on the ILO Research Department's Trends Econometric Models, November 2015. We are grateful to Stefan Kühn and Ekkehard Ernst for sharing the data.

Figure 1. Labour force participation rates, by sex, 2000 and 2014 (percentages)



In the developing economies, female participation rates vary widely across regions. The lowest occur in the Arab States (21 per cent), followed by North Africa (22.5 per cent) and South Asia (28.2 per cent), while the highest are recorded in sub-Saharan Africa (64.4 per cent) and East Asia (61.9 per cent). In East Asia and South Asia, the female labour force participation rates decreased by about 6 percentage points over the period 2000–14, while elsewhere there was an increase which ranged from 1 percentage point in North Africa to 4.5 percentage points in Latin America and the Caribbean. Meanwhile, except in the Arab States and Central and Western Asia, the male participation rates actually declined throughout the developing world, by as much as 5 percentage points in East Asia, and 3 percentage points in South Asia. Sub-Saharan Africa, for example, witnessed a two-point increase in women's participation as against a one-point decline in men's (figure 1).

In South Asia, female participation rates remained largely stagnant over the decade from 1995 to 2005 and have been in decline since 2004–05, particularly in India. Much of the decline has occurred in the category of unpaid contributing family helpers. A number of reasons have been advanced to explain this, including increased enrolment in education, income effects and methodologies that fail to recognize a range of work performed by women for households and community, all of which continue to remain open for scrutiny (Kapsos, Silberman and Bourmpoula, 2014; Kannan and Raveendran, 2012; Srivastava and Srivastava, 2010; Himanshu, 2011; Ghosh, 2016; Hirway and Jose, 2011). Mathew's contribution to this volume (Chapter 12), on Kerala, provides another angle to this discussion by looking at particular categories of female workers. She shows that a disproportionate share of the decline in female participation rates has occurred among highly educated and well-off women, especially in the younger age groups.

In some of the countries where female participation rates have been low or have declined, this could be because women are engaged in activities

that are not accounted for. For example, Franck and Olsson's chapter on Malaysia's "missing women" shows that women often devalue or under-report their work outside the home (Chapter 6). While most women perform multiple tasks between, say, hawking (paid activity), helping (unpaid family labour) or housekeeping (chores at home), they often seem to identify themselves stereotypically as housewives only, rather than report any paid activity outside the household. Similarly, in India, once such activities and those relating to procuring essential items for the household – e.g. water or firewood – are recognized as work, aggregate female participation rates increase from around 24 per cent to more than 80 per cent (Ghosh, 2016).

Yet, the increase in female labour force participation rates in some regions and the narrowing of gender gaps in this respect cannot always be interpreted as progress (ILO, 2016a). For example, the narrowing of participation gaps by almost 6 percentage points observed in northern, southern and western Europe has been driven by the decline of male participation rates (and men's increasingly vulnerable labour market position) and women's entry into the labour market to meet household needs, hence the shift away from the traditional male-breadwinner model. In Chapter 16 of this volume, Addabbo et al. document the unfolding of this pattern since the onset of the 2008 economic crisis in Italy, Ireland and Portugal, where labour market conditions have deteriorated sharply with the rise of temporary and otherwise precarious employment and the growing prevalence of the dual-earner household model. Furthermore, austerity policies have resulted in reduced public spending on schools and childcare facilities. This, in turn, has put tremendous pressure on households to meet these additional expenditures, contributing to the increase in women's labour force participation, often as part-time or temporary workers. These authors also show that men are moving closer to women's vulnerable position in the labour market in terms of low-quality, part-time and temporary jobs. While this process technically translates into greater gender equality, it probably delivers no net gains in welfare, nor any significant change in gender relations.

The narrowing of the participation gap in developing economies is quite similar to what one observes in the southern European countries. The decline in men's participation coupled with the nature of typical male employment in these economies – often characterized by low wages and underemployment – have already put a strain on household income. The high marginal benefit of additional household income therefore induces additional labour supply to the market, often on the part of women. Yet, this does not necessarily imply that economic growth is leading to an improvement in gender equality as participation gaps narrow. Besides, in South Asia, the gender gap has actually increased by 2 percentage points since 2000 due to a huge decline in female participation rates. East Asia has also observed a marginal increase in participation gaps, by 0.6 percentage points, as the decline of female participation rates has outpaced that of male rates since the early 2000s.

In Chapter 9 of this volume, Ganguli, Hausmann and Viarengo analyse the closing (and reversal) of the gender gaps in education and labour force

participation in 40 advanced and developing countries for the age group of 35–44 years. Accounting for education, marriage and motherhood, which play a significant part in explaining the labour force participation gaps in these countries, their analysis shows that a large share of the gap remains unexplained, suggesting that other factors and institutions are also at play in this respect. The widest gender gaps are still found in some of the Arab countries, where they exceed 50 percentage points, no doubt on account of socio-cultural constraints on women's employment. Such constraints, however, are not confined to developing economies: they are indeed also present in most advanced economies as well. In this volume, Losa and Origoni (Chapter 14) bring out the socio-cultural dimension of women's labour force participation choices in Switzerland, across the country's German-, French- and Italian-speaking regions. The female participation rates in the Italian-speaking region are comparatively low despite women's high educational attainment and an established family welfare policy. After taking into consideration all the institutional, structural and economic factors, the authors' analysis indicates that women in the Italian-speaking region of Switzerland are deeply rooted in the traditional family model, with clearly assigned gender roles and traditional family values, resulting in lower female participation rates.

While female labour force participation rates have increased in many countries, this has not been accompanied by improved quality of employment. Globally, the proportion of female workers in wage employment increased by almost 10 percentage points between 2000 and 2014, albeit with regional variations. In Europe and North America, there has not been any change in women's employment status over time, and a large proportion of them (88 per cent) continue to be engaged in wage employment. However, a closer look at patterns of wage employment shows that women are over-represented in part-time and temporary jobs, which are associated with low hourly earnings and poor career prospects. Temporary and fixed-term work as a proportion of female employment ranges from a high of 26.6 per cent of wage and salaried employment in Spain to about 6.5 per cent in the United Kingdom in 2011 (ILO, 2013a). Similarly, part-time employment accounts for more than 20 per cent of female employment in about two-thirds of these countries, with a high of 60 per cent in the Netherlands in 2011 (*ibid.*; Vanek et al., 2014). The relevant question here is: what barriers or blockages do women face in their mobility to better jobs? In Japan and the Republic of Korea, for example, female labour force participation rates have been on a rising trend, but the associated growth in female employment is skewed towards non-regular employment despite women's higher educational attainment, largely because of cultural and institutional factors, including public spending on childcare (Kinoshita and Guo, 2015; Rani, 2006).

In developing economies, the patterns of change in employment status vary widely across regions both generally and among women. Many parts of Asia have witnessed a huge increase in female wage employment, especially East Asia, where its share increased by 21.6 percentage points between 2000 and 2014, while the increase ranged between 7 and 12 percentage points in the

other Asian subregions. The increase was around 7 percentage points in the Arab States, 5 percentage points in Latin America and the Caribbean, and a marginal 2 percentage points in North Africa and sub-Saharan Africa during this period. Female wage employment is the lowest in South Asia (19.5 per cent) and sub-Saharan Africa (21.6 per cent). Doumbia and Meurs (Chapter 13 of this volume) argue that the low incidence of wage employment among women in Mali owes more to cultural circumstances and social obligations towards family and family networks than to management decision-making. While this might be true, however, it does not fully explain why these economies are not creating more wage employment, nor does it address the need for demand-side economic and social policies. Besides, even in those regions where wage employment has grown, it is often characterized by low pay, precarious contracts, poor working conditions, low prestige, etc. In East and South-East Asia, which experienced the strongest growth in wage employment over the past decade, the share of women in non-agricultural informal employment was still about 52 per cent in 2010; and in South Asia it was about 42 per cent. In Latin America and the Caribbean, and in sub-Saharan Africa, the proportions were about 49 and 24 per cent, respectively, in 2010 (Vanek et al., 2014).

The share of women engaged in self-employment and contributing family labour is indeed higher than that of men in most developing countries. Globally, the proportion of female contributing family workers actually shrank by 13 percentage points between 2000 and 2014, though most of the decline occurred in the Asian regions and in the Arab States. The steepest drop – by 31 percentage points – was observed in East Asia, where economic restructuring since the 1990s has accelerated the shift from agriculture to manufacturing and services, and part of the decline could be due to this factor. However, sizeable proportions of women continue to work as contributing family helpers in sub-Saharan Africa (35.1 per cent) and South Asia (33 per cent). Meanwhile, the proportion of female own-account workers has remained roughly stable in most regions except East Asia – where it increased by 10 percentage points – and Central and Western Asia, where it declined by 6 percentage points. The increase in the proportion of own-account workers in East Asia could be due to a shift in workers' status from contributing family work to own-account work. However, not all own-account workers are vulnerable despite being informal. On the strength of their entrepreneurial abilities, a few of these workers are able to earn higher incomes though they might not have any form of social protection, while the majority have to put up with fairly bad working conditions. In Chapter 4 of this volume, Harriss-White provides a very good illustration of the heterogeneity and inequality that exist in the informal economy, showing how the latter is governed by social norms and regulation rather than state regulation, and highlighting the role of new social movements in addressing some of the issues confronting informal workers. Carr and Chen, in Chapter 8 of this volume, explore whether globalization and the reorganization of production into global value chains and export processing zones have created new and better jobs in terms of work contracts, social security, etc. They also

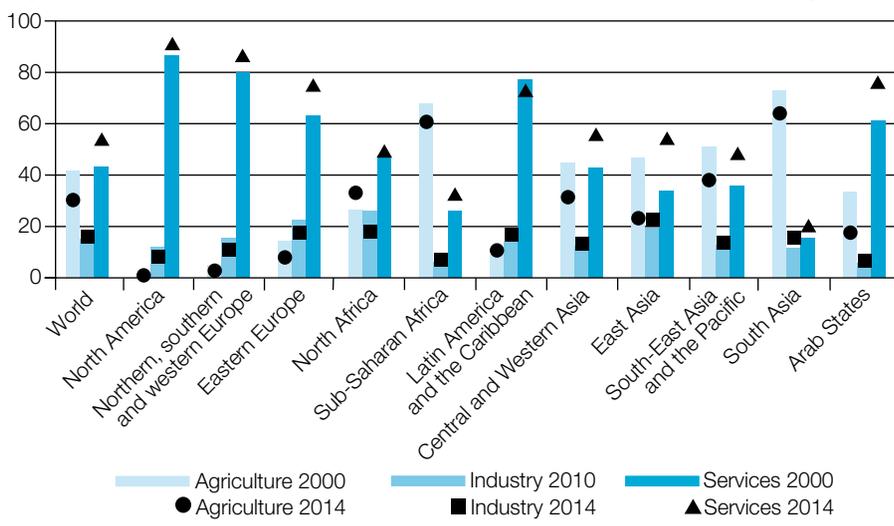
analyse whether globalization and the new production systems have brought in new forms of social exclusion, further deteriorating working conditions in developing countries, and what policies could help to promote social inclusion in the context of global economic integration.

It was traditionally believed that developing countries would move from agriculture to industry and then to services in the process of economic growth, as per capita incomes rose (Lewis, 1954; Kaldor, 1966). But this does not necessarily hold for all countries (with some exceptions, notably in East Asia). Since the 2000s, the pace of women’s transition from agriculture to services and manufacturing has been variable across different regions and, at any rate, slower than men’s (Kabeer, 2012).

Agriculture accounted for 30.4 per cent of global female employment in 2014, down from 41.7 per cent in 2000, while male agricultural employment declined from 38.7 to 29.5 per cent over the same period. However, agriculture still accounts for 64 per cent of women’s employment in South Asia and 60.7 per cent in sub-Saharan Africa, as against 39.1 and 48.1 per cent of male employment, respectively. As shown in figure 2, the other three regions where a substantial proportion of women are engaged in agriculture are South-East Asia and the Pacific (38 per cent), North Africa (32.9 per cent) and Central and Western Asia (31.2 per cent).

Manufacturing accounted for just 16 per cent of global female employment in 2014 (representing a marginal increase by 0.8 points from 2000), as compared with 25.9 per cent of male employment, following a 3 percentage point increase from 2000. In most of the developing economies, women are under-represented in the industrial sector. And in most regions, the share of female employment in industry has stagnated or marginally declined, except

Figure 2. Share of female employment by sector, 2000 and 2014 (percentages)



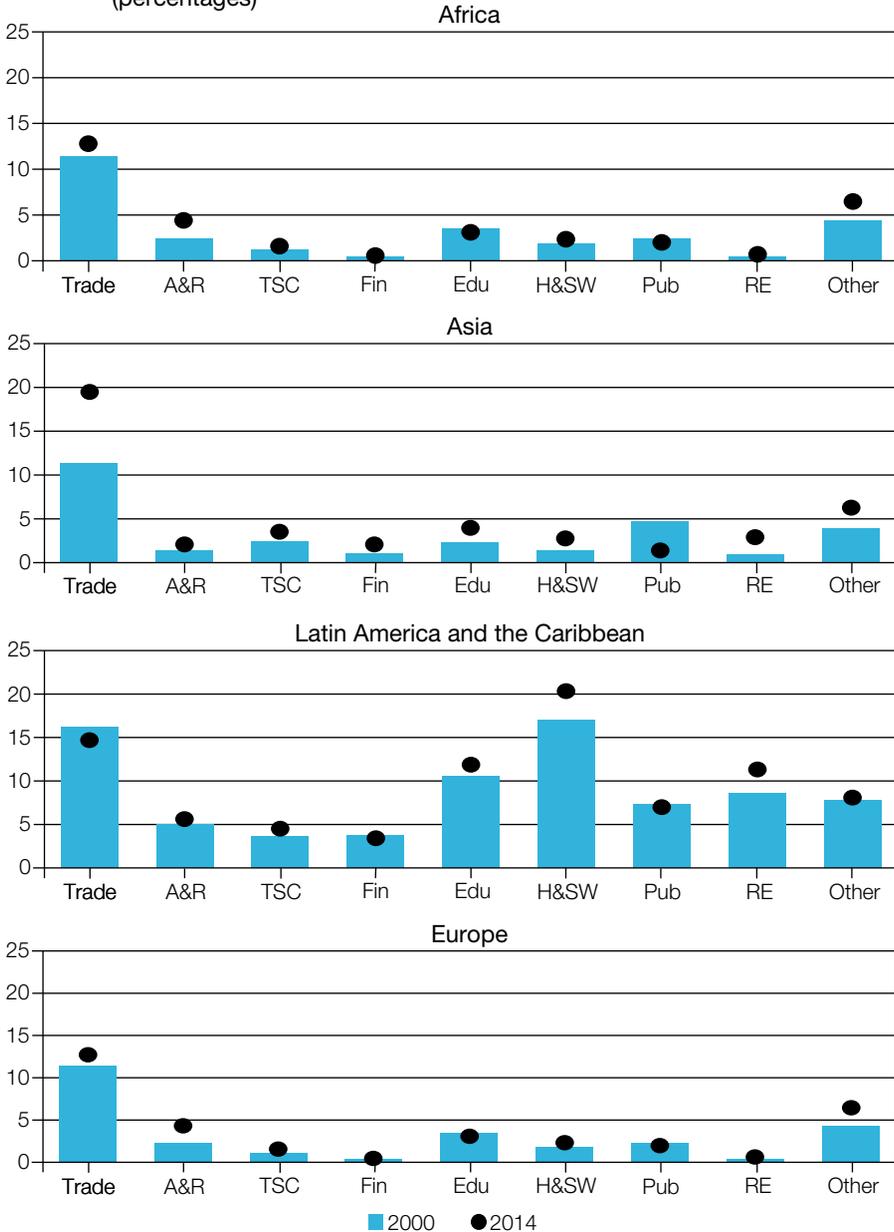
in South Asia where it increased by 4 percentage points, from 11.3 per cent in 2000 to 15.6 per cent in 2014.

It is widely argued that manufacturing plays a special role in economic development and structural transformation. Yet many developing economies have moved directly from agriculture to services, while their share of manufacturing employment has remained more or less stagnant. Much of the global rise in female employment has indeed occurred in the service sector (10.8 per cent), which accounted for 53.4 per cent of female employment – compared to 44.6 per cent of male employment – in 2014. In East Asia, the share of female employment in the service sector increased by more than 20 percentage points between 2000 and 2014, while the increase ranged between 4 and 12 percentage points in the other Asian regions. By 2014, the share of female employment in services averaged 86.5 per cent in the developed economies, 72.8 per cent in Latin America and the Caribbean, about 49.2 per cent in North Africa, 32.4 per cent in sub-Saharan Africa, and around 50 per cent in Asia, except in South Asia where the share was 20 per cent (figure 2).

There is wide variation across regions in the nature of the service activities that women are engaged in, albeit with higher concentrations in wholesale and retail trade, education, health care and social work, and “other services” (figure 3). In sub-Saharan Africa, large proportions of women are engaged in wholesale and retail trade and other services, whereas in North Africa they tend to be concentrated in education and public administration. In the developed economies, women in service employment are predominantly engaged in education, health care, social services and trade activities. In the Asian regions, they are largely engaged in trade and other services; and, in East Asia, the proportion of women engaged in public administration has declined by almost 5 percentage points. In Latin America and the Caribbean, female service employment is dominated by health and social work, education, trade, real estate and “other services”. Within the category of “other services”, it is domestic work, which accounts for the largest share of women’s employment: out of an estimated global total of 53 million domestic workers, some 83 per cent are women (ILO, 2013b and 2016a). Their working conditions are often poor as the majority of them are employed informally, in private households, without any legal or social protection whatsoever. Oelz’s contribution to this volume (Chapter 29) takes a closer look at this particularly vulnerable category of workers, while discussing the prospects for improving their protection following the entry into force in 2013 of the ILO’s Domestic Workers Convention, 2011 (No. 189).

The rise in female labour force participation has led to only a modest decline in horizontal occupational segregation by sex, and very little change in vertical segregation (Kabeer, 2012). To a greater extent than men, women continue to be concentrated in occupations with lower pay, worse prospects for advancement and poor working conditions (Anker, Melkas and Korten, 2003). And this pattern has generally endured despite economic development and the high growth rates recorded across the different regions over the past 15 years

Figure 3. Share of female employment in services, by region, 2000 and 2014 (percentages)



Note: Trade: wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods; A&R: accommodation and restaurants; TCS: transport, storage and communication; Fin: financial activities; Edu: education; H&SW: health and social work activities; Pub: public administration and defence, compulsory social security; RE: real estate, business and administrative activities; Other: other services.

Asia = South Asia and East Asia. Europe = Northern, southern and western Europe; Africa = North Africa and sub-Saharan Africa.

or so. The gendered labour market outcomes that we observe, in terms of both labour force participation and occupational segregation, are indeed determined by the constraints and life choices that women face, albeit differently, depending on cultural, socio-economic and institutional contexts. In Europe, Sparreboom (Chapter 15 in this volume) shows that there are differences in the levels of segregation between full-time and part-time workers. He finds that there are higher levels of occupational segregation among full-time workers, and comparatively lower levels among part-time workers as both men and women in such employment are crowding into a narrow range of occupations. However, Ricketts and Bernard (Chapter 11) question the applicability of the occupational status classification in the context of developing countries where there is an unlimited supply of unskilled labour. In their case study of Jamaica, they show that the sex segregation of occupations could be quite low, largely on account of the catch-all category of “low-skill occupations”, which represents about 50 per cent of the labour force. However, this does not imply that men and women are in the same occupations within this broad category. Indeed, if these occupations were to be reclassified – as was done in Jamaica – occupational segregation would rise.

The entry of large numbers of women into the labour force has provided them with rights and a new dimension of social integration, but it has not necessarily translated into “equality as consistency”, as described in Hepple’s contribution to this volume (Chapter 2), regarding equal pay for work of equal value and respect for all forms of work performed by women. A number of studies exploring the factors behind the gender wage gap have found that even after controlling for education, age, job tenure, occupation and other labour market characteristics, the gap persists (ILO, 2009 and 2015a; UNDP, 2013; Rubery and Grimshaw, 2011), although it has been narrowing in recent years. In Latin America, the gender wage gap narrowed by 7 percentage points over the decade 2000–10, while its unexplained component shrank by 3 to 4 points, largely among workers at the bottom of the earnings distribution, i.e. self-employed, part-time and rural workers (Nopo and Hoyos, 2010). There seem to be two plausible reasons for this. The first is that the average wages of male workers are declining as men also increasingly experience temporary and part-time employment; and the second is the effect of minimum wage policies – especially since the 2008 economic crisis, in both developed and developing economies – which have benefited low-paid workers, among whom women are over-represented (ILO, 2016a, 2016b and 2015b; Oelz and Rani, 2015; Rani et al., 2013). In the case of Mali, Doumbia and Meurs’ contribution to this volume (Chapter 13) shows that, after controlling for structural characteristics like education and experience, and taking account of occupational and enterprise characteristics, the wage gap disappears and the estimated coefficient for “being female” is not significantly different from zero. These authors argue that this is primarily attributable to the distribution of men and women between enterprises with different characteristics, as women tend to work in “less advantageous” enterprises. The importance of occupational characteristics is also emphasized by

Sparreboom (Chapter 15 in this volume), who notes that much of the pay gap is explained by occupational segregation, which remains a major obstacle to equality in workplace.

Despite the policies that a number of countries have attempted to put in place, wage discrimination continues in practice (see, for example, Alfarhan, 2015, on Jordan). The flaw can largely be traced to policy implementation, as illustrated by Kumamoto-Healey's contribution on Japan (Chapter 27). In this case, the country's Equal Employment Opportunity Law was technically passed in 1983, and later amended in 1997, but it came into force only in 1999, whereupon its implementation was slow and gradual. Kumamoto-Healey argues that apart from policies there needs to be a change in public opinion about gender roles for a more genuinely gender-neutral society to emerge.

Hepple's argument for "equality as consistency" goes beyond gender and is just as relevant to inequalities based on ethnicity, race or caste in both developed and developing countries, where they are widely prevalent. Historically, there has always been a link between ethnicity and occupation, with certain jobs only undertaken by lower-status groups, i.e. workers who are low-paid, enjoy fewer rewards, and have very limited scope for upward mobility. As a result, women in these groups suffer from multiple discrimination, and such remedial affirmative policies as technically exist in many countries are not effectively implemented. Kolev and Suárez Robles' contribution to this volume (Chapter 10) shows that Peru's ethnic segmentation in terms of employment, occupation and wages has a much stronger adverse effect on ethnically disadvantaged women than does the intra-ethnic gender wage gap.

The undervaluation of women's work in certain occupations like domestic work, childcare, nursing, etc. is also widespread and results in lower wages for women. In this context, it is often argued that policies like minimum wages can help to eliminate pay discrimination. However, analysis of developing countries shows that when minimum wages are not set nationally, but by industry or occupation, the minimum wages set for domestic workers are the lowest (on Costa Rica, India, Mali, the Philippines and South Africa, for example, see Oelz and Rani, 2015). Grimshaw's case study of low-status care workers in British hospitals (Chapter 33) basically demonstrates that more inclusive wage-setting institutions can help to improve the wages of low-paid workers. His contribution also connects with the globally complex issue of care work.

## From unpaid to underpaid: The care-work continuum

The foregoing overview of female labour force participation provides some indication of how the interpretation of "women's work" and its valuation critically depend on the definition of work. The nature of work and how to capture it in empirical data have indeed been among the most complicated and debated issues in social sciences. This is particularly so in societies where so much work occurs in informal, often even very private, settings that it can be very hard to identify, let alone measure. The fact that international definitions

of work and of economic activity have themselves been changing over time only adds to the complexity.

Most standard dictionaries define work as any “activity involving mental or physical effort done in order to achieve a result”.<sup>15</sup> Economic activities are typically defined in a more restrictive way, as actions that involve the production, distribution and consumption of goods and services at all levels within a society, which of course begs the further question of what constitutes “goods and services”. For example, the activities associated with motherhood are typically seen as “non-economic”. Yet many of the most essential of such activities can be outsourced, such as breastfeeding, delivered through the hiring of a wet nurse, which then makes it an economic activity, with the wet nurse engaged in paid work. An even more extreme but recently proliferating example is that of surrogate motherhood, in which a woman is paid to be impregnated, carry a child in her womb and go through childbirth, making all of these explicitly paid economic activities which, in turn, also contribute to national income to the extent of the remuneration received. Yet a woman who does this for her “own” child rather than someone else’s, and without any monetary reward, is classified as “not in the labour force” in most if not all national statistical systems – and indeed, the very notion of “maternity leave” from paid work suggests that the mother is in effect on some sort of holiday, rather than actively engaged in the work of producing a child. In short, whether or not a given activity counts as productive depends primarily on its being “delegated” and traded. All services produced for own account or in caring for other household members are thus discounted, just like leisure activities or self-care (Jany-Catrice and Méda, 2012).

Clearly, therefore, definitions of work and economic activity are not that simple – and nowhere is this complexity more marked than in the case of care activities. There was a conceptual breakthrough at the 19th International Conference of Labour Statisticians (ICLS), which distinguished between work and employment and expanded the concept of work: “Work comprises any activity performed by persons of any sex and age to produce goods or to provide services for use by others or for own use” (ICLS, 2013, p. 2). The inclusion of the last phrase “for use by others or for own use” provides the crucial difference, as it includes the production of goods and services performed in the home for other household members and for personal use. So work is now defined irrespective of its formal or informal character or the legality of the activity. It only excludes activities that do not involve producing goods or services (e.g. begging and stealing), self-care (e.g. personal grooming and hygiene) and activities that cannot be performed by another person on one’s own behalf (e.g. sleeping, learning and activities for own recreation). The significance of this definition is that it maintains that work can be performed in any kind of economic unit, including the family or household, and employment – defined as “work for pay or profit” – therefore becomes a subset of work.

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<sup>15</sup> This formulation is from Judy Pearsall (ed.): *The Concise Oxford Dictionary*. Tenth edition. Oxford, Oxford University Press, 1999, p. 1647.

This new and enlarged concept of work inevitably changes the way in which work is both recognized and measured, and necessarily brings all care activities into its ambit. This enables a greater recognition of unpaid work and its various forms, most especially the varied nature of care work. For example, care work is often considered to be confined to purely “relational” activities that involve “looking after” someone else in a variety of ways (as in England, Budig and Folbre, 2002), whereas it should really refer to all the activities involved in social reproduction, which include cooking, cleaning and a range of other domestic services (Duffy, 2005; Budlender, 2008).

This is important in enabling not only a better appreciation of the total amount of work performed in a society, but also a more nuanced understanding of potentially problematic concepts like “aggregate labour productivity”. It also turns out that the extent of unpaid care work is crucial in shaping societal attitudes towards both care work and its remuneration, especially when it is performed by women, who are the dominant providers of unpaid work in most societies. The bulk of the articles in Part IV of this volume deal with paid care work, though all of them proceed from awareness of the significance of the unpaid–paid continuum in such work and its effects on working conditions. Simply put, where there is a large amount of unpaid work that is performed in a society, and where the bulk of that work is performed by women, the participation of women in paid care services tends to be much more disadvantaged. Since the unpaid labour performed by women in domestic care is not remunerated – and often not even recognized – it is easier for society in general to undervalue such work in general, whether it involves care of the young, the old and the sick or other forms of care activity. And this in turn leads to lower wages and worse working conditions, especially when many of the paid care workers involved in such activities are also women. The very existence of the continuum therefore affects not only the bargaining power of paid care workers, but also social attitudes to them and to their work, and indeed their own reservation wages and self-perceptions.

In the absence of adequate and effective regulation, the above dynamics can contribute to a general undermining of wages, working conditions and social protection for care workers. The implications of the unpaid–paid continuum are exacerbated by other features of care work that operate to create occupational and wage discrimination against such workers. Thus, care work is often performed by those with lower educational attainments (even though the level of skill required is often quite high, albeit socially unrecognized). A disproportionate share of such work is typically performed by those who are in any case disadvantaged in the labour market – women, certainly, along with other categories like immigrants. The nature of such work – for example, being more amenable to part-time employment and informal contracts – also contributes to its devaluation both in market terms and in social perception. As a result of these various factors, care work may involve a wage penalty even when it is performed by men.

Valeria Esquivel’s contribution to this volume (Chapter 17) develops some of these points in the specific context of Argentina. She shows how the

sex-typing of unpaid care work extends to domestic workers, who are almost invariably women. The association of unpaid care work with “natural” female characteristics – and not with skills acquired through formal education or training – further implies that most domestic workers have low formal educational credentials, reinforcing their low earning capacity and poor bargaining power.

Shahra Razavi and Silke Staab, in their broad review of paid care work (Chapter 18), note that it now comprises a large and growing proportion of the workforce in both developed and developing countries. They locate care work at the crossroads of three sets of structures and forces: broader labour market structures that shape the working conditions and remuneration of care work; the role of the State as employer, funder and regulator of social services; and social policies that create, destroy, change and shape care employment. The general tendency to undervalue women’s work can be magnified by widespread informality in the provision of such work and further accentuated by cost-cutting measures in the public sector driven by the push for fiscal austerity.

The “wage penalty” for care work that results from the interaction of the above processes is explored by Budig and Misra (Chapter 19) through a study of 12 countries that include advanced, transition and developing economies. They use the more restrictive definition of care work that involves face-to-face human interaction between the provider and the recipient, which develops or maintains the cognitive, physical and emotional capabilities of the recipient; yet they include not just the well-recognized care occupations like teaching, medicine and nursing, but also those involved in community care like police work and personal protection. They find significant variation in the care-work effect on wages across countries, not only between women and men but also by worker characteristics, and by national and policy context. In their sample, care workers (as defined in the more limited sense) tend to be more educated and more likely to be in public employment. This should lead to relatively higher wages, other things being equal, but that is not the case: rather, care employment often entails wage penalties. This is generally true for men as well, except in the Nordic countries; but where female workers face such wage penalties, they tend to be larger than for their male counterparts. The authors conclude that care work does not pay less because it is less skilled, but because it is disproportionately performed by women. However, the cross-country differences reveal that context matters crucially. Care workers are likely to be relatively better off in countries with lower income inequality, higher union density, larger public sectors and higher public spending on care.

Stressing the heterogeneity of care-work occupations, Lightman (Chapter 20) disaggregates “high-status” and “low-status” care work, and finds that the various forms of care work are neither equal nor equally valued, even in the same industry. In terms of wages, there is a major earnings bonus for high-status care work, while low-status care work incurs a wage penalty, which tends to be amplified in less regulated labour markets. Meanwhile, the low-status care

workforce tends to be more feminized, older, less educated and more likely to be engaged in non-standard employment than the high-status care workforce.

Francie Lund (Chapter 21) considers differentiation between health-care workers in the context of the HIV/AIDS pandemic in South Africa. The range of work extends from formal-sector, secure, strictly regulated and highly unionized jobs to the private-sector jobs of nurses (better paid) and social workers (less well paid) to volunteers (lowest paid and often with the most demanding conditions). In addition to the aggregate wage penalty on care work, therefore, the task shifting brought about by the pandemic has put greater burdens on the lowest paid (or even unpaid) workers, thereby increasing inequality even among female workers in this sector.

The interplay between public and private involvement in care activities is obviously crucial in affecting the quality and remuneration of care work. This is brought out clearly in Peng's study of the Republic of Korea (Chapter 22), which indicates divergent movements as between care activities directed to the young and those directed to the elderly. While increased regulation and the expansion of public involvement in childcare have led to some improvements in the conditions of childcare workers, the opposite forces of deregulation and commercialization of elder-care (and therefore greater reliance on the market) have operated to worsen conditions for such workers.

However, the significance of public involvement in care activities also depends upon its nature and the attitudes of public employers. How this works, even at the bottom of the care-work pyramid, is explored by Palriwala and Neetha (Chapter 23) in the context of India. They compare Anganwadi Workers/Helpers employed in the Government of India's Integrated Child Development Scheme, which is largely rural, on the one hand, with hired domestic workers in private households in urban India, on the other. The former are among the most discriminated of public-sector workers: they are not even classified as workers but rather as "volunteers" who are paid "stipends" rather than wages (and, indeed, they receive much less than minimum wages). Nevertheless, they seem to be marginally better off than domestic workers in private homes, whose conflicts between their own unpaid domestic work responsibilities and their paid work also tend to be greater. For both categories, however, the "gendered familialism" that pervades the social undervaluation of care work is strongly evident.

It is such a reliance on traditional patriarchal attitudes towards care that can affect intergenerational patterns of female labour force participation. Méndez (Chapter 24) argues that, in southern Europe, adult children choose to live close to their families so as to take advantage of the low labour force participation rates of their own mothers, which enables them to reconcile paid work with bringing up children. While this is possible because of the intergenerational gap in female labour force participation, this reliance on the unpaid labour of the older generation (especially mothers/grandmothers) is also driven by the extent of rationing of public childcare services.

The globalization of care work has many aspects, and its gendered nature has generated much analysis, including in terms of how it has corresponded to

the dynamics of capitalist accumulation in both sending and receiving countries. Nicola Yeates' contribution (Chapter 25) is within that tradition, as she takes up one specific aspect of this – that of the cross-border migration of nurses. She shows how such migration maps on to institutional formations so closely that it is possible to speak of a global “nursing labour migration-industrial complex”, forming a global nursing care chain similar to the value chains that operate in manufacturing. For the sending countries, the benefits in terms of remittances received may be outweighed by the loss of such skilled workers within their own economies, as the (mostly developed) recipient countries effectively export their nursing-care crises to the poorer countries of origin of migrant nurses.

Picking up on Hepple's legal argument for empowerment (Chapter 2), the four contributions presented in Part VI of this volume explore some of the challenges of providing for sufficiently inclusive worker organization to protect the interests of those doing low-status care work – and the benefits this can yield. Here, the opening contribution, by Blackett and Sheppard, sets the stage by considering the generic issues from the perspective of the relationship between collective bargaining and equality (Chapter 30). Clark and Clark then specifically focus on the challenges facing nurses' associations and unions (Chapter 31). They find that these organizations share common concerns worldwide, despite the widely differing national contexts in which they operate. Yet, this is probably consistent with Yeates' vision of a global nursing labour migration-industrial complex, operating as would a global value chain. In Chapter 32, Mundlak and Shamir discuss the prospects for organizing migrant care workers in Israel. And lastly, Grimshaw's case study of public-sector hospitals in the United Kingdom (Chapter 33) documents the effectiveness of more inclusive wage-setting institutions, government regulation and trade union support in reducing the wage penalty that affects low-status care workers.

## Gender, identity and attitudes to work in Europe – and beyond

Perceptions of work have changed dramatically over the centuries, particularly in today's so-called developed societies: from being considered a tribulation, virtually an instrument of torture, work has now come to embody a standard of self-fulfilment (Méda, 1996; Méda and Vendramin, 2013). According to Lalive d'Épinay (1994), this turnaround was enabled by the industrialized countries' spectacular economic growth in the three decades that followed the Second World War – a process in which Ronald Inglehart (1971) stressed the importance of the ascendancy of post-materialist dimensions of life. In his view, people thus became less preoccupied with survivalist needs and more focused on aspirations concerned with self-esteem, meaning, and self-expression.

In the first major survey of attitudes to work, conducted in the United States in the mid-1950s, Morse and Weiss (1955) put forward the idea that work could not be reduced to being merely a means to some ulterior end. The conclusion of their survey was clear: the overwhelming majority of respond-

ents would wish to carry on working even if they had enough money to live on, i.e. work was not just a means to an end. Indeed, alongside the instrumental function of work, these authors identified other functions that respondents seemed to value just as highly, namely, work as a forum for social interaction, as an occupation (i.e. something to do), and as a purpose in life.

Another landmark survey of attitudes was conducted about a decade later by Goldthorpe et al. (1968), whose findings highlighted the purely instrumental value of work among a sample of manual workers in the United Kingdom. This perspective, however, does not necessarily contradict the one reported above. Although instrumental valuations of work persist to the point of remaining predominant, Europe has witnessed a rise in the expressive dimensions and expectations associated with work, particularly in correlation with educational attainment (Davoine and Méda, 2008; Méda and Vendramin, 2013). Surveys on the function of work in the construction of identity have indeed highlighted the non-instrumental importance that people now attach to work in Europe and elsewhere (on Europe, see Davoine and Méda, 2008; Méda and Vendramin, 2013; on Quebec, see Mercure and Vultur, 2010; on Israel, see Sharabi's contribution in Chapter 7 of this volume).

While major surveys such as the European Values Study (EVS), the International Social Survey Programme (ISSP) and the European Social Survey (ESS) have confirmed the importance that Europeans attach to work, there are wide cross-country variations. According to the 2008 EVS, for example, only 40 per cent of the Dutch and the British and 48 per cent of the Germans reported that work was "very important" in their lives, as against 67 per cent of the French and over 70 per cent of the Maltese, Macedonians, Greeks, Cypriots, Turks and Armenians. These responses were shown to correlate with GDP per capita and, even more so, with unemployment rates (Davoine and Méda, 2008). Thus, France's particularly high score on the importance of work may be partly attributable to the high rates of unemployment it has endured for the past three decades. Yet, other factors are also at play, including the demographic composition of the population, levels of educational attainment, age and sex.

What about *women's* attitudes to work? Do they differ distinctively from men's? Have they changed with the rise of female employment? Such questions remain difficult to answer over the long term because the first two major surveys mentioned above – by Morse and Weiss (1955) and Goldthorpe et al. (1968) – were addressed only to men(!), without any justification whatsoever for excluding women, although many of them obviously worked at the time. It was only from 1981 onwards, with the successive waves of the EVS, followed by the ISSP and the ESS, that the same survey questions were put to men and women and that their responses could be compared.

As mentioned above, the twentieth century brought radical changes in attitudes to work. In most developed countries, women and men are now almost equally attached to the labour market. Previously, in the male-breadwinner model, there was no question about the centrality of work and women's detachment from it. It was indeed the preserve of men, for whom paid work

evidently constituted the mainstay of identity, virtually from its very construction. But how has the picture changed as a result of the unprecedented rise in women's educational attainment and the impressive growth of female labour force participation over the past six decades? What happens when girls do better than boys in their studies? When women are just as determined as men to have a fulfilling working life and pursue a successful career? To what extent are masculine and feminine identities being reconfigured? Indeed, the new model that is emerging in Europe and North America is that of the dual earner/dual career household (Lewis, 1992; Fraser, 1994; Jenson, 1997; Crompton, 1999; Hantrais and Letablier, 1995; Méda, 2001). The question is whether this is shaping different attitudes to work among men and women.

Based on available European surveys and interviews in six countries, a research programme entitled "Social Pattern of Relation to Work" (SPREW) examined differences in perceptions of work across Europe by age, sex and socio-economic status, particularly in terms of the "centrality" of work and its various dimensions, between 2006 and 2008 (Méda and Vendramin, 2013; Vendramin, 2010). This research found that while age and socio-economic status were powerful explanatory factors, sex also was determinant in shaping attitudes to work.

In many European countries, women perceive work as having virtually the same importance as men do. In 2008, 56 per cent of the women in the 47 countries surveyed for the EVS reported that work was very important to them, as against 61 per cent of the men – a difference of merely 5 percentage points (although women's labour force participation remains lower than men's). In some countries, the gender gap in this respect has closed or even reversed: in France, 66.6 per cent of men versus 67.4 per cent of women reported work to be very important; and in Sweden, there was a 5 percentage point difference in favour of women. This pattern can also be observed in Finland, Latvia, Lithuania, the former Yugoslav Republic of Macedonia, Serbia and Slovenia.

However, one needs to take a closer look at working women (who may hold a different opinion from that of women in general) and, perhaps also, at women without children. Indeed, as mentioned above, women spend much more time than men on domestic chores and family responsibilities, and commensurately less time on paid work. Social norms persist in ascribing these duties primarily to women, and it may be assumed – as many women and men readily recognize – that having children hampers women's careers (on attitudes to reconciling work and family across Europe, see Davoine and Méda, 2009, pp. 39–41). Such norms are also clearly reflected in the "care work continuum" discussed above.

In the early 2000s in France, for example, fewer women than men mentioned work as one of the three main dimensions of their identity (34 versus 43 per cent). However, the gap narrowed considerably when the sample was restricted to labour force participants (53 versus 55.5 per cent). The difference in women's responses was further amplified when socio-economic status was taken into account, with the proportion rising to 74 per cent of professional

women versus 32 per cent of unskilled female workers (Houseaux, 2003). After controlling for women's career profiles, it turned out that they attached the same importance to work as men did: "all else being equal, being a woman significantly increases the probability of citing work among the three dimensions that define personal identity. Among women and men with equivalent career histories, employed women claim a stronger identity attachment to work than do men. ... Women tend to have more discontinuous careers than men, and it is this characteristic which largely accounts for their generally weaker identification with work" (Garner et al., 2009). *Ceteris paribus*, however, women display stronger identity attachment to work than do men. In other words, if their careers did not feature more interruptions than those of men, they would generally exhibit even stronger work-related identification than men.

Yet, the above authors also observe that this finding is less clear-cut when survey respondents are asked to assess the importance of work relative to other spheres of emotional commitment, particularly the family sphere. Thus, when the question directly addresses competition between work and the other dimensions of identity, men's attitude to work appears to be hardly affected (with job characteristics remaining the main determinant), whereas mothers with young children attach less importance to work than do other women, thereby highlighting the competing claims that different affiliations and different time demands place on these young women (*ibid.*). As an example of the labour market outcomes this can produce in a different cultural and economic setting, Doumbia and Meurs' contribution to this volume (Chapter 13) concludes that one of the main reasons for women's extreme under-representation in formal employment in Mali is that informal employment is easier to reconcile with their assigned domestic and childcare responsibilities.

The survey findings also differ if the sample is limited to men and women who are in employment. In more than half the countries of Europe, employed women are more likely than employed men to report that work is very important to them. In those countries where this pattern prevails irrespective of labour market status, limiting the sample to those in employment further widens the gaps. Although no comparable data are available on the developing countries, Franck and Olsson's study on Malaysia (Chapter 6 in this volume) offers an interesting cross-cultural contrast: in this case, women's compulsion to uphold conformity with their assigned gender role makes them deny any involvement in work outside the home even though they engage in such employment on a regular basis. While this could arguably be interpreted as an instrumental valuation of work, it clearly says more about the power of gender identity in more traditional societies.<sup>16</sup> However, Losa and Origoni's cross-cultural study of female labour force participation in Switzerland basically makes a similar point (see Chapter 14).

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<sup>16</sup> More generally, this case study should perhaps also be seen as a caveat regarding survey respondents' expressed personal preferences vis-à-vis prevailing *social* norms and values.

Also, in Europe, the higher women's levels of educational attainment, the greater the importance they typically attach to work. Almost 60 per cent of the women with the highest levels of educational attainment report that work is very important to them, as against 53 per cent of those with low attainment. This pattern can be observed in many countries, including Germany, Poland, Portugal and Hungary, albeit not in Austria, Finland, France or Italy. In some Asian developing countries, by contrast, there is evidence of an emerging negative relationship in this respect. For example, Mathew's study on Kerala (Chapter 12 in this volume) finds that highly educated young women from wealthy households have been withdrawing from the labour force, suggesting that gender identity may overrule the instrumental value of work and education beyond a certain threshold of material well-being in some of the world's more traditional societies.

Parenthood is another determinant of attitudes to work. Whereas fathers almost systematically rate the importance of work higher than do childless men, mothers tend to attach less importance to work than do women without children (for an empirical illustration in this volume, see Addabbo et al. on Ireland, Italy and Portugal in Chapter 16). According to Davoine (2008), in countries where women and men have different attitudes to work, the divergence tends to occur after the birth of the first child. In Germany and in the United Kingdom, where the gender gap in attitudes to work is evidenced prior to the birth of children, the gap widens with parenthood. In France, women continue to report that work is "very important" after motherhood, whereas men appear to become more dedicated to work with the advent of fatherhood. Denmark displays the widest gap between mothers and women without children (10 percentage points). Yet, Denmark is a country where gender equality, between fathers and mothers, is taken for granted. Voicu's (2004) analysis of EVS data is enlightening on this point because it contrasts the values of intra-household equality with support for equal labour force participation. On this last measure, Denmark does not fare as well as countries like France or Sweden: the Danes, it turns out, attach less importance to gender equality in the labour market than do the French or the Swedes. For an illustration of the cross-country variability of social norms regarding the distribution of job opportunities (and income), see the contribution by Levison et al. in Chapter 5 of this volume.

Such differences in attitudes to work no doubt mirror the country-specific norms that govern gender roles. These are fairly well evidenced by the 2012 wave of the ISSP – albeit most embarrassingly because some of the questions aimed at eliciting those norms were asked only about women.<sup>17</sup> For example, respondents were asked whether they were in agreement with the following statements: "A working mother can establish just as warm and secure a relationship with her children as a mother who does not work", and "A pre-school child is likely to suffer if his or her mother works".

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<sup>17</sup> For the basic questionnaire, see International Social Survey Programme: *ISSP 2012 – Family and changing gender roles IV*, at: <http://www.gesis.org/issp/modules/issp-modules-by-topic/family-and-changing-gender-roles/2012> [accessed 30 March 2016].

On average, some 43 per cent of the female respondents to the ISSP agreed that pre-school children are adversely affected when their mother works, as against 46 per cent of the male respondents. Thus, not only are opinions about gender roles expressed quite strongly, but women's responses do not systematically differ very much from men's on this point. Inter-country differences, however, are predictably striking. It is indeed interesting to compare, say, Argentina – where 70 per cent of the women and 74 per cent of the men agreed with the above proposition – with Canada, where the proportions were only 17 and 38 per cent, respectively; or Sweden, at 12 and 20 per cent, respectively; or yet the *Länder* of the former East Germany, where 13 per cent of women and 21 per cent of men were in agreement. These differences of opinion over the employment of mothers thus represent strongly marked dividing lines. Losa and Origoni's study of culture-specific patterns of female labour force participation in Switzerland offers a useful illustration of how such dividing lines can occur even in a single small country (see Chapter 14 in this volume).

Also of interest are the expectations of women and men in regard to work. Both the EVS and the ISSP 2005 offer valuable insights into dimensions of work to which women and men attach particular importance. On average, there are more women than men who consider that what is "very important" in a job is to help other people (particularly in the Netherlands, Denmark, Sweden, Norway and France),<sup>18</sup> to be useful to society (particularly in Sweden, Norway, Denmark, Finland, the Netherlands, France, Spain, Portugal, Ireland and Belgium),<sup>19</sup> to be able to decide one's own times or days of work (particularly in the Netherlands and in France,<sup>20</sup> whereas in Hungary and in Portugal more men than women consider this to be very important), to have an interesting job (particularly in Sweden and Finland, where the gender gap widens with educational attainment, and, to a lesser extent, in France), and to have a degree of job security. By contrast, having a job that is highly paid or which offers good opportunities for career advancement are criteria that men tend to value more highly than do women.

A key question is whether the above patterns are changing among the younger generations. According to the findings of the SPREW programme, sex is no longer a differentiating variable in younger respondents' attitudes to work. In fact, the interviews conducted in Portugal, Germany and France

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<sup>18</sup> These countries, however, display much lower absolute scores on this dimension of work than, say, Ireland, Spain, Portugal or Bulgaria, where the percentages of both men and women who attach importance to it are much higher (about 40 per cent of women and 35 per cent of men).

<sup>19</sup> Here again, one needs to distinguish between countries featuring wide gender gaps but low absolute scores on this dimension of work (e.g. the Netherlands, Denmark, Sweden, France, Belgium, Finland and the United Kingdom, where between 10 and 25 per cent of respondents consider it important) and those where the absolute scores are high, such as Ireland, Spain and Portugal, where over 40 per cent of all respondents reported it was important to them. In Bulgaria, for example, 44 per cent of both women and men consider that being useful to society is an important dimension of work.

<sup>20</sup> Even though these countries are not among those featuring the highest scores on this dimension (namely, Bulgaria, Spain, Portugal, Sweden and Ireland).

suggest that young women attach even greater importance to its expressive and relational dimensions. In countries where women do as well or better than men in higher education, their expectations even appear to be slightly more assertive than those of young men. Across most of Europe's younger generations, there is generally less and less sex differentiation in the importance attached to work and in work-related expectations – with young women's expectations perhaps being even higher than young men's – although motherhood tends to relativize the importance of work among women, as they are still responsible for performing the bulk of unpaid domestic and family care work. The extent of such relativization depends on how much of women's unpaid workload is taken over by public services, particularly childcare facilities, or by other family members, primarily fathers and grandparents. This point is crucial to understanding inter-country differences in the attitudes to work expressed by women and men. Illustrations of its global relevance in this volume include the contributions by Méndez on southern European countries (Chapter 24), Doumbia and Meurs on Mali (Chapter 13), Losa and Origoni on Switzerland (Chapter 14), and Ganguli, Hausmann and Viarengo on 40 countries (Chapter 9).<sup>21</sup>

Young people's attitudes to work thus reflect a narrowing of the gap between gender role models in terms of attachment to work, particularly in Europe. The process could be described in terms of feminization of the masculine model coupled with masculinization of the feminine model. Indeed, young men's attitudes to work seem to be driven more by expressive aims than they were in the past. They now tend to choose a job according to their interests and what they feel passionate about. They also give importance to the development of fulfilling relationships at work. Their attitude to fatherhood is changing as well: they spend more time with their family and are more involved in childcare.

While gender roles continue to be assigned very unequally between women and men, the latter's novel involvement in the family sphere is found to increase with their level of educational attainment and in dual-earner households. Meanwhile, work is increasingly becoming an essential component in the construction of young women's social identity, providing them with a source of personal satisfaction and self-fulfilment. They now average high levels of educational attainment, often higher than men's in their age group. They are also highly motivated to pursue a career. Yet, despite the predominance of these patterns, there are also signs of "re-traditionalization" of gender roles in some cases – i.e. breadwinner father versus housewife mother – particularly in countries where intra-generational competition is very intense within the young generation (e.g. Hungary and Italy). Interestingly, similar signs show up in Mathew's investigation of female labour force participation in Kerala (Chapter 12 in this volume), where educated young women also appear to be reverting to a more traditional gender role.

More generally, however, the narrowing gap between gender role models in relation to work, especially among young graduates, is already confronting

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<sup>21</sup> See also Mehdizadeh (2011), for a survey of highly educated working women in Iran.

human resource managers with questions about the retention of graduates as they come to terms with the new types of compromise that young male professionals are striking between their commitments to work and family. Such is the conclusion reached, *inter alia*, by Mercure and Vultur's study on Quebec: "our analysis shows that the search for a balance between professional life and private life is something that workers pursue or experience with great intensity ... In short, reconciling work and family already appears to be one of the major challenges that firms are facing" (2010, pp. 248–249; see also Castaño et al., 2010, pp. 351–352, on female executives in Spain).

In the developed countries generally, women of the younger generation in particular now have very high expectations in relation to work: they want a meaningful and interesting job that enables them to engage in other meaningful activities. Thus, if working mothers with young children succeed in gaining voice and in expressing their current difficulties, a new attitude to work could emerge as a new norm, one that might apply to women and men alike and thus be truly congruent with the dual-earner household model in these countries. This presupposes that men too would need to derive satisfaction from the performance of activities in the domestic and family spheres, but also that their friends and colleagues should allow them to do so without looking upon them as deviant or as transgressing prevailing norms (see, for example, Braun Levine, 2000). Ideas and practices aimed at reducing working time and very long hours – still a token of professional excellence in some countries – could prove extremely useful in this respect (see Commission d'enquête, 2014).

## Reproduction, resources and identity: Equality, but differently?

Today's societies and economies were originally constructed on the basis of an identity-driven and identity-shaping separation of the spheres of existence of men and women. The resulting division of labour is most probably rooted in primal reproductive routines, which eventually morphed into the ideologies of socialization now embedded in what we call "cultures". With variable degrees of sophistication, femininities typically became encoded in dedication to the private, domestic sphere, while masculinities evolved into variations on the general theme of competition for resources and power in the outside world. On most of today's standard socio-economic measures, this has translated into a glaring imbalance in economic opportunities and outcomes to the disadvantage of women. And despite the remarkable narrowing of the resulting gender gaps since the 1970s,<sup>22</sup> that disadvantage can still be observed statistically throughout much of the world, as reflected in most of the contributions presented in this volume (see also ILO, 2016a).

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<sup>22</sup> Obviously, the compulsion to conform to a traditional gender role and identity is no longer as strong as it once was, particularly in the developed countries. For example, it is now widely recognized that "masculinity is not the property of men ... Discourses of masculinity are available to, used by and imposed upon both men and women" (Grieg, Kimmel and Lang, 2000, p. 5).

In concluding this introductory chapter, however, the central question that remains to be answered is perhaps whether the analytical perspectives and empirical findings assembled in this book can be considered in a framework that is conceptually more enriching and helpful to policy-oriented thinking, rather than remain just another collection of case studies documenting women's economic disadvantage and hardships, however valuable such insights may be for targeting specific interventions. The question is a difficult one because of the ambivalence of the overall picture that emerges. On the one hand, many of the contributions show that long-standing items on the equality agenda remain stubbornly defiant. In particular, these include the domestic and labour market positions of women in regard to care work, and persistent gender pay gaps driven by observable occupational segregation or, often still, outright discrimination grounded in the prejudice that feeds systemic reproduction (see, for example, Alfarhan, 2015). Meanwhile, in crisis-stricken developed countries where unemployment has disproportionately hit "male breadwinners", many women in low-paid jobs are struggling to support their households in their new roles as (sole) female breadwinners, as documented in Addabbo et al.'s study on Ireland, Italy and Portugal (Chapter 16). Elsewhere, particularly in some Asian developing countries, the opposite is happening: Mathew's contribution on Kerala (Chapter 12) shows that highly educated women from wealthy households are dropping out of the labour market, reversing "gains" that took them decades to achieve, apparently because rising household incomes have altered the terms of the trade-off between labour force participation and gender role conformity in favour of the latter. Technically, of course, the factors at play here include income effects, higher reservation wages, and quicker discouragement. In real life, however, the bigger question is: who is really gaining? Those who are statistically recorded as employed but who struggle daily in the face of bleak economic hardship, or those who decide to pull out of the labour market because they can afford to do so? "Correct answers" are hard to come by, but they could well be the opposite of what is generally presumed or what data analysis suggests.

On the other hand, on the bright side as it were, much of the landscape is changing. Globally, quantitative indicators of male-female equality generally point to improvement (see the contribution to this volume by Ganguli, Hausmann and Viarengo in Chapter 9). In many countries, attitudes towards work and related dimensions of identity are leaning towards greater flexibility, less compulsion to enact or enforce traditional gender roles, as documented above and further illustrated in this volume by Sharabi's case study of changes in gendered life-domain preferences in Israel (Chapter 7). Franck and Olsson's contribution (Chapter 6) on female employment "in breach" of gender norms in Malaysia can also be interpreted along these lines. Moreover, the very concept of equality is being questioned, not only in the context of the feminist debates discussed above – and the realization that a more socio-culturally sensitive policy approach may be required to accommodate situations where women, in their daily lives, actually choose to tread the narrow path between upholding a

semblance of social convention and pursuing their economic self-interest – but also in response to the terms on which some of the traditional gender gaps are narrowing or being reversed, through levelling down. Yet, even on the bright side, the ambivalence persists – at the “meta” level, in terms of both the accuracy of statistical measures and, more importantly, the value judgements they embody. Here, the question centres on what it is that is being measured and assessed, and the very point of social policy in this field.

The general narrowing of measurable gender gaps – and their reversal in some cases – can indeed be hailed as an unprecedented success. The examples given in this book range from Jamaica to Ireland: according to standard labour market indicators, women are faring better, much better than, say, half a century ago – and now sometimes better than men. But in circumstances where such measurable outcomes have been achieved amidst a general deterioration of labour market conditions, incomes and living standards, the question is: who benefits from such “progress”? Of course, many individual women nowadays have jobs that their grandmothers would have thought inconceivable. But unless one accepts at face value the male–female conflict of interest implicit in much “gender analysis”, the answer is moot. As far back as the 1990s, Mishel, Bernstein and Schmitt (1997, p. 148) already attributed 80 per cent of the observed narrowing of the gender pay gap in the United States to a decline in men’s wages, not an increase in women’s. And, as many of the chapters in this volume show, this kind of “progress” is ongoing.

There are at least three problems with the underlying logic – not to say complacency. The first is that neither women nor men live in a vacuum. “Conflicts of interest between men and women are unlike other conflicts, such as class conflicts. A worker and a capitalist do not typically live together under the same roof – sharing concerns and experiences and acting jointly. This aspect of ‘togetherness’ gives the gender conflict some very special characteristics” (Sen, 1990, p. 147). This means, *inter alia*, that change in gender relations cannot take place in a vacuum: “if positive changes are to be achieved for women, men must change too” (White, 1997, p. 15). The second problem is simply that there are all sorts of women and all sorts of men, each exercising her/his own preferences under mostly unbalanced, but widely variable socio-economic constraints, hence a multitude of male–female relational configurations – all of which virtually precludes meaningful generalization along the lines of the analytical stereotypes that idealize women or, rather, their selectively measured productive performance, while ignoring or blaming men (*ibid.*, p. 16; see also Chodorow, 1994, ch. 3).<sup>23</sup> The third problem is

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<sup>23</sup> This type of advocacy can be taken quite far by those who really mean business. See, for example, *The power of parity: How advancing women’s equality can add \$12 trillion to global growth* (McKinsey Global Institute, 2015). Supiot (2015) has done a wonderful job of exploring and exposing the social and societal implications of such “governance by numbers”. Nussbaum, for her part, stresses the gap between the sensitivity to human development embodied in most national constitutions and the theories that drive policy-making: “many nations today are pursuing economic growth in ways that shortchange other commitments they have made to their people” (2011, pp. 185–186).

the little-questioned polarization of spheres of socialization between workplace and family, which still tends to be somewhat fictionally conceptualized in terms of a clear separation.<sup>24</sup> Here, the balance both for society and for individuals seeking to live a real life surely lies in a focus on people's freedom to develop without sacrificing affiliations, human identity or well-being, either to gender role conformity or to marketability.<sup>25</sup>

In global perspective, another source of ambivalence about the measures that economists and others use to assess inequality is their highly dubious relevance to the survivalism that still characterizes the daily lives of hundreds of millions of people today. Indeed, measures such as labour force participation, employment and unemployment were developed in the institutional settings of rich post-colonial economies and societies that took a lot for granted when assuming that their democratic social policy ideals, aims and concepts could readily be projected far beyond their national borders (recent Western adventures in the Middle East suggest this may be a broader problem). To a diligent statistician compiling her survey results, a rural Indian woman who has milked the family cow for two hours during the week preceding the interview in order to sell some milk is to be classified as participating in the labour force in the home-based or family employment category. But what is the meaning or point of a measure of "labour force participation" which so casually includes huge numbers of unpaid family workers worldwide, even as it excludes others? Conversely, cultures that make it awkward for women to work outside their home can elicit survey results that show many more women out of the labour force than is actually the case because they deliberately report themselves as being "housewives", lest they should come across as "bad women" – even when they engage in gainful employment in the public marketplace every day. Given the scale on which such distortions are occurring in the statistical picture, is it not time to qualify the conventional generalizations and implicit certainties about what people should do with their lives? Has global societal change overtaken the dominant framework for "enlightened" policy-making, its assumptions and the statistical tools at its disposal? Is it not necessary to consider supplementing these with more qualitative measures of what it means to enjoy a decent life – and of the lives people actually lead?

These considerations obviously imply no weakening of the case for continued action on women's rights and equity, but rather a broadening of the conceptual framework for addressing gender inequity, ultimately into one that takes account both of its subordination to the effects of vertical socio-economic

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<sup>24</sup> For a theoretical take on the connectedness of the two spheres and its implications for household economics, see Chichilnisky and Harmann Frederiksen (2008); see also White (1997); Grieg, Kimmel and Lang (2000, pp. 7–10). On the early nineteenth-century origins of the home/work polarization and its gender implications, see Tavis (1992, pp. 264–265) and Williams (2000, pp. 1–4).

<sup>25</sup> "Recognition of women's involvement in the market needs to be complemented by an acknowledgement of the part men play in the family. Emphasis on the opposition between women and men needs to be balanced with investigation of the conflicts and contradictions within and between men" (White, 1997, p. 16; see also Engle, 1997). By implication at least, the same goes for the conflicts and contradictions within and between the "good girls" too (see Benjamin, 1988, pp. 9–10).

inequality and of the fact that women and men typically confront much of that inequality together, from the standpoint of a shared disadvantage. Economic class, social status, religion, race, ethnicity, sexuality and age evidently have a much stronger impact on a woman's overall life chances in any given society than her particular status vis-à-vis men of the same class, race, age, etc. The study by Kolev and Suárez Robles, on ethnic wage gaps in Peru (in Chapter 10), provides a vivid illustration: inter-ethnic wage gaps turn out to be much wider than intra-ethnic gender gaps. In the United States, to take another example, the average household income of white families in the 1990s was over 30 per cent higher than that of African American or Latino families (Marks and Leslie, 2000, p. 402). And such inequalities have been widening ever since in a great many countries. "If one imagines gender as a force field pulling men and women back into domesticity's 'traditional' roles, the force field differs depending on one's placement in other fields of social power" (Williams, 2000, p. 173). Related to this, there also appears to be a negative relationship between women's expressed acquiescence in traditional gender roles in the family and their social position as determined by economic status and race, though Mathew's contribution on Kerala suggests that the opposite may be true in some Asian developing countries where the standard of living has been rising (see Chapter 12 in this volume). In short, "analyzing gender without simultaneously considering class makes no sense" (Williams, 2000, p. 161). Again, the importance of this perspective on the relativity and intersection of different identities has long been obvious in actual development work, though its policy and research implications remain daunting (on theories of intersection, see Marks and Leslie, 2000). For example, Martha Alter Chen's work on rural Bangladesh has long shown that while patriarchy may explain women's subordinate position in the household, only class could explain "the oppressed position of certain women in the village" (1986, p. 75).

The above concerns are neither trivial nor purely academic. Together, they surely call for more serious consideration to be given to the broader aims of social policy as a means of improving the lives that women (and others) actually lead, with their plural affiliations and multiple interdependencies, still overwhelmingly framed by their membership of a household unit. Indeed, in today's world of widening inequalities, millions of families still live in absolute poverty or, equally disempowered, in the uncertainty of a value chain livelihood whose minimized worth is remote-controlled from a corporate boardroom thousands of miles away (see Carr and Chen's contribution in Chapter 8 of this volume). In this and most other contexts, indicators of gender inequality could be made a lot more meaningful if they were considered within a broader policy framework that addressed the overarching causes of disadvantage and vulnerability among households and communities.<sup>26</sup> Admittedly, in gender parlance, this would probably also mean shifting the policy focus somewhat closer

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<sup>26</sup> By analogy, see Carr et al.'s (2016) argument for living wages as a "fertile functioning" that can drive the development of other human capabilities (Nussbaum, 2011, pp. 44–45).

to “practical gender needs” and thereby giving some conception of individual preferences at least the benefit of the doubt.

These concerns should also be borne in mind when considering policy responses to the confusing global picture that emerges from the diverse and sometimes contradictory research findings presented in this volume. Beyond what can be done to address measurable and specifically female disadvantage at country level or globally, as with care work and domestic work, there is indeed a clear case to be made for standing back from the scrutiny of gender inequality indicators alone, as the sole measures of the hardships endured by women, in order to factor in the broader concerns of social policy when workers, parents, women and their families live in such dire conditions that the very concept of gender equality becomes largely irrelevant to their daily worries. Indeed, an overly narrow focus on these indicators, starkly contrasting male and female labour market performances on aggregate numbers, implicitly embeds the questionable assumption that it is up to policy to fix intra-household relationships in this respect rather than the economic and social playing field in which those relationships are constructed and played out. Without relenting on the pursuit of equality as a vector of freedom, there needs to be a little more analytical space for the real-life, gendered accommodations that all people have to make with cultural norms, the social-cost implications of livelihood options and, often, the sheer challenge of survival (Sharif, 2000). Hence, again, the value of an analytical and policy framework based on human capabilities, as highlighted in the first volume of *Women, gender and work* (see, primarily, Nussbaum, 1999a, 2000 and 2011). By focusing on creating an enabling socio-economic environment as a means to an end – i.e. the human dignity and well-being of all those who live in it – this framework also addresses the discrepancy between the (legislated) rights they are supposed to have and their actual ability to enjoy them. What matters here is what people are effectively able to do with their lives, without prejudging the meaning of such statistically measurable outcomes as they may generate in the process. This proposition in no way precludes attention to particular inequalities, offering plenty of scope for addressing them where their causes can be identified by empirical research. Yet, in many of the case studies presented in this volume, such a broadening of the social policy framework would engage the deeper causes of disadvantage that transcend the reported findings of gender inequality per se.

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PART II

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## CONCEPTS AND CONCEPTIONS

# Equality and empowerment for decent work

Bob HEPPLE\*

Equality is at the heart of the notion of “decent work”; the ILO’s exciting new vision to promote “opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity” (ILO, 1999, p. 3). In this context – and with national and local action increasingly moving away from negative duties to avoid discrimination towards positive and inclusive duties to promote equality – this article argues that the best model of regulation is one which involves the empowerment or participation of the disadvantaged groups. To that end it begins by deconstructing the idea of equality and goes on to explore this idea in the context of other fundamental rights, explaining why positive duties to promote equality are needed. Finally, it examines some regulatory models for implementing duties to promote equality and how these can be used as vehicles of empowerment.

### The concept of equality

The subject of equality is topical across the globe. The ILO’s Discrimination (Employment and Occupation) Convention, 1958 (No. 111), a remarkably far-sighted and comprehensive instrument, is one of the most widely ratified of all ILO Conventions, and one which continues to inspire national legislation and other measures. The ILO Declaration on Fundamental Principles and Rights at Work of 18 June 1998 declares that “the elimination of discrimination in respect of employment and occupation” is an obligation of all member States, whether or not they have ratified the relevant Conventions.<sup>1</sup>

In the European Union, a comprehensive anti-discrimination directive addressed to the Member States under Article 13 of the Treaty establishing the European Community, as amended by the Treaty of Amsterdam, was adopted

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<sup>1</sup> The full text of the Declaration is published in the special issue of the *International Labour Review* entitled “Labour rights, human rights”; Vol. 137 (1998), No. 2, pp. 253–257.

by the Council of Ministers in November 2000.<sup>2</sup> The European Union Charter of Fundamental Rights, which was adopted at Nice in December, has a separate chapter devoted to equality.<sup>3</sup> The Council of Europe, for its part, opened for signature on 4 November 2000 a new Protocol (No. 12) to the European Convention on Human Rights, which plugs a gap in that Convention. At present the Convention is breached only when there is discrimination in the enjoyment of a right it expressly protects. But because it makes no provision for the right to employment, for example, the Convention affords no protection in respect of discrimination in employment. The new Protocol provides a free-standing guarantee against discrimination, which is not dependent upon the breach of some other Convention right.

These instruments, and the provisions of national constitutions and legislation, provide a bewildering range of concepts of equality. It is, therefore, necessary to clarify how “equality” might be understood in the context of “decent work”. This is not for any semantic or ideological reason, but because in fashioning a decent work programme, it is essential to have regard for the underlying principles from which legal and social concepts of equality derive.

### *Equality as consistency or formal equality*

The concept of equality has two basic dimensions: equality as consistency – i.e. likes must be treated alike – and substantive or material equality.<sup>4</sup> The first of these is found in all anti-discrimination laws, and also in Article 1(1)(a) of ILO Convention No. 111.<sup>5</sup> It embodies a notion of procedural justice which does not guarantee any particular outcome. So there is no violation of this principle if an employer treats women and men equally badly, or sexually harasses women and men to the same extent. A claim to equal treatment in this sense can be satisfied by depriving both persons compared of a particular benefit (levelling down) as well as by conferring the benefit on them both (levelling up).

For example, in cases brought to the European Court of Justice under Article 141 EC (ex 119 of the EC Treaty), which follows ILO Convention No. 100 in guaranteeing equal remuneration for women and men doing work of equal value, employers have been allowed to raise women’s pensionable age to the same as that applying to men, rather than lowering men’s pension-

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<sup>2</sup> Council Directive 2000/78/EC of 27 November 2000, establishing a general framework for equal treatment in employment and occupation. See *Official Journal of the European Communities* (Luxembourg), L 303, 2 December 2000, pp. 16–22.

<sup>3</sup> See *Official Journal of the European Communities* (Luxembourg), C 364, 18 December 2000, pp. 1–22.

<sup>4</sup> These ideas are elaborated in more detail in Hepple, Coussey and Choudhury (2000, pp. 27–35), Barnard and Hepple (2000), and Fredman (1999).

<sup>5</sup> This provision is worded as follows: “For the purpose of this Convention the term ‘discrimination’ includes ... any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation?”

able age.<sup>6</sup> The choice of comparators can also be determinative of a claim to equal treatment. For example, a railway company in the United Kingdom had a policy of granting travel concessions to its employees' spouses or unmarried partners of the opposite sex. A female employee with a same-sex partner claimed that this was unlawful sex discrimination, but the European Court of Justice made a comparison with the way in which the same-sex partner of a male employee would have been treated, and concluded that there was no sex discrimination.<sup>7</sup> A comparison with an unmarried heterosexual would have shown a clear breach of the principle of equal treatment.

### *Substantive equality*

The limitations of the principle of formal or procedural equality have led to attempts to develop the concept of substantive or material equality. Here, three different, but overlapping, approaches can be identified. The first is equality of results.

#### Equality of results

Apparently consistent treatment infringes the goal of substantive equality if its results are unequal. Inequality of results itself can be understood in three senses. The first focuses on the impact of apparently equal treatment on the individual. The second is concerned with the impact on a group, e.g. women, ethnic groups, people with disabilities, etc. And the third demands an outcome which is equal, such as equal remuneration for women doing work of equal value to that of men, or equal representation of women and men in a given occupational grade.

The concept of indirect or adverse-impact discrimination is that an apparently neutral practice or criterion has an unjustifiable adverse impact upon the group to which an individual belongs. The best-known examples are selection criteria for recruitment, promotion or lay-offs with which it is significantly more difficult for members of a disadvantaged group to comply. This concept is thus results-oriented in the first sense – in that the treatment must be detrimental to an individual – but it also involves equality of results in the second sense. However, the concept of indirect discrimination is not redistributive in the third sense: if there is no exclusionary practice or criterion, or if no significant disparate impact can be shown, or yet if there is an objective business or administrative justification for the practice, then there is no violation. This concept is usually said to have its origins in case law of the 1960s under Title VII of the United States Civil Rights Act. In fact, its foundation was laid in 1958 in Article 1 of ILO Convention No. 111, which covers any “distinction, exclusion or preference ... which has the effect of nullifying or impairing equality of opportunity or treatment.” But Article 1(2) of this Convention

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<sup>6</sup> Case C-408/92, *Smith and Others v. Avdel Systems Ltd.*, ECR 1994, p. I-4435.

<sup>7</sup> Case C-249/96, *Grant v. South West Trains*, ECR 1998, p. I-621.

– like the later case law of the United States Supreme Court and the European Court of Justice – goes on to provide that: “Any distinction, exclusion or preference in respect of a particular job based on the inherent requirements thereof is not deemed to be discrimination”

An approach which is more results-oriented in a redistributive sense is to define equality in terms of “fair” (sometimes referred to as “full”) participation of groups in the workforce, and fair access of groups to education and training, and to other facilities and services. This aims to overcome the under-representation of disadvantaged groups in the workplace and to ensure their fair participation in the distribution of benefits. This may involve special measures to overcome disadvantage. These measures are generally described as “affirmative action”. Professor Faundez, in his useful ILO study, defines this as “treating a sub-class or a group of people differently in order to improve their chances of obtaining a particular good or to ensure that they obtain a proportion of certain goods” (Faundez, 1994, p. 3). Once again, it was the ILO’s far-seeing Convention No. 111 which in its Article 5, was one of the first instruments to recognize that “special measures or protection or assistance” for disadvantaged groups should not be deemed to be “discrimination”

The term “affirmative action”, however, is unfortunately tarnished by negative experiences with its use in some countries. For this reason, the notion of “employment equity” was coined in Canada, as was “fair participation” or “fair access” in Northern Ireland. Canada’s Employment Equity Act 1995 uses “employment equity” to denote that equality “means more than treating persons in the same way but requires special measures and the accommodation of differences”. South Africa’s Employment Equity Act of 1998 treats affirmative action as the means of achieving employment equity. It provides that “affirmative action measures are measures designed to ensure that suitably qualified people from [disadvantaged] groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce”

Affirmative action in this sense is used as a tool of social policy in many countries and is endorsed in international human rights conventions, such as the International Convention on the Elimination of All Forms of Racial Discrimination of 21 December 1965<sup>8</sup> and the International Convention on the Elimination of All Forms of Discrimination against Women, of 18 December 1979.<sup>9</sup> Another example is the legislation in force in Northern Ireland since 1989, which aims to secure greater fairness in the distribution of jobs and opportunities and to reduce the relative segregation of the Catholic and Protest-

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<sup>8</sup> Art. 1.4 allows “special measures taken for the sole purpose of securing adequate advancement of certain racial or ethnic groups” provided that such measures do not, as a consequence, lead to the maintenance of separate rights for different racial groups, and are not continued after the objectives for which they were taken have been achieved.

<sup>9</sup> Art. 4.1 allows “temporary special measures” aimed at achieving de facto equality between men and women, provided that these measures are discontinued when the objectives of equality of opportunity and treatment have been achieved.

ant communities in that part of the United Kingdom. A recent report on the impact of this legislation reveals that it has led to significant reductions in employment segregation, in the under-representation of the Catholic community overall and of Protestant and Catholic communities in specific areas, as well as reduction in the unemployment differential between the two communities (House of Commons, 1999, paras 48 et seq.).

### Equality of opportunity

A second way of characterizing substantive equality is in terms of equality of opportunity. Convention No. 111 uses this concept. It brings to mind “the graphic metaphor of competitors in a race” and “asserts that true equality cannot be achieved if individuals begin the race from different starting points. An equal opportunities approach therefore aims to equalise the starting points” (Fredman, 1999, para. 3.12).

However, the use of this concept does not make it clear whether the promotion of equality of opportunity is a narrow procedural obligation, or a broader substantive one. The procedural view involves the removal of barriers or obstacles, such as word-of-mouth recruitment or non-job-related selection criteria. This opens up more opportunities but “does not guarantee that more women or [members of ethnic minorities] will in fact be in a position to take advantage of those opportunities” (Fredman, 1999, para. 3.13). A more substantive approach would require affirmative action to compensate for disadvantages.

### Equality of human dignity

A third approach to substantive equality is based on the broad values of the dignity, autonomy and worth of every individual. Such an approach is to be found in many national constitutions. In some there is emphasis on equality as the sharing of “common humanity,” or “equal worth.” One example is article 23 of the Belgian Constitution which provides that “everyone has the right to lead a life worthy of human dignity”. Another is Article 2 of the Greek Constitution which speaks of “respect and protection for the value of the human being” as the primary obligation of the State. In the field of labour law, this approach is reflected in the idea that “labour is not a commodity”. The work of the ILO has been based on this principle ever since the Organization’s very inception. Labour is “human flesh and blood”. It is not a commodity to be exchanged because a person’s working power cannot be separated from her or his existence as a human being.

A good illustration of the importance of human dignity as the starting point of an approach to equality is the judgment of 28 September 2000 of the South African Constitutional Court in the case of *Hoffmann v. South African Airways*. The practice of South African Airways (SAA) – like that of many other airlines – was not to offer employment as cabin attendant to any person whose blood test showed that he or she was HIV positive. SAA justified this on safety, medical and operational grounds. In particular, they

argued that persons who are HIV positive may react negatively to yellow fever vaccinations, which cabin crew must have for world-wide duty; that people who are HIV positive are prone to contracting opportunistic diseases, with the consequent risk of infecting passengers; and that the life expectancy of HIV-positive people is too short to warrant the costs of training. Mr Hoffmann, who was refused employment on these grounds, challenged the constitutionality of SAA's practice.<sup>10</sup> The Constitutional Court accepted medical evidence that asymptomatic HIV-positive persons can perform the work of a cabin attendant competently, and that any hazards to which an immunocompetent cabin attendant may be exposed can be managed by counselling, monitoring and vaccination. The risks to passengers were inconsequential. Even immunosuppressed persons are not prone to opportunistic infections and may be vaccinated against yellow fever as long as their count of "CD4+ lymphocytes" remains above a certain level.

On the basis of this evidence, the Constitutional Court held that Mr Hoffmann's right to equality, guaranteed by section 9 of the South African Constitution, had been violated and it reinstated him in the job of cabin attendant. Discrimination on grounds of HIV status and the question of testing to determine suitability for employment are now governed by South Africa's Employment Equity Act of 1998, but the facts arose before that Act came into force and the issue was solely a constitutional one. Although section 9 of the Constitution mentions a number of grounds of unfair discrimination, these do not include HIV status. The most significant feature of the judgment in question was therefore its reliance on the human dignity argument: "at the heart of the prohibition of unfair discrimination is the recognition that under our Constitution all human beings, regardless of their position in society, must be accorded equal dignity. That dignity is impaired when a person is unfairly discriminated against"<sup>11</sup>

The judgment, concurred in by the full Bench, went on to stress that South Africa's new democratic era is characterized by respect for human dignity for all human beings: "prejudice and stereotyping have no place" in this era.<sup>12</sup> The fact that *some people* who are HIV positive may, under certain circumstances, be unsuitable for employment as cabin attendants does not justify the exclusion of *all people* who are living with HIV. As a Judge of the Indian Supreme Court recently pointed out: "the State cannot be permitted to condemn the victims of HIV infection, many of whom may be truly unfortunate, to certain economic death" by denying them employment.<sup>13</sup>

It must be obvious from the foregoing analysis that the three approaches to substantive equality – equality of results, equality of opportunity and equal-

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<sup>10</sup> SAA is an organ of the State, not a private employer.

<sup>11</sup> *Hoffmann v. South African Airways*, Case CCT/17/00, Judgment of 28 September 2000, para. 27.

<sup>12</sup> *Ibid.*, para. 37.

<sup>13</sup> *MX of Bombay Indian Inhabitant v. M/s ZY and another*, AIR 1997 (Bombay) 406 at 431 (Tipnis J).

ity of human dignity – lie at the heart of the notion of decent work. This is not only because the ILO’s definition expressly refers to opportunities for women and men, and to conditions of “freedom, equity, security and human dignity”; but also because of the universality of the concept. The idea of ending untenable distinctions between different categories of workers has a long history in labour law. It is based on the notion that there must be comparable protection for all those who work. The first European constitution to recognize social rights, that of the Weimar Republic (1919) in its Article 158, required the State to create a “uniform labour law”; in particular by linking public and private law. This is reflected in several modern constitutions, such as the Italian Republic’s, whose Article 35(1) stipulates that the Republic “protects labour in all its forms and applications”.

What is truly innovative in the ILO’s concept of decent work, as Amartya Sen (2000) pointed out in his address to the 1999 International Labour Conference, is that it encompasses all kinds of productive work. Unlike classical labour law, it does not presuppose the existence of a contract of employment or an employment relationship. It is not limited to “dependent” or “subordinated” labour, on which labour legislation has traditionally been focused. Indeed, labour law has tended to legitimize inequalities between different categories of workers, between the employed and self-employed, and between those who work and those who are unemployed or cut off from work on grounds of age. The objective of decent work proclaims the basic equality of all those who work or seek work. The concept of substantive equality provides a framework for keeping in mind the needs of the unemployed as well as the employed and self-employed, the aged as well as the young, and those in the informal sector as well as those in the formal sector.

## Equality in the framework of fundamental rights

How does this idea of equality fit into the framework of the rights which are fundamental to a democratic society? The ILO’s 1998 Declaration on Fundamental Principles and Rights at Work focuses on freedom of association and the right to collective bargaining, the elimination of forced and compulsory labour, and the worst forms of child labour, as well as discrimination. Action against discrimination aims to achieve equality for disadvantaged groups, such as women, ethnic minorities and people with disabilities. This may be characterized as horizontal equality between workers – a relatively modern concern dating to the Second World War and the ending of colonialism. The more traditional focus of labour law, and of the ILO, has been on what may be called vertical equality between the parties to the employment relationship. Hugo Sinzheimer, one of the founders of labour law in Germany, argued in 1910 that the “special function” of labour law – “the guardian of human beings in an age of unrestrained materialism” – was to ensure some substantive equality between employer and worker (Sinzheimer, 1910, p. 1237). This conception became part of the common law of nations as embodied in ILO Conventions

on subjects such as forced or compulsory labour and child labour, and through support for collective organization and collective action in defence of the interests of workers. The principle behind such measures has been described by Paul van der Heijden as “inequality compensation,” the aim of which is to compensate by social measures for the economic inequality between employers and workers (van der Heijden, 1994, pp. 135–136). Equality is thus embedded in all elements of the ILO Declaration, making clear the connections between the fundamental rights it protects.

In considering horizontal equality, it is again necessary to distinguish the duty to “eliminate discrimination,” in a negative sense, from a broader positive duty to promote equality. Eliminating discrimination, in the sense of avoiding unfavourable actions against individuals, is a negative concept. It usually depends upon *responding* to a complaint or assertion of a right by an individual. That response may be defensive and adversarial, especially when legal proceedings are brought or threatened. Yet this may leave untouched the processes, attitudes and behaviours which, within organizations, lead to prejudice and stereotyping or to practices which unwittingly have the effect of putting women, ethnic minorities, disabled persons and other groups at a disadvantage. Where affirmative action is used, this is seen as a negative exception to the non-discrimination principle. It therefore tends to be sporadic, contested and limited.

By focusing on positive duties to promote equality one can encourage an inclusive, proactive approach. Organizations which have positive duties are compelled to devise coordinated strategies to improve diversity in the workforce or to pursue equality policies in the delivery of services to those who are socially excluded. Instead of passive and defensive responses to complaints of discrimination, organizations are made responsible for reaching stated goals and targets. This will usually involve reasonable adjustments or “special measures.” Thus, equality of opportunity increasingly depends not simply on avoiding negative discrimination, but on monitoring, planning, training and improving skills, developing wider social networks and encouraging adaptability. This does not, however, mean reverse discrimination, which can often be counterproductive.

ILO Convention No. 111 anticipated and encouraged the modern emphasis on positive duties. Its Article 2 requires member States “to declare and pursue a national policy designed to promote, by methods appropriate to national conditions and practice, equality of opportunity and treatment in respect of employment and occupation, with a view to eliminating any discrimination in respect thereof.” The term “equality” would have been preferable to “equality of opportunity” which, as explained above, is both ambiguous and only one of the senses in which substantive equality should be understood. However, there can be no doubt that as long ago as 1958 the ILO envisaged positive promotion and not simply negative prohibition. Article 5 of the Convention provides that “special measures” or “special protection” for certain groups is not discrimination. This leaves ratifying States who wish to do so free

to use affirmative action measures. For the reasons already advanced, positive measures will frequently be essential if discrimination is to be eliminated.

There is another reason why positive duties to promote equality and corresponding rights are now necessary: decent work was devised as a model for socially sustainable development. It means productive work which generates an adequate income with adequate social protection. In this respect, there is a growing convergence between the objectives of the ILO and those of the World Bank. Indeed, the *World Development Report 2000/2001* acknowledges the need for a broad social agenda and – of particular relevance here – concludes from the experiences of the 1990s that “inequality is back on the agenda” (World Bank, 2000, p. 33). The *Report* points out the importance of gender, ethnic and racial inequalities as a dimension – and a cause – of poverty. Social, economic and ethnic divisions are “often sources of weak or failed development. In the extreme, vicious cycles of social division and failed development erupt into internal conflict, as in Bosnia and Herzegovina and Sierra Leone, with devastating consequences for people” (World Bank, loc. cit.). The World Bank’s “general framework for action” for reducing poverty, like that of the ILO for decent work, obviously requires positive duties on States to grant rights of access to work, health, education, and social security.

An objection to such positive duties which is frequently heard is that social rights cannot be enforced. It is argued that a clear line exists between civil and political rights, on the one hand, and economic, social and cultural rights on the other (see Hepple, 1995). The former are limitations of governmental power – i.e. governments must respect the right not to be discriminated against, etc. – whilst the latter require governments to act, e.g. to provide minimum income, social security, provision of health services and education, etc. Civil rights can be made legally enforceable, while it is said that social and economic rights cannot. However, the creative decisions of the Indian Supreme Court and, more recently, the South African Constitutional Court show that the line between the two classes of rights can become blurred and that it is even possible to give legal effect to certain basic social rights.

An example is the recent South African case of *Mrs Grootboom*, one of those many thousands of unfortunate people who live in shacks made of cardboard and hessian. The land on which Mrs Grootboom and many other people lived was subject to flooding, so she and others moved up the hill onto some private land from which they were then rather brutally evicted under a court order. They brought the case to Court relying on section 26 of the new democratic South African Constitution which entitles everyone to the right of access to adequate housing. This right is not absolute because it is subject to the qualification that “the State must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right”. The Constitutional Court decided on 4 October 2000 that the rights in section 26 oblige the State to provide relief for people who have no access to land, no roof over their heads and who are living in intolerable conditions or crisis situations. The South African Government and the local authorities

concerned argued that they had a housing programme, and that houses were being built. However, the Court reached the conclusion that Mrs Grootboom and the others were entitled to this basic protection. They did so on the basis of the rights in the Constitution which guaranteed human dignity, freedom and equality. In the words of Justice Yacoob: “if measures, though statistically successful fail to respond to the needs of those most desperate [like the homeless Mrs Grootboom] they may not pass the test” of reasonableness.<sup>14</sup> This judgment has great significance for the enforcement of other social rights such as rights to work, to education, to health services and social security. It suggests that the State can be compelled to act “reasonably” in giving effect to fundamental social rights, within the constraints of available resources and the progressive realization of these rights. “Reasonableness”, or rationality, requires account to be taken of human dignity, where people are in intolerable or crisis situations.

As this discussion shows, the ILO Declaration and Convention No. 111 must be construed broadly, perhaps even be revised. “Eliminating discrimination” should not be understood simply as a negative duty. The notion should be refocused, so as to emphasize the responsibility of governments, organizations and individuals to generate change by positive actions.

## Empowerment

This leads finally to the question of the implementation of positive duties. This involves designing an optimal system of regulation to reduce inequality by promoting fair representation and eliminating exclusion and institutional barriers to full participation.<sup>15</sup>

There are several designs. One of them concentrates on rights and liabilities allowing individuals to bring legal claims for violation of the right to non-discrimination – this is usually called the American model. Another is that of “command and control” by government or an independent public agency that sets the standards which organizations are required to meet, and enforces them through investigation and legal proceedings. A third model relies exclusively on voluntary self-regulation, with organizations meeting prescribed targets unilaterally without any threat of coercion. A fourth uses enforced self-regulation, applying legal sanctions against those who fail to comply voluntarily. And, finally, there are economic incentives – such as withholding public contracts or subsidies – which may also be used as a means of encouraging compliance.

At one extreme in the debates about the relative advantages and disadvantages of these models are those who want to throw in every kind of policy and legal instrument to tackle inequality – what has been called a “smørgåsbord” approach: “everything is on the table” (Gunningham and Sinclair, 1998,

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<sup>14</sup> *Government of the Republic of South Africa and Others v. Grootboom*, Case CCT 11/00, Judgment of 4 October 2000, para. 44.

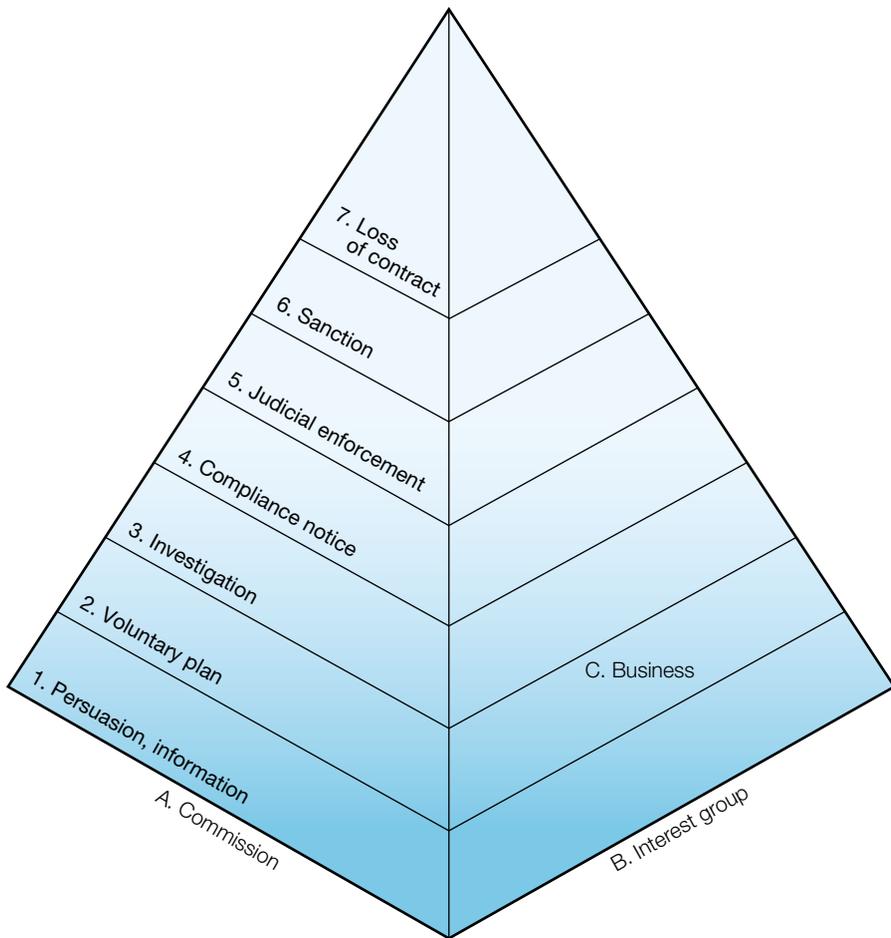
<sup>15</sup> This draws extensively on Hepple, Coussey and Choudhury (2000).

pp. 432–433). In this particular context, however, it rests on the mistaken assumptions that coercion is always necessary and that the resources for enforcement are unlimited. Experience shows that imposing too many bureaucratic requirements on organizations is not only costly, but also likely to engender resistance and adversarialism which make this approach politically unacceptable.

At the other extreme are those who advocate an entirely voluntary approach, encouraging governments and employers to follow best practice without enforceable duties. The trap into which these advocates of “doing good by doing little” fall is to pose one form of regulation (e.g. voluntarism) against another (enforced self-regulation). The point is that a voluntary approach may work in influencing the behaviour of some organizations – e.g. leading-edge companies whose markets are among communities receptive to an equal opportunities policy – but fail with others which, for economic or social reasons, are resistant to change.

This has led to the theory of “responsive regulation”, now well developed in the environmental field, but not yet so well developed in the field of labour legislation. The idea is that regulation needs to be responsive to the different behaviours of the various organizations subject to regulation. In a recent Independent Review of the Enforcement of UK Anti-Discrimination Legislation which I co-directed, we developed a model of an enforcement pyramid (Hepple, Coussey and Choudhury, 2000, pp. 56–59). As shown in the diagram below, the base of this pyramid consists of what might be called the voluntary means, i.e. persuasion, information and so on. If this fails, the organization is encouraged to have a voluntary plan and when that fails, we move up to investigation by a public body. Eventually the investigation reveals non-compliance, and the organization is ordered to comply by compliance notice, traditional enforcement sanctions, ultimately perhaps loss of contracts. In order to work, there must be gradual escalation and, at the top, sufficiently strong sanctions to deter even the most persistent offender. The idea is that the most severe sanctions will rarely be used, but if they are not there the rest of the pyramid is inoperative.

A crucial element in the design of the enforcement pyramid is to identify the potential participants in the regulatory process. In the field of equality, enforcement has traditionally been viewed as a dialogue between the State (or, in some countries, an independent equality commission) and those who are being regulated (employers, service providers, etc.) But this leaves out the disadvantaged groups themselves. Modern regulatory theory offers two critical insights in this respect. The first is that private forms of social control are often more important in changing behaviour than state law enforcement. In other words, more can be achieved by harnessing the enlightened self-interest of employers and service providers than through command and control regulation. There is, of course, a strong “business” case on efficiency grounds for equality and diversity. The second insight – which is the one stressed in this article – is that the quality of regulation depends crucially on empowerment. This, in turn, means bringing into the regulatory process the experience and views of



those directly affected, i.e. groups such as employers’ organizations and trade unions, community associations and public interest NGOs, etc., which act as watchdogs, educate and inform others, and help individuals to enforce their rights. These groups must be given and effectively enjoy rights to be informed, consulted and engaged in the enforcement process.

The enforcement pyramid involves a tripartite relationship between those who are regulated (business), those whose interests are affected (interest groups) and an independent commission acting as the guardian of the public interest. For example, a strategy of this kind has been introduced in Northern Ireland in respect of a duty on all public authorities to promote equality of opportunity. Section 75 of the Northern Ireland Act 1998 attempts to “mainstream” equality, that is to make equality issues central to the whole range of policy debates and implementation. The reactive and negative approach of anti-discrimination is thereby replaced by proactive, anticipatory and integrative methods. Public authorities must draw up equality schemes. These must

set goals and targets, and progress has to be monitored. As a result, public authorities cannot ignore or sideline equality issues.

Central to this new positive duty in Northern Ireland is the empowerment of the local communities themselves. The door has been opened for the people who are affected to get involved in the decision-making process, through rights to information and consultation. A similar positive duty on public authorities has now been enacted in the rest of the United Kingdom in respect of racial equality, and the Government has announced an intention to do the same for gender equality and for disability.

## Concluding remarks

Does this model of empowerment in the enforcement of a positive duty to promote equality have any relevance to the global Decent Work Agenda? I suggest that it does. The World Bank has proposed as an essential feature of sustainable development the notion that state institutions must be made more accountable and responsive to poor people in political processes and in local decision making. If the barriers that result from distinctions based on gender, ethnicity, race, social status, disability and other disadvantages are to be removed, legal and political processes need to be reformed in this way.

After 42 years, ILO Convention No. 111 still provides a basis for positive policies to promote equality and for the participation of “other appropriate bodies” as well as employers’ and workers’ organizations in this process (Article 3). This Convention, and the accompanying Recommendation, could now usefully be revised to provide a clearer focus on equality and empowerment. The decent work programme provides an inspiring framework for fulfilling these objectives.

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# Discrimination and equality at work: A review of the concepts

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**F**ormal condemnation of discrimination in employment and occupation is universal and firm. Yet discrimination is an enduring feature of labour markets everywhere in the world. The prevalence of particular forms of discrimination – based on race, sex or religion – or their manifestations may vary across countries, and within countries, over time. But even in societies where equal opportunity practices have been part of working life for some time, members of discriminated groups are far from enjoying equal status with members of dominant groups.

To eliminate discrimination and achieve equality at work, it is important to understand what it is that needs to be eliminated and how it can be done. This presupposes, *inter alia*, answering Amartya Sen’s classic questions: *equality of what?* and *equality for whom?* (Sen, 1992). The answers to these questions differ depending on one’s views of the causes and consequences of inequalities between, say, men and women or between people of different races or religions. This article reviews a variety of understandings of what constitutes discrimination at work, of what “equality at work” denotes and of how to achieve it. A consideration of the notions of “discrimination” and “equality” is indeed relevant to policy-making, as different notions have different policy implications.

## Discrimination in employment and occupation: Delimiting the problem

The ILO’s Discrimination (Employment and Occupation) Convention, 1958 (No. 111), defines discrimination as “any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation.” Discrimination at work thus refers to a difference in treatment based on the personal characteristics of an individual, such as race or sex, irrespective of whether that individual’s profile matches the requirements of a particular job. This difference

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in treatment puts him or her at a disadvantage or limits his or her access to benefits and opportunities available to other members of society. The inclusion in Convention No. 111 of both “employment” and “occupation” is intended to ensure that everyone not only has access to employment, but also enjoys the free choice of an occupation. Furthermore, the Convention provides protection against discrimination with regard to the treatment and opportunities offered not only to those who already have a job, but also to those who are seeking a job. Equal access to vocational training is also provided for: without it there cannot be any real equality in admission to employment or any given occupation.

### *Direct and indirect discrimination*

The emphasis that Convention No. 111 places on outcomes – i.e. deprivation or limitation arising from a difference in treatment – means that the presence of intent is not necessary to identify a situation as discriminatory.<sup>1</sup> Discrimination can indeed be direct or indirect. It is direct when rules and practices explicitly exclude or give preference to certain individuals solely on the basis of their membership of a particular group. Job vacancy announcements that overtly discourage applications from married workers or from people above a certain age or with a certain colour/complexion are examples of direct discrimination. The same goes for the restrictions that customary norms impose on female entrepreneurs in some African countries with regard to leasing or owning premises in their own right, even when they have the resources to do so, which explains why female entrepreneurs often operate from inappropriate premises.<sup>2</sup> These forms of discrimination are rooted in prejudices and biased perceptions of the abilities or work ethics of individuals belonging to certain groups, irrespective of their actual skills and work experience. Such stereotyping is discriminatory because it implicitly requires that individuals from a disadvantaged group reproduce the characteristics commonly ascribed to individuals from society’s dominant group (Sheppard, 1989).

Direct discrimination is much easier to detect than indirect discrimination. This refers to norms, procedures and practices that appear to be neutral, but whose application disproportionately affects members of certain groups. In some countries, for example, height requirements for filling certain positions

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<sup>1</sup> The ILO Committee of Experts on the Application of Conventions and Recommendations has observed that, although certain definitions of discrimination refer to the intentional nature of discrimination either directly or indirectly, Convention No. 111: “covers all discrimination without referring to the intention of an author of a discriminatory act or even without there needing to be an identifiable author, as in the case of indirect discrimination or occupational segregation based on sex” (ILO, 1988, p. 22, para. 26).

<sup>2</sup> The lack of appropriate or affordable premises is particularly “taxing” in the case of businesses devoted to food processing and food preparation, where women predominate. Since business regulations require compliance with hygiene standards, inability to operate in suitable premises due to gender-biased customs makes it more difficult for women than men to “formalize” their business, thus exposing them to harassment by public authorities (see Richardson, Howarth and Finnegan, 2003, p. 23).

have the effect of excluding altogether members of ethnic minorities whose average height tends to be below the overall national average. The arbitrary nature of this requirement is evident when height is not necessary to perform the jobs in question. Indirect discrimination may also occur when distinct categories of workers are treated differently. For example, in many countries domestic workers are excluded *de jure* or *de facto* from the protection that the law grants to other employees. As domestic workers tend to comprise mainly women or members of ethnic minorities or migrant workers, their exclusion from the scope of labour law constitutes a form of indirect discrimination based on sex, race, ethnic origin or nationality.

Proving the existence of indirect discrimination may be difficult, especially where it results in a disproportionate, but not total, exclusion of members of certain groups from the workplace. In Canada, for instance, cases of indirect discrimination against members of religious minorities or people with disabilities have been much easier to prove than cases involving gender-based or racial discrimination that generated disparities, but did not result in absolute exclusion of either women or members of racial minorities from work (Sheppard, 2002).

The notion of indirect discrimination has three significant implications for policy-making. The first is to show that treating different people in the same way, without due consideration for the specific circumstances or context of the disadvantaged, may, in some instances, perpetuate or even deepen existing inequalities instead of reducing them. This implies that, in some cases, giving effect to equality means treating different people differently (Minow, 1988). The question then becomes whether such unequal treatment can be justified and, if so, which reasons are acceptable for allowing a certain degree of inequality. These issues are examined below in the discussion of the social group justice model of equality.

A complex issue related to the foregoing centres on the evaluation of “difference” between people, as assignment of “difference” and “sameness” may produce inequitable outcomes. Difficulties may arise when “difference” is regarded as *innate* or *intrinsic* to a particular individual or group – as opposed to being *relational* – in the sense that it arises by reference to a comparator. Defining “difference” as inhering in an individual or group implies that there exists a “normal” or “standard” person or group, which is the comparator. Members of disadvantaged groups are then treated as exceptions from the dominant pattern, and special rights are accorded to them to accommodate their specific needs because of their difference (Ben Israel, 1998). Understanding “difference” as created through a relationship means that “difference” no longer belongs to the one individual who “deviates” from the “norm”, but that the two individuals under comparison are simply different from each other. According to this approach, “difference” arises through the relationship – i.e. it is the relationship itself which constructs difference so as to justify the exclusion or subordination of a particular group or individual. Feminist critics of the sameness/difference paradigm argue that a relational

approach to “difference” helps explain that it is not “nature,” but social and legal institutions which produce and maintain women’s subordination.<sup>3</sup> From this perspective, the exclusion that a person in a wheelchair may experience is not ascribed to her difference/disability but, say, to the failure of the workplace to provide adequate access ramps. This means that the perceived cause of discrimination is shifted from the person who is “different,” “deviant” or “exceptional” to the workplace or society. The issue therefore is no longer about “accommodating difference,” but rather about “transforming” the workplace and work organization so that there is no longer any single “normal” or “standard” model.

The second policy implication of the concept of indirect discrimination is that it allows for a critical assessment and revision of established institutional practices and workplace cultures with the aim of detecting and eliminating rules and procedures that have harmful effects on members of particular groups. According to this view, discrimination is not the isolated act of an employer or a worker: it is deeply engrained in the way workplaces function. These have been structured and organized in ways that exclude or penalize members of groups who “deviate” from the “standard employee” model. This may well be a married white male whose spouse takes care of the children and domestic chores or a person without physical or sensorial impediments.

The third implication of the notion of indirect discrimination is the use of statistics to determine whether an apparently neutral criterion has the effect of excluding or disadvantaging people in one group compared to those in another.<sup>4</sup> The use of statistics for this purpose is not without difficulties, though. Statistical research is indeed based on the observation of differences between groups that translate into labour market outcomes felt to be unjust. This already presupposes a bias. If used correctly, however, statistics can shed light on new cases of indirect discrimination that were not previously considered suspect.<sup>5</sup> They also provide a useful tool for monitoring and measuring progress or regression in the elimination of discrimination.

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<sup>3</sup> In this context, the “difference” approach emerged in response to the initial stance of liberal feminism that minimized gender differences so that women could assimilate the mainstream norms imposed by a male standard. According to this view, being equal meant being the same. The “difference” approach, by contrast, seeks recognition rather than suppression of sex and gender differences, as it advocates special treatment and accommodation of women because of their reproductive function and related socially ascribed roles. The flaw of the difference approach, however, is that it continues to regard men as the reference and women as “the other” (see MacKinnon, 1987). Further shortcomings of the sameness/difference paradigm stem from the fact that it presupposes the existence of both a neutral observer, who determines what is to be considered different, and a norm by which to measure sameness and difference (Minow, 1987).

<sup>4</sup> The underlying assumption is that in a non-discriminatory environment the workforce should show a representative distribution of women and men and of members of different races and religions. The under-representation of one group is taken as *prima facie* evidence that a discriminatory practice is probably in place. But if no exclusionary criterion can be found or the latter is justified by the requirements of the job, the presumption of discrimination is ruled out.

<sup>5</sup> For an excellent discussion of the challenges of establishing a *prima facie* case of indirect discrimination, see Sjerps (1999).

### *What does not constitute discrimination*

Not all distinctions based on personal characteristics are considered discriminatory. Differential treatment motivated by the inherent requirements of a job is accepted as fair and efficient. For example, being male or being female is often considered a legitimate qualification for jobs entailing physical intimacy or for the performing arts. Political opinion or religious belief may also, in some limited circumstances, constitute a bona fide criterion for certain positions. For example, political affiliation may be a key factor in the filling of senior posts that entail special responsibilities for the development of government policy. Similarly, practising a particular faith is often viewed as an essential requirement to teach in religious educational establishments. In all cases, however, such exceptions from the general rule must be applied within limits, on the basis of unquestionable evidence that the special treatment is essential to the work involved; and they must not become the basis for systematic screening. Other distinctions that do not amount to discrimination involve measures relating to state security.

Special measures to assist or protect certain categories of persons with a view to ensuring equality of treatment and opportunity in practice are generally not considered discriminatory either. Examples of such measures include the provision of language classes at the workplace for recently immigrated workers and the use of workplace changing rooms by workers from minority religious groups to facilitate the fulfilment of their religious obligations. Laws prohibiting women from engaging in underground work or night work have traditionally been seen as special protective measures, although the tendency today is to pursue the protection of women workers within the broader framework of improving working conditions and promoting equal opportunity for *all* workers, irrespective of their sex.<sup>6</sup> Maternity protection, however, transcends the sphere of protective legislation and is seen as the premise of the principle of equality rather than an exception to it. Preferential treatment based on sex, race or disability, as envisaged in affirmative action, is also accepted as a justified distinction.

### *Merit: A social construct*

Except for the situations outlined above, the only solid and unquestionable basis for differential treatment is merit. The notion of merit refers to a relationship between a person's qualifications and those required for performance in a particular position. The definition of what constitutes merit, however, is

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<sup>6</sup> The ILO's 2001 General Survey on night work of women in industry recognizes that there is a general trend to move away from an outright ban on night work by women in industry, including in countries with conservative social norms and stereotyped views about women's economic role. Whilst welcoming this trend, the report warns against the harmful effects – for both women and men – that a revision of special protective measures could have without due consideration of the need to provide some institutional protection instead. Furthermore, the report stresses the need for a periodic review of protective legislation with the aim of removing all discriminatory constraints, whilst acknowledging the importance of reaching flexible and consensual solutions (see ILO, 2001).

highly contested, and different understandings of this notion point in different, and sometimes incompatible, policy directions.<sup>7</sup> Merit is neither an absolute nor a static concept, but rather a dynamic and relative one. The notion of and the value attached to certain competencies or attitudes are indeed socially constructed. The behaviours, skills and competencies that are deemed desirable and crucial to success correspond to those displayed by the people who occupy positions of power (MacKinnon, 1987). Companies' values and ideas about preferred ways of doing things and about appropriate jobholders, career paths and organizational rewards are commonly presented as expressing a general and shared interest and orientation, while in fact they are constructed on human and power relationships. They reflect arrangements in work organization that result from a series of bargains and compromises between various parties – processes in which women and other groups discriminated against have not played a significant or influential part.

Back in 1944, Everett Hughes observed that decisions on recruitment and promotions were made on the basis of two sets of characteristics. The first includes the “official” and legitimate requirements for performing a particular job, while the second consists of characteristics perceived by the company as conducive to the establishment of a relationship of mutual recognition and trust. Trust is indeed deemed essential to ensuring a certain degree of predictability in the behaviour of new recruits and thereby ensuring the smooth running of the enterprise. Dealing with socially homogenous peers – i.e. men in male-dominated organizations – was perceived to be less uncertain than dealing with different and “unpredictable” people, like women (see Hughes, 1944, cited in Burton, 1991).

This shows how organizational and occupational structures shape the opportunities, or lack thereof, for certain individuals. These structures also inform people's perceptions of what particular individuals are good or not good at, irrespective of their actual worth and aspirations. The challenge therefore lies in devising ways of measuring and comparing the value of different life trajectories and work experiences on the basis of criteria free from sexual, racial or ability biases, in order not to deprive people of equal opportunities because of their (involuntary) membership of a particular group.

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<sup>7</sup> For an excellent analysis of the complexity of the meaning of “merit” and its relationship to the broader debate over the advantages and disadvantages of affirmative action, see McCrudden (1998). McCrudden identifies five different notions or models of merit, namely (1) merit as the absence of intentional discrimination, cronyism or political favouritism; (2) merit as “general common sense”; whereby the possession of the qualities considered as generally valuable in society is reasonably likely to be also relevant to the performance of a certain job; (3) merit as strict job-relatedness, according to which a job should be awarded to the person who possesses the qualifications required by the job; (4) merit as the capacity to produce particular job-related results, according to which it is not possession of the necessary qualifications which is most relevant to doing the job better, but rather the possession of features that are key in assisting in the performance of the job; (5) merit as the capacity to produce beneficial results for the organization, according to which merit coincides with the attributes that enable a person to serve the organization most effectively, rather than do the job narrowly conceived.

### *Intersection: The interplay of multiple grounds of discrimination*

Over time, a number of personal characteristics have been recognized, internationally and nationally, as causing discrimination at work. In addition to the seven grounds for discrimination explicitly mentioned in the ILO's Convention No. 111, others include disability, age, sexual orientation, state of health and trade union membership. The personal features giving rise to discriminatory practices vary, inter alia, in terms of their nature, the relative ease with which they can be detected, and their mutability over time. For example, sex and race are typically visible from a person's appearance and are generally regarded as fixed or unchangeable features. By contrast, people's religious beliefs, political opinions and sexual orientations are not always immediately detectable and may be considered more changeable over time. Discrimination on these grounds implies that individuals convey information or display behaviour or an appearance that may lead others to associate them with certain religious creeds, political orientations or sexual preferences identified with negative stereotypes. It is thus not only the actual religion that an individual professes but, often, presumptions about her/his religious affiliation – based on skin colour or other signs or perceived nationality or national extraction – that may cause an employer to dismiss or not to hire that individual.

Nevertheless, the characteristics that produce disadvantage are more imprecise than might first appear, as are the boundaries between different characteristics. "Race"; for instance, may be used to refer to distinctions based on skin colour or ethnic origin; or it may be equated with a combination of religion and culture (Modood, 1992). "Colour" is another hazy concept, as it is largely a matter of perception. Brazil's demographic composition illustrates the tremendous difficulty of establishing clear-cut boundaries between different shades of "colour"; as "colour" identification is ambiguous. There appears, nonetheless, to exist a correlation between the general perception of an individual's colour and her/his socio-economic status. Typically, the higher a person's social position, the lighter the perceived colour of her/his skin. This has led some analysts to conclude that, in Brazil, "money whitens, whilst poverty darkens". This suggests that colour and class together permeate the process of job access and subsequent moves in and out of the labour market, although class seems to prevail over colour as a source of disadvantage (Silva, 2002).

Disability is a broad and fluid category. People can move into a state of disability at any stage of their life, prior to or after labour market entry, due to different causes and through different processes. Disabilities can indeed be acquired in diverse ways; they may take different forms, physical and mental, and require different responses and accommodation measures.

In sum, there is thus little reason to assume any similarity across different social groups either in the way they experience disadvantage or with regard to their needs and requirements. Moreover, the circumstances and experiences of discrimination within supposedly homogeneous groups are equally diverse.

For example, the situation of women with disabilities raises particular concern, especially in societies in which the primary, if not exclusive, role of women is that of wife or mother. Being “unworthy of marriage,” they are perceived as a burden on the family and, as such, are exposed to all sorts of abuse. Not only are they deprived of education or vocational training, which are often unsuited to their specific needs, but they are also denied health services and assistance (Feika, 1999).

There is no single expression of oppression that is common to all members of a disadvantaged group. Women, for instance, face different forms of discrimination and suffer from different deprivations and to varying degrees, depending, *inter alia*, on their class, sexual orientation and skin colour. The disadvantages that women experience because of their sex cannot be separated from the disadvantages stemming from other personal attributes or identities, and the interplay of identities often results in experiences of exclusion and disadvantage that are unique to particular combinations of identities.<sup>8</sup> For example, women of an ethnic minority group may suffer discrimination in situations where neither ethnic minority men nor women from the dominant group do. Sexual harassment cases in Canada provide an interesting example of the cumulative effects of sexism and racism.<sup>9</sup>

Recognition that the traditional understanding of discrimination based on specific grounds (e.g. sex, race, age, disability) does not include experiences that are particular to specific sub-groups (e.g. women of a given race and age) has led to the emergence of “intersectional analysis.” As Kimberlé Crenshaw points out in her path-breaking article, “intersectionality” shows that the discrimination a woman of colour may confront because of her sex and “colour” is not the simple addition of sexism and racism, but rather a combination of the two. It is this synergy that makes the discrimination faced by non-white women a qualitatively rather than quantitatively different experience (Crenshaw, 1991). This analytical approach is particularly useful in revealing new forms of discrimination that have so far remained hidden, and in directing attention to the most disadvantaged (Makkonen, 2002). It has also helped to expose the limitations and challenges of a human rights protection system constructed on group-based categories and grounds for discrimination. This approach may indeed fail to recognize the specificity of intersectional discrimination grounded in individuals’ multiple identities and to provide them with adequate protection (Sheppard, 2001).

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<sup>8</sup> North American black feminists played a key role in uncovering the biased nature of the conceptual underpinnings of the women’s liberation movement in the late 1970s. The main assumption then was that all women, irrespective of age, class or other characteristics, confronted the same barriers and prejudices as those faced by middle-class white women (Byrnes, 1994).

<sup>9</sup> The stereotypes of sexuality attributed to white women differ from those associated with aboriginal or Asian women. It is therefore reasonable to expect differences between situations in which a white man sexually harasses a white woman and situations in which the victim is either an Asian or an aboriginal woman (see Duclos, 1993).

## Equality of treatment and opportunity: A multi-faceted notion

It is obvious that discrimination at work – because of its pervasiveness, institutional dimensions and cultural and political underpinnings – will not vanish by itself. Nor can the mere removal of barriers or unfavourable actions against certain individuals or groups suffice to eliminate discrimination at work and achieve, in practice, equality in treatment and opportunities for all. Deliberate, consistent and prolonged efforts, involving the State, businesses, workers' organizations and discriminated groups themselves, are essential to combatting discrimination in employment and occupation and promoting equality (ILO, 2003). In order to determine how best to achieve this goal, however, it is also essential to clarify the meaning of the expression “equality at work”.

Equality at work is an elusive and evolving concept whose content and scope vary internationally and over time, most notably under the influence of economic, social and cultural circumstances.<sup>10</sup> The variety of meanings of “equality of opportunity” reveals an equally wide variety of understandings of what amounts to discrimination, what and who produces discrimination and ensuing labour market inequalities and disadvantages, and how to redress them. Understanding the different meanings attached to the concept of equality is therefore important for policy-making.

Based on McCrudden's (2002) typology, three meanings or models of equality can be distinguished: the procedural or individual justice model, the group justice model, and equality as recognition of diversity.<sup>11</sup>

### *Equality as procedural or individual justice*

The procedural or individual justice model aims to reduce discrimination by eliminating considerations based on personal characteristics that are irrelevant to the job, but which have negative effects on individuals with those characteristics. It has a distinctly individualistic orientation and reflects respect for efficiency, “merit” and achievement. The main goal is to ensure that the rules of competition are non-discriminatory and are enforced fairly on all – blacks or

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<sup>10</sup> The notion of equality of treatment and opportunity at work has elicited considerable debate. For a review of the different notions of equality, see Wentholt (1999), and Barnard and Hepple (2000).

<sup>11</sup> McCrudden actually identifies four meanings or models of equality which, although identified on the basis of the European Union's experience, bear relevance for other regions and countries as well, namely: the individual justice model, the group justice model, equality as recognition of diversity, and equality as participation. This latter model is based on the belief that the empowerment of the victims of discrimination is essential to their emancipation from unfair and unjust treatment. To this end, the reasoning goes, it is essential that they participate, on an equal footing with other groups, in decision-making processes affecting their opportunities at work as well as in society at large. While people who suffer from discrimination clearly do need to participate in the design, implementation and monitoring of equality policies, there appears to be an overlap between equality as participation and equality as recognition of diversity, hence the decision to drop the former in the presentation given here.

whites, men or women, members of minority or majority ethnic groups. Borrowing Fredman's metaphor of competitors in a race, the goal pursued by procedural justice is to equalize the competitors' starting points (Fredman, 1999). The practical implication of this approach is homogeneity of treatment across the board on the assumption of people's "sameness." From this perspective equality equates with consistency of treatment (Hepple, 2001). The elimination of barriers to fair competition is intended to permit all individuals, irrespective of race, religion or age, to be rewarded according to personal merit, talents and abilities. This model, however, does not recognize that different groups are unequally endowed with human and social capital as a consequence of pre-market discrimination. Nor is this model concerned with achieving a more balanced participation and/or distribution of groups across sectors and occupations. As observed by Hepple (2001), a claim to equal treatment in this sense can be satisfied by depriving two individuals of a particular benefit as well as by conferring the benefit on both. Furthermore, as mentioned earlier, consistent treatment of different people may produce unequal results. The legal expression of this model targets direct discrimination; remedial action is individual-based and typically concentrates on the perpetrator's intention to discriminate. Affirmative action or special accommodation measures can also be envisaged in this model, but as a derogation from the principle of equality (McCrudden, 2002).

The procedural justice model has been criticized for failing to recognize the individual and institutional nature of discrimination, for dismissing the existence of discrimination within and outside the labour market, and for emphasizing intention rather than effect (*idem*, 1999). These limitations have led to attempts to develop the concept of substantive equality, which is broader than that of formal equality: it reflects a concern about achieving, in practice, improvements in the status and participation of disadvantaged groups in society. The following models can be considered variations of the notion of substantive equality.

### *Equality as social justice*

The group justice model is concerned more with the results of decisions on hiring, recruitment or dismissal than with the decision-making process itself. The starting point of the underlying logic is the realization that there are imbalances in labour market outcomes as between particular social groups and that certain people confront a situation of disadvantage at work by virtue of their membership of a given group. This model tends to focus on the relative positions of distinct groups, rather than individuals.

The main goal of this model of equality is to reduce and gradually eliminate inequalities between dominant and discriminated or subordinate groups. Since the focus is on the effects of discrimination, the removal of the determinants of disadvantage is deemed necessary, irrespective of who has caused the problem. The purpose of equalizing labour market outcomes may be to redress the consequences of past discrimination or to promote distributive justice at present. Emphasis is placed on expressions such as "equality of out-

comes” and disadvantage, rather than discrimination. The legal expression of this model targets indirect or adverse discrimination. It relies heavily, though not exclusively, on statistics to trace evidence of discrimination.

This model of equality seeks to ensure the fair participation of members of disadvantaged groups in the workforce, their fair access to education and training and their fair participation in the distribution of benefits. This may involve the adoption of special measures to overcome disadvantage, including affirmative action. Though this concept still lacks a generally accepted legal definition (United Nations, 2002), it can be broadly defined as: “treating a sub-class or a group of people differently in order to improve their chances of obtaining a particular good or to ensure that they obtain a proportion of certain goods” (Faundez, 1994, p. 3). Affirmative action encompasses a range of measures and programmes targeting members of groups that are disadvantaged because of current discrimination or as a consequence of past discrimination. Such measures may consist of systematic and proactive efforts to locate qualified individuals from the designated groups in order to give them some advantage, where there is a very narrow margin of difference between job applicants; alternatively, they may consist in granting members of disadvantaged groups substantial preference over members of dominant groups (Blanpain, 1990). Preferential treatment can be associated with the achievement of numerical targets for increasing the representation of designated groups, as established within the framework of employment equity plans. It can also be linked to quota systems that allocate a proportion of certain positions to group members.

Preferential treatment reflects the belief that imposing the presence of people from disadvantaged groups is the most effective way of defying entrenched prejudices about the lack of abilities or attitudes of members of those groups, by showing that they can perform as well as others do in positions previously denied to them. It also reflects the view that a critical mass of employees from designated groups is an unequivocal sign of genuine commitment to equality at the workplace. Moreover, it mirrors the belief that discriminatory labour market institutions and practices can be truly challenged only if the workforce reflects the composition of society by sex, race, religion, etc.

Affirmative action, however, has come under considerable attack in recent years. The most common charge against it is that it constitutes a form of reverse discrimination, since it entails preferential treatment for certain people on the basis of characteristics – such as sex or race – that are considered to be irrelevant from the perspective of formal equality. Another criticism is that affirmative action tends to favour (a few) members from target groups who are already in a position of relative advantage (Edwards, 1987). Yet another centres on the alleged efficiency losses associated with the lowering of standards that affirmative action measures sometimes entail. Preferential treatment, the argument goes, acts as a disincentive for members of beneficiary groups to improve their skills; this, in turn, erodes their perceived competence in the eyes of society, as their recruitment and promotion are then felt to reflect privilege, not actual merit (Loury, 1999). Such perceptions generate resistance and

opposition from members of mainstream social groups, who feel unjustly penalized, thus reinforcing social fragmentation (Calvés, 1999).

In his recent analysis of affirmative action in South Africa, Dupper (forthcoming) cogently argues that the current debate on this matter would be more fruitful if affirmative action were justified as a means of promoting “highly desirable forms of social change”; rather than as a compensation for a historical wrong. Instead of the backward-looking strategy inherent in the compensation arguments, Dupper advocates a forward-looking rationale for affirmative action. A focus on the future would indeed help overcome some of the difficulties of establishing a causal link between past wrongs and the present position of particular individuals and create a different society where all people are treated as equals.

The group-based social justice model of equality not only addresses demand-side constraints through anti-discrimination law and affirmative action measures aimed at changing the behaviour and attitudes of employers and so-called gatekeepers,<sup>12</sup> it also seeks to address supply-side constraints, either by enhancing the skills of members of disadvantaged groups or by expanding job opportunities through the creation of new jobs. This means recognizing that an anti-discrimination law must be complemented with other policy measures that do not necessarily have an anti-discrimination focus. For instance, some scholars argue that a minimum wage policy may well serve the objective of reducing pay inequalities at the bottom of the pay hierarchy, without resorting to equal pay laws (Rubery, 2002).

### *Equality as diversity*

The model which sees equality as recognition of diversity or identity is based on acknowledgment of the existence and equal value of people’s different identities in terms of race, colour, sex or sexual preference. Failure to admit the importance of such differing identities amounts to oppression and discrimination. This model has emerged as a result of the social mobilization of women’s movements, indigenous and tribal organizations and lesbian and gay movements, among others, since the late 1970s or early 1980s. Their demands include recognition of their right to be different and political acceptance of their diversity in all spheres of society. The objective is not to equalize behaviour between women and men or people of different races or religions, but rather to introduce work patterns that take into account and reward the different talents, needs and aspirations of different groups on an equal basis.<sup>13</sup> In other

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<sup>12</sup> The term “gatekeepers” refers to a wide spectrum of actors both outside and within organizations, ranging from private recruitment agencies to private or public counselling and vocational guidance institutions, private contractors operating within the framework of government-sponsored training programmes, and line managers.

<sup>13</sup> The benchmark for ascertaining the degree of equality at work achieved by a society can be highly discriminatory in nature if the length of the working day, the balance between productive and reproductive life and the forms of employment that are conventionally taken as the yardstick by anti-discrimination interventions conform to a male work pattern, e.g. that of a full-time, permanent, paid worker.

words, the aim is not to suppress difference, through the assimilation of the “diverse” into majority cultures and behaviours, but to acknowledge diversity as an individual and societal asset and ensure inclusion without assimilation.

Legal expressions of this model are found in the expansion of the grounds on which discrimination is forbidden by law in several countries or in the enactment of laws focusing on recognition of specific social groups. In Latin America, for example, the recognition of specific cultural, economic and political rights for indigenous peoples – in addition to the rights granted to the general population – is seen as a means of remedying past injustices, reducing inequalities, achieving social equity and social cohesion (Plant, 1998). It is worth noting that the diversity approach has exerted considerable appeal on advocates of the business case for equality. “Diversity management” contends that individual differences and collective diversity enhance labour productivity, innovation and efficiency, fostering an organizational culture that encourages workforce heterogeneity. This approach, however, focuses on the individual and his or her unique strengths and does not address relations and dynamics between different groups. It helps to challenge the image of a white man as the “standard” employee, but does not by itself break structural discrimination (Crow, 1999).

Critics of the diversity/identity model of equality contend that an emphasis on diversity may, in certain circumstances, entail a departure from distributional concerns with harmful effects on economically disadvantaged groups. In the United States, for instance, the diversity discourse appears to be generating tensions among African Americans because the extension of affirmative action measures to Americans of Asian origin may reduce redistribution in favour of the former (McCrudden, 2002). Another criticism of the diversity model is that its emphasis on group identities ends up diffusing the variety of identities within the same groups (e.g. members of an ethnic group differ by age, marital status, gender, etc.), forcing people into artificially fixed boundaries and denying changes in their aspirations and demands over time. This would tend to reinforce the very stereotypes that the anti-discrimination law was meant to combat. Some analysts have also argued that recognition of minority group rights clashes with the pursuit of gender equality because minority cultures and norms are gendered and display substantial differences in power and advantage between women and men (Okin, 1999).

A variant of the diversity model, that takes it to its logical conclusion, is the so-called transformative agenda. The objective of this approach is to achieve equality between women and men, different races, ethnic groups, etc., in respect of economic rewards and power, not in terms of homogenous labour market outcomes (Rubery et al., 1998). To this end, work patterns and work culture must truly reflect and equally value the aspirations, talents and professional paths of a composite and varied workforce. This is clearly a goal that cannot be achieved overnight: the empowerment of disadvantaged individuals and groups is crucial to progress in that direction. Only through stronger bargaining power will they be able to challenge and influence the reshaping

of occupational structures and work culture and practices so as to make them socially inclusive. Accordingly, a two-stage equality agenda is suggested. It envisages an initial phase in which labour institutions and practices are asked to accommodate the specific needs of disadvantaged groups and improve their representation across sectors, occupational hierarchies and representative organizations. A second stage follows in which the workplace and work culture are transformed, as a result of more and better participation of all social groups (Bercusson and Dickens, 1996).

## Concluding remarks

The elimination of discrimination in employment and occupation requires the promotion of equality of treatment and opportunities. But, even where the principle of equality is generally endorsed, the understanding of what discrimination is may be hazy, and controversy may arise about the meaning and policy implications of equality. This article has explored the notion of discrimination and examined its various dimensions. It has stressed the value of intersectional analysis, which has exposed hitherto hidden forms of discrimination and captured the full complexity of the discrimination experienced by the most disadvantaged. To shed light on the notion of equality at work, the article has reviewed three broad models of equality, namely, a procedural or individual justice model; a social justice equality model; and equality as recognition of diversity. The ideological underpinnings and policy implications of these models were briefly examined as well. The practical pursuit of equality does not conform strictly to any of these models. Rather, it often tends to display a combination of policies that are consistent with the different models. This shows the elusiveness and dynamism of the notion of equality: all three models are needed to grasp its various dimensions.

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## Inequality at work in the informal economy: Key issues and illustrations

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To discriminate is to distinguish between people on the basis of aspects of their identity, in ways considered unjust. This article offers some observations about the context of economic discrimination in the hope that they may contribute constructively to discussion about political responses to discrimination. The source of most of my observations, India, is a very large country which is integrating into global markets slowly, selectively and not always to the advantage of the mass of its people. And research in Nigeria leads me to believe that these observations may be more widely relevant (see Shah, 2002; Meagher, 2004).

The opening section of the article introduces the notion of social regulation, to which the informal economy defaults in the absence of effective state regulation. The second section examines the role of identity, which is central to the discriminatory nature of social regulation. The third section considers what would need to be done to address discrimination in the informal economy, with subsections on the role of the State, trade unions, “new social movements” and market forces. A final section offers some concluding remarks.

### Social regulation and social discrimination

In many countries, the larger part of the economy operates beyond the regulative reach of the State. Most of the workforce is then discriminated against in terms of the ILO’s fundamental rights at work and rights to social security. The targeting of some small part of it for specific developmental purposes, such as poverty alleviation or nutrition, does not alter this situation. Not only do employees in the informal economy and the vast mass of self-employed workers face discrimination, but so do informal-sector employers – in some respects at least. For example, if workplace sites or property rights are not registered, the owners of businesses are not eligible for state-regulated credit. Yet in the current era of globalized finance, manufacturing and trade, there is no evidence whatsoever that the informal economy is doing anything other than expanding in both absolute and relative terms (Meagher, 1995; Harriss-White, 2002).

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The confined and shrinking share of the formal economy means that States discriminate systematically against the vast bulk of the workforce.

Economic order then rests on forms of *social* regulation rather than state regulation. Social regulation – not state regulation – governs entry into the labour force, and into other markets such as those of the many Muslim artisanal clusters in Uttar Pradesh in northern India (e.g. brassware, pottery, glassware, carpets, handprinted textiles, silk embroidery, perfume, and pewter, copper and silver ware). Social regulation determines the acquisition of skills, contacts, information and technology, and starting capital and credit; the calibrations of units of exchange; the definition of a range of contracts considered “proper” and the settlement of disputes about transactions; certain kinds of collective insurance and representation; the organization of space and territory; the selection and control of (the scope of “rights” of) labour and the parametric control of other derived markets (e.g. transport and portage, especially their pricing); entitlements to help in times of need; hygiene in marketplaces; and physical security, from the night watch to protection mafias (Harriss-White, 2003).

In the small town of Arni in south India, there are no less than 66 trade associations which take their idiom, and many of their origins, from caste; 35 per cent of them were created in the 1990s. These associations combine the kind of active regulatory role described above with functions of representation and redistribution which have longer histories (Basile and Harriss-White, 2003). In the town of Aba in southern Nigeria, it is not simply (Igbo) ethnicity which determines entry into markets, it is the Igbo’s specific towns of origin through which training, the supply of raw materials and intermediate goods, credit and the distribution of products have until very recently been organized (Meagher, 2004).

## Identity

This makes identity crucial to the social regulation of the economy; it shapes the ownership of businesses, the character of petty production and trade as much as it does the composition of the labour force and the terms and conditions of work (Harriss-White and Gooptu, 2000). Yet by its very nature the practice of social regulation is exclusive and discriminatory. It may be experienced by workers as “natural,” but when it is imposed by employers or by some workers upon other workers – e.g. in defence of a particular labour market niche – or when it is resisted by acts of defiance (as when ex-untouchables first enter trade and then occupy public space), its deep structure is revealed as discriminatory. An industrial district may grow through the replacement of one identity-based elite by another, as has happened in the knitwear cluster of Tiruppur in south India where the dominant agrarian caste out-competed the Brahmin elite, an older generation of mercantile firms and a powerful subset of Muslim producers. It did this by “breaking-in,” through an evolutionary process of work, savings, subcontracting, partnerships and own firms employing same-caste labour, and by transposing into industry the contractual practices and consensual but exploitive idioms of agriculture (Chari, 2004).

In social science, the concept of identity is handled theoretically in a variety of ways that have significance for the argument which follows. Structuralist scholars have focused on the economic institutions through which finance, the supply of and demand for commodities and services and the labour process are ordered. They stress the roles of State and market and avoid giving due weight to social forms of regulation and to the impact on the economy of ideologies and norms about work held by both employers and employees (Kotz, Mc Donough and Reich, 1994). In economic sociology, social institutions are commonly reduced to “groups” and explained in terms of information and transaction costs (see Granovetter and Swedberg, 1992). Recently, the metaphor of “network” has become common currency, mapping a geometry of nodes and flows onto the social interactions that structure identity (see Meagher, 2004, for a comprehensive review).

Laws forbidding discrimination at work reach a tiny minority of the workforce. And the underlying categories of identity tend to be both crudely essentialized and immediately detectable, as in age, sex, colour and the presence or absence of certain medically determined handicaps over a specific threshold of severity. In some circumstances religion, ethnicity, nationality and regional identity – or the category of “citizen” in a federated nation-State like Nigeria – may also be visible, for instance in the signals given by clothing. Linguistic codes are also immediately communicated (Shah, 2002).

But identity is not a legal construct. It is first and foremost a social and political construct whose significance and scope vary. Identity involves social and political categories generated outside work and not reducible to economic logic or concepts such as “groups” which minimize “transactions costs.” The forms of authority through which identities are created and evolve originate outside the economy and operate outside – as well as inside – the economy. It follows that factors outside the economy may change identity in ways which affect the social regulation of the economy – and vice versa.

An example of how forms of power outside the economy may result in economic discrimination is the way in which fear of, and hatred for, Muslims has been used by the Hindu Right in India to justify the destruction of their property, boycotts of their firms and labour market exclusion (Engineer, 1984; Prakash, 2003). Conversely, an example of how change in the economy itself may affect discrimination is the association in India of new forms of production, new goods and services with increasing labour force cosmopolitanism (Parry, 1999, p. xix; Kapadia, 2002). Another example of how economic change may affect forms of power outside the economy is the way in which the need for collective economic representation and regulation has been mapped onto caste associations, thereby deepening the economic meaning of the institution of caste (Basile and Harriss-White, 2003). A fourth example of how economic power and extra-economic power interact is the way in which the expansion of property ownership in south India has been accompanied by the diffusion of the dowry system and forms of patriarchal authority under which girls are systematically culled. At the same time, the need for male agnates to run family

businesses, coupled with declining fertility and ever smaller completed family size, have led not to the inclusion of women in such businesses but to increasing acceptance of the practices of introducing male in-laws (affines) and opening up – on a highly selective basis – some of the roles reserved for male family members to paid employees (Harriss-White, 2003).

## Addressing discrimination in the informal economy

Thus, discrimination results from the social forms taken by economic regulation; it contravenes either anti-discriminatory state regulation (where it exists and is enforceable) or society-wide notions of justice. Yet when a society holds notions of justice which rest generally on discrimination or the closely related concept of exclusion,<sup>1</sup> the countering of discrimination at work will require a profound social transformation involving:

- deliberately combating discrimination at work on the part of workforces which have used discrimination to secure their work;
- ring-fencing the economy as a separate, secular, market-rational sphere (in which differences in terms and conditions of employment reflect rule-based norms and labour is subject to a minimum wage and state-enforced rights);
- attacking the source of discrimination both inside and outside the economy (which means attacking non-economic forms of power).

These options are very much easier said than done. Of the three, it is the second which has been most tried and tested; and it has been found wanting.

### *The role of the State*

The State has an essential part to play in countering market-based discrimination. For a start, the principles of recruitment into the State's own workforce are most amenable to the replacement of ascribed aspects of identity by acquired ones and to the establishment and enforcement of principles of rights – among which the rights to nondiscrimination and equal representation are key. For such principles to work effectively, however, the State has to have the capacity to work as an autonomous sphere, though this is seldom the case.

The State often does not or cannot act consistently to counter discrimination. Take gender in India, for example: in many parts of India, the State is more progressive than the market in its employment of women – it employs ex-untouchable women in sanitary work, and women with education as teachers, doctors, clerks, officials, etc. (Harriss-White, 2003). It also does what markets cannot do and implements projects and programmes intended to empower women (Kapadia, 2002). These progressive aspects of state policy are threatened by deregulation. But there may also be retrogressive sides to state policy. For example, the State's licencing policy hinders women from en-

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<sup>1</sup> This is what happens in any hierarchically organized or caste-based society, or one where the social order rests on notions of citizenship ramified by regions of birth.

tering markets as owners of firms; it also debars them from access to formal credit. Deregulation would free women from such constraints. And, despite there being female party leaders, prime ministers and chief ministers, there are also notorious glass ceilings and entire sectors of the State where women employees are unusual (e.g. commercial taxes, revenue).

Of course, not all employment laws are anti-discriminatory. Some may reflect a specific social consensus about justice through work. For example, the State may attempt to counter discrimination in the workplace by positive discrimination through quotas or reservations in the bureaucracy, in public enterprises and in educational establishments (Mendelsohn and Vicziany, 1998). Such positive discrimination uses economic mobility via the public sector workplace to counter *non-economic* discrimination. The Nigerian State has only recently acted against the powerfully defended notion of “stranger” within its borders and has stopped restricting citizenship to a region or state of origin (Shah, 2002). The Indian State’s response to contemptuous treatment of Hindu and tribal untouchables is another case in point. Its employment policy – making economic redress for cultural discrimination – has had a number of consequences which were not exactly unforeseen. First, it has created a form of upward economic mobility which is highly dependent on the State. Second, it has generated a small self-perpetuating “elite” among those eligible for positive discrimination. Third, it generates political divisiveness since it implies the arbitrary exclusion of other people socially discriminated against – Muslims and Christians, for example – as well as restive resentment by elite groups for whom employment based upon “acquired characteristics”, themselves socially structured through the stratification of educational advantage, becomes more limited.

### Trade unions

Action to counter discrimination is not confined to the State. The political agenda of trade unions also includes the fight against workplace discrimination. When anti-discrimination law exists, trade unions may ensure it is enforced and where it does not exist trade unions may fight for it. However, trade unions cover a very small proportion of the total workforce (3 per cent of the workforce of some 350 million in India). In practice, the unionized workforce routinely discriminates against women, *dalits* (oppressed castes) and religious minorities. When unions do incorporate people otherwise discriminated against, for instance women, recruitment tends to halt, and their proportion in the workforce tends to decline. Unions have also not succeeded in reaching out to workers in the unregistered or informal economy – sometimes seeing the latter as a threat to their privileges. Trade unions may be organized by political parties whose agendas dominate those of the workforce, in which case they are simply used as vote banks. And trade union law may require the State to mediate in disputes. This then shifts the responsibility for countering discrimination from the workplace back to the State, to its judicial process and its enforcement capacity (Harriss-White and Gooptu, 2000).

How to improve the capacity of trade unions to address formal-sector or union-based discrimination? Four strategies can be envisaged. The first is to educate unionized workers to understand the inefficiency and inequity of this form of denial of rights, in the expectation that knowledge induces change. The second would be to train workers with a disadvantaged status so as to equip them to take leadership roles in unions, in the expectation that they would then seize the opportunity and transform the culture and activity of unions. The third would involve unions, employers and the State in creating incentives for unions to become more socially inclusive. The fourth would require States to enforce legal frameworks with penalties for unions which exclude workers on the basis of their identity. If these possibilities sound far-fetched, trade union action to address discrimination in the informal economy is even more far-fetched. Here, there is perhaps a role for international organizations in backing organizations other than trade unions – e.g. India’s National Centre for Labour, set up in 1995 – which work not only to organize workers in the informal economy but also to fight all forms of discrimination (where at present such support is best organized around issues of gender discrimination) (Hale, 2000).

In countries with substantial informal economies, organized, class-based action has not proved capable of attacking workplace discrimination. There is no record of associations of employers in the informal economy taking collective action to remove their own discriminatory practices.<sup>2</sup> In fact, the opposite is more common. The search for cheap, docile, un- or de-unionized (skilled) labour often encourages discrimination *in favour* of certain kinds of labour, notably women, who are thereafter discriminated *against* in every aspect of decent work.

Yet, there exist well-publicized institutions – such as the Self Employed Women’s Association (SEWA) – which have succeeded in organizing workers in some parts of the informal economy in certain regions and in campaigning for a raft of issues which include male–female pay parity, even though SEWA’s is not an explicitly anti-discriminatory kind of political project (Jhabvala and Subramanya, 2000).

### *New social movements*

If it is accepted that discrimination is the exercise of forms of authority in the economy which also operate in other spheres, then we can also see that other social forces countering economic discrimination originate *outside* both the economy and the State. “New” social movements (NSMs) develop in response to many sources of political injustice and exclusion and to many kinds of cultural stigmatization. Rights at work can be seen as a subset of a larger set of political rights around which oppressed groups can and do organize. However, while in theory the democratizing agenda of civil society movements can be developed so as to feed directly into a fight against discrimination at work, in practice the politics of NSMs tend to marginalize concrete issues arising from

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<sup>2</sup> This does not mean that this has not happened, but that there is probably an inadequate understanding of the conditions under which such action becomes relevant and succeeds.

production and to direct energy and firepower instead towards the State as an agent of redistribution. For instance, gender equity and empowerment for disabled or homeless or tribal or migrant people or “the poor” can be the missions of active social movements built around the rights agenda, while rights to and at work are all the while relatively neglected.

At the same time, the transformative potential of NSMs is also their problem. In being confined to single issues of injustice based upon identity (the redressing of wrongs to women, for example, or to an ethnic or religious group, or to the people of a particular region), they are not egalitarian. In acting the way they do, they exaggerate culture as a source of difference. They tend to strive for individual rights rather than collective class-based rights (Edwards and Gaventa, 2001). Identities which are fluid and contested have to be essentialized for purposes of collective mobilization, the dynamics of which inevitably lead to internal differentiation. Their arena tends to be local in territory, and based on a consensual notion of the community and not upon class. Identity is stressed and class differences are downplayed. Sited “in civil society” – the space between the domestic sphere and the State – NSMs are often deeply intertwined with both. They may feed into the neoliberal onslaught on the State, albeit for different reasons – NSMs on grounds of the State’s bureaucratic authoritarianism and the destruction of state legitimacy, neoliberalism on grounds of the State’s inefficiency. Yet NSMs need the State to provide the framework of secular rights (including the right to resist the State’s priorities) within which discrimination in the marketplace may be countered.

### *Market forces*

Are there forces at work in the economy replacing traditional forms of socio-economic regulation by forms of regulation based on market rationality? For sure, there are. Education and skilling can be shown to have this effect. Access to credit also empowers its recipients for entry (Jhabvala and Subramanya, 2000). But both of these solvent forces are structured by class and may be structured by identity too. In the city of Ibadan in Nigeria, market-based competition intensified migrant Hausa ethnicity and increased its economic content, as Hausa traders vigorously defended their monopolies. The importance of the proximity of work, home and place of worship meant that when marketplaces were forced to be relocated, the Hausa economy in Ibadan was forced to diversify. When monopoly over a specific sector of the Ibadan economy was no longer a means of expressing Hausa identity, it moved into new arenas. Hausa ethnic groups then became differentiated not so much by economic activity as according to residential space, religious sect and the rules of treatment of women (Shah, 2002). Elsewhere in southern Nigeria, in the Igbo footwear and garments clusters in the town of Aba, the role of place of origin *within* an ethnic group in the structuring of markets is rapidly being replaced by new structures based upon ties of kinship and neighbourhood but forged through reputation acquired in marketplace exchange (Meagher, 2004).

## Concluding remarks

There is much evidence to show that, despite the existence of global institutions of regulation, economic globalization does not replace “defective” state regulation with a new international framework that is neutral to the many dimensions of discrimination. In fact the regulative framework – formal and informal – becomes more complex and produces outcomes that are not determinate. Furthermore, the forced adoption of “national competitive advantage” policy effectively creates a new field of discrimination, the nation, in a global market (Kay, 2002). It is a different point that the State can use national identity to suppress resistance based on other identities. Competition and expansion can also destroy the informal regulative order; but in so doing the combination of competition and regulatory degradation may then lead to the collapse of entire industrial clusters and the replacement of their production by imported goods. In Aba, in Nigeria, for example, returns from shoe-making have attracted non-shoe-making Igbo and then non-Igbo; and individual personal networks have replaced identity-based collective action. As a result, activities requiring collective coordination (such as training, contacts and credit) are collapsing. Apprenticeships are less thorough, the pace of technical change is grinding to a halt, quality has dropped, trust-based finance has disappeared and physically destructive forms of labour exploitation are proliferating. Competition is no longer based upon improved quality and innovation. Instead it rests on undercutting, copying and counterfeiting (Meagher, 2004).

At one and the same time liberalization and globalization act as social solvents, with some new products and services cosmopolitanizing the labour force and relegating identity to the private sphere. This, incidentally, is what leading development economists like Gunnar Myrdal and sociologists like M. N. Srinivas expected the combination of markets/business and state planning to achieve (Myrdal, 1968; Srinivas, 1996; see also Panini, 1996). But because many markets and market places rely on social forms of regulation, the impact of liberalization and globalization is not to abolish but, instead, to re-work identity as an economic institution so that it persists. Gender identity and relations are the most resistant to change; caste, ethnicity and religion prove more flexible as social institutions on which discriminatory and corporatist regulatory activity can be mapped. Even state administrations – which could enforce rights to non-discriminatory treatment – are themselves suffused with patron–client relations based upon identity, so much so that the private status of officials can seriously qualify state performance (Harriss-White, 2003). Where the state sector is an arena of economic mobility for groups which have faced long-standing discrimination in the marketplace, then aid-conditional pressure to compress public sector employment and to privatize public enterprises has far-reaching consequences. In this competitive process, when States are unable to regulate markets, and when social groups based upon identity supply the preconditions for engagement in markets and/or ration entry to markets, then old discriminating forms of regulation

can actually be expected to intensify and indeed to be a solid basis for market order. Indeed, they can confidently be expected to provide the idiom through which market order evolves.

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## Distribution of income and job opportunities: Normative judgements from four continents

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**F**ormative theories of the distribution of economic resources have an ancient history in religious and philosophical thought. Predictive (positive) theories of distribution have long been prominent in economics and sociology, associated with such figures as Max Weber, Karl Marx and Adam Smith. More recently, beginning in the late 1950s, psychology began to develop an understanding of how individuals form distributive judgements.

Individuals form distributive judgements with respect to social groupings of all sizes, ranging from families to workplaces to nations. On the widest scale, what people think is fair or just in the distribution of social resources, such as income and job opportunities, is important for how they understand society and for the judgements they make on political actors, political outcomes and the political process itself. Thus the views of individuals are an important component of the political process that establishes the institutions that govern the distribution of economic resources, though the channels and strength of this influence vary among countries.

The three distributive principles most prominent in the literature on the psychology of social justice are generally termed equity, equality, and needs. The specialized meaning of “equity” in social psychology is a distribution of rewards that is proportional to inputs or investments.<sup>1</sup> A more precise but less widely used term is “proportionality”. Inequity – the state of not receiving appropriate rewards – is intrinsically distressing and motivates an individual to change the situation. “Equality” refers to a principle of equal distribution or, in general terms, to narrowing the distribution of economic rewards or resources irrespective of inputs. The “needs” principle refers to reallocation of resources in favour of those in need, principally the poor or those with reduced capabilities.

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<sup>1</sup> Equity theory was first developed by John Stacy Adams (1963).

It should be emphasized that social psychologists view these principles as *tendencies* that occur in different mixes in individuals' normative views about the distribution of economic resources. As such, they should not be taken too literally; equity theory, for example, does not imply that people literally calculate ratios of rewards to inputs any more than economists' utility theory implies that people use spreadsheet software to calculate the utility value of their food purchases. In addition, the three principles need not be applied in the same way in different contexts. For example, an individual might favour proportionality in the workplace, but emphasize needs in thinking about society as a whole.

Three general questions have interested social justice researchers in psychology: What are the principles that people use to decide whether a distribution is just, i.e. how do people define distributive justice? What are the personal characteristics or situations that influence how people define distributive justice? How do people respond when confronted with injustice?

This article is concerned primarily with the first two questions. It uses people's responses to different proposals about the distribution of income and the acceptability of different forms of discrimination to glean clues about how people conceptualize distributive justice. The data were collected by the People's Security Surveys (PSSs) of the ILO from a wide cross-section of countries. The countries covered – Argentina, Bangladesh, Brazil, Chile, South Africa, Hungary and Ukraine – represent geographic regions that have so far received little attention in the psychology literature on social justice.

Our analysis centres on five narrower questions of particular interest to the psychology of social justice. These questions, which are discussed in detail in subsequent sections, are:

- Q1. Do the data analysed here display the previously observed pattern combining consensus on need as a distributive principle with dissensus on the acceptability of inequality?
- Q2. Are there significant differences in the choice of rules among demographic groups?
- Q3. Do those of lower socio-economic status favour distribution rules that would mitigate their position, i.e. are they more likely to favour the limitation of inequality and/or needs-based rules?
- Q4. Do those who experience economic insecurity tend to endorse distribution rules that would reduce such insecurity?
- Q5. Is there support for active discrimination in labour markets?

## The data

The People's Security Surveys (PSSs) of the ILO were designed to investigate socio-economic security.<sup>2</sup> Parts of each questionnaire address “social justice” issues, particularly the distribution of income. Table 1 briefly describes the PSS

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<sup>2</sup> For details about the overall design of the surveys, see Richard Anker's article in this issue of the *International Labour Review*.

Table 1. Description of PSS samples used

Country	Geographic coverage	Urban/Rural	Population	Sample size
<i>Africa</i>				
South Africa	Cape Town Durban	Urban	Ages 15–64	2 099
<i>Asia</i>				
Bangladesh	Dhaka City	Urban	Ages 15–64	1 011
<i>Latin America</i>				
Argentina	Cordoba Gran Buenos Aires Rosario	Urban	Ages 15–64	2 920
Brazil	Recife Rio de Janeiro São Paulo	Urban	Ages 15–64	4 000
Chile	Concepción Grand Santiago Valparaiso	Urban	Ages 15–64	1 188
<i>Eastern Europe</i>				
Hungary	National coverage	Urban and Rural	Ages 18–60	1 000
Ukraine	National coverage	Urban and Rural	Individuals on official registers*	8 099

\* Individuals on official registers include employees in the industrial sector; service sector; public sector; agricultural sector; unemployed workers; students; and pensioners. The self-employed were excluded from the sampling frame.

samples used for this study. Readers should note that while the surveys are designated by the name of the country in which they were conducted, most of the surveys are not representative at the national level. Five of the seven samples are urban. Percentages reported in this article are weighted to represent the sampled population (be it national or urban or from a few representative areas), although reported sample sizes are not weighted.

Most of the article concerns a set of questions about societal rules for income distribution. Similar, but not identical, questions were used in all of the study countries.<sup>3</sup> The most important variation is somewhat subtle in the wording but critical in the interpretation of results. In Bangladesh, Hungary, South Africa and Ukraine, respondents were asked whether they agreed or disagreed with each option, while in Argentina, Brazil and Chile they were asked to indicate the single principle which “mostly” expressed their opinions. In the former group, a typical wording was (Bangladesh version):

*Which of the following general rules do you agree with for the incomes of individuals in Bangladesh?* [The enumerator then reads out the following options individually.]

- (a) *There should be an upper limit for a person’s income.*
- (b) *There should be a lower limit for a person’s income.*

<sup>3</sup> The questions asked in each country are given in the appendix to this article.

- (c) *There should be no limit or restriction on a person's income but there should be policies to improve the situation of the least well-off.*
- (d) *Everyone should get a similar income.*

In Hungary and Ukraine, option (d) asked about *equal* incomes.

In Argentina, Brazil and Chile, the question about societal rules for income was worded as follows:

Which of the following general principles do you mostly agree with for the incomes of individuals?

- (a) *There should be an upper limit for any person's income.*
- (b) *There should be a lower limit for any person's income.*
- (c) *There should be an upper and a lower limit for everybody.*
- (d) *There should not be any limits on any person's income.*
- (e) *There should be an equal income for everybody.*

Clearly, the way the question was posed in the Latin American countries hides important information, namely respondents' disapproval of certain types of rules. Conversely, respondents' answers in Bangladesh, Hungary, South Africa and Ukraine do not convey which rules they like best among those they agree with.<sup>4</sup> The following caveat therefore applies to the remainder of the analysis in this article: Respondents in Argentina, Brazil and Chile indicated only their *most favoured* income rule, while respondents in Bangladesh, Hungary, South Africa, and Ukraine *separately indicated agreement or disagreement* with each proposed rule.

One simple arithmetic consequence of this difference is the fact that numerical approval ratings for each option are lower for Argentina, Brazil and Chile than they would have been with the multiple response format.

In Argentina, Brazil and Chile, the following question was asked separately: *Should the government provide a minimum income to the poor?* Because of the mention of the poor, we view this question as reasonably similar to option (c) of the income rules question asked in the other countries ("no limit ... but there should be policies to improve the situation of the least well-off"). One possibly important dissimilarity, however, is that the "no limit or restriction on a person's income" condition is not mentioned in the minimum income question.

In South Africa, the following question was asked separately: *Should the government provide complete, some or no assistance to help people who are affected by poverty?* Again, we view this question as similar to option (c) of the income rules question. A follow-up question changes the framing of the question about assistance to the poor: *Supporting the poor costs money. Do you think more support should be given to the poor even if it means that taxes must be increased for everybody earning money?*

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<sup>4</sup> A Likert response scale (strongly agree, ..., strongly disagree) would probably have been the most useful way to code responses. Coding responses as rankings would avoid the difficulties stated in the text, but would offer no clue to the absolute strength of the respondent's opinions.

## Needs versus equity

Q1. Do the data analysed here display the previously observed pattern combining consensus on need as a distributive principle with dissensus on the acceptability of inequality?

A large-scale survey conducted in 1991 by Kelley and Evans (1993) asked people how much they thought different occupations ought to be paid. It uncovered a pattern that has since proved robust: there was a consensus that none of the occupations should be paid less than a minimum, but much less agreement on the acceptable amount of inequality above that level (despite considerable consensus on the *order* of occupations). A similar pattern has been observed in experiments: when people work on a task and are then asked to vote for a distribution of the rewards, support for a minimum is universal (Frohlich and Oppenheimer, 1992). These experiments asked people to choose from a list of principles of justice including a lower limit (e.g. “maximizing the floor”) and a “range constraint.” The latter, implying a degree of equality, was rejected.

In qualitative work using open-ended interviews, people have used several rules for the distribution of income. Proportionality (equity) is the most frequently used rule, but need is always important. However, people from different backgrounds or political orientations used the income rules differently.

The International Social Justice Project (ISJP), an interview survey covering 13 western capitalist and former communist countries,<sup>5</sup> has demonstrated that the pattern of support for different distribution rules – need, upper limits, equality, or no limit on earnings – varied from country to country and changed significantly between 1991 and 1996 in the former communist countries (Alwin, Gornev and Khakhulina, 1995). For example, in the second (1996) wave of the ISJP, support for upper limits varied from 18 per cent (excluding “don’t know” answers) in the United States to 73 per cent in Hungary and Slovenia.

The ISJP found the greatest consensus on the principle of helping the disadvantaged, to provide them with equal opportunities. In this respect, there was little difference between the western capitalist and former communist countries. There were, however, majorities against equality in nearly all countries, and for inequality in several guises.

So far, no survey results on judgements about distributional issues in Latin America, Africa or Asia have been reported in the social justice literature in psychology.<sup>6</sup> The results presented in this article extend knowledge of the basic justice attitudes to countries in these regions. The countries included

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<sup>5</sup> The ISJP asks about various different perceptions of fairness, fairness-related issues, and a range of relevant political attitudes. It was launched by an international group of justice researchers in 1989, and its first wave was completed in 1991. Subsequent waves were undertaken in 1996 and 2000. Information from the 2000 wave is only just becoming available. The primary objective of the ISJP was to study political change in the post-communist countries from a justice research perspective.

<sup>6</sup> On a closely related subject, Lieberman (2002) “explores the relationship between feelings about political community and citizen evaluation of the state’s demands for taxation,” using the 1997 IDASA Diversity Survey from South Africa.

here represent a far wider cross-section of cultural and economic circumstances than has been covered in previous research.

There is considerable variety in the menu of choices presented in the different country surveys, hence the need to consider how much the proportionality (equity), equality and needs principles are expressed in each option. Besides, it is difficult to know how respondents from such widely different cultures heard each question. The authors' assessment is as follows.

The questions address the proportionality principle only implicitly, through departures from it. Rules directed at equality – narrowing the distribution of income – are most directly antithetical to the proportionality principle, with “equal (or same) incomes” the strongest, “upper and lower limits” the weakest, and “similar incomes” in between. The purest expression of the needs principle is the minimum income question, but it is also expressed in “lower limits” (weakest expression in the authors' opinion) and “no limit but help the poor.” The structure of later tables reflects the authors' judgement about which options are closest.

Before discussing any results, some comments are in order about the statistical comparisons made in this article. First, because of the number of samples and space constraints, it was impossible to include standard errors with each mean (proportion) reported in the tables. Instead, we report only the *p*-value for the test of association in a cross-tabulation. Second, where we assert that one mean is greater than another mean, we have performed a standard *t*-test against the null hypothesis of equal means and rejected the null at the 0.05 level of significance. Third, because of the lack of comparability of questions among countries, we have allowed ourselves only broad comparisons among countries and carefully note exceptions to the patterns observed, though we do not always note cases where the pattern is weak (i.e. where a more rigorous statement would be that “the results from country X do not contradict this pattern”).

Tables 2 and 3 present the overall response patterns for the questions similar to those posed by the ISJP surveys. Table 2 presents results for the countries where respondents were asked whether they agreed or disagreed with each rule. The results from Latin America are presented separately in table 3 because the questions required a single choice from a menu of possible income distribution rules. Also for this reason, table 3 presents lines that combine responses favouring lower (upper) limits with those favouring both upper and lower limits in an attempt to discern total support for lower (upper) limits.

We focus first on rules that reflect the equality principle. Table 2 shows only minimal support for “same income”; the highest figure being just 8 per cent among employees in Ukraine. There was also minimal support for “similar incomes” in Bangladesh (4 per cent), but fairly high support in South Africa (27 per cent overall or 31 per cent of yes and no answers). There was, however, an extraordinary level of support for equality in the Argentina, Brazil and Chile samples, at 23, 43 and 19 per cent, respectively (see table 3). This degree of support is particularly striking given that it was expressed through a

Distribution of income and job opportunities

Table 2. Opinions on income limits (weighted %)

	Multiple response			
	South Africa	Bangladesh*	Hungary	Ukraine employees
<i>Upper limit on income</i>				
<b>Yes</b>	<b>39.7</b>	<b>21.3</b>	<b>47.8</b>	<b>33.7</b>
No	42.7	78.3	52.2	66.3
Don't know	17.6	0.4	—	—
Net score	-3.0	-57.0	-4.4	-32.6
<i>Lower limit on income</i>				
<b>Yes</b>	<b>56.3</b>	<b>55.2</b>	<b>84.7</b>	<b>71.0</b>
No	28.1	44.5	15.3	29.0
Don't know	15.6	0.3	—	—
Net score	28.2	10.7	69.4	42.0
<i>No limit but help poor</i>				
<b>Yes</b>	<b>64.1</b>	<b>80.8</b>	<b>71.5</b>	<b>59.9</b>
No	21.4	19.2	28.5	40.1
Don't know	14.5	0.0	—	—
Net score	42.7	61.6	43.0	19.8
<i>Similar incomes (South Africa, Bangladesh)/same income (Hungary, Ukraine)</i>				
<b>Yes</b>	<b>26.7</b>	<b>4.0</b>	<b>3.5</b>	<b>7.7</b>
No	60.7	95.6	96.5	92.3
Don't know	12.6	0.4	—	—
Net score	-34.0	-91.6	-93.0	-84.6
Highest standard error for "Yes"	1.1	1.6	1.2	0.6
N (range for column)	2099	1011	955-993	6111

\* Bangladesh results are unweighted.

Table 3. Opinions on income limits (weighted %)

Income limits	Single response		
	Argentina	Brazil	Chile
(1) Both upper and lower	26.5	24.9	26.1
(2) Upper limit only	8.2	11.6	9.4
(3) <i>Upper + Both = (1)+(2)</i>	<i>34.7</i>	<i>36.5</i>	<i>35.5</i>
(4) Lower limit only	24.9	10.1	24.0
(5) <i>Lower + Both = (1)+(4)</i>	<i>51.4</i>	<i>35.0</i>	<i>50.1</i>
(6) No limits	17.5	10.9	21.8
(7) Equal incomes	22.9	42.5	18.7
N	2792	3904	1106

single-response question.<sup>7</sup> Combined with “both upper and lower limits”; support ranged from 45 per cent in Chile to 67 per cent in Brazil.

The equality principle thus seems to be a more important determinant of distributive judgements (with respect to this question about the society-wide distribution) in South Africa and the three Latin American countries than in the other countries, although it is difficult to know how much the difference is affected by the single-response structure of the question in Latin America. The pattern of greater support for equal or similar incomes may be connected with the unequal distribution of income in these countries: Brazil, South Africa, Chile and Argentina have the highest levels of inequality among the study countries (roughly in order of decreasing inequality).<sup>8</sup> Indeed, Brazil and South Africa are infamous for their histories of great inequality (Lam, 1999). In Brazil, the pro-equality response can be interpreted as an anti-inequality political position. In South Africa, the pro-equality responses are almost surely tied, at least partly, to the great inter-racial disparities in wealth and income. The communist history of Hungary and Ukraine may have had the opposite effect on respondents from those countries, reducing support for a stated public policy of exact or near equality of incomes.

Bangladesh has a strong capitalist tradition, which probably partly explains why support for the similar-incomes rule in that country is the weakest of the samples considered here. In fact, support for upper limits in Bangladesh is also the weakest among the four countries shown in table 2 (direct comparisons with Argentina, Brazil and Chile are impossible for upper limits).

An interesting result shown in table 2 is that, although both lower limits and “no limit but help the poor” had strong support in all countries, the lower limits option was considerably more popular in Hungary and Ukraine, while “no limit but help the poor” was more popular in South Africa and Bangladesh. Since most respondents probably realized that “lower limits” would help the poor, it seems plausible that these differences are tied to how the “no limits” phrase was received in different countries. In addition, the mention of the poor – i.e. the second way of framing the question – may have boosted support for this option in Bangladesh, since Islam explicitly encourages helping the poor.<sup>9</sup>

Table 4 presents results from Argentina, Brazil and Chile on a separate question about whether the government should provide a minimum income to the poor. This question is logically similar to the “no limit but help the poor” option posed in the other countries, except that it does not contain anything

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<sup>7</sup> The degree of support for equality was so high in these three countries that it leads us to wonder whether some aspect of the question confused respondents or induced them to favour equality. Though we are somewhat skeptical of the results, we cannot pinpoint a problem with the question, so we leave it to subsequent research to determine whether the result is valid or an artifact of this particular question or survey.

<sup>8</sup> Cross-national comparisons of inequality are difficult. This one is based on comparing the ranges of inequality estimates reported in UNU/WIDER-UNDP (2000).

<sup>9</sup> Roughly 10 per cent of the Bangladesh sample were Hindu. A separate question asked in Bangladesh, “Do you think non-poor households should give a portion of their income or savings each year to poor persons?”, registered almost complete unanimity in favour.

Distribution of income and job opportunities

Table 4. Opinions on minimum income and conditions (weighted %)

	Argentina	Brazil	Chile
<i>Should the government provide a minimum income to the poor?</i>			
Percentage responding Yes	79.2	86.1	84.6
N	2 805	3 976	1 157
<i>If YES, should the poor have to fulfil certain conditions to receive this income?</i>			
Percentage responding Yes	78.3	79.5	70.8
N	2 178	3 404	959
<i>If YES (there should be conditions), what conditions?</i>			
	<i>First choice*</i>	<i>First choice*</i>	<i>First choice**</i>
Adults work	32.5	16.3	44.3
Kids go to school	20.6	39.4	49.7
Mother stays home	5.9	10.2	26.0
Community work	14.6	10.1	26.8
Take job	23.1	20.3	48.8
Other	3.4	3.6	3.9
N	1 690	2 704	700
<i>Percentage of all respondents in favour of:</i>			
No minimum income	20.8	13.9	15.4
Yes, with conditions***	62.0	68.4	59.9
Yes, without conditions***	17.2	17.7	24.7

\* In Argentina and Brazil, this was a single response question. Respondents were asked to indicate only one of the five options, which were read aloud. Presumably respondents chose the condition they felt to be the most important. \*\* Multiple response question was posed as a checklist. Therefore, responses for “no” and “no response” cannot be differentiated. The sample size is 700 for each condition. \*\*\* Calculated as follows: Percentage saying yes, the government should provide a minimum income to the poor, multiplied by the fraction saying that the poor should/should not have to fulfil certain conditions to receive this income.

similar to the “no limit” specification. As the first row of table 4 indicates, respondents were overwhelmingly in favour of a minimum income, with support ranging from 79 to 86 per cent.<sup>10</sup>

The Latin American surveys offer deeper insight into people’s support for minimum incomes. As shown in the second panel of table 4, the overwhelming majority of those favouring a minimum income believe there should be some conditions attached. The third panel suggests the levels of support for various kinds of conditions. The most popular conditions would require the recipients to work and their children to attend school.

Table 5 reports responses to two questions asked only in South Africa, but similar to the minimum income question posed in Argentina, Brazil and Chile. In this case, respondents were asked what level of governmental support should be provided to people affected by poverty. A follow-up question

<sup>10</sup> The contrast between the overwhelming support for minimum incomes in table 4 (79 to 86 per cent) and the modest support for lower limits shown in table 3 (between 10 and 25 per cent) can undoubtedly be traced mostly to the single-response structure of the income limits question.

Table 5. Opinions on government assistance to the poor, South Africa (weighted %)

<i>Should the government provide complete, some or no assistance to help people who are affected by poverty?</i>					
	Complete	Some	None	Don't know	Total
Percentage	59.7	33.1	5.1	2.2	100.0
<i>Supporting the poor costs money. Do you think more support should be given to the poor even if it means that taxes must be increased for everybody earning money?</i>					
	Answer to previous question				
	Complete	Some	None	Don't know	Total
Yes	54.5	36.4	22.9	22.0	46.2
No	34.0	44.6	61.2	28.8	38.7
Don't know	11.5	19.1	15.9	49.2	15.1
Total	100.0	100.0	100.0	100.0	100.0
N	1310	639	104	46	2099

reframed the issue by asking whether respondents were willing to help pay for such support via increased taxes. Two simple conclusions are immediate. First, support for government assistance to the poor was very high in South Africa. Only 5 per cent of respondents were against it, and almost 60 per cent favoured “complete” assistance. (By contrast, only 64 per cent favoured “no limits but help the poor” in table 2.) Second, when the question was framed in such a way as to make explicit the need to pay for assistance, overall support was halved, declining from 93 to 46 per cent. An interesting aspect of the lower part of table 5 is that adding a financing provision induced uncertainty rather than opposition in about 14 per cent of the respondents whose responses to the previous question favoured assistance.

In short, tables 2 through 5 unequivocally confirm the previously observed pattern emphasizing need. There are very high levels of support for “no limits but help the poor” (South Africa, Bangladesh, Hungary, Ukraine), minimum income (Argentina, Brazil, Chile), and government assistance to the poor (South Africa). In South Africa, Bangladesh, Hungary and Ukraine, there is also strong support for lower limits. Support for upper limits, similar incomes, and equal/same incomes is much weaker.

## Demographics

Q2. Are there significant differences in the choice of distributional rules among demographic groups?

In mainstream justice research in psychology, gender has been an important factor, not least because the perception that lower rewards for women are fair underlies the legitimization of sex-based pay inequality (Major, 1993 and 1994). In general, women have been found to be more egalitarian and needs-oriented than men in their preferred income allocations. There are, however,

Table 6. Opinions favouring income limits, by sex (weighted %)

	Multiple response				Unique response		
	South Africa	Bangladesh* Hungary	Ukraine employees		Argentina	Brazil	Chile
<i>Upper limit on income</i>				<i>Upper limit</i>			
Women	38.5	24.4	52.8	35.4	7.9	35.4	10.4
Men	41.1	20.1	42.9	30.1	8.6	11.7	8.4
p-value**	0.41	0.34	<0.01	<0.01	<0.01	<0.01	<0.01
<i>Lower limit on income</i>				<i>Lower limit</i>			
Women	55.0	58.7	85.0	70.9	21.7	9.2	20.8
Men	57.7	54.0	84.4	71.3	28.3	11.1	27.3
p-value**	0.49	0.27	0.81	0.81	<0.01	<0.01	<0.01
<i>No limit but help poor</i>				<i>Minimum income***</i>			
Women	63.8	78.6	73.3	60.7	80.9	87.6	86.2
Men	64.6	81.6	69.7	58.2	77.4	84.4	83.0
p-value**	0.56	0.28	0.22	0.10	0.03	<0.01	0.27
<i>Similar incomes (South Africa, Bangladesh)/ same income (Hungary, Ukraine)</i>				<i>Equal incomes</i>			
Women	28.0	2.3	3.2	8.1	26.1	47.2	24.5
Men	25.2	4.6	3.9	6.9	19.6	37.1	12.8
p-value**	0.30	0.12	0.55	0.15	<0.01	<0.01	<0.01
<i>No limit</i>				<i>No limit</i>			
Women					16.4	9.4	18.4
Men					18.5	12.6	25.3
p-value**					<0.01	<0.01	<0.01
N (range for column)	2099	1011	955–993	6111	2792–2805	3904–3976	1106–1157

\* Bangladesh results are unweighted. \*\* p-value for significance of association between sex and answers to income limit question. \*\*\* Separate yes/no question.

cross-cultural variations in gender differences (Murphy-Berman et al., 1984). The large first wave of the ISJP found that whether gender was a significant predictor of distributional attitudes varied from country to country (Swift et al., 1995).

Table 6 shows how response patterns vary between men and women. To reduce the number of tables, table 6 and subsequent tables show only the percentages of positive responses to the various income rules, with Argentina, Brazil and Chile shown in the same tables, although the income limits question required a single response in these countries. The minimum income question, also included in the Latin American section of table 6, was a separate question, however.<sup>11</sup> The Latin American samples display much more variation by

<sup>11</sup> The “upper and lower limits” option – to which the responses proved generally unremarkable – has been omitted from the Latin American results as well. For the Argentina, Brazil and Chile samples, note that the p-value for the entire contingency table for the income limits question is repeated.

Women, gender and work

Table 7. Opinions favouring income limits, by age (weighted %)

	Multiple response				Unique response		
	South Africa	Bangladesh*	Hungary	Ukraine employees	Argentina	Brazil	Chile
<i>Upper limit on income</i>				<i>Upper limit</i>			
15–24 years	36.8	14.3	43.3	28.4	7.6	12.2	8.1
25–44 years	41.9	22.1	41.6	32.1	8.1	11.0	8.3
45–64 years	38.7	22.1	58.3	37.5	8.8	12.1	12.8
p-value**	0.24	0.22	<0.01	<0.01	<0.01	0.07	0.01
<i>Lower limit on income</i>				<i>Lower limit</i>			
15–24 years	53.1	57.1	82.4	73.3	2.5	9.3	29.3
25–44 years	57.7	54.5	83.4	71.7	25.6	11.4	26.4
45–64 years	57.2	56.2	87.5	69.4	26.1	8.5	15.7
p-value **	0.51	0.77	0.19	0.17	<0.01	0.07	0.01
<i>No limit but help poor</i>				<i>Minimum income***</i>			
15–24 years	60.3	84.8	76.0	57.4	85.1	88.9	82.2
25–44 years	65.1	79.8	72.1	60.4	77.3	85.4	87.0
45–64 years	67.3	81.9	68.7	59.7	76.6	84.2	82.5
p-value **	0.03	0.41	0.24	0.38	<0.01	<0.01	0.28
<i>Similar incomes (South Africa, Bangladesh)/ same income (Hungary, Ukraine)</i>				<i>Equal incomes</i>			
15–24 years	25.4	4.5	3.5	6.4	28.1	45.6	20.8
25–44 years	26.1	4.5	2.0	7.1	22.2	40.9	13.7
45–64 years	29.7	2.2	5.7	9.0	19.6	41.9	25.4
p-value **	0.66	0.36	0.03	0.10	<0.01	0.07	0.01
<i>No limit</i>				<i>No limit</i>			
15–24 years					12.6	10.2	17.7
25–44 years					18.2	11.0	23.8
45–64 years					20.6	11.4	20.7
p-value **					<0.01	0.07	0.01
N (range for column)	2099	1011	955–993	6111	2792–2805	3904–3975	1099–1150

\* Bangladesh results are unweighted. \*\* p-value for significance of association between age and answers to income limit question. \*\*\* Separate yes/no question.

sex than the remaining countries. Among the other countries, only the upper limits question in Hungary and Ukraine showed statistically significant differences, with women more likely to support upper limits by margins of 10 and 5 percentage points. By contrast, gender differences on the income question were highly statistically significant overall, with substantial – and individually significant – differences for lower limits in Argentina and Chile; equal incomes in Argentina, Brazil and Chile; and no limits in Chile. Except on upper limits, the pattern of gender differences is identical across these countries: women were less likely to favour lower limits, much more likely to favour equal incomes, and less likely to support no limits.

As mentioned above, previous research has found that women are also more needs-oriented than men. To the extent that needs orientation is elicited most clearly by the questions that refer to the poor (i.e. “no limits but help the poor” and “minimum income for the poor”), table 6 confirms those earlier findings weakly at best. In Argentina and Brazil, women were more likely to support minimum incomes by modest margins of less than four percentage points. These margins were statistically significant because of the relatively large samples in these two countries. Elsewhere the gender gaps on the needs-oriented questions were smaller.

Age is expected to affect distributive attitudes where there are profound cultural and political changes over time, such that an older generation would have a different mindset from that of the generation which has grown up in different conditions. Table 7 reports opinions on the income rules questions by age group. Generally speaking, the message here is that there is no dramatic pattern related to age. Hungarians in the 45–64 age group were 15 percentage points more likely than those under 24 to support upper limits. The oldest group is considerably more likely to support the needs-based rules in South Africa (by 7 percentage points), but considerably less likely to support them in Argentina (8 percentage points) and Brazil (5 percentage points).

## Socio-economic status

Q3. Do those of lower socio-economic status favour distribution rules that would mitigate their position, i.e. are they more likely to favour the limitation of inequality and/or needs-based rules?

Class and education have been found to be important factors in the variation in approval of equality and inequality, and related attitudes (Swift et al., 1995). One view is that people’s attitudes generally tend to support their own self-interest. In other words, those who fare better (worse) in the distribution of resources are more likely to approve (disapprove) the existing distribution and hold supporting attitudes accordingly. However, the role of class, education and own income in predicting attitudes has not proven to be straightforward. Class (usually proxied by the respondents’ occupation), class identity (the class the respondent thinks she or he belongs to), or education completed (which is correlated with class and income) are not significant predictors of distributional preferences in all of the countries surveyed by the ISJP.

Table 8 extends this diversity of findings with respect to education to the seven countries studied here. The principles applied in choosing educational categories were to ensure cell sizes adequate for statistically meaningful comparisons and, secondarily, to reflect major steps in the educational system of each country.<sup>12</sup> The categories are arranged in order of increasing educational attainment.

<sup>12</sup> The descriptions used are those used in the countries themselves and are not uniformly consistent with UNESCO’s International Standard Classifications of Education. Accordingly, comparisons of cells across countries (e.g. primary education in Bangladesh and Ukraine) can be misleading.

**Table 8. Opinions favouring income limits, by educational attainment (weighted %)**

Highest completed level of education	Multiple response				Unique response		
	South Africa	Bangladesh*	Hungary	Ukraine employees	Argentina	Brazil	Chile
<i>Upper limit on income</i>				<i>Upper limit</i>			
Less than primary		22.5					
Primary	42.2	20.9	66.1	35.8	11.0	11.2	8.3
Incomplete/lower/vocational secondary**	41.2	21.6	51.6				
Secondary	37.8	22.6	40.3	37.6	6.3	12.6	9.6
Special secondary				38.7			
University	34.6	19.42	28.2	27.5	4.8	11.5	10.7
p-value***	<0.01	0.65	<0.01	<0.01	<0.01	<0.01	0.04
<i>Lower limit on income</i>				<i>Lower limit</i>			
Less than primary		50.4					
Primary	53.6	54.8	86.4	56.7	20.5	7.4	18.5
Incomplete/lower/vocational secondary**	53.1	53.2	84.9				
Secondary	59.1	60.5	84.4	69.5	27.7	13.5	26.3
Special secondary				71.2			
University	67.0	60.2	83.0	72.2	35.5	20.2	27.4
p-value***	<0.01	0.28	0.86	0.02	<0.01	<0.01	0.04
<i>No limit but help poor</i>				<i>Minimum income****</i>			
Less than primary		85.7					
Primary	54.4	81.6	71.8	61.6	85.3	90.1	88.4
Incomplete/lower/vocational secondary**	60.9	81.3		68.1			
Secondary	70.2	75.8	71.8	60.5	73.1	80.4	83.5
Special secondary				58.3			
University	75.7	76.2	79.6	61.1	71.9	73.3	80.7
p-value***	<0.01	0.07	0.12	0.35	<0.01	<0.01	0.15
<i>Similar incomes (South Africa, Bangladesh)/ same income (Hungary, Ukraine)</i>				<i>Equal incomes</i>			
Less than primary		2.7		6.4	31.4	49.1	26.9
Primary	38.0	3.5	8.6	10.6			
Incomplete/lower/vocational secondary**	26.8	5.8	3.2		15.6	35.2	15.5
Secondary	25.9	5.7	1.5	9.2			
Special secondary				10.0	10.7	12.4	13.3
University	15.4	3.9	0.8	4.9	<0.01	<0.01	0.04
p-value***	<0.01	0.75	<0.01	<0.01			
<i>No limit</i>				<i>No limit</i>			
Less than primary					14.7	9.2	18.4
Primary							
Incomplete/lower/vocational secondary**							
Secondary					20.0	13.2	23.9
Special secondary							
University					21.7	16.2	22.4
p-value***					<0.01	<0.01	0.04
N (range for column)	2 095	1 010	953–991	6 111	2 745–2 759	3 899–3 971	1 105–1 156

\* Bangladesh results are unweighted. \*\* Incomplete secondary for South Africa, lower secondary for Bangladesh, vocational secondary for Hungary. \*\*\* p-value for significance of association between education and answers to income limit question. \*\*\*\* Separate yes/no question.

Three aspects of the results are consistent with the self-interest hypothesis in most of the samples shown in table 8. First, in the South African, Hungarian and Latin American samples, less educated respondents were clearly more likely to favour similar or equal incomes. This tendency is present but not entirely consistent among Ukrainian employees. Second, less educated Latin American respondents were less likely to favour “no limit.” Third, less educated respondents were generally more likely to favour upper limits, the notable exceptions occurring in Brazil and Chile. The magnitude of the difference of opinion on upper limits is striking in the Hungarian data, at 38 percentage points.

With respect to “lower limit,” “no limit but help the poor,” and minimum income, the patterns of responses by education level vary among countries. But in every country the broad consensus on need as a principle for income distribution, as identified above, is also found in every educational group. In the “no limit but help the poor” and minimum income sections of table 8, the lowest level of support is 54.1 per cent.

## Experience of insecurity

Q4. Do those who experience economic insecurity tend to endorse distribution rules that would reduce such insecurity?

A more dynamic perspective on social position emphasizes the influence of experienced economic insecurity, as opposed to the set of ideas prevailing in a particular subgroup. Specifically, are people who experience economic insecurity more likely to favour rules, such as lower limits or minimum income, that would directly address their (potential) need?

Tables 9 and 10 consider income rules from this perspective. Table 9, which is restricted to employed individuals, focuses on the relationship between perceived job security and opinions about income distribution rules. The question about job security asks respondents to rate their own job security on a five-point scale.<sup>13</sup> The results show no clear pattern, though differences along this dimension are in many cases substantial – there are many differences of more than 5 percentage points between different job security levels (see table 9).

Another measure of economic insecurity collected by the surveys was whether the family had enough income to buy food.<sup>14</sup> Table 10 breaks down opinions on income rules according to responses to this question. Support for

<sup>13</sup> For Hungary, Argentina, Brazil and Chile, the endpoints of the scale were described as “very unconfident” and “very confident.” In South Africa the endpoints were “very pessimistic” and “very optimistic.” In Ukraine the scale was shifted somewhat toward pessimism, with endpoints of “Confident I will keep present job” and “Expect to lose present job.” The job security question was not used in Bangladesh.

<sup>14</sup> This question was not asked in Hungary. The frequencies on this question show anomalies for Bangladesh and Ukraine. In Bangladesh, one of the poorest countries in the world, only 24 respondents (2.4 per cent) said they had insufficient income to buy food. Among employees in Ukraine only 34 respondents (0.6 per cent) said they had sufficient income to buy food. This is less strange: monetary incomes are very low in Ukraine, but 69 per cent of the Ukraine employee sample had a “kitchen garden.”

Women, gender and work

Table 9. Opinions favouring income limits, by perception of job security (weighted %)

Perception of job security	Multiple response			Unique response		
	South Africa	Hungary	Ukraine employees	Argentina	Brazil	Chile
<i>Upper limit on income</i>				<i>Upper limit</i>		
Very unconfident	44.0	51.6	41.0	9.0	11.7	1.5
Unconfident		50.3	32.4	10.5	10.4	7.3
Neutral	45.1	48.3	35.9	9.2	11.4	10.3
Confident	38.4	43.1	33.2	7.6	12.5	9.5
Very confident	40.2	34.3	30.5	6.3	16.1	6.6
p-value*	<0.01	0.06	0.08	0.38	<0.01	<0.01
<i>Lower limit on income</i>				<i>Lower limit</i>		
Very unconfident	67.7	78.3	68.1	25.5	2.4	5.7
Unconfident		69.4	67.8	21.4	9.5	15.3
Neutral	62.6	89.3	71.0	30.9	13.8	25.0
Confident	63.7	86.7	74.4	26.4	10.8	37.7
Very confident	65.0	83.3	69.5	28.5	13.3	17.2
p-value*	<0.01	0.02	0.05	0.38	<0.01	<0.01
<i>No limit but help poor</i>				<i>Minimum income**</i>		
Very unconfident	72.4	76.4	67.6	73.1	86.4	98.9
Unconfident		56.2	60.1	76.8	87.9	87.7
Neutral	63.6	80.1	59.4	79.1	83.6	81.6
Confident	73.5	72.2	60.0	78.1	84.0	81.0
Very confident	72.7	69.5	58.0	73.8	80.6	80.2
p-value*	0.01	0.02	0.50	0.52	0.06	0.38
<i>Similar incomes (South Africa)/ same income (Hungary, Ukraine)</i>				<i>Equal incomes</i>		
Very unconfident	20.9	7.4	7.9	22.4	49.8	14.9
Unconfident		6.8	11.1	25.4	40.9	8.6
Neutral	20.5	0.7	7.2	13.2	32.7	16.1
Confident	16.9	1.8	6.3	17.5	37.2	10.1
Very confident	21.5	2.3	7.1	17.4	30.0	15.0
p-value*	0.19	0.04	0.25	0.38	<0.01	<0.01
<i>No limit</i>				<i>No limit</i>		
Very unconfident				17.1	8.2	50.9
Unconfident				17.3	10.5	17.7
Neutral				19.5	12.3	29.9
Confident				19.9	12.1	23.7
Very confident				20.5	12.6	26.0
p-value*				0.38	<0.01	<0.01
N (range for column)	539	557–583	4956	1405–1410	2265–2291	580–597

\* p-value for significance of association between job security and answers to income limit question. \*\* Separate yes/no question.

Table 10. Opinions favouring income limits, by food insecurity (weighted %)

Perception of job security	Multiple response			Unique response		
	South Africa	Bangladesh*	Ukraine employees	Argentina	Brazil	Chile
<i>Upper limit on income</i>				<i>Upper limit</i>		
Sufficient	35.0	13.0		3.1	9.9	8.4
Just enough	41.7	24.75	30.6	8.0	12.0	9.7
Insufficient	40.2		35.1	9.5	11.7	12.5
p-value**	<0.01	<0.01	0.02	<0.01	<0.01	0.33
<i>Lower limit on income</i>				<i>Lower limit</i>		
Sufficient	51.3	52.4		39.3	11.4	24.9
Just enough	61.7	56.3	71.8	25.8	10.2	24.4
Insufficient	51.7		70.8	20.7	8.8	15.5
p-value**	<0.01	0.58	0.74	<0.01	<0.01	0.33
<i>No limit but help poor</i>				<i>Minimum income***</i>		
Sufficient	69.1	87.7		70.6	83.5	80.5
Just enough	64.5	77.8	57.9	78.6	85.5	88.5
Insufficient	59.7		60.7	81.8	90.0	85.2
p-value**	0.13	<0.01	0.22	0.01	<0.01	0.04
<i>Similar incomes (South Africa)/ same income (Hungary, Ukraine)</i>				<i>Equal incomes</i>		
Sufficient	21.1	3.8		15.9	37.7	18.5
Just enough	28.1	4.0	7.0	20.3	40.4	18.3
Insufficient	28.7		8.0	30.3	54.0	24.2
p-value**	<0.01	0.76	0.51	<0.01	<0.01	0.33
<i>No limit</i>				<i>No limit</i>		
Sufficient				17.0	14.1	24.5
Just enough				17.7	10.7	18.0
Insufficient				16.6	8.8	29.4
p-value**				<0.01	<0.01	0.33
N (range for column)	2099	1011	6111	2781–2795	3889–3959	1096–1144

\* Bangladesh results are unweighted. \*\* p-value for significance of association between food security and answers to income limit question. \*\*\* Separate yes/no question.

upper limits increases with food insecurity in every country, whereas for job insecurity this was true only in South Africa, Hungary and Ukraine. There is also a tendency for greater food insecurity to be associated with more support for equality or “similar income” rules, most notably where these rules have significant support (i.e. in South Africa, Argentina, Brazil and Chile).

Since the food security question is nearly a direct question about poverty, it is somewhat surprising to find mixed response patterns for the need-based rules; in South Africa and Bangladesh people who reported *sufficient* income to buy food were more than 9 percentage points *more* likely to favour these

rules than those with lower food security.<sup>15</sup> The pattern for the minimum income question in Latin America was more consistent with distributive judgments formed in a self-interested way – people with higher food insecurity were more likely to favour a minimum income to help the poor.

## Discrimination

Q5. Is there support for active discrimination in labour markets?

Four of the surveys used for this article posed questions about support for discrimination in hiring and pay. Since earned income is the product of the quantity of employment and rate of pay, discrimination has direct consequences for the distribution of income in society. However, questions framed in general or abstract terms – such as the income rules questions used in earlier sections – often elicit different responses from those given to questions framed in terms of situations, such as job opportunities, about which the respondent has direct experience (Huber and Form, 1973; Kangas, 1997).

From the standpoint of how discrimination in pay and hiring translates into the distribution of income, the patterns of support observed for the two types of discrimination should be similar. Despite this, respondents can apply quite different distribution rules to these two different aspects of society (Burgoyne, Swift and Marshall, 1993). In psychologists' terminology, pay and job opportunities are indeed seen as separate resources. In the United Kingdom, Stock (2000) found that different patterns of rules were used for the two, and, in particular, that there was considerably greater endorsement of equality as applied to job opportunities.

In four of the surveys analysed here, respondents were asked about their opinions regarding whom employers should pay more than others and whom they should favour in hiring. To that end, several paired comparisons were made. In Ukraine, for example, respondents were asked:

*In your opinion, should the following types of workers receive higher, lower, or about the same wages/earned income as other workers, when both are doing similar work?:*

*Women (compared to men);*

*Workers in their 50s (compared to workers in their 30s and 40s);*

*Workers in their 30s and 40s (compared to workers in their 20s);*

*Women with children (compared to single women);*

*Migrants from within Ukraine (compared to persons from this area);*

*Immigrants into Ukraine (compared to people born in Ukraine).*

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<sup>15</sup> For South Africa, this pattern also emerges, albeit more weakly, from the question on government assistance to the poor. People who said they had sufficient income to buy food were about 6 percentage points more likely to favour such assistance than those who reported insufficient income for food. However, those who reported insufficient income for food were 17 percentage points more likely to favour *complete* assistance (and 8 percentage points more likely to answer “don't know”).

The questions in other countries were similarly structured, although the social categories mentioned differed somewhat. Responses for South Africa, Bangladesh, Hungary, and Ukraine are summarized in table 11.

With reference to the same paired groups, respondents were also asked:

*In your opinion, should the following workers get preference when workers are hired,* followed by the same comparisons as for pay.

Allowable responses for the “women compared to men” pair included (a) *prefer women*; (b) *about the same*; (c) *prefer men*. The Hungarian response categories are not comparable to the others, since respondents replied either yes or no. Therefore we know, say, whether the respondents want to give preference to women, but not if they want to give preference to men. Table 12 summarizes respondents’ answers about discrimination in hiring for South Africa, Bangladesh, Hungary and the Ukraine employee sample.

These questions about discrimination frame specific aspects of distributional issues differently from the more general questions about income rules. The equality principle is framed as equal treatment – i.e. absence of discrimination – rather than equal outcomes (i.e. incomes). In the questions used in earlier sections of this article, the principle of need was expressed in various ways. The lower limits option expresses neither whom to help, nor the means for helping. The options described as “no limit but help the poor” specify whom to help but no means, while the minimum income question in Latin America and the government assistance question in South Africa specify both whom to help (the poor) and how (government assistance). The questions about discrimination do not use words, such as “poor”, that can be immediately identified with need. Instead, they specify social categories that can, in some cases, be objectively tied to need. For example, “women with children” have more dependants than single women. In addition, the discrimination questions specify a different means of addressing need, namely discrimination in favour of a (needy) group.

The strongest message of tables 11 and 12 is perhaps that the principle of equality has vastly more support in these four countries when framed in terms of opportunities than it does when applied to the overall distribution of income (table 2). Altogether, respondents in the four countries were asked to make judgements about 29 pairings where a non-discriminatory option can be identified (i.e. excluding the Hungary column of table 12). Only in four cases was support for the non-discriminatory option less than 60 per cent; and only in three was it less than 50 per cent. Moreover, two of these cases concern immigrants to South Africa. Thus, in all but those three cases, the following discussions of support for discrimination refer to significant minority views rather than majority views. This contrast can be broadly interpreted as meaning that unequal income distributions are viewed as acceptable so long as they are achieved through an egalitarian (non-discriminatory) process.

Within this broad consensus of opposition to discrimination, there is consistently less support for non-discriminatory hiring than for similar pay (except Hungary, where the comparison cannot be made). The differences between

Women, gender and work

Table 11. Opinions on discrimination in pay (weighted %)

Comparisons	South Africa			Bangladesh*			Hungary			Ukraine employees		
	Pay for 1st group ...			Pay for 1st group ...			Pay for 1st group ...			Pay for 1st group ...		
	Less	Similar	More									
<i>Sex</i>												
Women vs men	12.5	77.3	8.5	8.6	91.1	0.3	4.1	91.1	4.8	2.9	87.5	9.7
<i>Age</i>												
Younger vs older workers	9.6	78.5	9.7	2.6	91.2	6.2	26.5	65.0	8.5			
Workers in 50s vs 30s–40s										3.8	85.0	11.2
Workers in 30s–40s vs 20s										1.6	84.3	14.1
<i>Marital status and dependency</i>												
Women with children vs single women							1.7	69.3	29.0	1.5	70.5	28.0
Married vs single				0.3	91.8	7.9						
<i>Minority</i>												
Romas vs non-Romas							8.8	90.3	0.9			
<i>Migrants and immigrants</i>												
Migrants vs locals										10.7	86.6	2.7
Guest workers vs Hungary-born							24.8	73.3	1.9			
Immigrants vs born-in-country	56.4	41.8	0.2							13.3	84.6	2.1
Sample size (column range)	2099			1011			946–983			6111		

\* Bangladesh results are unweighted.

corresponding cells in tables 11 and 12 are small for South Africa, but range from 10 to 20 percentage points for Ukraine and from 26 to 49 percentage points for Bangladesh. In fact, the pattern in Bangladesh is quite striking: there is less support for discrimination in pay than in any other country, but far more support for discrimination in hiring than in any other country. This pattern of greater support for discrimination in hiring than in pay is the reverse of that observed by Stock (2000) for the United Kingdom. Thus it does appear that access to jobs and equal pay are often treated differently in people’s mental calculus about distributive justice, though priority between them appears to differ among cultures.

Turning now to specific patterns of discrimination, we focus on cases where there is asymmetry of support for the two discriminatory options, which would tend to produce a society-wide tilt toward one group. (As noted earlier, though, this is generally a matter of the balance between minority views.) There are three notable themes here. First, if a version of the equality principle generates the pervasive consensus in favour of non-discrimination, the needs principle appears to be at work with respect to discrimination in hiring. It is likely that the comparison of women with children versus single women in Hungary and Ukraine taps into a needs orientation: both samples show

Distribution of income and job opportunities

Table 12. Opinions on discrimination in hiring (weighted %)

Comparisons	South Africa		Bangladesh*			Hungary			Ukraine employees		
	Prefer 1st group	No difference	Prefer 2nd group	Prefer 1st group	No difference	Prefer 2nd group	Yes (Prefer 1st group)	No**	Prefer 1st group	No difference	Prefer 2nd group
<i>Sex</i>											
Women vs men	10.1	75.1	13.2	8.3	64.7	26.9	7.6	92.4	12.1	73.1	14.7
<i>Age</i>											
Younger vs older workers	17.2	73.3	7.9	52.3	42.6	4.9	13.0	87.0			
Workers in 50s vs 30s–40s									8.7	65.3	26.1
Workers in 30s–40s vs 20s									9.1	73.9	17.1
<i>Marital status and dependency</i>											
Women with children vs single women							28.2	71.8	29.0	57.6	13.4
Married vs single				27.9	63.4	8.5					
<i>Minority</i>											
Romas vs non-Romas							3.4	96.6			
<i>Migrants and immigrants</i>											
Migrants vs locals									4.6	70.9	24.5
Guest workers vs Hungary-born							5.9	94.1			
Immigrants vs born-in-country	0.3	38.8	58.9						4.9	67.7	27.5
Sample size (column range)	2099		1011			965–978			6111		

\* Bangladesh results are unweighted. \*\* The "no" group in Hungary includes both those who think there should be no difference in hiring between the two groups and those who think that preference should be given to the second group.

28 to 29 per cent support for favouring women with children. This is consistent with these countries' tradition of supporting families via significant maternity leave and monetary benefits. It also seems probable that the married versus single comparison in Bangladesh implicitly makes the same kind of comparison – people likely to have dependants against people without dependants.

Sentiment in favour of hiring preference for young workers is extremely strong in Bangladesh, with a majority favouring this preference. A more moderate tilt toward preference for the young in hiring is evident in South Africa and Ukraine, though in the latter case it appears strongest as a preference for middle-aged workers relative to older workers. Total fertility rates in South Africa and Bangladesh are around three times the rates for Hungary and Ukraine (Haub, 2002), an indication that families form at earlier ages in the first two countries. It can be argued that favouring younger workers, in effect, favours newly formed (and therefore needy) families. Thus the tilt of opinion toward favouring younger workers in hiring seems to fit with a needs orientation.

When table 12 is compared to table 11, however, it becomes evident that people's judgements are more complex than simply favouring those in need in

all settings. The tendency to favour married women and women with children is still evident in Bangladesh, Hungary and Ukraine. But the preference for the young is no longer evident when it comes to pay. Sentiment favouring the young and old is roughly balanced at relatively low levels in South Africa and Bangladesh, but tips toward favouring older workers in Hungary and Ukraine. The latter two countries have histories of state-controlled employment that rewarded seniority, which may partly explain the different direction of preference in pay. The contrast between preferences in hiring and pay for the young suggests a “foot in the door” principle operating in judgements about young workers and jobs.

The second evident pattern of discrimination is apparent with respect to those considered “outsiders” by the majority – immigrants, internal migrants and ethnic minorities. The lower parts of tables 11 and 12 suggest that many people feel they should have property rights over jobs in their areas or countries – that it is not fair for outsiders to have equal access to these jobs – and that outsiders should be paid less when they do have jobs.<sup>16</sup> In Hungary, almost 9 per cent of the sample was in favour of paying Romas (an ethnic minority) less than others; one quarter of those surveyed felt that guest workers should be paid less than Hungarian-born workers. More than 10 per cent of the Ukrainian workers felt it is acceptable to discriminate against internal migrants and immigrants. A majority of South Africans supported discrimination against immigrants.

The enormous support for discrimination against immigrants in South Africa – with 56 per cent for pay and 59 per cent for hiring – undoubtedly reflects recent historical circumstances in which South Africans have attributed high unemployment rates to immigration (Martin and Widgren, 2002). This connection illustrates that opinions about distributional issues are not always tied to broad, slowly changing cultural characteristics; they can change rapidly.

The third notable observation relates to sex. Patterns of support for sex discrimination are surprising in light of the reality of male–female wage differentials and occupational segregation. Table 11 shows that there is relatively little expressed discrimination on the basis of sex – although a substantial wage gap between men and women has been documented for many countries. The South African sample had the largest share of respondents expressing support for discrimination in pay (21 per cent), but this was split fairly evenly between favouring men and women. There is overwhelming support for equal pay in Bangladesh, but among the 9 per cent of respondents who favoured discrimination, only a negligible number favoured women, compared with a very close balance between favouring men and women in Hungary. There was a tilt toward favouring women in Ukraine.

Consider next respondents’ opinions on gender discrimination in hiring, as shown in table 12. Given the occupational segregation by sex that exists

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<sup>16</sup> It is interesting to note that, from a supply and demand viewpoint, favouring both kinds of discrimination is inconsistent – allowing/encouraging employers to pay “outsiders” lower wages encourages employers to hire more of them.

world-wide (Anker, 1998), it is remarkable that substantial proportions of respondents report believing that there should be no preference for men in hiring. Perhaps this reflects the presence of women's movements worldwide, and the increasing emphasis on women's education and employment by economic development and population programmes in the developing countries. In any case, among the populations sampled here it appears to a great extent to be socially unacceptable to support discrimination against women, even when the status quo is discrimination.

## Concluding remarks

Two general findings emerge from the data examined in this article. First, as regards general rules about income distribution, the data confirm, for a wider range of countries, the previously observed pattern of broad consensus about need as a principle for distributive judgements, paired with lack of consensus about equality as a principle. Second, these data make it clear that there are considerable cultural differences in patterns of attitudes about distributional questions. It must be acknowledged, however, that the case for cultural differences and the pattern of differences would be clearer had questions been more nearly equivalent in the various study countries.

A more specific finding is that the support for need-based policies can vary dramatically with the framing of the question. In some countries, a generic "lower limit" rule received less support than one which directly mentioned the poor or the less well off, but more support in other countries. Another example is that in the South African survey, support for government assistance to the poor was halved when the question suggested that assistance be financed by income taxes.

Questions about discrimination bring distributional issues closer to home, and among the respondents whose views are reported here, there was much more widespread application of the equality principle when it came to job opportunities and pay, rather than abstract distribution rules. Clearly this is a very different frame for thinking about distributional issues. There is a clear implication about people's policy preferences: equality is best achieved through equal opportunity. Nevertheless, the data appear to show that substantial minorities of people in the countries surveyed do apply a needs principle on this scale too; there is significant support for discrimination in favour of certain groups who are, arguably, more needy. In addition, significant minorities favour discrimination against "outsiders" – ethnic minorities, internal migrants and immigrants.

Most of all, the PSS data analysed here are valuable for the insight they provide into how people make distributive judgements in a wider range of economic and social circumstances than previously surveyed.

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## Appendix

### Wording of income distribution questions by country<sup>17</sup>

#### *Argentina, Brazil and Chile*

English translation: Which of the following general principles do you mostly agree with for the incomes of individuals? (a) There should be an upper limit for any person's income. (b) There should be a lower limit for any person's income. (c) There should be an upper and a lower limit for everybody. (d) There should not be any limits on any person's income. (e) There should be an equal income for everybody.

#### *Hungary*

English translation: Please tell me, which of the following opinions do you agree with? (a) There should be an upper limit for a person's income. (b) There should be a lower limit for a person's income, which everybody must reach. (c) There should be no limit or restriction on a person's income, but there should be policies to improve the situation of the least well-off. (d) Everyone should get the same income.

#### *Ukraine*

English translation: Which of the following general rules do you agree with for the incomes of individuals in Ukraine? (a) There should be an upper limit for a person's income. (b) There should be a lower limit for a person's income. (c) There should be no limit or restriction on a person's income, but there should be policies to improve the situation of the least well off. (d) Everyone should get the same income.

#### *Bangladesh*

English original: Which of the following general rules do you agree with for the incomes of individuals in Bangladesh? (a) There should be an upper limit for a person's income. (b) There should be a lower limit for a person's income. (c) There should be no limit or restriction on a person's income but there should be policies to improve the situation of the least well-off. (d) Everyone should get a similar income.

#### *South Africa*

English original: Which of the following general principles do you personally think should apply for incomes of individuals in South Africa? Do you think ... ? (a) There should be an upper limit on the earned income. (b) There should be a minimal income, sufficient to cover basic needs, below which nobody's income should fall. (c) There should be no limit or restriction on a person's income, but there should be policies to improve the situation of the people who are the poorest. (d) Everyone should get a similar income. NOTE: In South Africa, the order of (a) through (d) was rotated by interviewers.

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<sup>17</sup> The different language versions used in the national PSS questionnaires are available on request from Deborah Levison (dlevison@hhh.umn.edu).

## Missing women? The under-recording and under-reporting of women's work in Malaysia

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**Abstract.** *Common methods to collect data on women's labour force participation frequently result in under-reporting and under-recording of their work. Based on fieldwork in Malaysia's Penang state, this article presents some of the difficulties associated with recording women's informal work. It contributes to theorization on the under-reporting of women's remunerative activities in official surveys by arguing that while women's work is often devalued, under-reporting may also be the result of women making strategic and pragmatic choices. By reporting themselves as "housewives", for example, they may avoid questioning their society's gendered norms while securing their own interests in work outside the home.*

Official labour force data are widely acknowledged to provide inadequate coverage of women's informal remunerative work.<sup>1</sup> This shortcoming stems from the definitions and conceptual categorizations of "work", and the way in which these are operationalized for data collection (Langsten and Salem, 2008; McDowell, 1999; Standing, 1999). Normative constructions around gender and work have important implications not only for how "work" is defined (Benería, 1999), but also for the way data are assembled, how survey questions are phrased and the answers interpreted (Anker, 1983; Mata Greenwood, 1999; Tomoda, 1985).

In this article, we share our experiences of the difficulties associated with recording women's informal work and contribute to theorizing why women do not report their remunerative activities in official labour force surveys. Throughout the article, we distinguish between the way women's work is *under-recorded* in surveys (by those administering the surveys) and the way it is *under-reported* by the women themselves. Previous studies have indeed abundantly emphasized how cultural norms shape the perception that women's

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<sup>1</sup> See, for example, Anker (1983), Bardasi et al. (2010), Benería (1999), Chen (2001), Chen, Sebstad and O'Connell (1999), Ghosh (1999), Psacharopoulos and Tzannatos (1989) and Tomoda (1985).

work is less important or less appropriate to report (Anker, 1983; Bardasi et al., 2010; Benería, 1999; Mata Greenwood, 1999). The objective here is not to argue with such findings, but rather to propose that although such “devaluation” of work is important, under-reporting may also result from women’s deliberate choice not to report their remunerative activities for what we have called “pragmatic reasons”; i.e. reasons motivated by practical or realistic objectives, such as avoiding the loss of benefits (Franck, 2012). In order to examine the (overt and covert) reasons why women refrain from reporting their labour, we propose an approach that focuses on women’s agency.

The field work for this study was conducted in Malaysia, where female labour force participation increased dramatically during the 1970s and 1990s but stagnated or even declined thereafter. By 2008, women’s participation rate was 45.7 per cent – the lowest in the Association of South East Asian Nations (Malaysia, 2009, p. 14; ILO, 2008). Out of a female working-age population of 8.6 million, the 2008 Labour Force Survey found 4.7 million “outside the labour force”; i.e. “not classified as employed or unemployed”; a category that includes “housewives, students, retired, disabled persons and those not interested in looking for a job” (Malaysia, 2009, pp. 13 and 45). Over 3 million women in this category stated “housework” as their main reason for not engaging in employment (ibid., p. 200).

It is highly unlikely, however, that such a large proportion of women in Malaysia would be “housewives” with no income-earning activities. Rather, as suggested by Loh-Ludher (2007 and undated), the large number of women “missing” from the labour force more likely indicates women’s large-scale participation in the informal economy. This is also acknowledged in the Labour Force Survey Report 2008 itself and in the Ninth Malaysia Plan 2006–10 (Malaysia, 2009 and 2006).<sup>2</sup> Yet, despite recognition of the importance of the informal economy for women’s employment in Malaysia, academic studies on this topic remain scarce (Xavier, 2008) and reliable data are hard to come by. The *Labour Force Survey Report 2008* does, however, provide some indication of patterns of informal work through data on the employment categories of “own-account worker” and “unpaid family worker”<sup>3</sup> which suggest that women move from formal to informal employment over their life course (Malaysia, 2009, p. 164; for further discussion, see Franck, 2012).<sup>4</sup> The field work for this study was conducted with a focus on this continuum of formal and informal work (Chen, 2007).

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<sup>2</sup> The former states that women who are currently housewives “have the potential to enter the labour market especially through informal jobs such as tailoring, selling delicacies, providing child care and others” (Malaysia, 2009, p. 22).

<sup>3</sup> Employed persons are differentiated into four categories according to their employment status, namely: employer, employee, own account worker and unpaid family worker (Malaysia, 2009, pp. 47–48).

<sup>4</sup> The categories of self-employed/own-account and unpaid family workers are often used as proxies for informal work, but this results in significant underestimation because it excludes the large number of workers who are informal employees (ILO, 2007).

## The under-recording of women's work

The way labour market statistics are measured and recorded in surveys in developing and transition countries is subject to great variations. Previous studies have demonstrated that the reporting of women's work is particularly sensitive to the survey methods used and the wording of questions (Bardasi et al., 2010; Chen, Sebstad and O'Connell, 1999; Mata Greenwood, 1999). Standard questions, such as "Did you work in the last seven days?," typically produce results which undercount women's work – particularly in settings where women are engaged in multiple income-earning activities, informal and seasonal work and in activities that are not directly remunerated. A more reliable way of capturing women's various remunerative activities would therefore be to extend the period covered or to use a time allocation approach or a list of activities (Donahoe, 1999; Tomoda, 1985). Time use surveys, which have been conducted since the 1920s, may indeed provide better data on women's work (see Juster and Stafford, 1991, for a review). As pointed out by Benería (1999), however, such surveys seldom include a specifically feminist perspective regarding their implications for women. Time use surveys have also, to a large extent, been used in the mobility research literature, focusing on women's travel activities, mobility patterns, and space time constraints (Hanson, 2010; Olsson, 2012; Schwanen, Kwan and Ren, 2008).

The emphasis on *work*, *job*, and *main activity* to define employment status in labour force surveys poses a problem. In particular, it has been found to produce greater variations in female relative to male statistics – due to women's widespread engagement in unpaid agricultural and family work (Bardasi et al., 2010). While broader definitions of work are becoming more widely accepted,<sup>5</sup> along with revised wording of labour force survey questions, this may still be ineffective for capturing many activities because: "[a]sking about 'main activity' may lead many women to report themselves as 'housewives', although they produce food or other goods that are sold in the market" (Langsten and Salem, 2008, p. 285, citing Anker, Kahn and Gupta, 1987). Economically active women may thus be considered inactive because they do not think of themselves as working. However, women are rarely – if ever – "unemployed" in their lives (Ghosh, 2002); and so-called "housewives" are often employed in both full-time and part-time informal economic activities (Chen, Sebstad and O'Connell, 1999; Martin and Polivka, 1995).

Ultimately, each household member above a certain age should be questioned directly for the purposes of the labour force survey although it is common to ask only the household head (a proxy) about the employment of other household members (Anker, 1983; Bardasi et al., 2010). Labour force survey guidelines warn that proxy respondents do not always provide accurate information, and this can cause gender biases (Husmanns, Mehran and Verma,

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<sup>5</sup> See, in particular, the *Resolution concerning statistics of employment in the informal sector*, adopted by the 15th International Conference of Labour Statisticians (ICLS) in 1993, and the *Guidelines concerning a statistical definition of informal employment*, adopted by the 17th ICLS in 2003.

1990, cited in Bardasi et al., 2010, p. 8). It is generally believed that male respondents are more likely to understate the labour force activity of female household members than vice versa (Anker, 1983). Furthermore, when interviews are conducted in the presence of others, the respondents may keep silent (indicating the sensitiveness of certain questions) or be influenced by other persons present (ibid.). Additionally, interviewers usually have a different socio-economic background from that of respondents and may act in a condescending manner, biasing results by steering respondents towards what they consider to be the correct answer. Anker stresses that this often implies an underestimation of female labour force activity. Male interviewers are also believed to be more likely to hold a preconceived idea of women as “housewives,” biasing female labour force activity rates negatively, although the statistical evidence on this point is scarce (ibid.).

## The under-reporting of women’s work

The agency perspective, we suggest, has several advantages when analysing the under-reporting of women’s work. There is no doubt that women face disadvantage and discrimination in the labour market and that women’s work is surrounded by norms that effectively “minimize” and “domesticate” their labour (Domosh and Seager, 2001). However, women are also “a social force capable of acting in their own interest” (Gills, 2002, p. 109). Therefore, by recognizing women as “active agents of change” – as opposed to seeing them as mere “patients” or “recipients” in the development process (Sen, 1999) – we can gain further understanding into why women are not reporting their labour. In relation to women in developing countries, the agency perspective further offers the potential to move beyond the “myth” of the “average Third World woman” (Mohanty, 2006, p. 22) – a woman whose actions are largely analysed in terms of her being victimized, ignorant, poor, tradition-bound, domestic and family-oriented.

Inspired by Kabeer’s (1999) notion of how we can understand women’s ability to exercise choice, agency is here not simply approached in terms of a person’s observable actions, but also in terms of the meaning, motivation and purpose which people bring to their activities, thus also including their sense of agency. A person’s *sense of agency* can be conceptualized by reference to Sen’s notion of *perceived entitlements* (Sen, 1999, p. 193). Perceived entitlements involve a person’s perception of her/his own entitlements vis-à-vis those of other household members – such as the right to earn an independent income and work outside the household. People’s perceived entitlements are also inherently linked to their perceived contribution to the household commons: if a person is perceived to make important contributions that person will be better positioned to bargain. But it is not uncommon for perceived contributions to diverge from *actual* contributions where women’s unpaid care, domestic work and contributing family work are typically undervalued, thereby undermining the legitimacy of their claims (Agarwal, 1997). Sen (1990) further argues that

a woman may, unconsciously, adjust her behaviour if she perceives that her own well-being is not valued as highly as that of others. Importantly, therefore, the absence of protest does not necessarily imply an absence of inequality. As Agarwal points out, we need to be cautious when interpreting women's responses to oppression as they may include both *overt* and *covert* expressions of disaffection with the gendered order (Agarwal, 1997, p. 23). This, we suggest, is also relevant to the reasons why women are not reporting their labour or why they report it as "housework". Previous studies have emphasized that such under-reporting tends to reflect norms which render women's work less important or less appropriate to report (Anker, 1983; Bardasi et al., 2010; Mata Greenwood, 1999). However, by paying closer attention to women as active agents – i.e. people who act in their own interest and who employ various overt and covert strategies in the face of oppression and contemporary gender relations – we can gain a deeper understanding of what motivates their choices. Clearly, as Agarwal (1997) also points out, it is very difficult to evaluate from observation – or even from interviews – *why* women make particular choices in the face of oppression. Nonetheless, the above approach offers some relief from the commonly held view that women are inherently altruistic and victimized.

## Methodology and background of the study

The field work for this study consisted largely of individual interviews conducted in the state of Penang on the north-western coast of Peninsular Malaysia between 2009 and 2011. Individual interviews were conducted with 80 women in four locations in Penang Island and in Bukit Mertajam on the mainland. The respondents included women working as street hawkers/vendors, informal employees and home-based workers. All of the women interviewed were informal workers, engaged in various remunerative activities whose common characteristic was their lack of legal recognition, regulation and protection (Lloyd-Evans, 2008). While this was a common denominator, many of the interviewed women worked in establishments/businesses that were in fact licensed.<sup>6</sup>

The interview guide used both semi-closed/closed and open-ended questions. Apart from recording basic data (age, ethnicity, marital status, educational attainment, etc.), the questions were aimed at eliciting information on the respondents' labour force history, the factors which influenced their labour market decisions, how they handled the work–family relationship, and their current working conditions. The interview guide was slightly altered between the first visit and the follow-up visits. Based on the experience gained from the first visit, the wording of some questions was changed, and follow-up questions and some new questions were added (e.g. entrepreneurship, gendered relations in the household). Some women were interviewed on several

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<sup>6</sup> Hawkers, petty traders and small-scale businesses are required to obtain a licence from the Municipal Council.

occasions, depending on their availability and the need to supplement the information already gathered on specific topics. The difficulties encountered in collecting and analysing the data on women's informal work are discussed in the following sections.

## The challenges of recording accurate data on women's work

### *Employment status*

We encountered numerous difficulties when trying to code the primary data for *employment status* using the definitions provided in Malaysia's *Labour Force Survey Report 2008*.<sup>7</sup> Since the latter assigns each person a single employment status, we did so as well, though many of our respondents performed several types of work, making it difficult to establish their *main* activity. The resulting categorization is reported in table 1.

According to the Labour Force Survey, a person who operates a business and employs someone else is an *employer*. In many cases, however, the women who operate a business and actually employ people are not the registered (official) *owners*. Instead, the registered owner of the business is typically a male relative – the husband, father or son. For example, Shariza<sup>8</sup> was a 48-year-old Malay woman who operated a restaurant with six employees. When asked about her work, she stated that “this is my husband's restaurant so I work for him.” This could place her in the category of “unpaid family worker” – but Shariza reported that she received a monthly pay, which would instead make her an “employee.” That said, it is not clear from the interview whether the monthly pay was being paid directly to her. When asked about her taxes she replied that she did not pay the taxes but that her husband did that. This suggests that the money they took out of the husband's company on a monthly basis went to the household's common budget rather than being paid out in the form of personal wages. Also, classifying Shariza as an “employee” does not accurately reflect her function in the restaurant. Indeed, although her husband was the registered owner, she ran the business and made the decisions on hiring. In table 1, she is therefore classified in the category “employer” – as this best reflects her actual status. But Shariza was also engaged in other remunerative activities. Together, she and her husband rented out apartments in which she did the cleaning. Her overall weekly working time in these two

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<sup>7</sup> The *Labour Force Survey Report* uses the following classification: “*Employer*: A person who operates a business, a plantation or other trades and employs one or more workers to help him; *Employee*: A person who works for a public or private employer and receives regular remuneration in wages, salary, commission, tips or payment in kind; *Own account worker*: A person who operates his own farm, business or trade without employing any paid workers in the conduct of his farm, trade or business; *Unpaid family worker*: A person who works without pay or wages on a farm, business or trade operated by another member of the family (Malaysia, 2009, pp. 47–48).

<sup>8</sup> All respondents are kept anonymous and the names given here are fictive.

Table 1. Respondents' employment status by age group and ethnicity (numbers)

Employment status	Age	Ethnicity				Total
		Malaysian	Chinese	Indian	Migrant	
Employer	<20					
	20–39	3				3
	40–59	2				2
	>60					
Employee	<20	1				1
	20–39	3	2		1	6
	40–59	4	1	1	2	8
	>60			1		1
Own-account	<20					
	20–39	8	1	1	3	13
	40–59	22	7	3		32
	>60	5	4	1		10
Unpaid family worker	<20	1				1
	20–39	2				2
	40–59	1				1
	>60					
Total		52	15	7	6	<i>n</i> = 80

businesses totalled 57 hours – but when asked to specify which job title she would use when filling out an official form, her response was “housewife”. This would place her in the category “outside the labour force”.

Distinguishing between own-account and unpaid family workers often proved difficult. Many of the women worked in family businesses managed by the husband and wife together. Since the husband was often the registered owner, the wife was commonly perceived as a “helper”; although she performed the same duties as the husband and their income was joint. One woman who operated a butcher’s stall with her husband stated that she was only helping him. When asked how long she had “helped” her husband, she stated: “Twenty-four years already”.

### *Previous and current labour market experiences*

Apart from data on current labour force activities, the Labour Force Survey also provides data on the previous labour force experiences of those currently “outside the labour force” (Malaysia, 2009). These data must be approached with caution, however. The interview guide for our study contained explicit questions regarding previous labour market experiences, e.g. “Have you ever had a formal sector job? In that case, which job?” It turned out that these questions were inadequately phrased for capturing previous experiences because the women seemed to distinguish between their labour market

experiences *prior to* and *after* marriage. This discovery was made during an early interview, in the course of which the respondent first answered that she did not have any labour market experience, but later mentioned that she had retirement savings from her former job. When asked the above question once more she stated that she did not think that her experiences prior to marriage mattered. During later interviews, the question was therefore clarified: “Have you ever had a formal sector job – also before marriage? In that case, which job?” In the revised interview guide this question was addressed by triangulating with two additional questions: “When you got married, did you continue to work? When you had children, did you continue to work?” According to Malaysia’s 2008 Labour Force Survey, 40 per cent of the women who were outside the labour force had had previous labour market experiences (ibid., p. 204). Although our sample is small, we find a much higher proportion: 75 per cent of the women outside the labour force reported that they had previously held formal employment, while the majority of the remaining 25 per cent had worked in informal jobs.

There were similar difficulties in recording current labour force participation. It turned out that women who first responded that they only had *one* job were in fact engaged in several additional remunerative activities (e.g. baby-sitting, cooking for delivery, drying fish, tailoring, renting out rooms). These “additional” activities were revealed mostly amongst those who were interviewed on several occasions. One example is that of 56-year-old Noraida. During our first encounter she sold *kuih muih* (finger food) in a morning market. When asked whether she had additional jobs, she responded: “No, only this. After this I have to cook and prepare so there is no time.” During our next meeting, this time around Ramadan, she also operated a portable stall in the street selling packages of *nasi lemak* (breakfast rice). Once more she was asked whether she had more than one job and responded: “No, only this.” During a third visit, she was asked to specify *all* her income earning activities during the past 12 months. She then reported her *kuih muih* and *nasi lemak* businesses, but also that she earned money from drying fish for sale in her back yard and from renting out a room in their house. It further transpired that she contributed around 80 per cent of total household income. Eliciting and recording information on previous and current income earning activities was thus a bit like doing a jigsaw puzzle – with new pieces falling into place when we extended the question to include all remunerative activities performed over the last 12 months (since not all of these activities were regular).

## The problems of under-reporting

### *Hawker, helper or housewife?*

All respondents were asked to state the title they would use to describe themselves. The main reason for asking this question was to understand how the women would categorize their own work. While the Labour Force Survey does

not ask “Which is the job title you would use?,” the answers to such a question can inform us about how the women view their informal activities. Around 70 per cent of the women stated titles such as hawker, self-employed, business woman, or market worker. However, 26 per cent of them stated that they were not working – but were instead “housewives” (for the most part) or “helpers.” It should indeed be recalled that all of the women were interviewed in their place of work (the Labour Force Survey is, by contrast, performed in their home). The 21 women who stated that they were not working included women from all ethnic groups, ages and employment statuses. Regarding the latter, the most distinct pattern was the prevalence of the answer “housewife” among those whom we eventually classified as unpaid family workers in table 1 (but also among employers, own-account workers and employees). Younger women more commonly reported themselves as “housewife” than older women; and this was also more common among the ethnic Malaysians – relative to the Chinese, Indian and migrant categories. The way respondents sometimes perceived the economic activities of other women as “non-work” or even “housework” is captured in the answers given by a 34-year-old ethnic Chinese woman working at her parents’ food stall in a market:

**Question:** So, does your mother work?

*Answer:* No, my mother is a housewife. Actually this is my parents’ business.

**Q:** But does your mother work here too?

*A:* Yes, yes.

**Q:** What is the title you would use about your father?

*A:* Hawker. Actually here [in the stall] my father cooks and my mother sells.

**Q:** But your mother is a housewife?

*A:* Housewife and sometimes she helps here [in the stall] ... Actually she is a housewife and then if my father alone can’t cook and sell [the food] then my mother helps him.

**Q:** And how many hours do your father and mother work here?

*A:* Around four to five hours [per day].

**Q:** Both of them?

*A:* Yes.

**Q:** So, they work the same hours?

*A:* Yes.

### *Why housewife?*

There was a wide variety of reasons expressed for why the women used the title “housewife.” Sometimes it reflected the view that they were “not really working.” One ethnic Indian woman working in a vegetable stall stated: “I am not working! In the past I was a housewife, now I am just helping my son!” Another woman, who worked as a food vendor, stated that she used the title “housewife” because: “It’s only a little business. It’s not serious.” For other women it had to do with the irregularity of income. One respondent selling clothes in a market stated it was “because the business is not doing so good

– so it's better to put housewife." When asked if she would call what she did "work" she responded: "Yes ... If I get a stable and steady income then maybe I will put that in the form." Some respondents made the explicit link between calling themselves a housewife and their "lack of skills" or formal training. One woman, who had been a hawker for 15 years and worked 12 hours per day in two different markets, stated that she would use the title "housewife" when filling out a form because: "I don't feel qualified to call myself a businesswoman."

These responses could be interpreted along the traditional lines of women not reporting the true nature of their activities because of norms that tend to undervalue their labour. However, in the light of the argument made above – that women may also use various covert strategies to secure their self-interest – the answers can be interpreted differently. In Malaysia, women are largely expected to conform to traditional gender roles (Abdullah, Noor and Wok, 2008), whereby the husband is the "head of the household" and, in this capacity, makes the decisions regarding his wife's employment (Lie and Lund, 1994). A number of women reported that their husbands would not let them take up paid employment, not only for want of childcare facilities but also on account of normative perceptions surrounding the inappropriateness of wives working in public locations and travelling to/from work on their own (Franck, 2011). However, the husbands did not object to their wives working in public locations like the residential area market or the streets. In other words, these places were perceived as spaces somehow in-between the private and the public, where the wife could work whilst still complying with gendered norms (Yasmeen, 2006). By constructing their informal remunerative activities as an extension of their housework (Loh-Ludher, undated) through calling themselves "housewives" rather than "hawker" or "general worker", the women were thus able to avoid conflict with traditional gender roles and secure access to work in public places.

During our field work it also became clear that many women distinguished between the answers they were willing to give to us and those they would give in a survey performed by the authorities. One woman, running a mobile food stall, stated she would use the title "businesswoman" in our survey, but: "If they do a survey from the government I would not say I am doing business, I would say housewife." The revised interview guide used during subsequent visits therefore contained an additional question: "Which is the job title you would use when filling out an official survey or form?" In response to the first question, three women stated "housewife", while nine women stated "housewife" in reply to the follow-up question. Although our sample is very small, this nonetheless supports the idea that women may be less inclined to report their work to the authorities. In several cases, the decision not to report their labour to the authorities – and to report themselves as housewives instead – reflected a wish to avoid losing access to benefits or to increase their costs of living. One 60-year-old street hawker, for example, reported that she would state "housewife" in an official survey "because I don't do this all the time and if I get sick and I can't work anymore then they are still going to think I am doing business." A 44-year-old tailor responded: "Because when you say you

are working, that you have two incomes in the house, then it's hard for you to apply for any help ... with taxes ... or scholarships ... for school. They think you have more money." Although such reasoning might not be accurate (in the sense that these losses may not occur as a result of reporting their work), the fact that women may perceive it as a realistic threat needs to be factored into theorizing around the under-reporting of their work.

## Concluding remarks

It is difficult and arduous to capture women's labour force participation in developing or transition economies, as common employment data collection methods suffer from many shortcomings in this respect. Based on field work in Malaysia's Penang state, this article has presented the practical difficulties involved in trying to record women's informal work and, in doing so, has attempted to improve the theoretical understanding of why women do not report their remunerative activities in official labour force surveys. On the one hand, our findings have illustrated the complexities involved when trying to record women's work – from the difficulty of establishing respondents' correct employment status to the distinction between previous and present labour market participation, and the identification of additional remunerative and unpaid activities. On the other hand, and of central importance to the theorization of women's reluctance to report their remunerative activities, our findings have also shown that awarding women a role as "active agents" allows them to be seen to have a number of pragmatic reasons not to report their labour. This may involve a perception that reporting their work may lead to economic losses and/or reflect strategies to secure self-interest within the household bargaining process. Regarding the latter, our study has shown that women may strategically label their activities as "housework" as a means of gaining access to work in public places while appearing to comply with the norm that their actual place is in the home or that the man is the family breadwinner. Future research viewing women as pragmatic agents (not only as victims) could further enhance our theoretical understanding of the under-recording and under-reporting of women's work in labour force data.

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## Life domain preferences among women and men in Israel: The effects of socio-economic variables

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**Abstract.** *Based on the findings of the 2006 “Meaning of Work” survey, this article examines the relative “life domain centrality” of work, family, leisure, community and religion across a representative sample of the Israeli labour force comprising 463 men and 446 women. While confirming that family centrality remained stronger among women than men, male and female respondents ranked work equally high, marking a departure from women’s traditionally weaker preference for this life domain. Regression analysis identifies socio-economic factors that partially explain the attitudinal differences between men and women. Overall, the results suggest a growing risk of work–family conflict among Israeli women.*

One of the most meaningful global economic and social changes in recent decades has been the increase in women’s labour force participation (Lips and Lawson, 2009). The historically gendered division of labour, whereby men were breadwinners and women were homemakers, changed dramatically over the course of the twentieth century (Laville, 1999; Lachance-Grzela and Bouchard, 2010). In recent decades, women have been entering the global workforce at a rapid rate (Carli, 2010; Lachance-Grzela and Bouchard, 2010). In the United States, women’s labour force participation rose to about 59 per cent in 2010 (US Bureau of Labor Statistics, 2011). In China, women account for 46 per cent of the workforce (Carli, 2010). And, more generally, in over 60 per cent of the countries surveyed by the United Nations Statistics Division in the late 2000s, the majority of women were economically active (Lips and Lawson, 2009). This trend has been accompanied by an increase in women’s educational attainment, occupational status, income and expectations (Laville, 1999; Carli, 2010; Lips and Lawson, 2009). This, in turn, raises the chances of work–family conflict for both women and men (Cousins and Tang, 2004; Hoobler, Wayne and Lemmon, 2009; Westman and Etzion, 2005). Indeed, these changes affect women’s expectations regarding the centrality of work, family, leisure and other life domains.

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Weber's (1930) seminal work, *The Protestant ethic and the spirit of capitalism*, focused on the relationship between the Protestant work ethic, which conceives work to be of supreme value both in an individual's life and to society, and the degree of prosperity of societies that upheld that ethic. Over the course of time, the values of both individuals and societies change, entailing changes in people's work, family and leisure values that can affect the economic success of organizations and societies (Sharabi and Harpaz, 2007 and 2010). Among both men and women, changes in gender role socialization and expectations regarding work and family life are related to social, economic and political factors which can thus help explain the changes in work values among societal subgroups as well as whole societies (Abramson and Inglehart, 1995; Hesse-Biber and Carter, 2004; Sharabi and Harpaz, 2007 and 2009a).

Within this broad analytical framework, this article explores the centrality of major life domains among men and women in Israel and explains gender differences by using regression analysis to evaluate the influence of socio-economic variables on those life domains. The remainder of the article is organized into five main sections. The first briefly reviews the developments and factors that have shaped societal change in Israel in recent decades. The second section considers the findings of previous research on life domain centrality, the nexus of work, family and gender, and other determinants of work and family centrality in developed countries. This literature review leads to the formulation of several research hypotheses. The third section presents the data and methodology, while the fourth reports the findings of this research. The fifth section discusses the findings and concludes.

## The Israeli context

Since the establishment of the State of Israel in 1948, the economy has grown at a rapid rate. Until the worldwide recession of the mid-1970s, the economy grew about 10 per cent per year and since then, average economic growth has been higher than in most developed countries (Sharabi and Harpaz, 2010; Tzafrir, Meshoulam and Baruch, 2007). Since the 1970s, Israel has shifted from a centralized socialistic economy, with virtually guaranteed employment for all, to a capitalist market economy (Harpaz, 2008; Sharabi, 2008). Since the beginning of the 1990s, globalization has benefited Israel's economy and society by promoting the country's trade, its high-technology industry, increased foreign investment, and the rapid development of an information society. However, it has also had negative effects, especially in terms of rising unemployment, declining trade unions, and worsening working conditions (Harpaz, 2008).

Ben-David (2003) notes that the last four decades of the twentieth century witnessed a decrease in male labour force participation rates while the proportion of women in the labour market increased steadily. In the 1960s, the norm was that a woman's role was to be a housewife while a man's role was to work outside the home to provide income and economic benefits for the family. In the 1970s, however, there was an increasing awareness of the need for women's em-

ployment outside the home. By the 1980s, their labour force participation was increasing rapidly. From 26 per cent in the early 1960s, female participation thus grew to 36 per cent in the early 1980s, about 40 per cent in the early 1990s, and about 50 per cent by the end of that decade. During this period, women's roles in the workforce became more and more meaningful, and their representation in managerial positions also increased significantly (*ibid.*).

Similar to the trends observed in other countries (Carli, 2010; Lips and Lawson, 2009), these social changes in Israel have been driven by several factors. The first was the steady increase in the standard of living and consumption, which required reliance on two family incomes in order to maintain the normative standard. The second factor was women's growing expectation of self-fulfilment beyond the family, mainly driven by the rise in their educational attainment. The third factor was the development of support systems that allowed women to work full time (kindergarten until the late afternoon and throughout the year, after-school activities, cooperative spouses, etc.). The fourth factor was the increasing rate of divorce, which created pressure for single parents to spend more hours at work in order to pay the economic costs. Finally, social changes have of course also been driven by recognition of the fact that women are an important human resource for organizational success and that economic achievement depends on their participation at all levels of the labour market and in the armed forces (Sharabi and Harpaz, 2009b).

## Centrality of work, family and other life domains

In the industrialized and post-industrialized world, work plays a central role in the life of individuals and in society in general. According to the European Values Survey, less than 20 per cent of the respondents in almost all European countries indicated that work was not very important or not important at all in their life (Davoine and Méda, 2010). In central and eastern European countries and in southern Europe, the majority of the survey respondents do not wish to reduce the importance of work in their life (see *idem*, 2009).

For most people, the meaning of work has generally been explained in terms of three points of view: the most prominent is the economic or instrumental view; the second sees commitment to work as part of human nature and human needs; while the third sees it as socio-psychological (Sharabi and Harpaz, 2007). Work itself fills many hours of an individual's life. Beyond work *per se*, employees invest many additional hours in furthering their education, training, upgrading their qualifications and searching for jobs, so that about a third of a person's actual waking hours over their life cycle are related to working life. The time and effort that an individual spends in work-related activities is often at the expense of other life domains, such as family and leisure.

Studies by Dubin, Hedley and Taveggia (1976) regarding work as a "central life interest" contributed to the development of the concept of work centrality, which refers to the degree of general importance attributed to work in one's life at a given time. Work centrality has thus been defined in terms of

the general importance of work in an individual's life compared to other activities such as leisure or spending time with friends or family (Kanungo, 1982). In practice, work centrality has usually been conceptualized through two main approaches. The first is relative work centrality, which compares the importance of work to the relative importance of other major life domains or roles, such as family, leisure, community, and religion. The evaluative framework this implies is complex but structured, involving self and work versus self and other major life domains (MOW, 1987; Kanungo, 1982; Mercure, Vultur and Fleury, 2012). The second approach is absolute work centrality, which focuses on the meaning and importance of work to the individual, without reference to comparative standards, hence an absolute or scaled measure of work centrality (MOW, 1987; Mercure, Vultur and Fleury, 2012).

Several studies have attempted to assess the importance of work, family and other important aspects of people's lives. In the "Meaning of Work" project conducted in the early 1980s (MOW, 1987), respondents from Belgium, Germany, Israel, the Netherlands, the United Kingdom and the United States ranked family as the most important aspect of life, before work, leisure, community, and religion. Only in Japan and Yugoslavia did work rank first, before family.<sup>1</sup> In all eight countries surveyed, leisure was ranked third. A second examination of the meaning of work in Belgium, Germany, Israel, Japan and the United States carried out in the late 1980s and early 1990s showed a similar pattern: work was ranked second in importance, following family, in all countries except Germany, where leisure was second to family and work came third (Harpaz and Fu, 2002; Sharabi and Harpaz, 2007). Based on the European Values Survey of the early 1990s, Harding and Hipspoors (1995) found that work was ranked second in importance to family in all 13 countries covered by the survey. More recent findings among professional employees in Germany, Poland and Russia indicate that family ranks first in all three countries, followed by work and leisure, with community and religion at the bottom of the ranking (Kuchinke et al., 2009). A similar ranking of family, work and leisure was found among mid-level professional employees in the United States, Germany, the Republic of Korea, Poland, Hungary, Kyrgyzstan, the Russian Federation and Brazil (Kuchinke et al., 2011). Davoine and Méda (2009) found that family came first in the hierarchy of "spheres of life" across Europe. Work was ranked second, higher than friends, religion or politics, except in a few countries where leisure was deemed more important than work.

### *Changes in the centrality of work, family and leisure*

The 1980s witnessed a significant decline in the importance of work in the United States and Germany, and a marginal decline in Japan (Sharabi and Harpaz, 2007). This trend decline in work centrality and the work ethic in developed

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<sup>1</sup> A similarly uncommon ranking was found in China at the end of the 1990s (see Westwood and Lok, 2003).

countries has been widely documented over the past three decades, in conjunction with the reduction of working time and the development of a culture of leisure (Haworth, 1997; Peterson and Ruiz-Quintanilla, 2003; Smola and Sutton, 2002; Twenge et al., 2010; Davoine and Méda, 2010). Twenge et al. (2010) compared the values of high school seniors in the United States based on cross-sectional studies conducted in 1976 (baby boomers), 1991 (Generation X) and 2006 (Generation Y/Me). They discovered that between 1976 and 2006, every new generation attached higher importance to leisure values and lower importance to work. Chao (2005) concluded that the baby boomer generation in the United States lived to work while “Generation X” worked to live and “Generation Y/Me” – today’s young individualistic workers – is more interested in having their work meet their family and leisure needs. Based on data from 1981, 1990 and 1999, Davoine and Méda (2010) identified an increase in the percentage of people wishing to reduce the importance of work in their lives in most European countries. This trend was more pronounced between 1990 and 1999 and particularly notable in France, the United Kingdom, Sweden, Belgium, Ireland and Austria, while Spain and Portugal displayed the opposite trend.

Family centrality has generally remained high and stable over the past three decades. Throughout the 1980s, its ranking did not change in the United States, Japan, Israel and Germany (Sharabi and Harpaz, 2007). According to the more recent findings of the European Values Survey, over 90 per cent of respondents in all European countries indicated that family was very important or quite important in their life (Davoine and Méda, 2010). Although “Generation X” and especially “Generation Y/Me” are looking to achieve a better work–family balance, they attach similar importance to family life (Chao, 2005; Twenge et al., 2010). The young generation has a longer adolescence than previous generations, and it is delaying marriage and childbearing to a later age for the sake of leisure time and friends; these young people have fewer children, although their family orientation is just as strong as that of previous generations (Smola and Sutton, 2002; Leask, Fyall and Barron, 2013; Chao, 2005).

### *Work, family and gender*

It has long been debated whether gender roles are a product of socialization or biological differences. Evolutionary and socio-biological approaches claim that “women’s nature” makes them more capable of domestic chores and raising children than men, and less suited to work that requires competitiveness, aggressiveness and organizational politics. However, many other studies argue that gender roles are the result of socialization processes which take place throughout each individual’s life, especially during early childhood (e.g. Lachance-Grzela and Bouchard, 2010; Lips and Lawson, 2009). These studies see gender differences as being dependent on culture and therefore changeable over time with shifting social trends: gender-role socialization thus guides individuals to occupations perceived as “feminine” or “masculine” at a given time (Hesse-Biber and Carter, 2004).

Several studies have found that work centrality is significantly weaker among women than among men (Harpaz, 1990; Kuchinke et al., 2009; Mannheim, Baruch and Tal, 1997). In Israeli samples from 1981 and 1993, this difference was significant, especially among men and women with children (Snir, Harpaz and Ben-Baruch, 2009). Harpaz and Fu (1997) found that men in the United States, Germany, Japan and Israel exhibited stronger work centrality than women, while MOW (1987) found similar gender differences in eight countries. It may therefore be concluded that this is a universal phenomenon related to the life events that women, especially married women, go through (such as pregnancy, childbirth and childcare) and the different socialization and social expectations they face relative to men, making family much more important to them than work (Cousins and Tang, 2004; Hesse-Biber and Carter, 2004). The increasing pressure on women to join the labour market, develop careers and support the family economically leads to conflict between work demands and traditional family roles and expectations (Cousins and Tang, 2004; Hoobler, Wayne and Lemmon, 2009; Westman and Etzion, 2005). In the developed countries, this work–family conflict is more salient among women than among men (Cousins and Tang, 2004; Hesse-Biber and Carter, 2004; Westman and Etzion, 2005). Indeed, recent findings show that European women wish to devote less time to work compared to men (Davoine and Méda, 2009).

Responsibility for the family's economic well-being is normatively perceived as men's duty, leading them to "prefer" work over family as a central life domain (Cousins and Tang, 2004; Hesse-Biber and Carter, 2004; Matthews and Barnes-Farrell, 2010; Devetter, 2009). This is reflected in the fact that fathers typically invest more hours at work than childless men (Snir, Harpaz and Ben-Baruch, 2009). By contrast, responsibility for the family's social needs and emotional support is normatively perceived as women's duty. Yet, involvement in the family sphere is extremely time-consuming and thus competes directly with work (Davoine and Méda, 2009). This is reflected in the fact that a higher percentage of women, compared to men, work part time in order to cope with domestic responsibilities (Laville, 1999). Furthermore, single childless women rank work centrality higher and work more hours in gainful employment than married women, especially mothers, reflecting the latter's tendency to "prefer" family over work as a central life domain (Cousins and Tang, 2004; Snir, Harpaz and Ben-Baruch, 2009).

Indeed, Snir, Harpaz and Ben-Baruch (2009) found that family centrality in Israel scored higher among women than among men, with mothers investing more hours per week in childcare and in core housework tasks (cleaning, cooking, etc.) than fathers. These researchers did not find significant gender differences regarding the other unpaid work activities (house maintenance, shopping, and other house/family-related chores). Overall, however, Israeli mothers invested more hours per week in work (both paid and unpaid) than fathers. Devetter (2009) found that French women have lower time availability for work than men. This can be explained in part by two factors linked to the domestic sphere, namely, maternity and cohabitation. These two factors were found

to influence both women's relationship to work and the amount of time they were prepared to devote to the labour market.

Even (or especially?) when they work full time and have professional or managerial careers, many women are in a role conflict between family and job expectations. Many women in Israel are unwilling to give up their traditional role of motherhood, whether due to emotional needs or because of traditional and social expectations, while they develop demanding careers (Lavee and Katz, 2003; Snir, Harpaz and Ben-Baruch, 2009).

Based on the above findings, I have formulated the following hypothesis:

**Hypothesis 1a:** *Work centrality is higher among men, while family centrality is higher among women.*

Hardly any studies on Israel have compared rankings of life domains between men and women. One study of the employees of high-tech firms in Israel found that women ranked family first and work second, while men ranked work first and family second (Snir, Harpaz and Ben-Baruch, 2009). Based on this study and other previous findings regarding life domains centrality, my second hypothesis is as follows:

**Hypothesis 1b:** *Women rank family centrality first and work second, while men rank work centrality first and family second. Additionally, both men and women rank leisure third (ahead of community and religion).*

### *Determinants of life domain centrality*

The literature suggests that, aside from gender, the variables that determine an individual's relationship to work and family are age, education and occupational status. These are the variables examined here.

#### **Age**

Throughout a working life, an individual goes through several important stages and events, which have an impact on his or her attitude to work in general and work centrality in particular. According to Abramson and Inglehart (1995), the "life course" approach assumes that ageing and various events occurring over the course of life tend to affect one's values. The common view is that one becomes more materialistic with age, as a result of entry into frameworks of greater commitment and financial pressures (marriage, children, and the consequent cost of maintaining a home and a family). Such growing economic responsibility over the course of life may increase identification with work as a means of dealing with economic pressures (and pursuing self-esteem and fulfilment), thereby increasing work centrality over time (Sharabi and Harpaz, 2010). At the same time, responsibility for marriage, children, household tasks and family affairs will increase family centrality to the detriment of leisure (Abramson and Inglehart, 1995).

This life course effect on work, family and leisure was also identified in a study of a representative sample of the Israeli labour force from 1992 (Sharabi, 2000). This found a positive correlation between age and the importance

attached to the life domains of family and work, and a negative correlation between age and leisure. Various studies have indeed shown that the older people get, the higher their work centrality (Bal and Kooij, 2011; Mercure, Vultur and Fleury, 2012; Kuchinke et al., 2009; Mannheim, Baruch and Tal, 1997; MOW, 1987; Sharabi and Harpaz, 2007; Warr, 2008). As noted above, Davoine and Méda (2010) found that in most European countries the young and middle generations see work as less important than do the older generations. Based on two Israeli labour force samples surveyed in 1981 and 1993, Snir and Harpaz (2002) found that with ageing, work centrality increased while leisure centrality decreased. Kuchinke et al. (2011) reached the same conclusions based on data from eight countries. They did not, however, find an ageing effect on family centrality.

A comparison of the attitudes of men and women over their life cycles shows patterns that differ from those described above. Men's work centrality increases after marriage and the birth of children in the family (including investment of more hours per week in paid work than childless men), while women's work centrality decreases in response to those events – including investment of fewer hours per week in paid work than childless women – in favour of increasing family centrality, especially between their mid-20s and mid-40s (Cousins and Tang, 2004; Snir, Harpaz and Ben-Baruch, 2009; Misumi and Yamori, 1991; Sharabi, 2000; Warr, 2008). Based on the life course approach and these findings, I formulate the following hypothesis:

***Hypothesis 2:*** *Women's ageing contributes to an increase of family centrality and a decrease of work centrality, while men's ageing contributes to an increase of work and family centrality. Moreover, ageing contributes to a decrease of leisure centrality among both men and women.*

## Education

Many studies conducted over the years have found a significant relationship between education and individuals' values and beliefs in most countries, even when other factors such as sex, age, socio-economic status and work experience were statistically controlled (e.g. Kohn and Schooler, 1983). Indeed, according to most studies of work values, the higher the level of education, the higher the individual's work centrality (e.g. Harpaz, 1990; Mannheim, 1993; Mannheim, Baruch and Tal, 1997; MOW, 1987). Tausky (1969) even found that education was the most important predictor of work centrality. Significantly, non-financial commitment to work has also turned out to be positively related to educational attainment (Harpaz, 2002; Sharabi, 2000).

In contrast to these research findings, a limited number of studies have found that educational attainment is either not related or negatively related to work centrality (Bal and Kooij, 2011; Harpaz and Fu, 1997; Warr, 2008). For example, Mercure, Vultur and Fleury (2012) find that, among workers in Quebec, absolute and relative work centrality are the lowest among those with low educational attainment, the highest among those with post-secondary attainment and intermediate among those with academic degrees. Family centrality

has been found to be negatively correlated with education (Kuchinke et al., 2011; Sharabi, 2000).

Based on the above findings, the following hypothesis is proposed:

**Hypothesis 3:** *The higher women's and men's educational attainment, the higher their work centrality and the lower their family centrality.*

### Occupational status

The higher one's position and occupational status, the more willing one is to engage in paid work (while investing less in other life domains), and the more central work becomes in life (Basini and Hurley, 1994; Sharabi and Harpaz, 2010; Mercure, Vultur and Fleury, 2012). Among Israeli workers, Mannheim and Rein (1981) found that the centrality of work declined with occupational status: work centrality was high among professionals, scientists and technicians, but very low among production workers. In Japan and the United States, occupational status was also found to be positively correlated with work centrality, with work centrality higher among managers and professionals than among the other four occupational groups studied. In addition, senior managers displayed higher work centrality than junior managers within organizations (Basini and Hurley, 1994). This was found to be true for both men and women in managerial positions (Mannheim and Schiffrin, 1984). Based on the above, the following hypothesis is formulated:

**Hypothesis 4:** *The higher women's and men's occupational status, the higher their work centrality and the lower their family centrality.*

## Methodology

### Sample and data collection

In 2006, the MOW questionnaire was administered to 1,201 respondents. Given the length and complexity of the questionnaire, respondents were interviewed in their homes by trained interviewers in order to increase the valid response rate. Each interview lasted about 25 minutes on average. Although this sample was closely representative of the labour force, it was condensed to 909 individuals to match as much as possible the 2006 composition of the labour force according to the Statistical Abstracts of Israel (2007). The final sample included 463 men and 446 women. Table 1 presents their distribution according to the selected variables, by sex.

The data indicate that men work more hours than women, but that women are more educated than men and earn less. There is a higher percentage of men than women in blue collar, managerial and professional jobs.

### Measurement

As noted above, there are two main means of measuring the centrality of work: the importance attached by individuals to work in general (absolute centrality) and its importance relative to other aspects of life (relative centrality). While

Women, gender and work

Table 1. Socio-economic distribution of men and women, 2006 (percentages, except for age and hours)

	Men	Women
Age (means)	41.4	37.4
Working hours (means)	48.5	40
Education		
<i>Primary</i>	8.9	5.3
<i>Secondary</i>	36.5	34.5
<i>Post-secondary</i>	29.8	31.6
<i>Academic degree</i>	24.8	28.7
Net monthly income (NIS)		
<3000	5.5	17.2
3001–4000	7.4	19.5
4001–5000	12.2	23.3
5001–6000	21.7	17.7
>6000	53.2	22.4
Occupational status		
<i>Blue-collar worker</i>	25.3	4.5
<i>White-collar worker</i>	10.5	12.7
<i>Blue-collar supervisor</i>	12.4	9.8
<i>White-collar supervisor</i>	8.1	10.5
<i>Manager</i>	18.3	9.8
<i>Self-employed</i>	11.3	4.5
<i>Professional</i>	14.2	12.7

Notes: N = 463 men and 446 women. Net monthly income in NIS (New Israeli Shekels). US\$1=4.2 NIS in 2006. Source: Statistical Abstracts of Israel (2007).

absolute work centrality circumscribes the importance of the work itself for an individual, relative work centrality demonstrates its importance in a hierarchy of values: this makes it possible to evaluate work in relation other spheres of life such as family, friends, social life and community (Mercure, Vultur and Fleury, 2012; Kanungo, 1982). Since the aim of this study is to rank and evaluate the importance of work and other life domains by sex, the appropriate measure is “relative work centrality”.

In this study, the measurement of relative work centrality is based on the “Meaning of Work” questionnaire constructed by the MOW International Research Team (MOW, 1987). Specifically, respondents were asked to reply to the following question: “Distribute a total of 100 points to signify the relative importance of the following areas in your life: leisure time, community, work, religion, and family.” The more points awarded to any particular domain, the greater its centrality relative to the other life domains.<sup>2</sup> Snir and Harpaz (2005)

<sup>2</sup> While this ranking measure may not be optimal, it was constructed and used by the MOW research team in eight countries (MOW, 1987) and subsequently adopted in studies conducted in the United States, Germany and Japan (Sharabi and Harpaz, 2007), China (Westwood and Lok, 2003) and several other countries.

found this measure to have high test–retest reliability, with correlation coefficients for relative work and family centrality scores of 0.7 and 0.8, respectively.

The statistical analysis is based on a multiple linear regression aimed at assessing the impact of each independent variable on life domain centrality. This analysis allows us to estimate the relationships between a given independent variable and each life domain, holding all other variables constant.

## Findings

Table 2 presents the means and t-test results for the differences in life domain centrality between men and women. In 2006, community and religion were more central among men than among women, while family centrality remained higher among women than among men. No gender difference is found in work centrality, however.

These findings partially support hypothesis 1a, since family centrality was, as expected, higher among women, but women's work centrality was similar to men's. Hypothesis 1b regarding life domain rankings is also partially supported. Men and women ranked the centrality of family first, work second and leisure third, while it had been hypothesized that men would rank work first and family second.

Since there are differences between men and women regarding occupational status, education, working time and income,<sup>3</sup> a linear regression analysis was conducted to evaluate the influence of these socio-economic variables on the five central life domains by sex.

As shown in table 3, these factors can partially explain gender differences. Contrary to my second hypothesis, however, ageing does not reduce women's work centrality, nor does it increase women's family centrality or men's work centrality, though it does increase men's family centrality ( $\beta = .18, p < .001$ ). Moreover, t-tests on the means of work and family centrality between women with and without children show that family centrality is significantly higher among those with children (48.78 vs 37.64,  $t = 6.13, p < .001$ , respectively), while there is virtually no difference as regards work centrality (27.56 vs 28.90,  $t = 6.13, p < .81$ , respectively).

Ageing has a negative effect on both men's and women's leisure centrality ( $\beta = -.27, p < .001$  and  $\beta = -.19, p < .001$ , respectively); thus, the second hypothesis is partially supported. The third hypothesis is refuted since education does not influence work or family centrality among women and, contrary to my assumption, education among men is positively correlated with family centrality ( $\beta = .11, p < .05$ ) and negatively correlated with work centrality ( $\beta = -.13, p < .01$ ).

Occupational status has a negative effect on family centrality only among men ( $\beta = -.16, p < .01$ ) and a positive effect on work centrality ( $\beta = .21, p < .001$ ), which partially supports hypothesis 4. Working hours are positively

<sup>3</sup> See the literature review above and the sample characteristics.

**Table 2. Differences in life domain preferences among men and women: Means, standard deviations and t-test values, 2006**

Life domains	Men		Women		t value
	Mean	S.D.	Mean	S.D.	
Leisure	20.03	13.82	18.98	13.22	1.17
Community	6.31	8.53	3.83	6.44	4.93*
Work	28.38	17.03	27.93	15.72	.42
Religion	5.54	9.87	3.35	6.54	3.94*
Family	40.11	18.02	45.73	17.86	-4.72*

Note: \*  $p < .001$ .

Source: Author's calculations based on Statistical Abstracts of Israel (2007).

**Table 3. Regression analysis (Standardized Beta) of determinants of life domain centrality among men and women, 2006**

Variables	Men				Women					
	Leisure	Community Work	Religion	Family	Leisure	Community Work	Religion	Family		
Age	-.27*** (.05)	.16*** (.03)	-.04 (.07)	-.06 (.04)	.18*** (.07)	-.19*** (.06)	.14** (.03)	.00 (.07)	.14** (.03)	.04 (.08)
Working hours (weekly)	-.16** (.04)	.00 (.02)	.15** (.05)	-.01 (.03)	-.02 (.05)	-.06 (.05)	-.06 (.02)	.17*** (.06)	-.07 (.02)	-.06 (.07)
Occupational status	.02 (.31)	-0.1 (.20)	.21*** (.40)	-.05 (.23)	-.16** (.42)	.07 (.37)	.02 (.18)	.03 (.44)	-.09 (.18)	.06 (.51)
Education	.10* (.69)	.08 (.44)	-.13** (.87)	-.21*** (.51)	.11* (.93)	.05 (.77)	.11* (.38)	.03 (.93)	-.02 (.38)	-.09 (1.07)
Income	.02 (.55)	-.21*** (.35)	-.03 (.69)	.01 (.41)	.11* (.74)	-.04 (.54)	-.05 (.26)	.02 (.65)	-.10 (.27)	.08 (.75)
R <sup>2</sup> (adjusted)	.11	.05	.06	.04	.04	.05	.02	.02	.04	.01
F	11.99***	5.51***	6.71***	4.80***	5.11***	5.79***	2.37*	3.07**	4.53***	1.69

Notes: Standard errors are reported in parentheses. \*  $P < .05$ ; \*\*  $P < .01$ ; \*\*\*  $P < .001$ .

Source: Author's calculations based on Statistical Abstracts of Israel (2007).

correlated to work centrality among both men and women ( $\beta = .15, p < .01$  and  $\beta = .17, p < .001$ , respectively).

Aside from this correlation and the positive effect of ageing on community centrality among men and women ( $\beta = .16, p < .001$  and  $\beta = .14, p < .01$  respectively), the other variables that affect men's life domains do not have a significant impact on women's life domains and vice versa. Only among men do working hours have a negative effect on leisure ( $\beta = -.16, p < .01$ ) and occupational status a negative effect on family ( $\beta = -.16, p < .01$ ), while education has a positive effect on leisure ( $\beta = .10, p < .05$ ) but a negative effect on religion ( $\beta = -.21, p < .001$ ); income has a negative effect on community ( $\beta = -.21, p < .001$ ) but a positive effect on family ( $\beta = .11, p < .05$ ). Only among women does age have a positive effect on religion ( $\beta = .14, p < .01$ ) and education a positive effect on community ( $\beta = .11, p < .05$ ). It is interesting to note that none of the socio-economic variables explain women's family centrality.

## Discussion and conclusions

By comparison with previous research, this study has found interesting changes in the centrality of life domains among men and women in Israel. As in the past, the centrality of family is found to be higher among women than among men. However, while men's work centrality used to be higher than women's, it turns out – for the first time in Israel – that there was no such traditional gender difference in work centrality in 2006 (cf. Harpaz and Fu, 1997; Kuchinke et al., 2009; MOW, 1987). It seems that the increasing percentage of educated women in the labour force and in professional and managerial positions has led to an increase in work centrality among women, to the same level as that observed among men. In contrast to the findings of Snir, Harpaz and Ben-Baruch (2009), the results based on 2006 data show that not only women, but also men, rank family first and work second.<sup>4</sup>

Cross-cultural studies have consistently found that family centrality is ranked the highest in Israel, among Jewish men and women (see Harpaz, 1990; MOW, 1987; Sharabi and Harpaz, 2007; Westwood and Lok, 2003). According to Lavee and Katz (2003), there are several reasons why Israeli society is so family-oriented. The first is the central place of Jewish religious symbols and rituals in daily life and in the foundations of the Israeli State, compounded by the influence of the traditional cultural patterns of Jewish immigrants from Asia and Africa. The second reason is that certain government social and taxation policies (based on coalition agreements with religious parties) have contributed to the establishment of a family-centred life style. A third factor is that internal and external geopolitical conflicts have led to the development of a culture of survival under constant threat which, in turn, has led to increasing marriage and birth rates. A fourth reason is the relatively high degree of social regulation in Israeli society: this is reflected in the country's low rates of divorce, single-parenting and birth to single mothers, and in its high rates of fertility and marriage, as compared to other developed countries (*ibid.*). The fifth reason is the widespread availability of high-quality and affordable child-care facilities for children from the age of three months throughout the country, which also contribute to Israel's high fertility rate.

Although Israeli men and women alike attach great importance to family life, women still handle most family responsibilities, as in the past. While age, occupational status, education and income have an impact on family centrality among men, it was interesting to find that none of these variables influenced women's strong family centrality, not even ageing, which was expected to increase it further still. Thus, although Israeli women are increasingly joining the labour force – like most European and North American women – and work has become more central in their life, they still fulfil their traditional roles as wives and mothers, as reflected in their fertility rate,

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<sup>4</sup> Admittedly, the reason could be that these authors studied Israeli men in the high-tech industry, where the workload is very heavy and long working hours are the norm.

which is about three times higher than that of any other developed country (ibid.). This unique pattern is partly attributable to cultural and traditional values that encourage high fertility, but also to social regulation norms that do not appreciate women who favour work over family (ibid.; Toren, 2003). Overall, these findings indicate that the cultural ideal of combining motherhood and paid labour is increasing the potential for work–family conflict among Israeli women.

As expected, leisure was ranked third – after family and work – and was negatively affected by ageing, thus confirming the findings of earlier research (Abramson and Inglehart, 1995; Snir and Harpaz, 2002). In contrast to past research findings, however, ageing did not increase men’s work centrality while at the same time increasing their family centrality (cf. Bal and Kooij, 2011; Kuchinke et al., 2009; Snir, Harpaz and Ben-Baruch, 2009; Warr, 2008). This suggests that the attitudes of Israeli men are changing as they concentrate more on the family while keeping the same level of work centrality with ageing.

Although most studies have found a positive influence of education on work centrality,<sup>5</sup> I find a negative influence of education on work centrality among men – in line with the findings of Harpaz and Fu (1997) and Bal and Kooij (2011) – and no influence on women (as found by Warr, 2008). Indeed, while older studies generally found a positive relationship between education and work centrality, more recent studies have not found any such relationship – some have even found negative relationships between the two variables. Education was also positively correlated to family among men, so the above findings may reflect a new trend among educated men, who are more family-oriented and less work-centred than men with lower educational attainment.

Occupational status had a negative effect on family centrality and a positive effect on work centrality, but only among men. These findings strengthen the argument that women in contemporary Israel, regardless of their rising labour force participation and occupational status, do not let their careers interfere with their family commitments since they rank family above work and other life domains. Snir, Harpaz and Ben-Baruch (2009) find that Israeli women in high-tech occupations strive to juggle caring for their families with a career, rather than give up either of them. As Toren concludes, “giving up motherhood for an occupational career is not an endorsed lifestyle choice for most Israeli women” (2003, p. 67). But balancing career and family has its costs for mothers, especially those in higher-stress jobs, in terms of their having less free time than men. Indeed, this study finds that men display higher centrality of community and religion compared to women. Moreover, working hours are positively correlated with work centrality among both men and women, and hours are the only variable influencing work centrality among women. This positive relationship between work centrality and working hours is also found in other studies (e.g. Sharabi and Harpaz, 2010; Snir and Harpaz,

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<sup>5</sup> See, for example, Harpaz (1990), Kohn and Schooler (1983), Mannheim, Baruch and Tal (1997), MOW (1987), Mercure, Vultur and Fleury (2012).

2002; Warr, 2008). My results show that men invested more hours per week in paid work than women (48.5 vs 41.4, respectively), thereby confirming the findings of other recent studies (Lips and Lawson, 2009; Snir, Harpaz and Ben-Baruch, 2009).

In recent decades, Israeli society has undergone dynamic social, political and economic changes, in addition to being more and more exposed to the values and norms of Western culture. Israel's rapid economic growth has increasingly enabled women to join the labour market. Furthermore, women's educational attainment has risen rapidly over the years, enabling them to enter high-status jobs, including managerial positions (Hesse-Biber and Carter, 2004; Hoobler, Wayne and Lemmon, 2009; Matysiak and Steinmetz, 2008; Westman and Etzion, 2005). These trends also reflect the change that women have undergone in their perception of themselves, from being housewives or secondary breadwinners towards becoming the main breadwinners on a par with men. Yet, although women have been closing the gender gap in work centrality over the years, they still regard family as more important than men do. Women still see themselves as responsible for traditional domestic family activities (e.g. raising children, cooking, cleaning), suggesting that gender socialization, stereotypes, and cultural and social expectations in the family domain have not changed much. Jewish women in Israel are still highly family-oriented because of Jewish religion, tradition and culture (Lavee and Katz, 2003; Snir and Harpaz, 2005; Toren, 2003). However, social expectations of women's labour force participation, career development and economic independence are also having an effect on gendered socialization.

Changes in work values, especially in work centrality, both across society at large and within particular groups, can affect a country's economic success (Sharabi and Harpaz, 2007; Weber, 1930). Accordingly, women's increasing work centrality may ultimately have a positive impact on Israel's economic growth, especially in the light of their increasing labour force participation (Ben-David, 2003). However, the competition between work and family, which women experience with particular acuteness on account of their typical family responsibilities, can translate not only into career breaks, but also into difficulty in reconciling the two, resulting in tensions between the two spheres over hours of work and schedules (Davoine and Méda, 2009). Organizations in Israel should therefore implement work-life balance programmes to reduce work-family conflict in consideration of women's high work centrality if they are to maintain a satisfied and committed workforce and to minimize turnover and absenteeism (Cohen, 2003; Feather and Rauter, 2004; Mannheim, Baruch and Tal, 1997; Sharabi and Harpaz, 2009b).

Further research could usefully investigate the effects of other meaningful variables such as number of children, children's age, and marital status. Also, longitudinal and cross-sectional studies could shed more light on the changes in the importance of life domains and provide further insights into emerging trends. In particular, alongside the work and family domains, a deeper investigation of leisure, community and religion centrality over the life cycles of men

and women would yield a better understanding of the overall picture. By combining qualitative and quantitative data, future studies in this field will help to understand better the relationships between gender and life domains over time and the drivers of change.

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PART III

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## FEMALE LABOUR FORCE PARTICIPATION: GENDER GAPS AND SEGREGATION

## Globalization, social exclusion and gender

Marilyn CARR\* and Martha CHEN\*\*

This article looks at patterns of social exclusion and inclusion from the perspective of the working poor, especially women, in developing countries. It aims to identify different processes of social exclusion and inclusion – rather than assess their causes or measure their impact – in the context of specific processes of global economic integration that are driven by trade liberalization. More specifically, the focus will be on the reorganization of production into global production systems, notably global value chains and export processing zones (EPZs); and the reorganization of domestic production in response to trade liberalization. These related processes will be compared and contrasted, with examples from a few key sectors – garments, non-timber forest products, food processing, horticulture and construction – in a few select countries in Asia (India, the Philippines, Sri Lanka and Thailand), Latin America (Chile, Mexico and Peru) and Africa (Kenya, South Africa, Uganda and Zimbabwe).

In the European context, most analyses of social exclusion and employment focus on long-term unemployment or barriers to employment, i.e. exclusion from employment opportunities. But in developing countries, where the majority of the workforce has never had secure long-term employment, the concept of unemployment is somewhat problematic. Accordingly, the focus of this investigation will be not on unemployment per se but on the nature of employment opportunities associated with globalization, notably the *terms of inclusion* (of paid workers) and the *barriers to inclusion* (of the self-employed) in global production systems; and the *forms of exclusion* in domestic production systems associated with increased imports and other dimensions of trade liberalization.

The article is divided into three main sections. By way of background, the first defines the concepts used and reviews some of the current issues relating to social exclusion and inclusion. The second section discusses examples of three broad processes of social exclusion and inclusion associated with globalization. The third section of the article examines the implications

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of the examples cited, first for the analysis of social exclusion in the context of developing countries and, second, for the formulation of policies to address social exclusion associated with global economic integration.

## Outline of concepts and issues

### *Global production systems: The export link*

The world economy has changed in very significant ways during the past several decades. One dimension of these changes is the reorganization of production into global production systems, of which the best-known components are global value chains and EPZs. Although these components interact in complex ways, we consider each of them to be a different “system” in the sense that what drives and governs it is identifiable and distinctive. Indeed, most EPZs are established and governed by local governments in the South, whereas most global value chains are driven and governed by lead buyer or producer firms in the North. It is important to note, however, that the analytical distinction between global value chains and EPZs becomes blurred in real life because EPZ enterprises supply to global value chains and global value chains subcontract to EPZs.

Both systems are credited with creating new jobs. But employment in global value chains is often precarious because lead companies are likely to shift the location of production from one country to another depending on competitive advantages, including the incentive packages offered by different countries. Similarly, EPZs in several countries have recently shifted to more capital-intensive production processes that require either fewer workers or more skilled workers.

It is important to note that self-employed/own-account workers operating outside EPZs are also involved in global production systems to varying degrees. Some are absorbed into these against their will and on terms unfavourable to themselves. Others actively seek out links with higher-value export markets – inevitably through some sort of production chain – but they are not always successful in achieving this objective because of barriers to entry. Also, investment by large corporations in export-oriented production/processing activities using local resources and raw materials may deplete the supply or raise the price of these natural resources, forcing previously self-employed persons – e.g. small farmers or fisherfolk – to become dependent wage workers without independence or security.

Furthermore, in both types of system, there are marked shifts in focus (a) from employer–employee relationships to firm–government relationships (in the case of EPZs) or to inter-firm relationships (in the case of value chains); and (b) from concerns of production (and workers) to concerns of distribution (and consumers). These shifts are accompanied by specific processes of exclusion and inclusion. For instance, in their efforts to attract foreign direct investment (FDI), governments will often exempt EPZs from taxation and regulations that would otherwise obtain within their countries, thereby encour-

aging employment relationships that are not covered by labour legislation or social protection. In a global value chain, the lead firm tends to negotiate directly only with the first tier of subcontracting firms, thereby retaining power and control within the chain and excluding those down the chain from direct negotiations and associated benefits.

To understand patterns of exclusion and inclusion under each system, each system's various dimensions need to be understood, including: input-output structure and associated economic relationships; geographical location(s) and spatial organization; governance structure and power relationships (i.e. who is "driving" the value chain or EPZ); and regulatory influences, both national and international (Gereffi, 1999).

### *Competition within domestic production systems: The import link*

Other notable dimensions of recent economic change include trade liberalization and the associated movement of goods, both within and between countries. While this often leads to efficiency gains, it can also produce greater volatility in product and labour markets that impinges directly on unskilled workers and on the self-employed (Jhabvala and Kanbur, 2002). Despite its benefits, the troubling features of liberalization for unskilled workers include not only loss of employment but also a decline in wages, bargaining power and/or work security. In turn, each of these features reflects aspects of social exclusion: in this case, exclusion not only from work opportunities but also from wage and non-wage benefits of employment. Also, each of these features is associated with one or more types of change induced by imported goods and trade liberalization more generally, namely, changes in demand, technology, competition and/or institutional arrangements. Most notably, cheap imports of food and other consumer goods often lead to the destruction of markets for those goods produced domestically by own-account workers and small/micro-enterprises.

### *Social exclusion/inclusion*

As originally conceptualized in Europe, social exclusion refers to the exclusion of citizens from the "social contract" and, more specifically, from standard secure employment. Recently, this concept has been extended to developing countries and broadened to refer to the processes by which certain groups are excluded from or marginalized by social, economic and political development. This extension has led, necessarily, to a fundamental rethinking of the concept because the context of most developing countries does not match that of most European countries. In recent years, most countries in Europe have experienced erosion of full employment and of the welfare state. Nevertheless, the majority of their workers still have standard wage employment and the majority of their citizens are relatively well-off. Most developing countries, by contrast, have never experienced full employment or developed a full-fledged

welfare state. As a result, the majority of their workers are either self-employed or in non-standard wage employment; and the majority of their citizens are relatively less well-off.

### *Informal employment*

The new concept of “informal employment” proposed by the ILO to the International Labour Conference in 2002 defines informal employment as employment without secure contracts, worker benefits, or social protection (ILO, 2002a and 2002b). It comprises two basic components: self-employment in informal enterprises; and paid employment in informal jobs. The old concept of the “informal sector” – defined in terms of the characteristics of the enterprise (small, unregistered) – included the self-employed in informal enterprises and paid employees in informal enterprises. But it did not include casual labourers with no fixed employer, domestic workers who worked for households, homeworkers and other industrial outworkers who worked under subcontracts for either formal or informal firms, or undeclared workers for either formal or informal firms. Under the new concept, paid employment in informal jobs includes all of these categories as well as the employees of informal enterprises.

The basic idea is that both types of informal employment – self-employment and paid employment – are associated with the lack of secure contracts, worker benefits and social protection, as well as with low average earnings. Of course, there are differences between the two sub-groups. In general, the self-employed face problems of exclusion from capital and product markets, while paid workers face unfavourable terms of inclusion in labour markets. But both typically lack bargaining power in the markets within which they operate; and both are typically excluded from social protection. Most of the self-employed, especially own-account workers, as well as informal paid workers cannot afford to pay for their own social protection; few informal paid workers are likely to have employment-based protection; and few informal workers or producers are likely to receive much by way of protection from the State.

By defining informality in terms of employment status or employment relationships, the new concept of informal employment thus represents a major conceptual shift. To begin with, it shifts some of the responsibility for informality from the informal workforce to formal structures (public and private). The old thinking associated with the concept of the informal sector assumed that informal-sector workers were avoiding formality, namely registration and taxation. The thinking associated with the new concept of the informal economy assumes that these workers would like the benefits of formality – namely, secure work, worker benefits, social protection, and voice – but that formal enterprises or the formal regulatory system serves to “exclude” them from these benefits. Under the new conceptualization, informal employment is seen as resulting from a process of exclusion from the non-wage benefits of employment.

## Gender dimensions

Ascribed identities – notably ethnicity and gender – are often a source of exclusion or inclusion at work. This is manifested, for instance, in the segmentation of labour markets along the lines of gender, ethnicity, or some mix of the two. Consider, for example, the complex interplay of gender, caste and religion in determining who does what work in an Indian city. In Ahmedabad City, for example, as elsewhere in India, women are over-represented in the informal economy: over 80 per cent of female workers are engaged in the informal economy, as against 65 per cent of male workers. There are also gender differences within the informal economy in terms of employment status and place of work. Among the women who work in the informal economy, an insignificant percentage are employers, and surprisingly few are independent own-account operators; most are casual workers, homeworkers or unpaid family workers.<sup>1</sup> Indeed, the proportion of women who are homeworkers is almost ten times that of men who are homeworkers, and more than twice that of women who are independent own-account workers.

In many communities, traditional barriers still prevent women from going out of their homes to work. In Ahmedabad, and elsewhere in India, this is particularly true of Muslim women, but it is also true of Hindu women in many of the higher castes. For some women, having primary or sole responsibility for household duties, including childcare, also prevents them from working outside their homes or areas of residence. This means that there are marked gender differences in people's places of work: in Ahmedabad nearly 70 per cent of women, compared to less than 10 per cent of men, work in their own or their employer's home; less than 8 per cent of women, compared to over 27 per cent of men, work on the streets or at construction sites; and less than 22 per cent of women, compared to nearly 60 per cent of men, work in factories or offices. There are also marked differences between groups of women in regard to the location of work. Most Muslim women and upper-caste Hindu women work from their homes, if they work at all. Compared to upper-caste Hindu women, a higher percentage of middle-caste women and a far higher percentage of lower-caste women are in the paid labour force and work outside the home.

A great deal has been written, in India and elsewhere, about why women work from home. Two schools of thought focus on supply-side factors. One argues that women *prefer* or *opt* to work at home because of the location and flexibility of work hours, which allow women to combine or “juggle” paid work, domestic chores and care work. The other argues that women are *conditioned* by prevailing gender norms to assume this triple workload and/or to restrict their mobility. This view implies that women do not “opt” but are *forced* to work at home. A third school of thought focuses on the demand for labour and argues that prevailing gender norms translate into gendered patterns of

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<sup>1</sup> In other contexts, there are “dependent traders” as well who depend on wholesalers for their stock of goods or who sell on a commission. In Ahmedabad, many street vendors depend on wholesale traders for supply of goods on credit but are not otherwise dependent.

employment opportunities. Our findings suggest that all of these factors contribute to the concentration of women in home-based activities and to labour-market segmentation by sex within the formal and informal economies alike.

However, while globalization often affects male and female workers differently, “female workers” and “male workers” are not homogeneous groups; and globalization affects different groups of female and male workers differently. Indeed, the impact of economic globalization on workers generally – including associated patterns of social exclusion/inclusion – depends on the type of work they are involved in (e.g. wage work or own-account production) as well as their age, literacy/education, and ethnicity. Also, *where* they live and work is very significant as there are large differences in national and local policies.

The following sections attempt an analysis, with examples, of how the following articulate with each other: socially defined relationships and identities (gender, ethnicity, race, religion); work-related identities; emergence of global production systems and shifts in domestic production systems associated with globalization; and forms and patterns of social exclusion/inclusion. But since patterns of work-related social exclusion vary not only by gender and type of work, but also by economic sector, by system of production, and between regions, a deliberate choice had to be made as to how best to communicate these complex patterns given the limits of time and space – hence the decision to focus on the complex interplay of social exclusion and inclusion from the perspective of informal workers and producers who are linked, either through exports or imports, with the global economy.

## Globalization, social exclusion and work

This section seeks to illuminate how some of the more significant changes which are taking place in global production systems are impacting on the social exclusion/inclusion of those producers/workers who are the traditional labour force of – or new entrants to – the informal economy, with special attention to female producers and workers. In so doing, it takes examples from a range of countries in Asia, Africa and Latin America and includes both self-employed/own-account workers and paid workers in the informal economy. Three different types of change are explored:

- (a) cases where export-led growth and development have resulted in the increased inclusion of workers in the global economy but on questionable/undesirable terms and with uncertain sustainability;
- (b) cases where barriers to entry have prevented self-employed/own-account workers from taking advantage of new economic opportunities arising from trade and investment liberalization; and
- (c) cases where trade and investment liberalization have resulted in the destruction of domestic enterprises or paid jobs through: flooding of the market with cheap imports/services, competing on unequal terms for local natural resources, and changing technology and skill requirements.

## *Terms of inclusion in global production systems*

### Export-led manufacturing

One of the best known features of globalization is the massive creation of jobs in export-led manufacturing in developing countries – particularly in South-East/East Asia and Latin America. Starting in the 1960s, this was encouraged through the creation of EPZs which offered incentives to foreign corporations in the form of tax holidays, cheap labour and a “union-free” environment. EPZs raised many problems, including their isolation from surrounding communities and the consequent alienation of workers (the majority of whom had migrated from other locations). But they nevertheless did create a significant number of jobs – especially for young women. For some of these women, employment in EPZs represents a welcome alternative to less favourable forms of work elsewhere or a means of escape from an oppressive home environment. Most recent figures suggest that by 1995, some 27 million jobs had been created in these zones – of which 70 to 80 per cent were held by women – mainly in labour-intensive industries such as garments, footwear and electronics.

More recently, however, multinational corporations have turned away from FDI in developing countries and moved towards coordination of global production chains where they concentrate on retail and distribution, while outsourcing production to domestic companies in those countries. While some production still takes place within EPZs, global production chains now spread more widely across economies and incorporate a whole range of subcontracting arrangements which extend to home-based workers operating through various contracting arrangements and firms involved in the chains. These so-called buyer-driven commodity chains still concentrate on labour-intensive products and continue to employ a predominantly female workforce. Confined to these female dominated sub-sectors, however, women remain segregated and concentrated at the margins of the production process and at the lower end of the commodity chain. Typically, their labour accounts for less than 10 per cent of the total sale price of what they produce; they have no say in their working conditions; and they lack the means of redressing the balance of power and returns.

While these trends have undoubtedly led to the creation of new employment opportunities for women in the countries concerned, enabling them to become integrated into the global economy, there are several issues which need to be taken into consideration when evaluating the impact of such employment in terms of social exclusion/inclusion. In particular, the quality of this employment needs to be questioned. Typically, wages are very low, working conditions are very bad, contracts are rarely written, and benefits such as maternity leave, sick leave, annual leave or health insurance are unlikely to be provided. Indeed, firms that prefer to employ young women in factory jobs – often because they are seen as docile and unlikely to take union action or agitate for improved wages and working conditions – normally terminate employment once a worker gets married or becomes pregnant. The position of homeworkers in global commodity chains is even more precarious as they are more

isolated than factory workers and have a more tenuous link with their employer. Inevitably, homeworkers are paid less than those doing the same work in factory conditions, and many of those now in home work used to work on better terms in factories which laid them off in order to save costs. Thus, two patterns are observable in export-led manufacturing.

First, young women who have not worked before are now included in the labour force on terms which are not optimal but possibly better than alternatives elsewhere in the domestic economy (Kabeer, 2000). In addition, the wage gap between women and men in export-oriented factories is smaller than in domestic production. For example, unskilled women workers in export-oriented garment factories in Bangladesh are paid almost the same (90 per cent) as unskilled men, as opposed to only 57 per cent of what men earn outside these factories (Joekes, 1999). However, discrimination persists in that very few women hold supervisory or skilled positions (where wages are higher than for unskilled work). Furthermore, gender wage gaps and occupational segregation have remained substantial in many countries. Indeed, recent research shows that the Asian economies with the widest wage gaps are those that have grown most rapidly (Unni, 2002).

Second, many women who were formerly employed in factory production (with or without contracts and benefits) have now been excluded and do much the same work from their own homes on terms which are much worse than before. Without exception, home-based workers are paid less than informal factory workers and receive no benefits from their employers. In any case, the latter often hide their links to such workers in a complex network of contractors and subcontractors, thereby distancing themselves from any responsibilities.

Against this background, several factors are now impacting on the situation of women working in export-led industries.

### *Market overcrowding*

One such factor is that markets for labour-intensive products are becoming flooded and highly competitive. In the circumstances, one of two corporate strategies seems to be adopted, neither of which is helpful in improving the terms of inclusion of female workers in the global economy. One strategy is for multinationals to try to maintain or increase their market share in existing industries by undercutting competitors – usually by cutting labour costs in a race to the bottom. This process is facilitated both by the increased ability of firms to substitute casual workers and homeworkers for permanent labour within countries (flexibilization of labour) and by the ease with which capital can move across borders in search of cheaper labour. For example, when workers in footwear factories in Indonesia managed to raise their daily wage rate by about US\$1 through union action, NIKE simply switched its sourcing to Viet Nam to avoid the cost increase. Similarly, European buyers of ready-made garments have been switching from suppliers in Thailand to others in China and Viet Nam where labour costs are 30 per cent lower. For factory workers

and homeworkers in the Thai garment industry, this has led to a decrease in pay and loss of work (Lund and Nicholson, 2004). Thus, the very factors which led to women's "inclusion" in the global economy in the first place – unskilled work, low wages, low productivity – now have them trapped in downwardly mobile positions.

These female workers are marginalized (or excluded) not by being unemployed but by being engaged in types of work and working conditions that condemn them to low-wage, low-productivity occupations which involve increasing pressure and drudgery as companies resort to "sweating" their labour force. This corporate strategy is also detrimental to the very companies that adopt it as they become stuck in the trap of over-reliance on cheap labour, natural resource exploitation and generic commodity production which can contribute to long-term impoverishment even as their current business grows. Real wealth creation depends on companies developing the alliances, strategic thinking and innovation that are necessary to make the leap from easily imitated but unsustainable sources of competitive advantage to more sophisticated and sustainable sources of competitive advantage (Forstater, MacDonald and Raynard, 2002).

Regional trading agreements are adding to the movement of capital around the globe and the consequent loss of work and earning potential in locations that lose out. For example, following NAFTA, 150 factories were closed and 123,000 jobs lost in the apparel industry in the Caribbean as production moved to Mexico to take advantage of the duty-free regime governing imports to the United States market. Pressure to meet "just-in-time" delivery schedules is another factor contributing to significant relocation of garment-sector production away from Asia to the peripheries of Europe and North America. For example, The Limited, a manufacturer of Victoria's Secret underwear, recently opened a plant in Mexico: despite the fact that wages are three times higher in Mexico than in Sri Lanka, it was nonetheless more economical to produce in Mexico because of savings in time, transport costs and duties. In fact, there has been a steady reduction in apparel imports from Asia to the United States, from 83 per cent of the total in 1980 to 41 per cent in 1996. Not only is it cheaper and quicker to operate on the doorstep of the target market, but it also allows textile manufacturers in the United States to supply the bulk of the fabric, something they cannot do with Asian suppliers (ILO, 1998).

The other strategy that multinationals can adopt to address the problem of competition in export markets for labour-intensive products is to diversify into different types of products which yield higher profits in less crowded markets. In countries where this is happening, the proportion of women employed in EPZs is falling as more men are recruited into the new industries which are technologically more sophisticated and which demand higher skill levels (which men are given greater opportunities to acquire). In Malaysia, for example, the proportion of female workers in EPZs fell from 75 per cent in 1980 to 54 per cent in 1990 (Joekes, 1999); in Mexico, the proportion of women

in *maquiladoras* fell from 77 per cent in 1982 to 60 per cent in 1990 (Ghosh, 1995), and from 45 per cent in 1991 to 35 per cent in 1993 in the export sector as a whole (Ghiara, 1999). Thus, while skills were not needed to gain employment in the early stages of export-led industrialization, they are now becoming increasingly important in adapting to rapidly changing markets. As a result, unskilled female workers are being excluded from the latest and more technology-intensive phase of globalization in which there is a switch from working “harder” to working “smarter”

### *Heightened insecurity*

Another factor affecting female workers in export-led industries as a result of their inclusion in the global economy is increased volatility and vulnerability. This was especially evident in the Asian financial crisis of the late 1990s which led to the closure of hundreds of export-linked factories financed by FDI and, primarily, portfolio investment. In 1997, there was a net outflow of private funds of US\$20 billion from East and South-East Asia, as against net inflows of US\$70 billion in 1995 and US\$80 billion in 1996 (Joekes, 1999). Unemployment jumped from 5.3 million in 1996 to 18 million in 1998. The majority of those displaced were women, some of whom may well have found alternative homework in subcontracting chains. However, many homeworkers also lost their source of income as factories closed down. In the Philippines, for example, more than 200 garment factories closed in the first year of the crisis with the result that the homeworkers who used to supply them had to turn to self-employment – usually in street vending or even garbage recycling for very low profits because they lacked access to the skills, technology and credit needed to establish more profitable enterprises (Carr, 1998).<sup>2</sup>

Restructuring in response to crises – and the need to increase international competitiveness – has had similar effects in other parts of the world. In South Africa, for example, the restructuring process in labour-intensive industries such as the garment industry is leading to the retrenchment of hundreds of female workers, an as yet unknown number of whom may find alternative work as homeworkers in the clothing industry. In addition, restructuring is shifting women who are already in the informal economy into lower and less secure segments of informal work: for instance, self-employed garment makers who lose their market niche often have no alternative but to work under sub-contracts as garment outworkers; and self-employed workers of various kinds who lose their market niche may be forced to take up waste picking or garbage recycling to earn a livelihood (Chen, Jhabvala and Lund, 2002).

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<sup>2</sup> The hierarchy of employment statuses within the informal economy includes: employers who hire others, own-account operators who run family businesses or single-person activities (some of which are survival activities); wage workers of various kinds (employees of informal enterprises, casual day labourers, domestic workers, and contract workers); and industrial outworkers. Within most sectors in most countries, average earnings or wages decline as one goes down this hierarchy. And, in general, women are over-represented in the lowest-return segment of this hierarchy (industrial home work) and under-represented in the highest-return segment of this hierarchy (employer).

Evidence suggests that following a recession, women are less likely than men to regain work at the same level and/or the same terms as before. In Mexico, for example, large numbers of women were laid off from all sectors during the 1995 crisis. In recovery, they typically regained employment in small establishments in the informal economy, whilst men took over the formal employment previously held by women. Fifty-two per cent of the women in the textile and garment industry now work in enterprises of less than five people, in jobs with no social benefits or security (Cardero, Barron and Gomez Luna, 2000).

Thus, in the case of export-oriented manufacturing, women – who were the early winners in the globalization process – are now beginning to lose out. They are losing hold in factory production, both in terms of losing jobs and in terms of losing work-related benefits, and they are becoming increasingly reliant on home work, which pays less, and/or on the most marginal of own-account activities in the informal economy, such as vending.

### Non-traditional agricultural exports

While Africa has largely been excluded from export-led industrialization – mainly because it is more abundant in land than in unskilled labour – it has become incorporated in global value chains of a different type, namely, those involving non-traditional agricultural exports such as fresh fruits, vegetables and cut flowers aimed mainly at the European markets. Horticultural exports from Africa have doubled since 1980, and in 1996 they exceeded the region's exports of coffee, cotton or any other single commodity except cocoa (Lund and Nicholson, 2003). Again, women are those who are most involved in and affected by these chains, accounting as they do for up to 90 per cent of the workforce of this fast-growing sector (Division for the Advancement of Women, 1999). In many ways, the structure of these global value chains replicates that of the labour-intensive manufacturing chains in Asia and Central America, with large corporations dominating the commodity chain and women working on large-scale “factory farms” at very low wages, in poor working conditions and without benefits of any sort. In fact, the terms of inclusion of women in these chains are arguably worse than those of industrial workers for two reasons.

First, work is seasonal with the result that it is more difficult to earn a living wage. Research in South Africa shows that while there are some permanent workers involved in the chains, these tend to be men (74 per cent), while women form the bulk of temporary or casual labour (69 per cent) without contracts or benefits. Flexibility results in part from seasonality, but it also reflects labour practices adopted by employers in order to reduce their contractual commitment to workers. And as women comprise the majority of the flexible workforce, they are relatively more “excluded” than male workers. There is also a trend towards use of contract labour, whereby a contractor employs labour that is then provided to producers on a third-party basis. Under this system, the labour contractor is responsible for the employment conditions and pay of the workers, removing this responsibility from the producers themselves. This reflects further “flexibilization” of employment and, consequently, increased

vulnerability and insecurity of workers. It also represents a challenge to the extension of social protection and other benefits in the sector, as the employer (i.e. the contractor) is more difficult to trace and monitor than would be the case if the workers were employed directly by the producer.<sup>3</sup>

Second, the health risks involved in horticultural production are typically higher than in labour-intensive manufacturing industries. The risks include: (a) allergies, eye soreness, skin problems and higher rates of malformation among newborn babies owing to the use of toxic chemicals by temporary workers without adequate training or protective clothing; (b) stomach problems and bladder infections due to lack of safe drinking water and toilet facilities; and (c) muscular pain and discomfort, lumbago and rheumatism because of the physical demands of work and long hours, often in damp and cold conditions (Lund and Nicholson, 2003). Consumer pressure in the North is forcing supermarkets to buy from producers that take measures to reduce health risks and adverse environmental impact, but this, in part, is leading to a more vertically integrated commodity chain in which supermarkets are increasingly involved in every stage of the production process with direct consequences for the inclusion/exclusion of actors and the division of functions within the chain (Dolan and Tewari, 2001; Barndt, 1999).

Latin America also has experienced considerable growth in its non-traditional agricultural exports. Between 1985 and 1992, the production of fruit, vegetables and flowers, grew at annual rates of 17.2 per cent in Central America and 48 per cent in South America (excluding Brazil). Employment patterns are similar to those observed in Africa. For example, in Chile, where fruit exports expanded from 340,000 tonnes in 1982 to 1.2 million tonnes in 1994, only 5 per cent of the permanent workforce – but 52 per cent of temporary workers – are women. This sector's rapid growth, combined with the pressure exerted by supermarkets in the North to ensure that they can guarantee the standards demanded by their customers, have resulted in the displacement of many peasant farmers from their land. Displaced smallholders now make up some of the 300,000-strong temporary workforce involved in Chile's non-traditional agricultural export business (Barrientos et al., 1999).

Non-traditional agricultural exports from Asia are also beginning to take hold; and worldwide, the value of trade in these products now exceeds that of trade in cereals. This business is thus an important and growing part of the global economy, with many implications for the social exclusion/inclusion of informal workers and producers in the South – and even for women in informal employment in the North. According to studies which trace the export of

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<sup>3</sup> Similar practices have been observed in the bidi industry in India as employers/traders try to avoid labour legislation. This has resulted in employers/traders switching from: (a) the direct system of giving raw materials to home-based workers who return finished bidis directly; to (b) the subcontract system where a contractor supplies materials and receives finished bidis; and (c) the sale-purchase system where traders or subcontractors “sell” raw materials to bidi workers and “buy” finished bidis from them. In the latter case, employers/traders become exempt from many regulations by claiming that the bidi workers are not employees (Chen and Snodgrass, 2001).

fruits from Chile to the United States (Barrientos et al., 1999) and of tomatoes from Mexico to Canada (Barndt, 1999), women who work in North American supermarkets are also subject to part-time work at short notice, have low pay and lack employment-related benefits.

### Export of services

Among the distinguishing features of today's globalization is the fact that countries have become increasingly connected through trade in digitized information. Indeed, the digitization of information has made it possible, and generally cost-effective, to transfer information processing work, both in manufacturing and in services, to offices and work units that are remote from main premises, including abroad. In some developing countries, women have become the major recipients of this globally redistributed work (Mitter, 2003).

Again, this type of global system replicates the employment patterns found in export-led manufacturing: large numbers of young women are recruited into the emerging institutions of the digital economy – e.g. call centres – which provide new opportunities for inclusion but on terms which discourage long-term, permanent contracts and unionization. Although this sector's skill requirements are higher than those of manufacturing and non-traditional agriculture, women still tend to be clustered in the low-skilled end of the hierarchy with scant prospects for career progression. Thus, they are more likely to be employed in data entry and customer care centres than in the software sector. Data entry has so far been a promising source of employment for women, though technological changes could lead to redundancies if they lack the necessary training and skills to adapt.<sup>4</sup> In addition, data entry is also becoming a more “footloose” business. For example, there are indications of data-entry work moving from India (with relatively high wages of US\$1,250 per annum) to countries in Africa, such as Ghana (with relatively low wages of US\$480 per annum). As with other types of labour-intensive work in which women predominate, there are also concerns about long-term health risks which have led to data-entry firms being described as “electronic sweatshops” (Mitter, 2003).

A more recent development in the digitized service sector has been that of customer care services, which provide white-collar work for women and men with modest education. Such services are typically provided on behalf of foreign companies – e.g. British Airways or American Express – by unmarried women between 20 and 25 years of age, who account for 40 to 70 per cent of the workforce. Pay levels in this type of work are higher than in most export industries but the work is hard and often monotonous. Workers need to pretend that they are from, and based in, Europe or North America and to speak with the appropriate accent; stress levels are high – both as a result of the highly competitive environment in which incentives are offered for top performers and because employees have to deal civilly with customers who often tend to

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<sup>4</sup> For example, all of the workers in “digiports” in Jamaica are women; and in India, the majority of data-entry jobs for airlines, banking and insurance companies are filled by women.

be abusive and even hysterical. As a result, the “burn out” rate in this type of work is very high. However, most women see this as an interlude between school and marriage and are unconcerned about length of employment, contracts, benefits and career progression (Mitter, 2003).

### *Barriers to inclusion in global production systems*

In economic terms, globalization has its winners and losers – the outcome depends on who you are, where you are and how you make your living. As discussed above, women in developing countries have to some extent been able to benefit from inclusion as paid workers in the global economy, although the quality of their employment may be questionable, and the benefits for individual women are often short-lived. Also, as globalization evolves, the prospects of female workers generally look precarious because their lack of skills – relative to male workers’ skill levels – restricts their ability to adapt to changing labour market conditions and to move into more technologically advanced types of employment.

Many of the women drawn into paid work in export-oriented industries and global value chains previously earned their living as own-account workers. And if they lose their work for the export sector, they often have little alternative but to return to self-employment which – with the exception of crafts – has so far tended to be linked to the local or domestic market. However, globalization is now opening up new opportunities for the self-employed to be directly involved in exporting what they produce – provided they have the means to avail themselves of these opportunities.

Unfortunately, there are a great many barriers which constrain own-account workers from linking up with global markets and, in general, women face more constraints than do men. These barriers mostly relate to exclusion from factor markets (e.g. lack of access to land, credit, training, technology, infrastructure, information on markets and prices). Other barriers include lack of organizational capacity to set up cooperatives or associations; lack of voice and representation; and – especially in the case of women – lack of mobility (cultural restrictions) and time (domestic responsibilities). Lack of a supportive policy and regulatory environment for micro-enterprises can also preclude access to export markets. All of these barriers to entry apply to the agricultural, manufacturing and service sectors (including ICT-related business such as telekiosk businesses) and constrain those wishing: (a) to increase productivity/quality to meet higher standards in export markets; (b) to diversify into new products in order to enter export markets; and (c) to set up an export business for the first time.

Two trends are observable in respect of self-employment in the informal economy. First, many of the self-employed are being absorbed into global production systems – often without their consent/knowledge and/or against their will – and on terms which are not entirely favourable to themselves. For example, this is happening to many forest workers who earn their living from gathering and selling non-timber forest products (NTFPs) such as medicinal plants, mush-

rooms, nuts and spices. By definition, these workers live in remote areas and can only access markets – even domestic ones – through a chain of intermediaries. As the demand for such products is growing in global markets (there are now 150 NTFPs of major significance in international trade), there is increasing interest on the part of foreign companies in commercializing these commodities. For example, there is a growing and profitable market for processed shea butter in Europe, North America and Japan for use in cosmetics and, more recently, in chocolate manufacture. Growing demand is pushing up the final price for shea butter in Northern markets, but the women who collect shea nuts in West Africa are totally unaware of this trend and continue to sell their harvest to the usual brokers/intermediaries who then feed the nuts into the ever more profitable global value chain (as well as continuing to supply domestic and regional markets). Thus, the shea nut collectors are now integrated in global value chains but without any knowledge of this, and without any means of exploiting more profitable markets to their own advantage (Carr and Chen, 2002).

Second, some of the self-employed have been able to link with global markets on their own terms through a range of strategies – e.g. by joining associations and cooperatives – often with the assistance of local and international NGOs, government departments, and local social entrepreneurs. For example, home-based embroidery workers who are members of the Self Employed Women's Association (SEWA) in India sell their products in North America and Europe through producer and marketing cooperatives, supported by their own Trade Facilitation Centre which undertakes all the necessary international marketing activities on their behalf (Commonwealth Secretariat, 2002). In many developing countries, associations and cooperatives of smallholders have also opened up sustainable channels to sell commodities in the North (e.g. coffee cooperatives in Colombia). Also, social entrepreneurs have established export businesses with smallholders or artisans as partners, such as "Fruits of the Nile" in Uganda, which enables over 100 female farmers to export dried fruits to the United Kingdom: while retaining their independence, the women earn twice the amount they would make from sales of fresh fruit in the domestic market (ACGD/ WIEGO, 2002).

Enabling groups of own-account workers to organize in ways which assist them to overcome barriers to their inclusion in the global economy is obviously an important strategy here. In contrast to the case of the shea nut gatherers or that of the paid workers mentioned above, this approach leaves producers in control of decisions concerning how, where and when they undertake their work. However, the measures taken by some groups of self-employed workers to overcome exclusion can result in the exclusion of other vulnerable groups. For example, in Cameroon, where various voluntary associations have been formed to set up informal social security systems and/or financial alternatives to official banks, one ethnic group – the Bamileke – has succeeded in using informal credit associations ("tontines") to advance its business interests and ultimately monopolize lucrative trading activities to the exclusion of other vulnerable groups (Rodgers, Gore and Figueiredo, 1995).

### *New forms of exclusion from domestic production systems*

Finally, there are many cases in which globalization is resulting in the destruction of earning opportunities for informal workers and/or the substitution of less favourable forms of work and employment. In particular, this can happen because of the entry of foreign companies using more advanced technologies, because of an influx of cheap imports, or because foreign companies take over local supplies of raw materials.

#### **Imported technologies**

The construction industry in India offers a good example of how foreign companies are destroying local jobs. Under the existing WTO regime, the essential requirement of global tendering has facilitated the entry into India of many large international companies, some of which are increasingly visible in infrastructural development projects undertaken with government funding or under bilateral/multilateral assistance arrangements. The increased mechanization this entailed is causing a significant displacement of labour from many construction operations – particularly those in which women have traditionally been employed, such as digging and brick carrying. The Indian Government's response has been to assist Indian companies in competing by upgrading their technological capabilities – a move which will lead to still further labour displacement through mechanization. On balance, women are likely to lose more jobs than men, and jobs created in operating new technologies are almost certain to go to men rather than women. In the absence of training for women in construction skills such as masonry – for which there is a growing demand – the net result of a more open economy will be a massive loss of work opportunities (Jhabvala and Kanbur, 2002).

There are similar changes in employment patterns in other sectors in India and elsewhere in South Asia. Thus, when herbicide spraying replaces weeding by hand (a female occupation), the spraying is most likely to be performed by men. Mechanized rice mills are operated mainly by men, while the women who traditionally used manual methods for husking paddy lose their livelihood. In the textile sector in India, handloom weavers are rapidly being replaced by powerloom weavers, and powerloom weavers with lesser quality machines are being replaced by those with better quality machines; in the food processing sector, multinationals with huge investments and state-of-the-art technology are replacing small units which were labour-intensive and employed thousands of female workers (National Labour Commission, 2001). In the coir industry in Sri Lanka, export promotion policies have led to a shift in the supply of coconut husks to mechanized units owned by men with access to credit and away from manual units operated by women with little access to credit (Bajaj, 2001).

#### **Competition from imports**

The production of cooking oils provides a good example of how economic liberalization can lead to the closure of local enterprises and loss of informal jobs through competition from imports. This is evidenced in most African coun-

tries, where small-scale oil-processing plants have closed owing to competition from imports of cooking oil from South-East Asia (ACGD/WIEGO, 2002). Similarly, in India, an estimated 3 million jobs have been lost as a result of the closure of small oil mills producing mustard seed oil, following the influx of cheap soya-based cooking oil from the Americas (Shiva, 2000).

Other cases of destruction of informal enterprises and jobs and/or lowering of prices for domestic commodities include the reduction in Mexico's maize cultivation following NAFTA, which is estimated to have resulted in the loss of almost 1 million livelihoods (Madeley, 2000); and the fall in prices paid to India's female gum collectors as a result of large-scale imports of gum from Sudan. In the latter case, the problem is compounded by the fact that gum collectors are required by law to sell their produce to the Forestry Department instead of selling it to private traders who pay much higher prices (Jhabvala and Kanbur, 2002).

A further illustration of competition-induced job loss is that which is occurring in local retail businesses with the arrival of foreign superstores. For example, one of the effects of NAFTA has been the rapid proliferation of discount stores such as K-Mart and Wal-Mart in Mexico with resulting pressures on local business (Benería and Lind, 1995). In southern and eastern Africa also, supermarkets have already proliferated beyond the middle-class sections of big cities into smaller towns and poorer areas where they have an impact not only on local retailers, but also on small-scale food producers who have to make investments and adopt new practices if they are to avoid exclusion from their traditional markets (Weatherspoon and Reardon, 2003).

### Control of raw materials/natural resources

In many countries, governments have actively encouraged foreign investment in the processing of local raw materials/natural resources for export in order to earn foreign exchange. This has mostly been done without consideration for its impact on the domestic economy and on the thousands of informal enterprises, smallholders and workers that stand to be affected.

For example, under pressure to cultivate cash crops for export, many Indian states have allowed private corporations to acquire hundreds of acres of land: Maharashtra has exempted horticultural projects from its "land-ceiling" legislation; Madhya Pradesh is offering land to private industry on long-term leases; Andhra Pradesh and Tamil Nadu have allowed private corporations to acquire over 300 acres of land to farm shrimp for export. A large share of the agricultural production from these lands will go towards supplying the burgeoning food-processing industry, in which many multinationals are involved (Shiva, 2000). But while the export of commodities such as flowers, fruits and shrimp will undoubtedly earn foreign exchange, thousands of jobs will be destroyed, and many smallholders will be forced to sell their land and become casual day labourers, losing their independence and status in the process. According to one estimate, shrimp farming in India destroys 15 jobs for each job it creates (*ibid.*).

Elsewhere, as in Thailand for example, declining farm incomes have forced smallholders to become contract workers for multinationals producing “baby corn” and other export crops. Initially, the companies brought in seeds and fertilizers and bought back produce at guaranteed prices, and farmers could survive on two crops a year. Over time, however, yields started to decline and it became necessary to grow up to six crops a year with consequent damage to the soil, and with farmers no longer able to afford the increased expenditure on seeds and fertilizers. At this point, multinationals typically move on to another country where more farmers are encouraged to start producing for the export markets with the same destructive consequences (Shiva, 2000; *Thai Development Newsletter*, 1998).

Similarly, in Africa, several governments have encouraged foreign investment in fish processing for export markets. For example, the liberalization of trade and investment policies in the three countries surrounding Lake Victoria has led to the establishment of some 50 modern, capital-intensive fish-processing factories which export fish to Europe and Japan. As a result, thousands of women have lost their jobs in the smoking and sale of fish in local markets, and there is little or no fish left for local consumption, with disastrous consequences in terms of child malnutrition (Jansen, Abila and Owino, 1999). A similar situation obtains in Senegal where European fishing fleets and processing factories have turned previously self-employed female fishworkers into dependent day labourers who often must wait up to two or three days at factory gates to obtain work.

In all of the above cases, informal workers and producers – although they may still have some means of livelihood – become newly excluded from preferred types of work/employment as a result of increased globalization.

## Synthesis and policy implications

This final section is divided into two parts. The first draws some general conclusions from the foregoing discussion on the articulation between globalization, social exclusion and work in the developing world. The second considers what could be done at the local, national and international policy-making levels to promote social inclusion within the context of increased economic globalization, including the gender issues involved. Also presented are a few examples of what is being done to promote social inclusion on more favourable terms.

### *General conclusions regarding social exclusion in the realm of work*

Until the 1970s, most countries in Europe and North America enjoyed an era of full (or near-full) employment and a strong welfare state. In more recent years, however, many have experienced an evolution toward greater labour market flexibility and a crisis of the welfare state. The rise in unemployment and in precarious employment – seen as two dimensions of social exclusion – is blamed in part on trade liberalization.

Most developing countries, by contrast, have never enjoyed full employment or a welfare state. Historically, social exclusion in these countries has taken the form primarily of long-term *employment* in the informal economy, be it self-employment or paid employment. More recently, there has been an increase in the proportion of precarious paid jobs that can variously be attributed to trade liberalization, other economic reforms, and the strategies of formal businesses.

Since the concept of unemployment does not “fit” this reality, the focus of this article has been as much on the terms of inclusion as on the forms of exclusion in the realm of work. Besides, globalization is also widely credited with creating employment in developing countries. So the real questions become: what type of jobs? on what terms? This is why the nature of the debate around social exclusion/inclusion in developing countries is somewhat different from the debate in developed countries: focusing more on the terms of employment, not unemployment; precarious forms of self-employment, not just paid work; and exclusion from factor markets, not just labour markets.

### Hierarchy of exclusionary processes

As shown by examples cited in the preceding section, social exclusion and inclusion cannot be understood as a straightforward *dichotomy* because there are many processes of exclusion and inclusion, which often operate simultaneously. Nor are these various processes simply points along a *continuum*, with pure exclusion at one end and pure inclusion at the other. Rather, the various processes of social exclusion/inclusion are perhaps best conceptualized as a *hierarchy* that functions as a whole, affecting individual workers or producers in different ways. This hierarchy of social exclusion is structured by dominant institutions and players, both national and supra-national, which variously govern the overarching policy environment, the specific economic system (EPZ, value chain, sub-sector) within which the workforce operates, and the underlying social structures that determine who owns what and who does what.

To understand how the hierarchy of social exclusion/inclusion works in the realm of work, three questions need to be answered, namely: exclusion from or inclusion in what? how? and by whom? Answers to these questions are suggested in box 1.

The dominant players listed in the right-hand column in box 1 determine who is excluded/included from economic resources (left-hand column) through their influence over mainstream institutions and social norms as well as market transactions and policies/legislation (middle column). In other words, the structures, institutions and rules in the middle column are socially determined by the dominant players in the right column. The control they exercise as well as the norms or rules they determine may be formal or informal or some mix of the two.

From the perspective of gender, what this conceptualization suggests is that dominant players at the community and household levels determine the social norms that govern gender roles and relationships. Furthermore, these

**Box 1. Three questions on social exclusion in developing countries**

<i>From what?</i>	<i>How?</i>	<i>By whom?</i>
Land	Market transactions	Dominant players:
Housing	Policies/laws	State
Other productive assets	Social norms	private sector
Credit/saving	“Rules of the game”	civil society
Secure jobs/productive work		community
Income		household
Worker rights/benefits		Dominant institutions

gender norms are reflected in not only the intra-household allocation of economic resources but also in market segmentation and policy biases.

In summary, this line of analysis suggests that:

- Processes of exclusion/inclusion relating to desired goods operate through markets and policies/laws which are, in turn, governed by powerful agents and mainstream institutions;
- Markets and policies/laws are “socially embedded”; i.e. designed or governed by powerful agents through various institutions – both formal/informal and local/national/international;
- Exclusion/inclusion are caused not only by the workings of state agents/institutions but also by the workings of other institutions/ agents (private sector, civil society, family/community);
- Exclusion/inclusion are caused by the workings of state, market, civil society, family/community agents/institutions not only at the local and national levels but also at the international level;
- Processes of exclusion/inclusion operate not just in labour markets or in relation to social security, as originally conceived in Europe, but also in other factor markets and under other social, economic, and political policies/laws/regulations.

**Processes of exclusion/inclusion within specific production systems**

To understand how exclusionary processes operate within particular production systems, a more precise set of questions needs to be addressed, namely:

*Input–output structure and associated economic relationships:* who is doing what for whom? under what type of contractual arrangement?

*Geographical location(s) and spatial organization:* where is production/distribution located? how is it structured or organized?

*Governance structure and power relationships of the system:* who is “driving” specific chains or EPZs?

*Regulatory influences:* how are these systems regulated? by whom? at the local, national, and international levels?

This article has explored three different patterns of work-related social exclusion/inclusion associated with global economic integration. The first pattern comprises those cases where export-led growth and development have resulted in the increased inclusion of workers in the global economy but on questionable/undesirable terms and with uncertain sustainability. In terms of input–output structures, most global production systems – both value chains and EPZs – have core workers (hired directly) and peripheral workers (hired indirectly through subcontracting arrangements). In many global value chains, core functions are retained in one or more core locations while peripheral functions are subcontracted to multiple peripheral locations, thus further reinforcing the core–periphery distinction between workers. In many EPZs, even core workers are hired under insecure contracts with few non-wage benefits.

In terms of geographic location and spatial organization, most EPZs have historically been specially designated enclaves. In recent years, some countries have expanded their geographical boundaries to include entire cities (e.g. China) or the entire country (e.g. Mauritius and Sri Lanka). But whatever their geographical boundaries, EPZs are typically confined to one country, whereas the locus of production in global value chains is often dispersed across several countries. This territorial distinction reflects the difference between dominant players: EPZs are set up by government while value chains are driven by (multinational) companies. In both systems, however, lead firms may choose to relocate or reorganize production depending on the comparative advantages of different locations, fluctuations in demand, or other economic considerations.

In terms of internal governance and external regulation, EPZs and global value chains are quite different – again because of the difference between dominant players and their interests. In most global value chains, the productive workforce is removed from the locus of control and power, the distance being typically greater in buyer-driven chains than in producer-driven chains. As mentioned earlier, however, the distinction between EPZs and global value chains is not clear-cut in real life because most EPZ enterprises operate within one or more global value chains and many global value chains include firms that operate out of EPZs. But except for zones that are set up to supply a single foreign firm, EPZs have a different governance and incentive structure from that of global value chains.

The second pattern of exclusion/inclusion comprises cases where barriers to entry have prevented the self-employed from taking advantage of new economic opportunities arising from trade and investment liberalization. In such cases, traditionally self-employed entrepreneurs/own-account workers are unable to enter, and compete in or with, the export-oriented input–output processes outlined above. They are further disadvantaged when the lead firms in particular export sectors relocate or reorganize production. Even if they do manage to secure a foothold as a supplier or contractor in an export chain, they are very likely to be excluded from the internal governance processes of the chain. Furthermore, external regulation of the chain is more likely to focus on foreign investors within the chain than on domestic producers for the chain,

thereby excluding domestic firms (especially very small ones) from various incentives and exemptions offered to foreign firms.

The third pattern of exclusion/inclusion comprises cases where trade and investment liberalization – especially under the “rules of the game” set by multinational corporations and international financial institutions – have resulted in the destruction of domestic enterprises or paid jobs. In such cases, shifts in particular sub-sectors of the domestic economy, driven by increased imports and/or foreign investment, are leading to exclusion from paid jobs (due to changes in skill and technology requirements) and/or exclusion from self-employment (due to changes in technology, competition for raw materials, or competition in product markets). These processes are associated with shifts in the location of production (e.g. foreign firms entering local raw-material and labour markets) and in the location of distribution (foreign products flooding local product markets). Such shifts are often accompanied by a breakdown in traditional forms of internal governance, both informal and formal, as foreign firms begin to compete in domestic sectors. The new forms of internal governance and external regulation that emerge are often biased towards the foreign firms or, at least, large firms. For example, the costs of joining the new board that governs India’s newly liberalized construction industry are so high that few domestic firms, other than the very largest, are able to join (Jhabvala and Kanbur, 2002).

### *A suggested framework for policy*

As the foregoing analysis suggests, the social outcomes of global economic integration can hardly be called “natural” outcomes of market forces. Rather, they are “political” outcomes determined by choices – in terms of policies, technologies, and market transactions – made by dominant players and institutions. This gives reason for optimism: it is indeed possible to change policies, provided the workings of the dominant institutions and processes are fully understood. Also, understanding how social exclusion/inclusion works in context should make it possible to promote greater or more favourable inclusion. On these assumptions, the following policy recommendations are suggested to address each of the three patterns of social exclusion/inclusion detailed above.

#### **Pattern-specific policy objectives**

*Pattern 1:* For paid workers in global production systems, the key policy objectives should be to extend *labour standards* and *social protection measures* to cover *all* workers, in both formal and informal employment. This should be done by promoting a context-specific package of collective agreements, national labour legislation and international standards, including ILO Conventions and voluntary codes of conduct. The aim of promoting international labour standards, and related norms and regulatory frameworks, would be to improve and reinforce – but not replace – national labour legislation. And in order to ensure that both international standards and local legislation are

translated into practice, collective bargaining arrangements for all workers, formal and informal, should be promoted as well.

*Pattern 2:* For self-employed entrepreneurs/workers trying to compete in global markets, the key policy objective should be to offer *financial services, business development services* and *incentive packages* to promote access to and competitiveness in global markets/production systems. These services should ideally be provided through some form of collaboration between the private sector, non-governmental organizations and government, with the latter ensuring supervision and providing subsidies and other incentives.

*Pattern 3:* For self-employed entrepreneurs/workers trying to compete with foreign companies for raw materials, the key policy instruments would be supportive *trade and price policies* that take into account the activities and needs of micro-enterprises and own-account operations. For paid workers trying to compete in domestic labour markets, the key policy objectives should be to upgrade *skills* and provide *placement services*. Again, these services should be provided through appropriate, context-specific collaboration between the private sector, non-governmental organizations and government, under the latter's supervision and with its support.

In addition to pursuit of these pattern-specific policy objectives, the promotion of social inclusion in the realm of work calls for reform to be undertaken in two broad areas. The first centres on the *reduction of four types of biases* in the policy, regulatory and institutional environment.

## Correcting for systemic biases

### *Biases against labour (that privilege capital)*

In the context of globalization, the most notable of these biases are those that allow companies to relocate their production operations quickly and easily across national borders without obligations to labour and without consideration for the fact that their former employees/workers lose their jobs/work orders in the process. Though not yet widely implemented, various measures have been proposed to increase corporate responsibility in such cases. These include non-legal or legal measures to induce companies to provide severance notice and pay and/or to encourage host governments to impose a tax on companies that withdraw their investments, in order to cover severance pay due.

### *Biases against the informal workforce (that privilege the formal workforce)*

These biases are embedded in labour law, labour force statistics, and in the international labour movement. The conclusions of the general discussions held by the International Labour Conference (ILC) in 2002 and 2003 provide guidelines, and a mandate, for reducing these biases against the informal workforce. In particular, the employment-based definition of the informal economy (and the accompanying statistical framework) endorsed in the conclusions of the ILC's 2002 general discussion on the informal economy needs to be officially

adopted by the International Conference of Labour Statisticians (ICLS). Also, building on the conclusions of the ILC's 2003 general discussion on the scope of the employment relationship, action should be taken to encourage national and international legal initiatives designed, first, to prevent companies from disguising their employment relationships and, second, to clarify and broaden the scope of labour law.

*Biases against micro- and own-account businesses  
(that privilege larger businesses)*

Most notably, these biases occur in trade promotion and business development policies. For example, a recent study commissioned by the city council of Durban, in South Africa, highlights the existing bias towards big business in the incentive packages, trade promotion, and business development services offered by the city (Budlender, 2000). The alternative approach, which the Durban city council is now trying to promote, consists in explicitly and systematically targeting incentive packages, trade promotion, and business development services at microbusinesses, especially those run by women and/or by persons from ethnic minority groups. Another way of reducing these types of biases is to support alternative trading organizations, especially those, like Oxfam's Fair Trade, that seek to ensure that their suppliers comply with ethical trading principles (Wilshaw, 2002). Likewise, support should also be given to pilot efforts to develop mainstream trading links for groups of female informal producers, such as those being promoted by SEWA in collaboration with various partners, including the Government of India, the World Bank and the global network WIEGO (Women in Informal Employment: Globalizing and Organizing).

*Biases against women (that privilege men)*

Such biases, reflected not only in gender relations but also in market relations and labour market segmentation, compound each of the other types of biases. Accordingly, female workers should be consulted and, better still, invited to join/participate in trade union organizing, collective bargaining, negotiations relating to local labour legislation, and the formulation of international standards, including ILO Conventions and codes of conduct, to ensure that their needs are reflected and addressed.

Many women's organizations, some of them set up by women coming out of the formal trade union movement, have been founded with a focus on the promotion and defence of female workers. Many of these are membership-based organizations of female workers, and many seek to reflect women's gender-specific interests or concerns in the formulation of national labour legislation and international or national labour standards. For example, SEWA was represented on the recent National Commission on Labour that India set up to draft umbrella legislation for the informal or unorganized workforce. Similarly, the Movimiento de Mujeres Trabajadoras y Desempleadas María Elena Cuadra (MEC), a national autonomous women's organization in Nicaragua, drafted a national Ethical Code that was endorsed by a decree of the Minis-

try of Labour and subsequently signed by employers in the Free Trade Zone in Managua (Prieto, Hadjipateras and Turner, 2002). MEC has also been active in the Central American Network of Women in Solidarity with Maquila Workers, which seeks to ensure that female workers are not marginalized in the formulation of – and debates about – codes of conduct (ibid.).

### *More voice for low-income workers*

The second broad area of reform is the *reform of institutions that coordinate or govern market transactions and global integration by increasing the voice of low-income workers and producers* in these institutions. This applies not only to the market institutions, both formal and informal, that govern and regulate global value chains, EPZs and domestic economic sub-sectors, but also to the inter-governmental institutions that design international labour standards and trade policies (primarily the ILO and WTO). Other relevant institutions would also include those – companies, business associations and multi-stakeholder alliances – that develop voluntary codes of conduct. With a few notable exceptions as cited above, the so-called “interests” of informal workers have so far been “represented” in these institutions by governments, formal trade unions, or non-governmental organizations, not by the representatives of membership-based organizations of informal workers and producers. Within the debate on codes of conduct, for instance, there is growing recognition that the perspective of workers from the global South, especially that of female workers, has not been widely reflected in the formulation, implementation, monitoring or verification of the codes (Jenkins, Pearson and Seyfang, 2002).

Finally, the accountability of the mainstream institutions responsible for making policies and regulations depends on the *promotion and strengthening of membership-based organizations of informal workers and producers*. Unless informal workers and producers are effectively organized and gain representation and voice in mainstream institutions, they will continue to be excluded by global economic integration and/or included on unfavourable terms.

It has been assumed, until recently, that workers in the informal economy were, by definition, unorganized. Yet, recent evidence suggests that the informal workforce has been and is being organized not only by formal trade unions but also by alternative trade unions and pro-labour NGOs. However, few genuine membership-based organizations of informal workers have so far been recognized as such by national trade union centres or the international trade union movement. This point is well illustrated by the experience of SEWA, in India. The Association was founded by a trade union lawyer and organizer in 1972, as a trade union of female workers in the informal economy. But it took SEWA over two years to get registered as a trade union, over ten years to be recognized by some of the international trade secretariats, over 20 years to be invited to join the National Labour Congress of India, and 30 years to be invited to be an official member of India’s worker delegation to the International Labour Conference. While trying to gain official recognition within the international labour movement, SEWA has served as an inspiration

for three other international movements: the women's movement, the micro-finance movement, and a growing movement of informal workers and producers.

Since the early 1990s, the international alliance called HomeNet – through its regional and national branches which comprise both membership-based organizations and labour-related and/or women's NGOs – has been working to strengthen membership-based organizations of industrial homeworkers and other home-based workers and to promote their “visibility and voice.” In the mid-1990s, HomeNet and its member organizations played a major role in the campaign that led to the adoption of the ILO's Home Work Convention, 1996 (No. 177). More recently, HomeNet has been working with the Ethical Trade Initiative in the United Kingdom and the Clean Clothes Campaign to see whether (and how) the scope and content of codes of conduct, especially in the garment sector, can be expanded to cover and protect industrial homeworkers and other home-based workers (Brill, 2002). Similarly, the recently established international alliance of street vendors called StreetNet – which includes membership-based organizations of street vendors as well as national associations of street vendor organizations – seeks to strengthen membership-based organizations of street vendors and to help them negotiate with the institutions that regulate street vending (e.g. the police, municipal governments and market associations) and to increase their “voice” or representation in relevant policy-making institutions.

## Concluding remarks

In sum, there is no single “magic bullet” – or even a short list of “magic bullets” – that might adequately address the complex mix of factors of exclusion from the work/employment opportunities generated by global integration or inclusion on less than favourable terms. For the self-employed, a variety of *promotional measures* are needed to increase their competitiveness in the global economy, ranging from trade policies to business development services. For paid workers, a mix of *protective measures* is needed to decrease their disadvantages and vulnerabilities in the global labour market, including labour standards, labour legislation, collective agreements and workforce development. In addition to these specific measures, *two broad areas of reform* are necessary: policy and regulatory reforms to correct systemic biases against labour in general, and against informal labour and female workers in particular; and institutional reforms to strengthen organizations of informal workers/producers and to promote their representation in relevant policy-formulation and rule-setting institutions. There is a clear role here for international organizations, and global governance more broadly, in creating the global norms and frameworks that are needed to ensure these measures and reforms are implemented at the national and local levels. Most critically, international organizations and global networks or alliances must take the lead in promoting global economic democracy by promoting the representation of membership-based organizations of informal workers, especially women, in their deliberations.

## Social exclusion and poverty

The perspective taken in this article shows social exclusion and inclusion to be analytical concepts relating to *causal* mechanisms or processes, not to outputs or conditions. In other words, unfavourable patterns of social exclusion/inclusion are a *cause* of low income and other manifestations of poverty, not a parallel measure or characterization of deprivation or disadvantage. Indeed, it is our premise that exclusion from – and, more so, unfavourable terms of inclusion in – various aspects of work and employment are important drivers of poverty and inequality. At the same time, we recognize that there are feedback loops such that resulting patterns of poverty/inequality can reinforce the processes of exclusion/inclusion. It is hoped that the examples and the analysis that we have provided here might stimulate and inform future research on the links between globalization, poverty, social exclusion, and work.

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## Closing the gender gap in education: What is the state of gaps in labour force participation for women, wives and mothers?

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***Abstract.** The educational gender gap has closed or reversed in many countries. But what of gendered labour market inequalities? Using micro-level census data for some 40 countries, the authors examine the labour force participation gap between men and women, the “marriage gap” between married and single women’s participation, and the “motherhood gap” between mothers’ and non-mothers’ participation. They find significant heterogeneity among countries in terms of the size of these gaps, the speed at which they are changing, and the relationships between them and the educational gap. But counterfactual regression analysis shows that the labour force participation gap remains largely unexplained by the other gaps.*

**E**liminating differences in education between men and women has been a priority of development organizations and the international community for many years. Pursued by institutions like the United Nations and the World Bank, the third Millennium Development Goal (MDG) aims to “eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015”<sup>1</sup>. Equality of educational opportunities between men and women has also been acknowledged in the Universal Declaration of Human Rights of 1948 and in the 1979 United

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<sup>1</sup>For a list of the Millennium Development Goals, see: <http://www.unmillenniumproject.org/goals/gti.htm> [accessed 26 May 2014].

Nations Convention on the Elimination of All Forms of Discrimination against Women.<sup>2</sup> A key rationale for the above MDG is to contribute to the attainment of other development goals, such as economic growth, world poverty reduction, the eradication of disease and epidemics, and the improvement of other well-being indicators. According to the World Bank (2012), “there is no investment more effective for achieving development goals than educating girls”.

The differences in education between men and women have now disappeared, or even been “reversed” in women’s favour, in almost all developed countries and in many developing countries as well, including among cohorts born over 60 years ago in several countries. The question, then, is whether these countries have also made progress in eliminating other inequalities facing women in the labour market, not only in terms of broader gender equality and women’s empowerment for economic participation, but also between married women and single women, and between mothers’ and non-mothers’ labour force participation.<sup>3</sup> Also, how have developed countries fared relative to developing countries in this respect?

Based on micro-level census data from some 40 countries, this article shows how these inequalities or “gaps” have changed over time. First, we document the closing of the gender gap in education and rank countries by the year in which this gap closed or reversed. We then turn to analysis of the gender gap in labour force participation, the “marriage gap” and the “motherhood gap”. These gaps still exist in many countries, although there is significant heterogeneity in terms of their size and the speed at which they are changing. Finally, we investigate the relationships between the gaps. While our cross-country research design does not allow us to identify causality between the gaps or the impact of economic development on them,<sup>4</sup> it does provide a useful descriptive analysis of how they relate to one another. Despite the international community’s significant focus on reducing the gender gap in education and the remarkable reversal of the gap in so many countries, this is, to the best of our knowledge, the first study to use micro-level data for so many countries to study the state of these gaps and how they have changed over time.

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<sup>2</sup> Article 26 of the Universal Declaration of Human Rights stipulates that: “Everyone has the right to education ... and higher education shall be equally accessible to all on the basis of merit ... Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights.”

<sup>3</sup> We acknowledge the importance of other dimensions of women’s empowerment, such as political participation, earnings and property rights protection. Eliminating gender disparity in these areas is clearly necessary on grounds of human rights and, according to a large body of literature, to promote development (Bandiera and Natraj, 2011). In this article, we focus on labour force participation, which has often been regarded by international organizations as a first step towards improving women’s living standards, and as a mechanism for increasing income and economic growth.

<sup>4</sup> See Bandiera and Natraj (2011) for a summary of existing studies on gender inequality and development, and their limitations. These authors suggest that most of the existing literature does not adequately address issues related to reverse causality and omitted variables.

## Research background and rationale

It has been suggested that educating girls and achieving the MDG on gender equality in education will lead to a range of improved economic and social outcomes for developing countries (Schultz, 2002). Evidence from recent empirical work, focusing primarily on developing countries, shows that there are indeed positive economic consequences and social externalities from improving women's education. For example, increases in women's education have been associated with reductions in fertility (e.g. Osili and Long, 2008), decreases in infant mortality and increases in life expectancy (see Dancer, Rammohan and Smith, 2008; Behrman and Deolalikar, 1988). Overall, it appears that educating women has beneficial effects on children's health (see Glewwe, 2000), schooling, and adult productivity (Lam and Duryea, 1999; Strauss and Thomas, 1995). The beneficial effects are greater than those produced by the same level of education for fathers (see Schultz, 2002). Moreover, studies have shown that the benefits gained from expanding female education are far greater than the benefits gained from other public interventions, such as improving family planning service provision or increasing the number of physicians in the population (Kingdon, 2002). Empirical evidence also shows that gender equality in education leads to higher economic growth (e.g. Abu-Ghaida and Klasen, 2004), while low investment in women's education leads to slower economic growth and reduced income levels (Dollar and Gatti, 1999; Klasen, 1999).

Why would increases in women's education produce improvement in other indicators of gender equality and socio-economic development? In an attempt to answer this question, we now discuss the theoretical reasoning behind the potential effect of narrowing the gender gap in education on women's labour force participation generally, on the participation of married versus unmarried women, and on the participation of those with children versus those without children.

## *Education and labour force participation*

The theory of human capital investment relates differences in earnings to differences in schooling, training, and other assets (Mincer, 1974; Becker, 1991). Specifically, it relates expected lifetime labour force participation to one's incentive to acquire education and training. According to this theory, education increases the productivity and, thus, the earnings of individuals. And existing studies have indeed established a strong causal relationship between education and income at the individual level.<sup>5</sup>

Human capital theory explains why women have traditionally had fewer incentives to invest in education and training given their shorter expected labour force participation (Becker, 1992). Many factors have been put forward

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<sup>5</sup> At the macro level, however, the cross-country evidence linking education to growth is inconclusive (Pritchett, 2001 and 2006). The factors that may explain the discrepancy between macro and micro analyses include measurement error in macro regressions and issues related to the quality of education.

to explain why this has changed over time and why the gender gap in education has closed and even reversed in many countries. In the case of the United States, for example, the factors include the technological change that led to the use of mechanical power rather than human energy in workplaces (Galor and Weil, 2000), the rapid expansion of the service sector (Becker, 1992), the alleviation of household chores through the use of piped water, electricity and appliances (Killingsworth and Heckman, 1986; Greenwood, Seshadri and Yorukoglu, 2005; Goldin, 2006), greater ability to control pregnancies through access to birth control technology, and lower “effort costs” of college preparation and attendance for girls than for boys (Goldin, Katz and Kuziemko, 2006). The increase in divorce rates and the decline in family size have also been suggested as correlates and possible determinants of the reversal of the gender gap in education.

Higher educational attainment has allowed women to increase their expected lifetime labour force participation, shifting their time horizon. Accordingly, their expected benefits from an increased investment in education have led them to plan careers instead of “having jobs” and being the “secondary worker” within the household (Goldin, 2006). Indeed, research shows that returns to women’s education are in many countries either equal to or higher than those accruing to men. Consequently, the opportunity cost of staying at home increases with women’s level of educational attainment. It is important to acknowledge the fact that cultural, social and political factors may also affect women’s labour force participation, beyond economic forces. Specifically, social barriers (idem, 1990), cultural factors (e.g. İlkkaracan, 2012; Beblo and Ortlieb, 2012), particular views on the role of women in society (e.g. Folbre, 1994) and within the household (Badgett and Folbre, 1999), or formal restrictions (e.g. Boserup, 1970) may limit women’s labour supply, even in situations where labour market outcomes and returns to education are expected to be high.

### *Marriage and labour force participation*

Married women’s labour force participation has been the subject of much debate in the literature. Mincer’s (1962) model was the first that tried to explain the apparent puzzle of the increase in married women’s labour force participation in spite of steady increases in men’s real earnings in the United States. According to this pioneering work, household income and wages have two effects on female employment status. On the one hand, the income effect suggests that wages are negatively related to labour supply: as wages increase and income goes up individuals may decide to spend less time working in the labour market and devote more time to leisure. On the other hand, the substitution effect suggests that as wages increase, the opportunity cost of not working also increases, thereby prompting individuals to increase their labour supply. Mincer found the positive substitution effect of general wage increases on women’s employment to be greater than the negative income effect through the husband’s wage, with the difference being large enough for increases in women’s wages to explain much of the increase in married women’s labour force participation.

Goldin (1990) shows how changes in income and wage elasticities can affect women's labour force participation, while Blau and Kahn (2007) examine trends in married women's own-wage and cross-wage elasticities. They find that in the United States from 1980 to 2000, married women's own-wage elasticity fell by about half and that their responsiveness to their husbands' wages declined by about 40 per cent. Heim (2007) also examines married women's labour supply elasticities in the United States, over the period 1979–2002, finding that their wage and income elasticities for both participation and hours decreased dramatically in absolute terms over the period.

Juhn and Murphy (1997) examine women's employment and earnings at different points of their husbands' wage distribution from 1959 to 1989 and find an increasingly weak relationship between women's labour force participation and their husbands' earnings. They also confirm a positive relationship between women's wages and labour force participation, casting doubts on the idea that married women's labour force participation increased to compensate for slow growth in their husbands' earnings. In addition to economic factors, Fernandez (2007) shows how changes in culture and social norms, as part of a rational intergenerational learning process, may have contributed to the increase in married women's labour force participation.

### *Motherhood and labour force participation*

In the neoclassical model of the family, women tended to specialize in domestic production, including child rearing and traditional household activities, whereas men were the primary earners and specialized in formal production through labour market activities (Mincer, 1962; Becker, 1981 and 1991). Moreover, even among women in the labour force, the early years of child rearing were associated with a decrease in working experience and wages. However, the neoclassical model was found to be inadequate in explaining the rise in married women's employment, so subsequent models focused on other determinants of mothers' labour force participation (e.g. Bowen and Finegan, 1969; Smith and Ward, 1985).

First, the expansion of education appears to be related to a decline in fertility rates (Caldwell, 1982; Galor and Weil, 1996 and 2000) and postponement of motherhood (see Strauss and Thomas, 1995, for a review of the literature). According to Caldwell (1982), education influences fertility by increasing the cost of children and the perceived importance of investing in children's human capital, leading women's optimal fertility choices toward "higher quality" (Becker and Lewis, 1973; Willis, 1973). Becker, Murphy and Tamura (1990) show how higher levels of human capital lead to an increase in the returns on human capital, as well as fewer children. Galor and Weil (1996) relate increases in women's wages to the decline in fertility, which, in their theoretical framework, is a consequence of the increase in the cost of children more than the increase in household income. Several recent contributions to the literature have tried to establish a causal relationship between education and fertility, addressing issues of reverse

causality and possible omitted variables (e.g. Breierova and Duflo, 2004; McCrary and Royer, 2011; Duflo, Dupas and Kremer, 2010).

Second, advances in household production technology have reduced the time required for domestic production. In addition, advances in medical technology have reduced the time budget associated with childbirth and parenting, while effective birth control allows women to determine the size and timing of their families and to respond rationally to market signals (Barker and Feiner, 2004).

Third, the shift of economic activity towards the service sector, the consequent introduction of scheduled part-time employment, which is more “female friendly,” and the increase in returns to education have led to growth in the labour force participation of married women and mothers (Goldin, 2006; Goldin, Katz and Kuziemko, 2006). This too has increased educated women’s opportunity cost of staying out of the labour force (Attanasio, Low and Sánchez-Marcos, 2009).

### *Expected relationship between education and labour force participation gaps*

Based on the literature reviewed above, we would expect an increase in women’s educational attainment to be associated with increased labour force participation – both among women generally and among wives and mothers<sup>6</sup> – and with lower fertility rates and smaller wage gaps between men and women. In other words, empowering women with more education should increase their economic participation and give them greater access to economic resources, leading to improvements in many other spheres. Following previous empirical analyses (mainly country-specific studies or studies focusing on a limited number of countries), we expect to observe a U-shaped relationship between women’s participation and development, as documented by Goldin (1994) and Mammen and Paxson (2000). When women have low levels of education, they are employed in low-skilled, often manual activities for which a social stigma exists, but when they are educated, they find employment in more socially acceptable labour market activities.

There has so far been no large cross-country analysis of the reversal of the educational gender gap and the inequalities attaching to women’s labour force participation. Accordingly, the remainder of this article provides evidence on the dynamics of these gaps, relating them to factors such as levels of GDP, urbanization and labour market rigidity.

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<sup>6</sup> We acknowledge that there may be social norms which prevent women from working outside the household, in which case an investment in women’s education could not increase their labour force participation. Moreover, gender inequalities can be multidimensional. For example, Sundaram and Vanneman (2008) find that in Indian districts featuring a higher share of women in employment, girls’ literacy lags further behind boys’. Their suggested explanation is that in this context, where more mothers work outside the household, more girls have to work to help the family. It would also be important to examine women’s participation by sector with a focus on employment status categories. Due to data limitations, we are unable to do this here (for an interesting analysis on India, however, see Huisman and Smits, 2009).

## Data

The primary source we used to construct our data set is the International Integrated Public Use Microdata Series, IPUMS-International (Minnesota Population Center, 2009). This is the largest publicly available compilation of individual-level census data, consisting of decennial records of individuals and households. Our analysis is thus based on micro-level data for a selection of 40 countries in Africa, Asia, Europe and Latin America, as available, drawing upon the two most recent waves of the census for each country.<sup>7</sup> In most cases, the interval between the two waves of the census is ten years. Appendix table A1 lists the countries in our analytical samples and the census years for each country. Our analysis focuses on the cohort of women and men aged 35–44 in order to concentrate on individuals who have finished their studies and made their decisions on marriage, fertility and labour market participation.

Using the census data for each country, we measure several gender gaps, namely:

- the *education gap*, defined as the difference in average years of education between men and women;
- the *labour force participation gap*, defined as the share of men who are in the labour force minus the share of women who are in the labour force – i.e. employed or unemployed and job-seeking – or, where expressly noted for the purposes of our analysis, as the ratio of those shares;<sup>8</sup>
- the *marriage gap*, defined as the difference in employment rates between women who are married (or living in cohabitation) and single women or, where expressly noted for the purposes of our analysis, as the ratio of those rates;
- the *motherhood gap*, defined as the difference in employment rates between women without children and women with three or more children.<sup>9</sup>

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<sup>7</sup> We acknowledge that our sample is biased towards developing countries. However, we were unable to add more developed countries by relying on other data sources because aggregate statistics consistent with the variables and demographic groups we use are not available.

<sup>8</sup> We use the employment status variable (EMPSTAT) from the IPUMS data set. Although the variable has been harmonized to make work status comparable across countries and over time, some differences remain in regard to terms of classification and reference group. A detailed description for each country and census wave is available at: [https://international.ipums.org/international-action/variables/EMPSTAT#comparability\\_tab](https://international.ipums.org/international-action/variables/EMPSTAT#comparability_tab) [accessed 26 May 2014].

<sup>9</sup> We also calculate an alternative measure of the motherhood gap defined as the difference in employment between women with children and women without children. Other studies have examined the “family gap” by looking at the difference in earnings between women with children and women without children, but all of them have focused on developed countries, where the average number of children is lower (e.g. Sigle-Rushton and Waldfogel, 2007; Anderson, Binder and Krause, 2002; Waldfogel, 1998; Harkness and Waldfogel, 1999). Our measure based on three or more children is intended to reflect the higher number of children born to mothers in developing countries, which make up the majority of our sample, so that we have a more comparable share of women in each group. However, robustness checks showed that the basic results do not change depending on which definition of the motherhood gap we use in terms of the number of children.

We supplement the measures constructed from the IPUMS census data with country-level variables from the World Development Indicators, including measures of GDP per capita and urbanization rates. We also include measures of labour market rigidity extracted from the World Bank's (2011a) *Doing Business* data set.

## The education gap

Figure 1 shows the year of birth of the first cohort for which the education gap was closed according to the most recent available wave of the census. In most countries, this wave was administered in the early 2000s (see Appendix table A1). Of the 40 countries in our sample, 27 have closed the gap, while men still averaged more years of schooling than women in the remaining 13 countries at the time of the census. The first country where the gap was closed is Belarus, for the cohort born in 1945, and the last two are South Africa and Romania, for the cohort born in 1975. In the United States, the gap was closed for the cohort born in 1956. Interestingly, ten developing countries closed the gender gap in education earlier than the United States.<sup>10</sup> In countries where the gap was closed in the 1950s, two generations have already experienced gender equality in years of schooling, while in those countries where the gap was closed in the 1970s, only one generation has experienced such equality.

Most developed countries and some developing countries have not only closed the gender gap in education, but also significantly reversed it in favour of women (see Hausmann, Ganguli and Viarengo, 2009). Except for Austria, all of the countries where the gap remains in men's favour are developing countries. As table 1 shows, however, the gap at age 25 is still very wide in 11 of the 13 countries that have yet to close it, ranging from 0.6 to 2.1 years of schooling, but much smaller in Austria and Mexico, at 0.1 years. The gap has closed in Viet Nam, and it has reversed significantly in Mongolia, Portugal, the Bolivarian Republic of Venezuela, Argentina, Brazil and Greece, where 25-year-old women have between 0.8 and 1.2 more years of schooling than men. In Latin America, the gap has been reversed in most countries (eight out of ten). Only Mexico and Bolivia exhibit a persistent gap disfavouring women, still significant in the case of Bolivia.

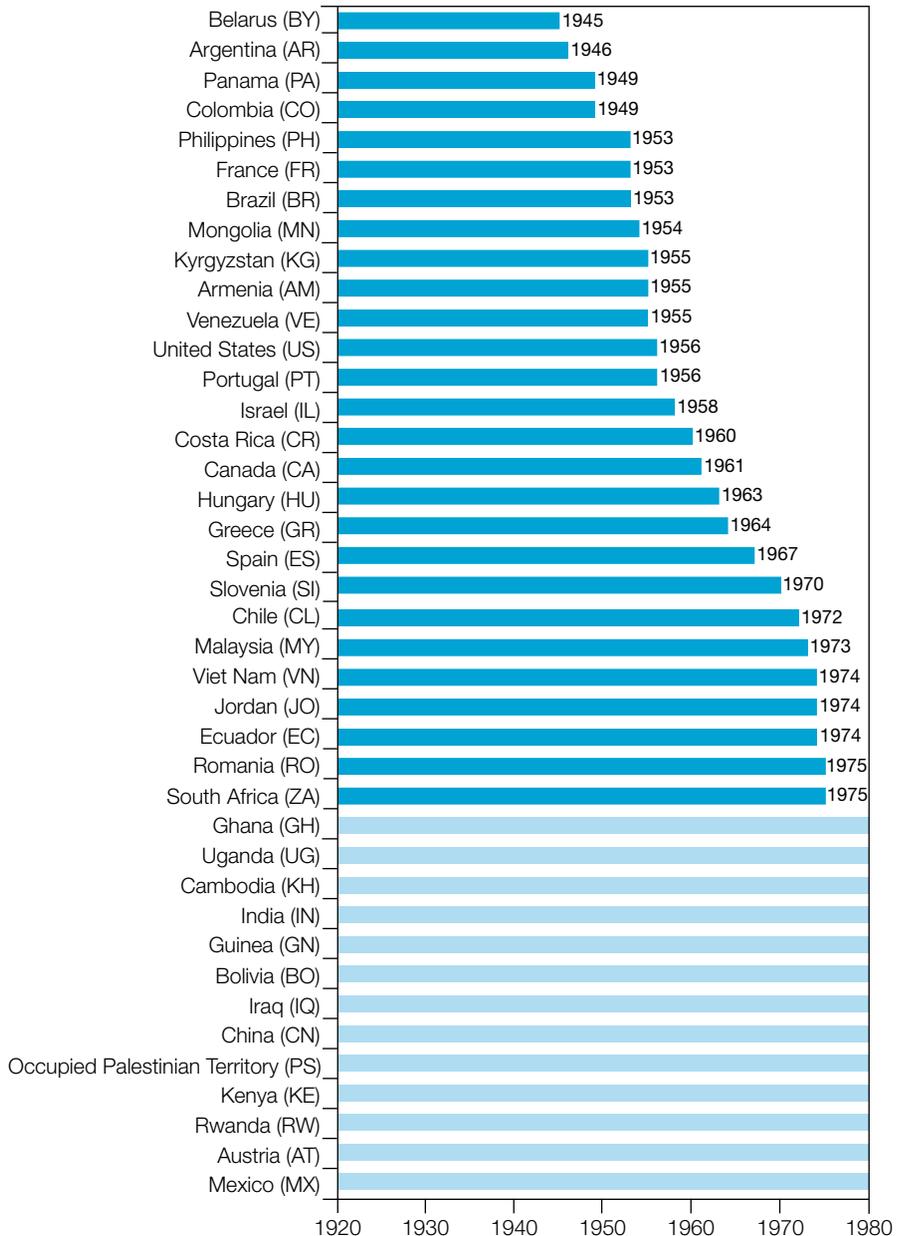
Figure 2 relates women's average years of education to the current size of the gender gap in years of education. Interestingly, several of the countries where the gap has reversed are not among those where women have the highest average levels of education (e.g. Argentina and Brazil). In Rwanda and Guinea, where women have the lowest average levels of education, the gender gap is between 1.2 and 2.3 years of schooling. In countries where the gender gap is around two years or more (i.e. Uganda, Kenya, Bolivia and

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<sup>10</sup> Admittedly, the United States has had a more complicated history in this regard: between 1900 and 1930, women had roughly the same level of education as men (Goldin, Katz and Kuziemko, 2006), then the gap widened and subsequently closed again for the cohorts born in the 1950s. None of the other countries in our sample displays such a reversal over time.

## The gender gaps in education and labour force participation

Figure 1. Year of birth of the first cohort to close the gender gap in education



Notes: The gender gap in education is calculated as men's average years of education minus women's average years of education for individuals born in a given year. The year of birth of the first cohort to have closed the education gap in the most recent available wave of the census is indicated for each country. For countries where no year is indicated, the gender gap in education was not yet closed at the time of the latest census for which data are available.

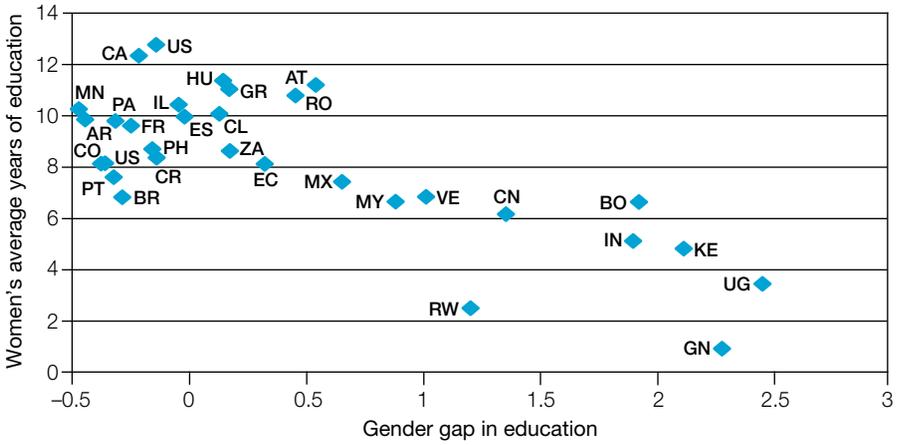
Source: Authors' calculations based on IPUMS-International data.

## Women, gender and work

**Table 1. The reversal of the gender gap in education**

Country	Birth year of cohort in which gap reversed or closed	Gap in years of schooling at age 25
Belarus	1945	-0.4
Argentina	1946	-0.8
Colombia	1949	-0.7
Panama	1949	-0.6
Brazil	1953	-0.8
France	1953	-0.7
Philippines	1953	-0.6
Mongolia	1954	-1.2
Venezuela, Bolivarian Rep. of	1955	-0.9
Armenia	1955	-0.5
Kyrgyzstan	1955	-0.1
Portugal	1956	-1.0
United States	1956	0.0
Israel	1958	-0.1
Costa Rica	1960	-0.4
Canada	1961	-0.5
Hungary	1963	-0.3
Greece	1964	-0.8
Spain	1967	-0.7
Slovenia	1970	-0.6
Chile	1972	-0.1
Malaysia	1973	-0.2
Ecuador	1974	-0.3
Jordan	1974	-0.2
Viet Nam	1974	0.0
South Africa	1975	-0.4
Romania	1975	-0.1
Mexico		0.1
Austria		0.1
Rwanda		0.6
Kenya		0.6
Occupied Palestinian Territory		0.8
China		0.8
Iraq		1.1
Bolivia, Plurinational State of		1.2
Guinea		1.3
India		1.5
Cambodia		1.6
Uganda		1.6
Ghana		2.1

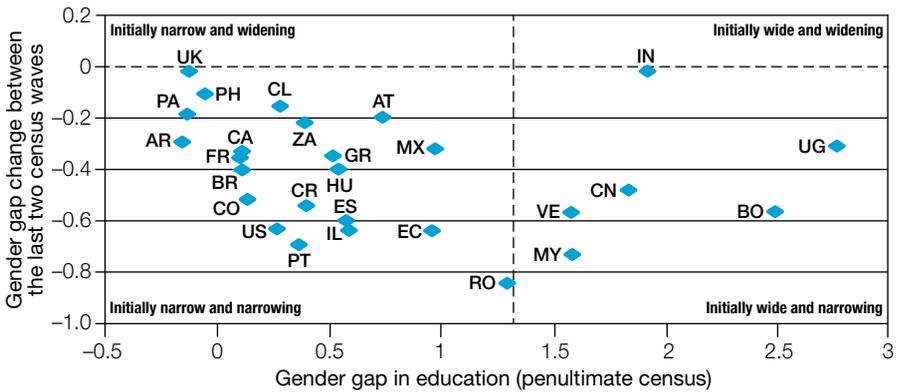
Figure 2. Women’s average years of education and the educational gender gap, most recent census wave



Notes: The gender gap in education is calculated as described in figure 1, and averaged for individuals aged 35–44. The country coding is given in figure 1.

Source: Authors’ calculations based on IPUMS-International data.

Figure 3. Change in the educational gender gap between the last two census waves



Notes: The education gap is calculated as the difference in average years of schooling between men and women aged 35–44. Two outliers, Guinea and Mongolia, have been excluded. The last two census years for each country are given in Appendix table A1. The country coding is given in figure 1.

Source: Authors’ calculations based on IPUMS-International data.

India), women average 4–6 years of education. In some countries, like Bolivia and Mexico, where the gender gap has reversed in urban areas, it persists among the indigenous population and in rural areas (Duryea et al., 2007).

Turning to the dynamics underlying these patterns, figure 3 plots the gender gap in average years of schooling for the age group 35–44 in the penultimate wave of the census against the change in the gap reflected in the most recent wave of the census. The gap is narrowing in the majority of countries.

One exception is India, where the initially wide gap does not appear to be narrowing.<sup>11</sup> Elsewhere, the reduction in the gender gap over the course of the decade-long interval between the two waves of the census ranges from close to zero to -0.8 years. Only Mongolia experienced a narrowing of the gap by more than a year; we therefore excluded it from figure 3.

## The labour force participation gap

The labour force participation gap is defined as the difference between the proportion of men and the proportion of women in the labour force. When interpreting our results, it should be remembered that this measure is based on the harmonized employment status variable of the IPUMS, which may not accurately take account of the household work, self-employment and informal activities that women are more likely to engage in than men, particularly in developing countries. The resulting bias may thus be more significant for developing countries, and there may be heterogeneity across countries that we cannot quantify. However, this should only affect the static analysis of the labour force participation gap (i.e. for a given wave), but not the dynamic analysis (changes across census waves), since the definition of the employment status variable does not change across waves.

Figure 4 shows the gender gap in labour force participation in the most recent wave of the census. Rwanda is the only country where women's labour force participation is higher than men's, though it is important to note that this cohort lived through the country's 1994 genocide, which has likely affected gender roles in the household and women's labour force participation. Other African States (e.g. Ghana, Kenya and South Africa) have female labour force participation rates as high as those observed in our sample of developed countries. Belarus exhibits equal labour force participation between men and women; and other former or current communist countries also exhibit high female labour force participation rates, with participation gaps below 20 per cent in Cambodia, Romania, Mongolia, Hungary, China and Viet Nam. Latin American countries have wider participation gaps, ranging from 29 per cent in Argentina to 53 per cent in Costa Rica. The Arab countries – Jordan, Iraq and Occupied Palestinian Territory – exhibit very large gaps, above 60 per cent. Among the developed countries, southern European countries (Greece, Spain and Portugal) have comparatively lower levels of women's labour force participation relative to men's.

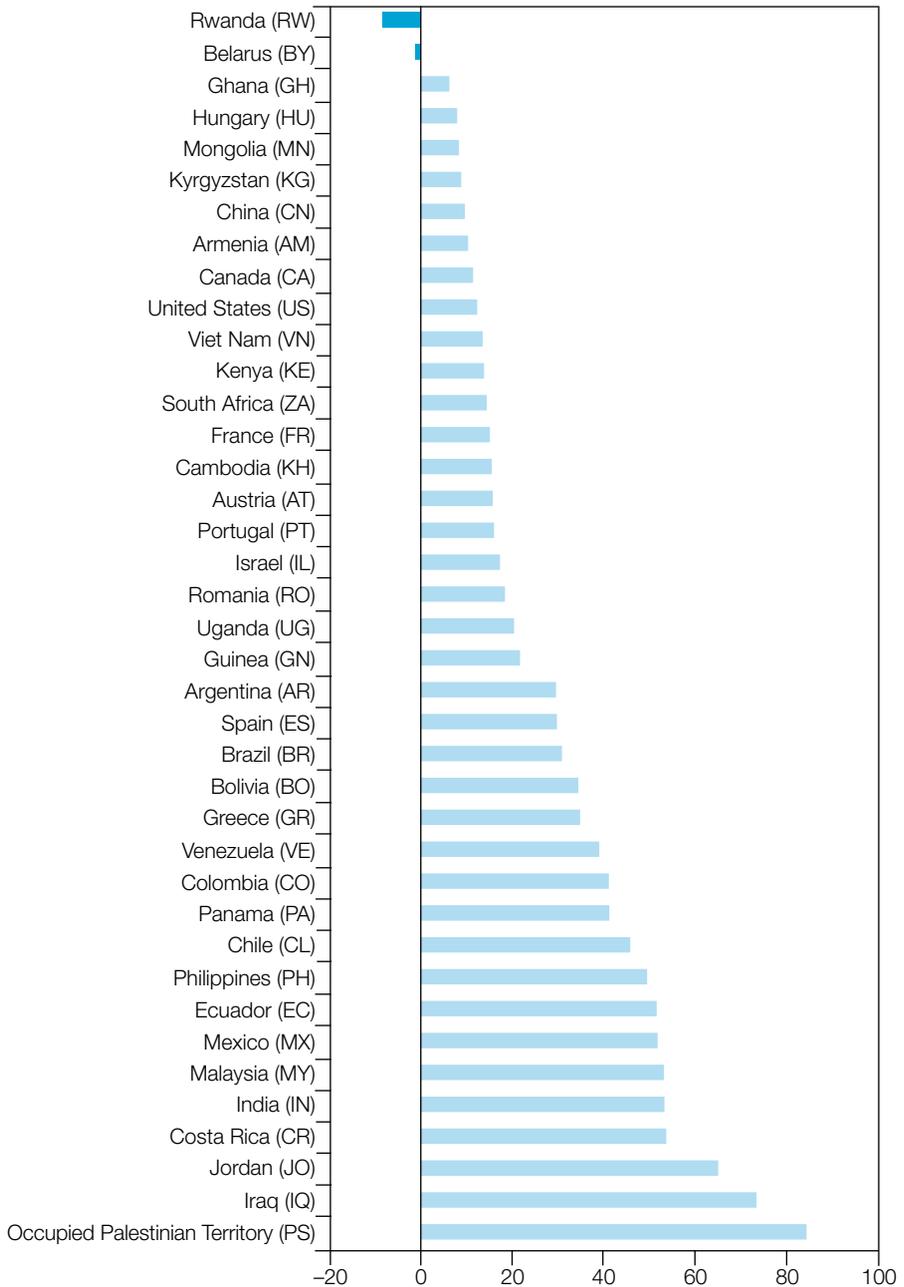
Figure 5 shows the change in the labour force participation gap between the penultimate and latest waves of the census, plotting the initial gap (horizontal axis) against the change in the gap (vertical axis). The change has been inconsistent across those countries which had wide initial gaps in labour force participation in the 1990s. In Brazil and Spain, the gap narrowed by more

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<sup>11</sup> India's most recent census, conducted in 2011, could present a shift in this pattern as the gap appears to have narrowed in aggregate terms.

## The gender gaps in education and labour force participation

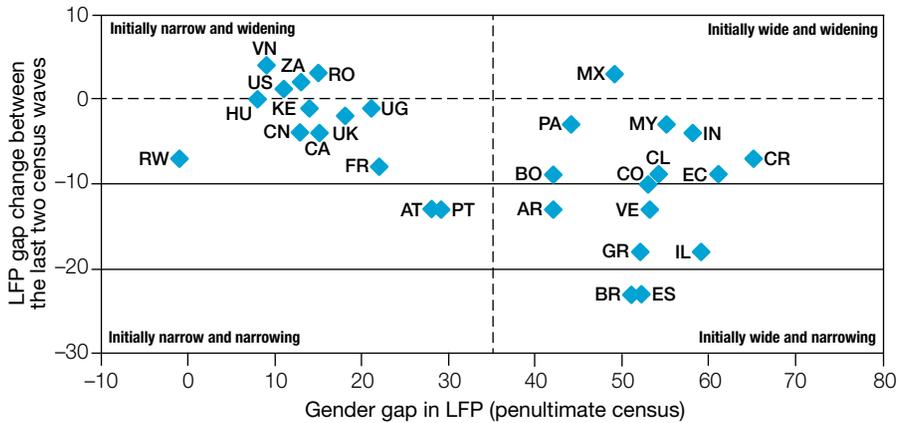
Figure 4. Labour force participation gap



Notes: The labour force participation gap is calculated as the share of men in the labour force (employed or unemployed and job seeking) minus the share of women in the labour force for the age group 35–44.

Source: Authors' calculations based on IPUMS-International data.

Figure 5. Change in the gender labour force participation gap between the last two census waves



Notes: The labour force participation (LFP) gap is calculated as described in figure 4. The last two census years for each country are given in Appendix table A1. The country coding is given in figure 1.

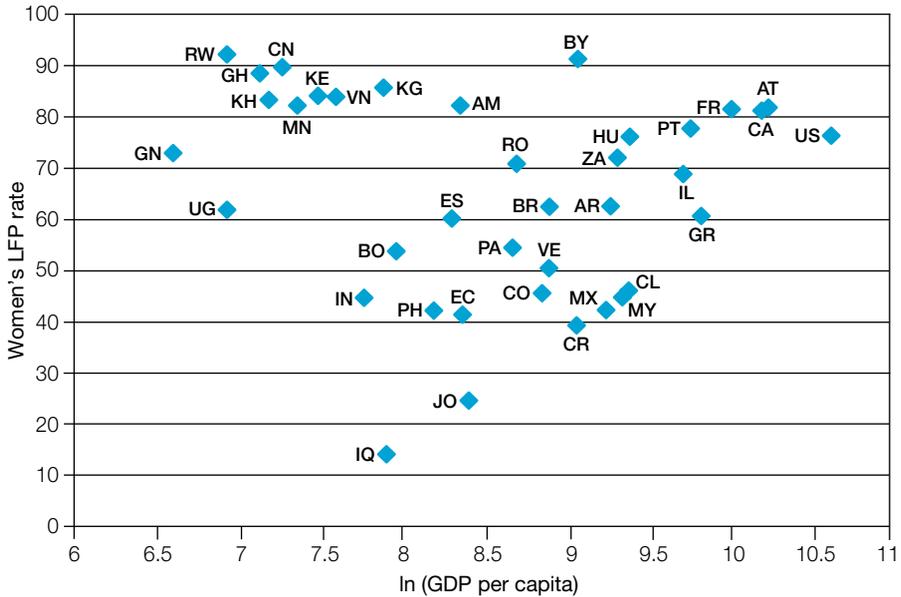
Source: Authors' calculations based on IPUMS-International data.

than 20 percentage points, displaying the greatest reductions observed across the countries in the sample. Among the other countries with initial participation gaps in excess of 30 per cent, Argentina, Venezuela, Israel and Greece experienced reductions in the gap between 10 and 20 percentage points, whereas Panama, Malaysia, India, Costa Rica, Chile, Ecuador and Colombia witnessed more limited reductions, below 10 percentage points. Mexico, by contrast, experienced a widening of its labour force participation gap. Rwanda, which had already closed its participation gap in the early 1990s, saw further reversal of the gap in favour of women. In Viet Nam, Romania, South Africa and the United States, the gap is widening, while it narrowed by less than 10 percentage points in the remaining countries.

Figure 6 suggests a U-shaped relationship between per capita GDP and female labour force participation: women's labour force participation rates are indeed high (above 70 per cent) in countries like Rwanda, Guinea, Ghana and Cambodia, whose annual GDP per capita is below US\$1,500, but also in countries like Austria, France, the United States and Canada, whose GDP per capita exceeds US\$22,000. Meanwhile, most middle-income countries exhibit female labour force participation rates below 60 per cent. The level of GDP per capita at which women's participation is at its lowest is approximately US\$2,800.<sup>12</sup> Iraq's GDP per capita was close to US\$2,747 in this period and its female labour force participation was the lowest among the countries in our sample, close to 14 per cent.

<sup>12</sup> This observation is supported by the regression analysis results reported in Appendix table A2.

Figure 6. Women’s labour force participation and GDP per capita (PPP)



Notes: The labour force participation rate (LFP) is calculated for women aged 35–44. The country coding is given in figure 1.

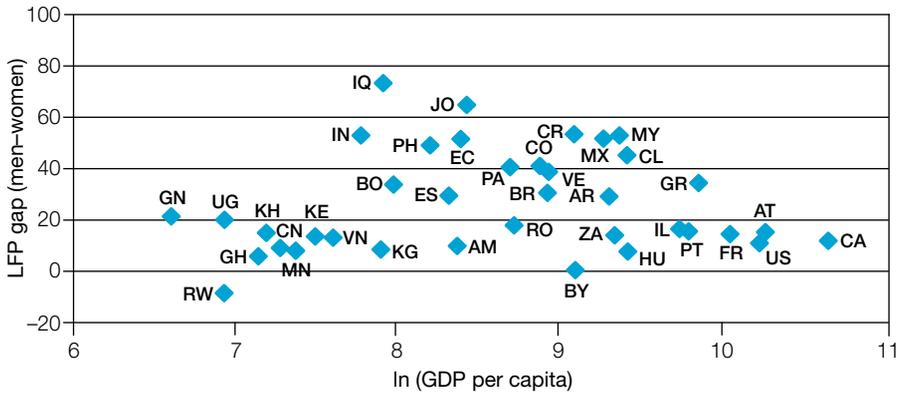
Sources: Authors’ calculations based on IPUMS-International data. GDP data are from the World Development Indicators.

Similarly, if we plot GDP per capita against the labour force participation gap, as shown in figure 7, we observe that the gap is smaller at lower and higher levels of GDP per capita. Appendix table A2, however, provides evidence that the relationship between female labour force participation and GDP per capita is weaker after controlling for urbanization. These results are consistent with earlier empirical studies which find that during the early stages of economic development women’s labour force participation declines as a result of the structural change (e.g. Sinha, 1967; Goldin, 1990 and 1994). Specifically, the shift from an agriculture-based economy to expansion of the modern sector leads to a decline in female participation in market-oriented activities.<sup>13</sup> Nevertheless, low-income countries with high female labour force participation rates (e.g. Ghana, Guinea, Rwanda and Uganda) still exhibit a gender gap in education (figure 1), while developed countries with equally high female labour force participation rates have reversed the gender gap in education and have a greater share of women employed in high-skilled urban occupations (Canada, France and the United States).

We formalize this analysis by means of regressions that explore the relationship between GDP and the labour force participation gap. We also examine

<sup>13</sup> In this case, labour force participation does not include home-based production of non-marketed services.

Figure 7. The labour force participation gap and GDP per capita (PPP)



Notes: The labour force participation (LFP) gap is calculated as the difference between the percentages of men and women aged 35–44 who are in the labour force. The country coding is given in figure 1.

Sources: Authors' calculations based on IPUMS-International data. GDP data are from the World Development Indicators.

the relationship between the labour force participation gap and the share of the population living in urban areas, and a measure of labour market rigidity. In table 2, column 1 shows that the log of GDP per capita and the log of GDP per capita squared are significantly related to the gender gap in labour force participation, confirming the relationship suggested by figure 7.<sup>14</sup> Column 2 shows the regression results predicting the change in the gap from the previous census. As shown by the descriptive analysis above, the size of the gap in the penultimate census is negatively related to subsequent change in the gap, so that countries with a wider initial gap experience a narrowing of their gender gap, indicating convergence. Change in the labour force participation gap and the log of GDP per capita are positively related, suggesting a U-shaped relationship between these two measures. Surprisingly, the regressions also show that the gender gap in participation is narrowing more rapidly in countries with more rigid labour markets, suggesting that labour market policies may have an impact on the speed at which this gap is changing – albeit not in the direction that might have been expected.<sup>15</sup>

Finally, the gender gap in education is decreasing more rapidly in countries where a greater share of the population lives in urban areas (figure 8). This appears to be related to the fact that after an initial decline in female labour force participation, as economies develop further and become urbanized, women's education and the opportunity cost of staying out of the labour force increase. Also, fertility rates decline, as do social barriers to market-based

<sup>14</sup> The inclusion of urban-squared in the regression does not change the results.

<sup>15</sup> The mean of the Employment Rigidity Index is 37.9 and the standard deviation is 16.9. An increase in the Employment Rigidity Index of one standard deviation would lead to a reduction in the gap by 0.027 per cent, so the effect is relatively small.

## The gender gaps in education and labour force participation

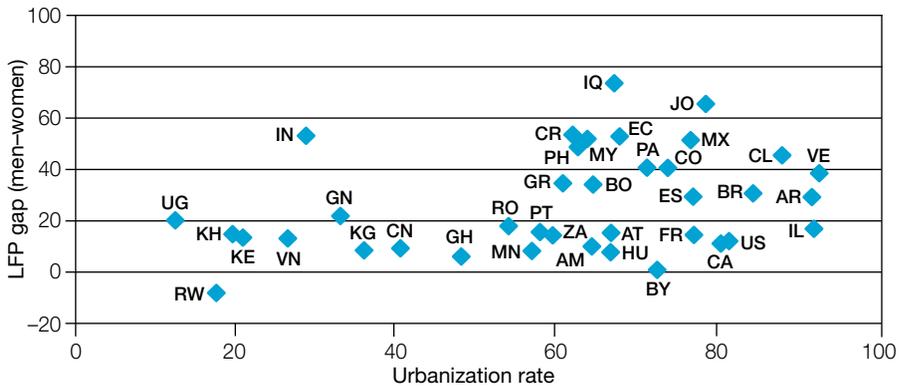
**Table 2. Gender gap regressions**

	(1) LFP gap	(2) Change in LFP gap	(3) Marriage gap	(4) Motherhood gap
Log GDP	1.146** (0.537)	0.801*** (0.261)	-0.700 (0.710)	-0.228 (0.554)
Log GDP-squared	-0.0685** (0.0305)	-0.0442*** (0.0149)	0.0434 (0.0412)	0.00805 (0.0323)
Rigidity of Employment Index	-0.000105 (0.00185)	-0.00158** (0.000705)	-0.00153 (0.00243)	0.000740 (0.00191)
Share urban	0.287 (0.217)	-0.232** (0.0922)	-0.422 (0.260)	-0.0521 (0.216)
LFP gap, penultimate census		-0.223** (0.0794)		
Women's LFP			0.919*** (0.0974)	0.212 (0.165)
Constant	-4.613** (2.260)	-3.365*** (1.088)	3.907 (2.948)	1.113 (2.329)

Notes: Regressions are based on the gender gap measures described in the data section. Standard errors are given in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. The Rigidity of Employment Index measures the regulation of employment, specifically the hiring and firing of workers and the rigidity of working hours. It is the average of three indexes: a difficulty of hiring index, a rigidity of hours index, and a difficulty of firing index. The results do not change when including "Share of urban-squared".

Sources: Authors' calculations from IPUMS-International data. GDP per capita and level of urbanization are from the World Development Indicators. The Rigidity of Employment Index (0=less rigid, 100=more rigid) is from the World Bank's "Doing Business" data set.

**Figure 8. The labour force participation gap and the rate of urbanization**

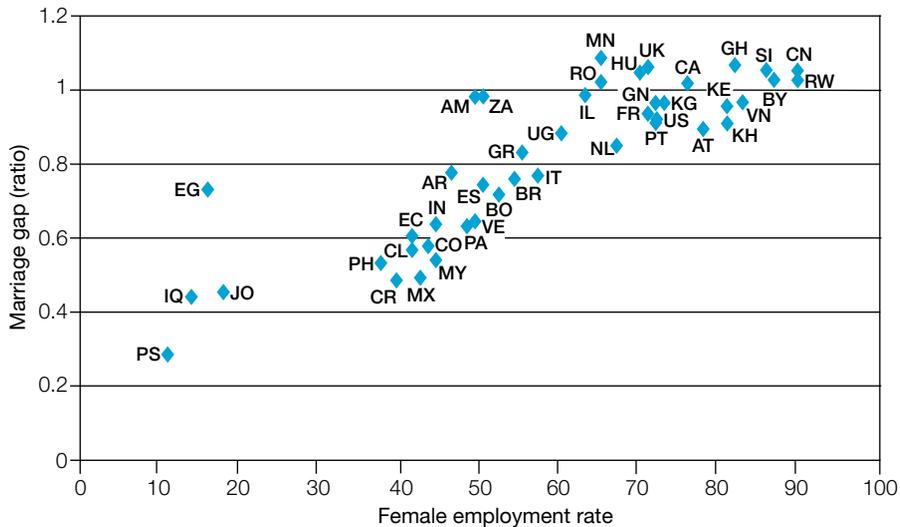


Notes: The labour force participation (LFP) gap is calculated as the difference between the percentages of men and women aged 35–44 who are in the labour force. The country coding is given in figure 1.

Sources: Authors' calculations based on IPUMS-International data. The percentages of the population living in urban areas are from the World Development Indicators.

work, so women's labour market participation increases (Goldin, 1990 and 1994; Mammen and Paxson, 2000). Importantly, even though this pattern is widely acknowledged in the literature, existing empirical cross-sectional studies are mainly descriptive and cannot identify the causal effect of development

Figure 9. The marriage gap and the female employment rate



Note: The marriage gap is calculated as the ratio of married to single women’s employment rates for the age group 35–44. The country coding is given in figure 1.

Source: Authors’ calculations based on IPUMS-International data.

and urbanization on women’s labour force participation. Besides, countries may follow different development patterns and, accordingly, different trajectories in women’s labour force participation.

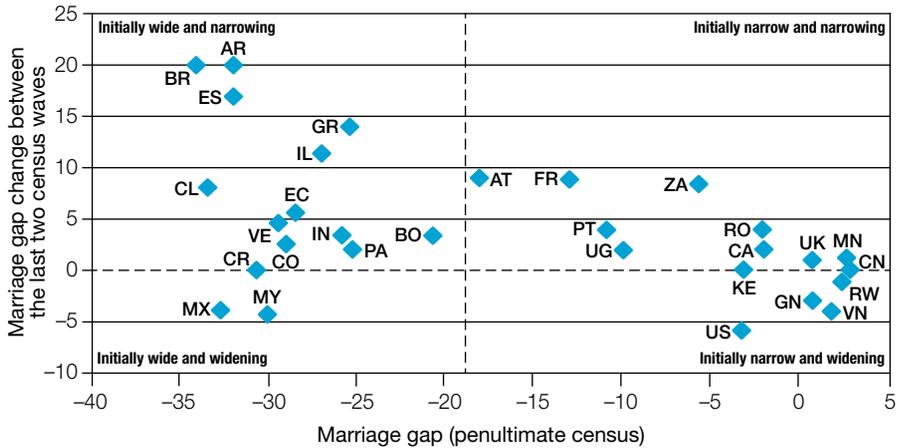
## The marriage gap

We now examine the gap in employment rates between married women and single women – the “marriage gap”.<sup>16</sup> By plotting the marriage gap against the female employment rate, figure 9 shows that in countries where women’s overall employment rate is low (below 20 per cent), the ratio of married to single women’s employment rates is low. In other words, where a smaller proportion of women work, fewer married women work relative to single women. This pattern is clearly reflected in the Arab countries, where the marriage gap is the widest (Occupied Palestinian Territory, Iraq and Jordan). But as the female employment rate rises, the employment differential between married and single women decreases.

There are several countries where female employment rates are high (above 60 per cent) and married women work more than single women (Mongolia, Ghana, China, Slovenia, the United Kingdom, Hungary, Rwanda, Belarus, Canada, and Romania). Interestingly, these countries include both developed

<sup>16</sup> This is based on the IPUMS marital status variable, MARST, for which we use “married/in union”. Our definition of “marriage” thus also includes cohabitation.

Figure 10. Change in the marriage gap over time



Note: The marriage gap is the difference in employment rates between single and married women aged 35–44. The change in the marriage gap is the percentage change in the marriage gap between the last two censuses, for women aged 35–44. The country coding is given in figure 1.

Source: Authors' calculations based on IPUMS-International data.

and developing countries, and communist and former communist countries alike. The results of our regression analysis confirm the relationship between the marriage gap and overall female labour force participation (see table 2, column 3). The results also show that other variables which might play a role in the marriage gap – GDP, urbanization and labour market rigidity – do not significantly explain the size of the marriage gap across countries.

Figure 10 presents the dynamics of the marriage gap by plotting the initial marriage gap (from the penultimate wave of the census) on the horizontal axis and the change in the gap a decade later on the vertical axis. Here, the marriage gap is calculated as the difference in employment rates between single and married women aged 35–44. Countries that started with a small marriage gap witnessed small changes in the gap. But the picture is less clear for countries that had a large initial gap. Some – e.g. Argentina, Brazil and Spain – experienced significant narrowing of the gap. Others, like Chile, Ecuador, Venezuela, India, Colombia and Panama, saw small reductions in the gap. Meanwhile, the marriage gap widened in Costa Rica, Malaysia and Mexico.

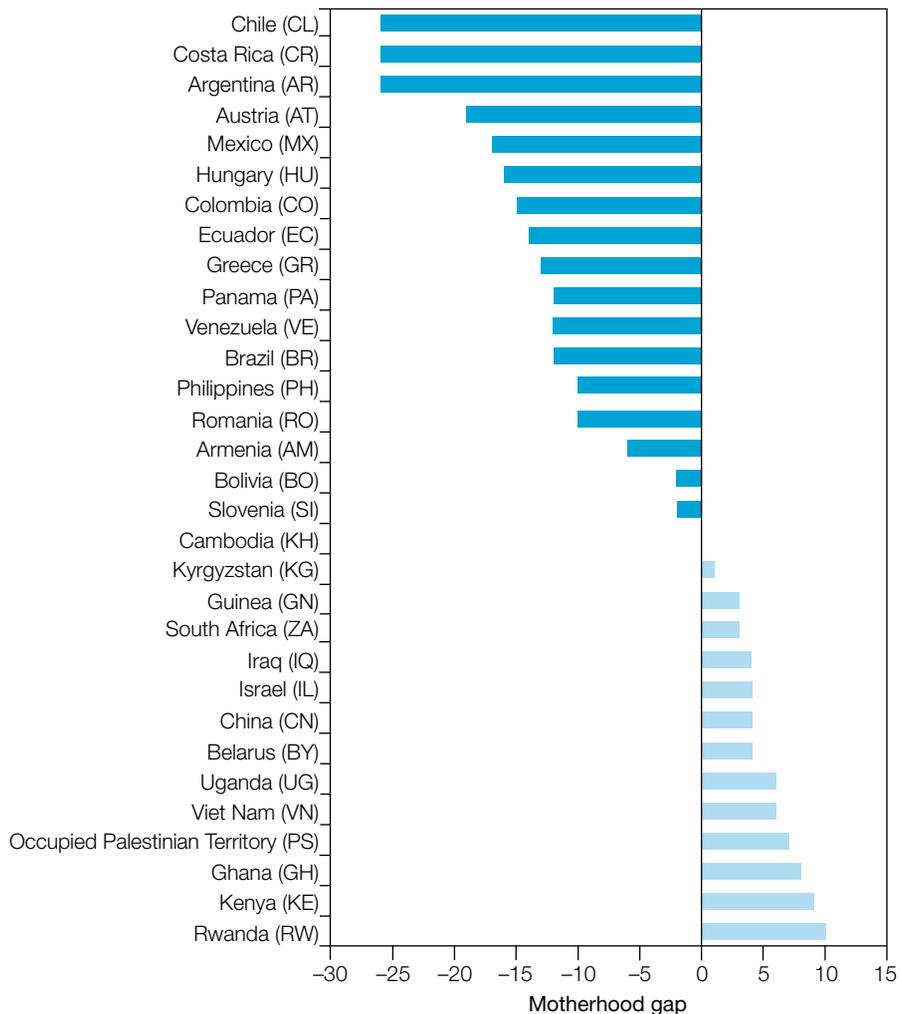
## The motherhood gap

We now turn to the gap in employment between women with three or more children and women without children. Earlier studies that have examined the motherhood gap or “family gap” by looking at earnings differentials have been motivated by the fact that, in many countries, women tend to bear primary responsibility for childcare and unpaid household work (Elson, 1999; for examples of such studies, see note 9 above). Empirical evidence has been

mainly limited to developed countries, where findings indicate that there is a persistent family gap, though its size varies across countries (Harkness and Waldfogel, 1999). Women with children are also less likely to work outside of their home; and those who do so, work fewer hours.

Figure 11 ranks countries according to the size and sign of their motherhood gap. In most of the countries in our sample, women with children tend to work less than women without children (hence the negative values of the

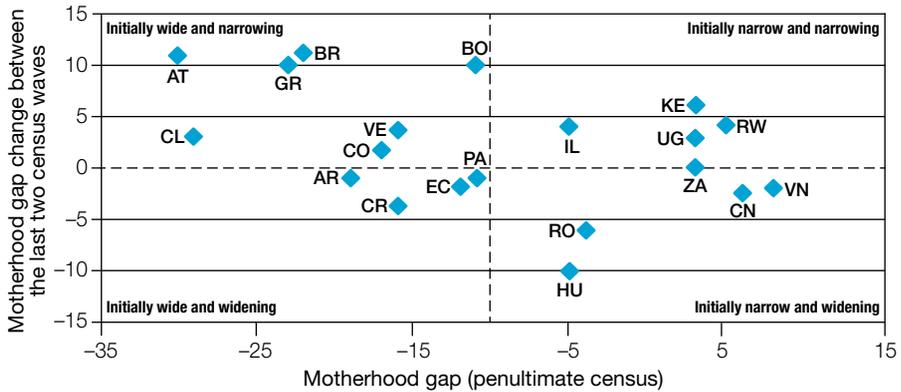
Figure 11. The motherhood gap (most recent census wave)



Notes: The motherhood gap is the difference between the employment rate of women with three children and the employment rate of those with no children, for women aged 35–44.

Source: Authors' calculations based on IPUMS-International data.

Figure 12. Change in the motherhood gap over time



Notes: The motherhood gap is the difference between the employment rate of women with three children and the employment rate of those with no children, for women aged 35–44. The country coding is given in figure 1. Source: Authors' calculations based on IPUMS-International data.

motherhood gap).<sup>17</sup> The gap is widest in Chile, followed by Costa Rica and Argentina. However, there are several countries with a positive motherhood gap, meaning that women with children work more than women without children. In Rwanda, the positive gap is almost 10 per cent. Interestingly, Iraq and Occupied Palestinian Territory, which have the lowest female employment rates, have positive motherhood gaps. Table 2, column 4, shows the regression results for the motherhood gap: there is no significant relationship between the motherhood gap and GDP, urbanization, labour market rigidity, or women's overall labour force participation.

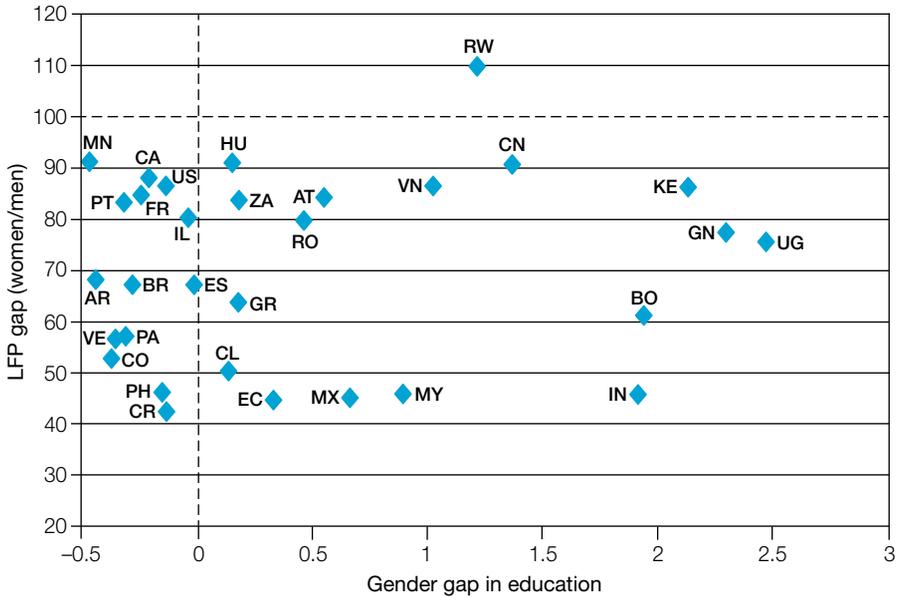
Lastly, figure 12 shows the changes in the motherhood gap across the two census waves. Countries with a larger initial gap saw large changes in the gap (e.g. Austria, Brazil and Greece) while countries with a positive motherhood gap in the penultimate census, like China, Viet Nam and South Africa, witnessed very small changes.

## Relationships between the gaps

This section examines the relationships between the gaps we have discussed thus far, namely, the gender gaps in education and labour force participation, and the marriage and motherhood gaps. Figure 13 plots the gender gap in

<sup>17</sup> Appendix figure A1 shows the motherhood gap based on an alternative definition – the difference in employment rates between women with any children and women without children. As noted earlier, we chose our three-child threshold because most of the countries in our sample are developing countries where the average number of children is higher. Also, since the costs of having children increase with the number of children in the household, women with three or more children are a useful group to examine comparatively. Figure A1 shows that a few countries move in the ranking depending on which definition is used, but the original and alternative definitions of the motherhood gap produce very similar results for most countries and, on average, the difference between the measures is zero.

Figure 13. The gender gaps in education and labour force participation



Notes: The gender education gap is the difference between men’s and women’s years of schooling for those aged 35–44. The labour force participation (LFP) gap is calculated as the proportion of women in the labour force divided by the proportion of men in the labour force for individuals aged 35–44 (expressed as a percentage). The country coding is given in figure 1.

Source: Authors’ calculations based on IPUMS-International data.

education on the horizontal axis and the gender gap in labour force participation on the vertical axis. There is no clear relationship between these gaps: although the educational gender gap has reversed in many countries, the labour force participation gap remains. For example, Argentina, Brazil, Colombia, the Philippines, Panama and Venezuela have all reversed their educational gender gap, but all of them still have labour force participation gaps between 40 and 70 per cent. Meanwhile, countries like China, Viet Nam and Kenya have large education gaps, but small labour force participation gaps. Rwanda, where women work more than men, has not reversed its gender gap in education. The country-level regression results reported in column 1 of table 3 confirm that that, after controlling for other factors, the education gap is not significantly related to the labour force participation gap.

As discussed earlier, these patterns may be explained by greater labour force participation among low-skilled women in these countries. As mentioned above, existing studies suggest that women’s labour supply follows a U-shaped pattern during economic development (Sinha, 1967; Schultz, 1988; Goldin, 1990 and 1994; Mammen and Paxson, 2000). At very low levels of income, women tend to have low-skilled jobs and long working hours; they are typically the secondary earners in the household; and their work often plays the role of an insurance. There is some disutility and social stigma attached to labour force

## The gender gaps in education and labour force participation

**Table 3. Regressions showing the relationships between gaps**

	(1) LFP gap	(2) Change in LFP gap	(3) Marriage gap	(4) Marriage gap	(5) Motherhood gap	(6) Motherhood gap	(7) Motherhood gap
Log GDP	1.535*** (0.532)	0.386 (0.399)	-0.215 (0.268)	-0.0154 (0.371)	-0.198 (0.540)	-0.00976 (0.501)	-0.0421 (0.495)
Log GDP- squared	-0.0894*** (0.0303)	-0.0202 (0.0222)	0.0125 (0.0156)	0.00239 (0.0214)	0.00617 (0.0314)	-0.00310 (0.0288)	-0.00175 (0.0285)
Rigidity of Employment Index	-0.000632 (0.00174)	-0.000482 (0.000814)	0.000852 (0.000929)	0.000935 (0.00128)	0.00100 (0.00187)	0.000307 (0.00172)	-0.000126 (0.00172)
Share urban	0.287 (0.246)	-0.336*** (0.108)	0.00282 (0.103)	0.0205 (0.168)	-0.0309 (0.208)	0.0408 (0.227)	0.00642 (0.220)
Education gap	0.0739 (0.0566)			0.0459 (0.0441)		0.0539 (0.0595)	0.0322 (0.0593)
Change in education gap		-0.0173 (0.0622)					
LFP gap			-0.985*** (0.0823)	-0.989*** (0.159)	-0.283 (0.166)	-0.500** (0.215)	
Marriage gap							0.444** (0.189)
Constant	-6.422*** (2.238)	-1.668 (1.707)	1.955* (1.112)	0.954 (1.576)	1.187 (2.242)	0.247 (2.124)	-0.0191 (2.149)
<b>Observations</b>	27	22	28	19	28	19	19
<b>R-squared</b>	0.425	0.505	0.907	0.865	0.518	0.751	0.753

Notes: Standard errors are given in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Regressions are based on the measures described in the data section. The results do not change when including "Share urban-squared".

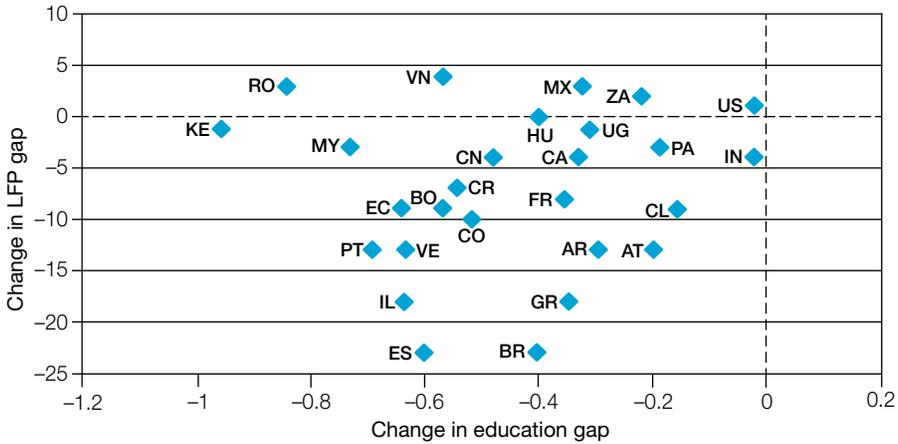
Sources: Authors' calculations from IPUMS-International data. GDP per capita and rates of urbanization are from the World Development Indicators. The Rigidity of Employment Index (0=less rigid, 100=more rigid) is from the World Bank's "Doing Business" data set.

participation that helps to understand why women's labour force participation goes down as GDP per capita goes up. At high levels of income per capita, however, women are educated and more likely to have "careers." They are also less likely to be the "second earner" and tend to have more decision power within the household. In this context, women form their identity first, invest in their education and only then make decisions related to marriage and fertility. Descriptive evidence consistent with our results is provided in the World Bank's (2011b) *World Development Report 2012*, which documents women's U-shaped labour force participation curve relative to economic development.

Figure 14 plots the relationship between changes in the education and labour force participation gaps. In no country have both gaps increased. In India, the gender gap in education has not changed while the gender gap in labour force participation has narrowed by around 4 percentage points.<sup>18</sup> In Romania, Viet Nam, Mexico, South Africa and the United States, by contrast, the gap

<sup>18</sup> As mentioned in note 11 above, the latest wave of the Indian Census (2011) could show a different pattern.

Figure 14. Changes in the education gap and in the labour force participation gap

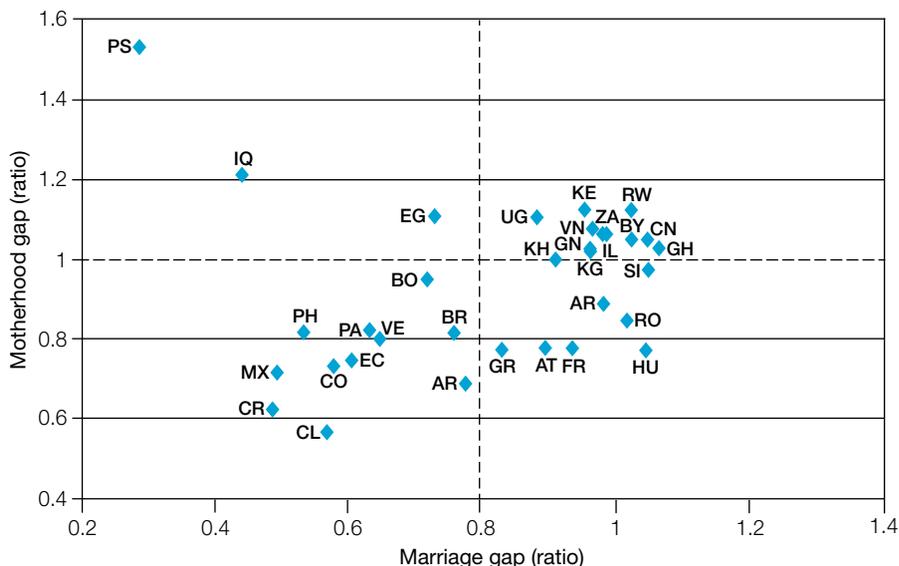


Notes: The gender education gap is the difference between men’s and women’s years of schooling for those aged 35–44. The labour force participation (LFP) gap is calculated as the male participation rate minus the female participation rate for individuals aged 35–44. This graph is presented for those countries for which we have information on both the education and the labour force participation gaps. The country coding is given in figure 1. Source: Authors’ calculations based on IPUMS-International data.

in labour force participation is widening, while the gap in education is either shrinking or unchanged. In the majority of countries, however, both gaps narrowed between the two census waves. The most significant reductions in the labour force participation gap occurred in Brazil and Spain, while the greatest decreases in the education gender gap occurred in Kenya, Romania and Malaysia. There is heterogeneity across the remaining countries. Our regression analysis shows no significant relationship between change in the labour force participation gap and change in the education gap (table 3, column 2).

Columns 4 and 6 of table 3 show that the labour force participation gap is significantly associated with both the motherhood gap and the marriage gap. However, reduction of the educational gender gap has not generally been associated with narrowing of the marriage and motherhood gaps. These gaps have responded instead to other factors that have affected the overall gender gap in labour force participation. Except in Iraq and Occupied Palestinian Territory, there appears to be a positive relationship between these gaps: the smaller the employment rate differential between married and single women, the smaller the differential between women with children and women without (figure 15). We imagine that many of the factors making marriage more compatible with work also tend to make motherhood more compatible with work. A better understanding of the interactions between household and market production and intra-household decision-making and bargaining power can shed more light on the labour supply decisions of wives and mothers (Benería and Sen, 1986 and 1982; Folbre, 1986). Column 7 of table 3 confirms the positive relationship between the marriage and motherhood gaps after controlling for other factors.

Figure 15. The motherhood gap and the marriage gap



Notes: The motherhood gap is the ratio of working women with three children to working women with no children, for women aged 35–44. The marriage gap is the ratio of married to single women’s employment rates, for women aged 35–44. The country coding is given in figure 1.

Source: Authors’ calculations based on IPUMS-International data.

## How much of the labour force participation gap can be accounted for?

Finally, we consider how much of the gender gap in labour force participation can be explained by size of the education, marriage and motherhood gaps. In the spirit of an Oaxaca-Blinder decomposition, we present a descriptive analysis of what women’s labour force participation would be if the different groups we are studying all had the same level of education. Following Blinder (1973) and Oaxaca (1973), this approach has typically been used to study mean outcome differences between groups (e.g. wage gaps by sex or race). Specifically, it decomposes a differential between two groups into a part that is “explained” by group differences in observable characteristics, such as education or work experience, and a residual part that cannot be accounted for by observable differences. In this approach, a counterfactual wage equation is created in which, say, women are given the characteristics of men. The “unexplained” part is then often used as a measure of discrimination, though it also includes the effect of differences between the groups in unobserved characteristics. Most applications of this decomposition approach can be found in the labour market and discrimination literature (for meta-studies, see, for example, Stanley and Jarrell, 1998; Weichselbaumer and Winter-Ebmer, 2005); and more recent studies

have developed alternative approaches for creating counterfactuals (e.g. Fortin, Lemieux and Firpo, 2010; Machado and Mata, 2005).

Here, we seek to calculate how much of the labour force participation gap between men and women is explained by the other gaps we have analysed thus far (education, marriage and motherhood) and how much of the labour force participation gap is left unexplained. To do this, we create counterfactual labour force participation gaps by running regressions of women’s labour force participation as a function of years of education, age, and dummies for married women and those having three or more children. Accordingly, we run the following regression for women only (aged 35–44) for each country separately, using the full individual-level census sample:

$$FemaleLFP_i = \alpha + \beta_1 education_i + \beta_2 age_i + \beta_3 married_i + \beta_4 children_i + \varepsilon_i$$

Still following the Oaxaca-Blinder approach, we then create counterfactual levels of women’s labour force participation by “predicting” their participation using the estimated regression coefficients above if (1) if they had men’s average level of education, all other variables being equal; (2) if they did not display a “marriage gap”, all other variables being equal (i.e. omitting the coefficient on marriage); and (3) if they did not display a “motherhood gap”, all other variables being equal (i.e. omitting the coefficients on having children). We then use these counterfactual levels of women’s labour force participation to create counterfactual labour force participation gaps by calculating the difference between men’s actual labour force participation and the counterfactual participation rate for women. Lastly, we subtract the counterfactuals based on hypothetical scenarios (1), (2) and (3) from the actual labour force participation gap. This leaves us with the portion of the participation gap that is unexplained by the education, marriage and motherhood gaps, showing how much of the actual gap in labour force participation between men and women is reduced in each hypothetical case.

Table 4 reports the results of this analysis. Column 1 gives the actual size of the labour force participation gap for each country. Column 2 shows how much women’s labour force participation would change if women had men’s average level of education for those countries where the gender gap has not reversed. Assigning male levels of education to women leads to reductions of the labour force participation gap by several percentage points in some African and Arab countries including Guinea, Iraq, Kenya, Occupied Palestinian Territory and Uganda. For other countries, the reduction is modest. India is a unique case: here, the labour force participation gap increases because of this country’s negative relationship between education and labour force participation.<sup>19</sup>

Column 3 of table 4 shows how the labour force participation gap would change if the marriage gap were eliminated. For many countries, the reduction is large, particularly in Bolivia, Cambodia, Chile, Kenya, Kyrgyzstan, Malaysia, Panama, Spain and Venezuela. In China, Ghana, Mongolia and Slovenia, the

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<sup>19</sup> As previously mentioned, however, this negative relationship may no longer hold in the light of the results of the 2011 wave of the census.

**Table 4. Counterfactual analysis of the labour force participation gap**

Country (census wave)	(1) Actual LFP gap	(2) Gap w/o education gap	(3) Gap w/o marriage gap	(4) Gap w/o motherhood gap	(5) Residual percentage of actual gap
Argentina (2001)	29.17	–	19.61	25.95	56
Armenia (2001)	9.88	–	6.94	–	70
Belarus (1999)	0.28	–	–	–	
Bolivia, Plurinational State of (2001)	34.12	33.61	20.51	–	59
Brazil (2000)	29.96	–	19.04	–	64
Cambodia (1998)	14.23	14.93	5.54	–	44
Canada (2001)	10.85	–	9.62	–	89
Chile (2002)	45.48	45.04	26.36	38.33	41
China (1990)	9.27	8.81	–	–	95
Colombia (2005)	30.81	–	25.15	–	82
Costa Rica (2000)	53.38	–	31.34	52.37	57
Ecuador (2001)	51.25	50.26	34.79	–	66
Ghana (2000)	5.74	5.58	–	–	97
Greece (2001)	34.5	33.8	23.55	34.28	66
Guinea (1996)	21.37	18.7	16.43	–	64
Hungary (2001)	7.55	7.09	7.17	3.99	42
India (1999)	52.89	–	34.57	–	65
Iraq (1997)	73.21	62.91	65.62	67.55	68
Israel (1995)	16.94	16.8	12.96	–	76
Jordan (2004)	64.87	62.54	41.22	–	60
Kenya (1999)	13.38	11.07	7.31	–	37
Kyrgyzstan (1999)	8.39	–	3.34	–	40
Malaysia (2000)	52.91	51.45	19.8	–	35
Mongolia (2000)	7.89	–	–	–	
Occupied Palestinian Territory (1997)	84.15	79.11	70.86	74.53	67
Panama (2000)	40.96	–	24.04	39.85	56
Portugal (2001)	15.63	–	12.13	–	78
Romania (2002)	18.02	16.22	17.04	16.17	74
Rwanda (2002)	–	–	–	–	
Slovenia (2002)	3.44	3.26	–	–	95
Spain (2001)	29.38	–	16.73	–	57
Uganda (2002)	20.02	17.25	13.75	–	55
United States (2005)	15.74	–	9.48	–	60
Venezuela, Bolivarian Rep. of (2001)	38.66	–	21.98	37.75	55
Viet Nam (1999)	13.58	13.82	7.47	–	57

Notes: (1) is the labour force participation gap calculated as the proportion of men in the labour force minus the proportion of women in the labour force for individuals aged 35–44. For (2)–(4), a counterfactual gap is calculated based on a regression of women's labour force participation as a function of years of education, age, dummy for married and dummies for children (0–6+). Women's labour force participation is then predicted as if they had men's level of education, all other variables being equal, in (2); as if they if they did not display a "marriage gap", all other variables being equal (omitted coefficient on marriage), in (3); as if they did not exhibit a "motherhood gap", all other variables being equal (omitted coefficients for children 3+), in (4). (5) is the share of the actual gap left after subtracting (2)–(4) from the actual gap. If a cell is blank, the relevant gap has reversed or is 0, or increases the LFP gap, as noted in the text. In some cases, a cell is blank because variables are missing, namely: the number of children ever born for Canada, India, Jordan, Mongolia, Portugal, Spain, Uganda and the United States; and labour force participation for Mexico.

Source: Authors' calculations from IPUMS-International data.

labour force participation gap increases in the hypothetical scenario, indicating that marriage is associated with greater labour force participation among women in these countries.

Column 4 shows what happens to the labour force participation gap when we assign to each mother with three or more children the labour force participation of a woman without children. For many of the countries with a motherhood gap, the cells are blank because the gap actually increases in this counterfactual. In Argentina, Chile, Iraq, Occupied Palestinian Territory and Hungary, the labour force participation gap narrows significantly when mothers are assigned the labour force participation of non-mothers.

Finally, in column 5, we report the residual, i.e. the share of the actual labour force participation gap that is not explained by the counterfactuals based on eliminating the education, marriage and motherhood gaps. For most countries, a large share of the labour force participation gap remains unexplained after we eliminate these other gaps. For a few countries, notably Cambodia, Chile, Hungary, Kenya and Malaysia, less than half of the gap is left unexplained after the other gaps have been eliminated, suggesting that in these countries, reducing the education, marriage, and motherhood gaps will contribute significantly to reducing the overall labour force participation gap. However, in line with our previous analysis at the country level, other factors besides the education, marriage and motherhood gaps appear to explain the largest share of the overall gender gap in labour force participation for most countries.

## Conclusion and discussion

Signed by the leaders of 189 countries, the Millennium Development Goals have prioritized the beneficial effects of educating girls and achieving gender equity in education. Our analysis has shown that this goal has now been attained in many countries. All the countries in our sample where the gender gap in education has not closed are developing countries. Yet, while the education gap has thus closed or even reversed in a majority of countries, other gaps affecting women's employment remain, particularly the differences between married and single women, and between mothers and non-mothers.

We have documented significant heterogeneity in terms of the size of these gaps, the speed at which they are closing, and how they are inter-related. In contrast to the many country studies that have been carried out on this topic, primarily on developed countries, we have provided cross-country comparisons of these gaps in a large number of developing countries. Our main conclusion is that there is no systematic pattern to how these gaps have changed over time and that further study is needed to explain the divergent paths countries have taken. So while the closing of the educational gender gap would seem to promise further reductions in the gender gap in labour force participation, it does not appear to be significantly related to the employment gaps between married and single women, and between women with and without children.

In 22 of the 35 countries in our counterfactual analysis, the gap in labour force participation between men and women was found to exceed 15 per cent in the latest census wave we considered. Our counterfactual analysis shows that closing the gender gap in education would narrow the labour force participation gap to less than 15 per cent for ten of those 22 countries. Eliminating the marriage gap would do so for only four of the 22 countries, and eliminating the motherhood gap would do so for seven of them. Thus, even after “closing” all of the gaps we examined in our counterfactual analysis, a large share of the labour force participation gap remains unexplained – over 60 per cent on average across the countries in our sample. This suggests that other factors – beyond education, marriage and motherhood – are playing a significant role in determining the size of the labour force participation gap in most countries.

The differences we observe among these countries in the size of the marriage and motherhood gaps are likely related to how compatible work is with marriage and children. We show that reductions in these gaps would reduce the overall gap in labour force participation significantly in several countries, but this would not be the case in many others.

Much of the development policy aimed at achieving the Millennium Development Goals on gender equity has focused on reducing gender gaps in schooling through policies that change the costs or benefits of education (see, for example, Glick, 2008). In the light of our findings, however, we argue that focusing on education alone is not enough. The focus should be broadened to include other policies as well, notably initiatives aimed at making work more compatible with marriage and motherhood. In fact, such changes might also encourage further educational investments by women. Cultural attitudes, the availability of day care or in-home help, urban transport and other factors may indeed play a role in whether women with children work, and more analysis of this impact is needed. However, it is clear that even after eliminating labour force participation gaps associated with marriage and motherhood, female labour force participation remains low in many countries for other reasons that require further study.

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## Appendix

Table A1. Analytical sample

	Sample 1 Latest wave of the census	Sample 2 Penultimate and latest waves of the census
Argentina	2001	1991, 2001
Armenia	2001	
Austria	2001	1991, 2001
Belarus	1999	
Bolivia, Plurinational State of	2001	1992, 2001
Brazil	2000	1991, 2000
Cambodia	1998	
Canada	2001	1991, 2001
Chile	2002	1992, 2002
China	1990	1982, 1990
Colombia	2005	1993, 2005
Costa Rica	2000	1984, 2000
Ecuador	2001	1990, 2001
France	1999	1990, 1999
Ghana	2000	
Greece	2001	1991, 2001
Guinea	1996	
Hungary	2001	1990, 2001
India	1999	1987, 1999
Iraq	1997	
Israel	1995	1972, 1995
Jordan	2004	
Kenya	1999	1989, 1999
Kyrgyzstan	1999	
Malaysia	2000	1991, 2000
Mexico	2005	1995, 2005
Mongolia	2000	
Occupied Palestinian Territory	1997	
Panama	2000	1990, 2000
Philippines	2000	
Portugal	2001	1991, 2001
Romania	2002	1992, 2002
Rwanda	2002	1991, 2002
Slovenia	2002	
South Africa	2007	2001, 2007
Spain	2001	1991, 2001
Uganda	2002	1991, 2002
United Kingdom	2001	1991, 2001
United States	2005	2000, 2005
Venezuela, Bolivarian Rep. of	2001	1990, 2001
Viet Nam	1999	1989, 1999

## The gender gaps in education and labour force participation

**Table A2. Women's labour force participation regressions**

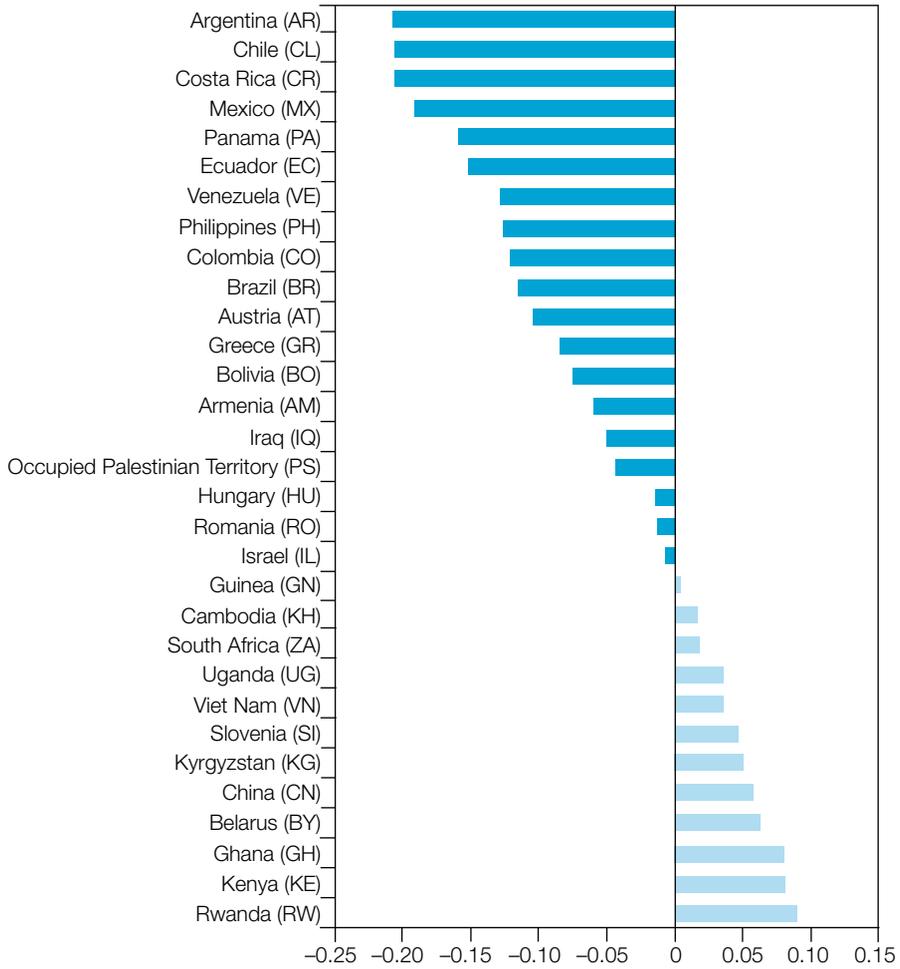
	(1) Women's LFP	(2) Women's LFP	(3) Women's LFP	(4) Women's LFP
Log GDP	-1.506*** (0.444)	-1.070** (0.500)	-1.096** (0.526)	-1.127* (0.559)
Log GDP-squared	0.0868*** (0.0258)	0.0647** (0.0282)	0.0661** (0.0296)	0.0680** (0.0316)
Share urban		-0.368* (0.213)	-0.241 (0.712)	-0.247 (0.723)
Share urban-squared			-0.112 (0.600)	-0.106 (0.610)
Rigidity of Employment Index				0.000353 (0.00187)
Constant	7.086*** (1.884)	5.216** (2.130)	5.301** (2.208)	5.416** (2.324)
<b>Observations</b>	38	38	38	38
<b>R-squared</b>	0.251	0.311	0.312	0.313

Notes: Standard errors are given in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Sources: Authors' calculations from IPUMS-International data. Regressions are based on the gender gap measures described in the data section. GDP per capita and level of urbanization are from the World Development Indicators. The Rigidity of Employment Index (0=less rigid, 100=more rigid) is from the World Bank's Doing Business data set.

Women, gender and work

Figure A1. Alternative definition of the motherhood gap (latest census wave)



Notes: For this definition of the motherhood gap, we calculate the difference between the employment rate of women with any children and the employment rate of those with no children, for women aged 35–44.

Source: Authors' calculations from IPUMS-International data.

## Ethnic wage gaps in Peru: What drives the particular disadvantage of indigenous women?

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**Abstract.** *Ethnic inequality in labour market outcomes has long been on the policy agenda across Latin America. Using National Household Survey data, the authors analyse Peru's ethnic wage gap by sex over the period 2005–11. Although the gender wage gap is smaller than the ethnic gap, indigenous women compound both disadvantages. Interpreting the unexplained component of the gap as an upper-limit measure of ethnic discrimination, the authors then decompose the explained component into the discrete effects of individual, job and locational characteristics. Since more of the ethnic wage gap can be explained on these grounds among women, they conclude with targeted policy proposals.*

**E**thnic gaps in employment, wages and career progression are a matter of great concern in Latin America, one of the most unequal regions in the world. In Peru, widespread ethnic inequality in labour market outcomes has been on the national policy agenda for decades. The country has ratified the ILO's Indigenous and Tribal Peoples Convention, 1989 (No. 169), and since 2001, it has taken active measures aimed at integrating indigenous people in local elections, public institutions and the central government, and in some social programmes tackling poverty and exclusion; at the local and national levels, it has also legislated penalties for discrimination (Sulmont Haak, 2010). Yet, despite the Government's efforts to protect ethnic minorities, indigenous people – and indigenous women in particular – remain among the most vulnerable groups in the labour market, especially when it comes to wages.

From a policy perspective, it is important to explore the extent to which ethnic wage gaps can be attributed to differences in observable characteristics, such as human capital and job characteristics, or to discrimination. Evidence of discrimination in pay can be derived from wage data decomposition analysis. Specifically, the share of the ethnic wage gap that is not explained by

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observable characteristics (i.e. the unobserved component) is a ceiling estimate of what can result from wage discrimination. If the wages earned by indigenous people fall short of the wages earned by the ethnic majority group, after accounting for differences in human capital and job characteristics, then there is a strong case for supporting the enforcement of equal pay measures, along with other interventions aimed at addressing ethnic disparities in educational attainment and ethnic segregation in labour markets.

Economic theory tells us that there are two lead causes of discrimination. “Taste-based” discrimination, which was first modelled by Becker (1957), refers to a situation where economic agents have a taste or a preference for some persons and prefer not to interact with particular groups of people. Such discrimination is costly but can nonetheless persist in competitive markets because some individuals are willing to pay to avoid interacting with particular groups. Another form of discrimination is based on imperfect information about workers’ abilities – so-called statistical discrimination. According to this theory, which was pioneered by Arrow (1973) and Phelps (1972), sex or ethnicity is believed to be connected with workers’ productivity and thus explains a different treatment of some particular groups. Within this theoretical framework, decomposing the wage gap based on ethnicity can provide information on the extent to which wage discrimination against particular ethnic groups is an issue.

Few studies have empirically analysed ethnic wage gaps in Latin America, so little is known about the factors that drive ethnic inequality in wages, the changing patterns of such inequality and their determinants over time. This is partly due to the absence of information on ethnicity in many household surveys and national censuses. Yet, existing studies suggest that the ethnic wage gap in Latin America is large, persistent, and wider than the gender wage gap. For instance, in their analysis of seven countries with data on ethnicity (Bolivia, Brazil, Chile, Ecuador, Guatemala, Peru and Paraguay), Atal, Ñopo and Winder (2009) find that the average wage premium for men compared to women stands at 10 per cent, but rises to nearly 38 per cent for non-minorities compared to minorities. They also establish that disparities in education and occupational segregation account for the largest portion of this ethnic wage gap. On average, however, one-third of the gap remained unexplained across the seven countries.

Beyond the ethnic wage gap, even less is known about the links between gender and ethnicity. Indeed, the gender dimension of ethnic wage gaps is often ignored by researchers exploring the sources of these wage differentials in Latin America. The few studies available point to significant gender disparities within ethnic groups. In an analysis of four countries (Bolivia, Brazil, Guatemala and Guyana), Cunningham and Jacobsen (2008) use Oaxaca-Blinder decomposition to analyse the wage differentials between whites and non-whites and also compare men and women by ethnicity. They find that the portion of the ethnic wage gap that can be attributed to differences in observed characteristics differs between the sexes.

In the case of Peru, studies of ethnic inequality in labour market outcomes typically find that while there are large inter-ethnic wage differentials, discrim-

ination may only explain a tiny portion of wage inequality. For instance, in her analysis of the links between poverty and ethnicity, Trivelli (2005) undertakes an Oaxaca decomposition of the ethnic wage gap using data from the 2001 National Household Survey (ENAHO). She reports a substantial wage gap between indigenous and non-indigenous workers – about 49 per cent – but finds that differences in human capital endowments account for 43 per cent of this gap. Barrón (2008) uses the 2003 ENAHO to analyse the impact of exclusion and discrimination on income inequality. He also finds a large ethnic wage gap, with the mean labour income of indigenous workers standing at only 56 per cent of that of non-indigenous workers, but that most of the gap is explained by disparities in observed characteristics. In a subsequent study based on the 2006 ENAHO, Atal, Ñopo and Winder (2009) estimate at 45 per cent the raw wage gap between indigenous and non-indigenous people. They find that when accounting for differences in observable characteristics, the wage gap falls to 14 per cent. In contrast, Ñopo, Saavedra and Torero (2007), using the 2000 Living Standard Measurement Survey and an extension of Oaxaca-Blinder decomposition, find that a substantial part of the differentials between racial groups cannot be explained by differences in individual characteristics. They conclude that such results may be consistent with employer discrimination.

In this article, we use annual data from the ENAHO for the period 2005–11 to study the possible role of ethnic discrimination in generating wage differences between indigenous and non-indigenous workers. The article contributes to the literature on ethnic inequality in three ways. First, we provide new evidence on the magnitude of discrimination against indigenous workers in Peru. Second, we explore the gender dimension of ethnic wage gaps. Third, our analysis casts new light on the trends in the ethnic wage gap and the changing nature of its determinants over the period 2005–11. One important objective of this article is to uncover the factors driving the particular disadvantage of indigenous women in Peru, drawing attention to the way in which ethnic segregation and discrimination may differ between men and women.

The remainder of this article is organized into four sections. The first introduces the data and addresses methodological issues. The second presents basic descriptive statistics. The third section discusses our results, and the fourth section concludes.

## Data and methodology

To study the possible role of ethnic discrimination in generating wage differences between indigenous and non-indigenous workers in Peru, we use annual cross-section data from the ENAHO for the period 2005–11. The ENAHO has been conducted on a continuous basis since May 2003 and is representative at the national level: it covers both urban and rural areas in Peru's 24 administrative districts and in the constitutional province of Callao. It contains a wide range of information on households and household members' characteristics, education, health, employment and earnings.

### *Measuring ethnicity*

Currently, only nine Latin American countries include a question on ethnicity in their national surveys or censuses, either by asking about respondents' mother tongue or through self-ascription to an ethnic group (Atal, Ñopo and Winder, 2009). However, there is no Latin American consensus on the most appropriate definition of the concept of indigenous identity (Sulmont Haak, 2010). The distribution of racial categories in Peru was last measured in a census in 1940. Since then, except for a few ad hoc surveys, official statistics have focused on ethnic and cultural indicators that are less controversial and more objective, such as language.<sup>1</sup> Thus, the only way to measure ethnicity in Peru using a continuous national household survey such as the ENAHO is through place of birth or mother tongue.<sup>2</sup>

Sulmont Haak (2010) argues that using the latter as a proxy for ethnicity – rather than self-ascription to an ethnic group – can result in underestimating the size of the indigenous population. Moreover, Barrón (2008), Figueroa and Barrón (2005), and Ñopo, Saavedra and Torero (2004) have pointed out that using mother tongue as a proxy of ethnicity in Peru is not appropriate because, while native language speakers are mostly indigenous, the converse is not true. In the absence of alternatives, however, mother tongue has, despite its shortcomings, typically been used as the sole indicator of ethnicity in most of the empirical literature on Latin America, especially Peru.

In this article, we follow previous studies and use the information on mother tongue available in the ENAHO to analyse wage disparities between indigenous and non-indigenous people in Peru over the period 2005–11. We classify as indigenous all surveyed individuals who reported a native language (e.g. Quechua or Aymara) as their mother tongue. All those who reported Castilian as their mother tongue are considered to be non-indigenous. We exclude the very few respondents who reported that their mother tongue was English, Portuguese or another foreign language, or that they were deaf-mute. Restricting our sample to workers in wage employment, we then conduct our analysis of the ethnic wage gap based on hourly wages from their main job.

### *Estimation methods*

We run OLS wage regressions and Simultaneous Quantile wage regressions (first quartile, median and third quartile) to account for individual heterogeneity along the wage distribution, separately for indigenous and non-indigenous people, and, within each of these two groups, separately for men and women. The dependent variable is the natural logarithm of net hourly wages in the workers' main job.

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<sup>1</sup> Studies using ethnic markers other than mother tongue have failed to provide a comprehensive picture of ethnic discrimination since they focus on a specific point in time and on limited geographical areas, usually urban areas.

<sup>2</sup> In 2009, the ENAHO included for the first time a question on self-ascription to an ethnic group. But this was not reproduced in subsequent years.

Our explanatory variables include human capital and other individual characteristics, job characteristics and location variables. Human capital and other individual characteristics comprise dummies for five levels of educational attainment (primary incomplete, primary complete, secondary incomplete, secondary complete and tertiary education), potential work experience (age minus years of schooling minus six) and its square (to account for the possibility of decreasing returns), job tenure (number of months in the current main job), and a dummy for marital status. Job characteristics include dummies for industry, occupation, and terms of contract. Finally, our location variables comprise urban and regional (coast, mountains and forest) dummies.<sup>3</sup>

Since our sample excludes workers who are not in wage employment, it is not a random sample of the labour force. The ensuing problem of potential selectivity bias is not easily addressed. We tried to correct potential selectivity bias in our OLS regressions by using Heckman's (1979) two-step estimation model. This procedure, however, requires the availability of valid instruments, the most widely used in empirical studies being the number of children, age, region, and the education and occupation of parents (Beblo et al., 2003). Few of these instruments were available in our data, but those that could be identified turned out to be endogenous when performing exogeneity tests. Accordingly, we decided not to account for the Heckman two-step selection model. Nor do we attempt to correct potential selectivity bias in our Simultaneous Quantile regressions as there is currently no consensus in the literature on the most appropriate way of doing so. All of our findings are therefore based solely on OLS and Simultaneous Quantile regressions which do not deal with potential selectivity bias.

### *Wage gap decomposition*

In this article, we use the decomposition technique developed by Neumark (1988). This technique has been widely used in the literature and has the advantage of overcoming the so-called index number problem encountered in the decomposition technique proposed by Blinder (1973) and Oaxaca (1973).

Replicating Neumark's original argument on the gender wage gap in terms of ethnicity, it turns out that employers may practice nepotism toward non-indigenous workers or discrimination against indigenous workers. Under nepotism, indigenous workers are paid the competitive wage but non-indigenous workers are overpaid. The coefficients from the indigenous workers' wage equation then provide an estimate of the non-discriminatory wage structure. In the discrimination scenario, non-indigenous workers are paid the competitive wage but indigenous workers are underpaid. The coefficients from the non-indigenous workers' wage equation then provide an estimate of the non-discriminatory wage structure. In reality, however, employers may practise both

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<sup>3</sup> In our OLS regressions, we estimate robust standard errors (using the Huber/White/Sandwich estimator of variance), and in our Simultaneous Quantile regressions we estimate bootstrapped standard errors (200 replications).

nepotism and discrimination. With the restriction that employers only care about the proportions of indigenous and non-indigenous employees (i.e. employer preferences are homogeneous of degree zero), the non-discriminatory wage structure  $\beta^*$ , which is a weighted average of the non-indigenous and indigenous wage structures, can be obtained from a wage equation estimated over the pooled sample (that is, including both indigenous and non-indigenous workers).

We decompose the ethnic wage gap as follows:

$$\ln(\bar{Y}_{NI}) - \ln(\bar{Y}_I) = \hat{\beta}^*(\bar{X}_{NI} - \bar{X}_I) + \bar{X}_{NI}(\hat{\beta}_{NI} - \hat{\beta}^*) + \bar{X}_I(\hat{\beta}^* - \hat{\beta}_I) \quad (1)$$

The first component on the right-hand side represents the part of the ethnic wage gap attributable to differences in characteristics evaluated for the hypothetical market that would prevail in a non-discrimination scenario. The second and third components constitute the treatment or discrimination component and represent, respectively, the amount by which non-indigenous workers' characteristics are over-valued (i.e. non-indigenous workers' treatment advantage) and the amount by which indigenous workers' characteristics are under-valued (i.e. indigenous workers' treatment disadvantage), in wage employment.

Using this procedure, we decompose the ethnic wage gap for the overall sample of wage employed workers, and separately for men and women, and workers at the first quartile, median and third quartile of the wage distribution.

## Summary statistics

Table 1 reports the share of wage employment in total employment by sex, ethnicity and year for the period 2005–11. It shows a significant ethnic gap in wage employment throughout the period, with the wage employment ratio of non-indigenous workers being twice that of indigenous workers. The gender gap in wage employment is also particularly pronounced among indigenous workers.

The unadjusted ethnic hourly wage gaps for the period 2005–11 are provided in table 2, for the overall sample and separately for men and women. The data show that Peru's ethnic wage gaps were consistently wide over the period, although they narrowed over time, which echoes other findings from Latin America (see, for instance, Atal, Ñopo and Winder, 2009). On average, the hourly wages of indigenous workers amounted to only 58 per cent of those of non-indigenous workers in 2005, and 73 per cent in 2011. For comparison, Barrón (2008) found that the proportion was 56 per cent in 2003.

What is remarkable is that Peru's ethnic wage gap was also markedly wider than its gender wage gap throughout the period 2005–11, as shown in table 3. In 2011, for instance, the raw ethnic wage gap reached nearly 27 percentage points, compared to 15 percentage points for the raw gender wage gap.

Indigenous women face a particular disadvantage, however, both vis-à-vis indigenous men and vis-à-vis non-indigenous women. For 2011, for example, we found that indigenous men earned 163 per cent, non-indigenous women 177 per cent, and non-indigenous men 204 per cent of the wage of indigenous

**Table 1. Wage employment ratios by sex and ethnicity, 2005–11 (percentages)**

Year	All	Men	Women	Non-indigenous			Indigenous		
				All	Men	Women	All	Men	Women
2011	42.4	47.3	36.8	47.6	51.7	42.9	23.8	31.0	16.5
2010	42.2	47.9	35.8	46.8	51.5	41.2	25.8	34.0	17.4
2009	42.6	48.5	35.9	47.5	52.6	41.3	25.5	32.7	18.1
2008	42.5	47.9	36.2	47.4	52.0	41.9	24.9	32.2	17.4
2007	42.0	47.6	35.6	46.7	51.4	41.0	25.7	33.3	17.7
2006	40.8	46.5	34.0	45.8	50.9	39.3	24.5	30.5	18.3
2005	38.9	44.5	32.3	43.7	48.6	37.6	23.0	29.7	15.8

Note: Individuals aged 14 and above. Weighted data.

Source: ENAHO 2005–11.

**Table 2. Unadjusted ethnic hourly wage gap by sex, 2005–11 (percentages)**

Year	Men	Women	All
2011	79.7	56.5	73.1
2010	73.5	53.0	68.0
2009	73.9	55.5	68.5
2008	72.3	48.1	65.3
2007	73.5	53.2	67.9
2006	67.1	54.6	63.1
2005	61.2	48.7	58.0

Note: Indigenous average hourly wage from main job as a percentage of the corresponding non-indigenous average hourly wage. Individuals aged 14 and above. Weighted data.

Source: ENAHO 2005–11.

**Table 3. Unadjusted gender wage gap by ethnicity, 2005–11 (percentages)**

Year	Non-indigenous	Indigenous	All
2011	86.7	61.4	85.1
2010	83.7	60.4	82.4
2009	82.7	62.1	81.2
2008	86.1	57.3	84.4
2007	88.2	63.8	86.8
2006	86.1	70.1	84.7
2005	83.6	66.5	83.0

Note: Female average hourly wage from main job as a percentage of the corresponding male average hourly wage. Individuals aged 14 and above. Weighted data.

Source: ENAHO 2005–11.

women. As shown in table 2 for the period 2005–11, the ethnic wage gap in Peru is indeed much more pronounced among women (earning from 49 to 57 per cent of non-indigenous wages) than among men (61 to 80 per cent). The gender dimension of the ethnic wage gap is further illustrated in table 3,

Table 4. Average real wages by sex and ethnicity, 2005–11 (2005 = 100)

Year	All	Men	Women	Non-indigenous			Indigenous		
				All	Men	Women	All	Men	Women
2011	130.3	130.0	133.2	126.7	125.9	130.5	159.6	164.0	151.5
2010	126.9	127.9	127.0	124.5	125.1	125.3	146.0	150.3	136.6
2009	124.7	126.1	123.3	122.2	123.0	121.7	144.4	148.6	138.8
2008	114.5	114.3	116.2	112.6	111.9	115.2	126.8	132.1	113.8
2007	112.7	111.3	116.4	110.8	109.1	115.1	129.7	131.1	125.8
2006	107.8	107.1	109.3	107.0	105.9	109.1	116.4	116.2	122.5

Note: Individuals aged 14 and above. Weighted data.

Source: ENAHO 2005–11.

which shows that over the same period the gender wage gap was substantially wider among indigenous workers (with women earning from 57 to 70 per cent of male wages), than among non-indigenous workers (82 to 88 per cent of male wages). We also notice from table 2 that the ethnic wage gap seems to be narrowing over time, but at a slower and less regular pace for women than for men. These findings, which highlight the particular wage disadvantage of indigenous women, are in line with other findings from the region (Atal, Ñopo and Winder, 2009; Piras, 2004; Contreras and Galván, 2003; Lovell, 2000). Lastly, although indigenous workers are catching up with their non-indigenous counterparts because their real wages are growing faster, indigenous women are losing further ground to indigenous men, who exhibit the highest increase in real wages (see table 4).

To understand how the wage gap evolves along wage distributions, we have constructed Generalized Lorenz Curves separately for men and women, indigenous and non-indigenous people, for each year over the period 2005–11.<sup>4</sup> Consistent with the glass ceiling hypothesis, we observe that the ethnic wage gap is more pronounced at the upper ends of the wage distributions, especially among women. The same goes for the gender wage gap among indigenous workers, but not among non-indigenous ones for whom the gap appears to narrow at both extremes of wage distributions. Atal, Ñopo and Winder (2009) also find evidence that indigenous workers in Latin America are confronted with a “glass ceiling” or access barriers to high-paid jobs.

To some extent, the ethnic wage gaps reported in table 2 could be explained by differences in observable socio-economic characteristics. Our list of covariates and their definitions are given in Appendix A, table A1; and the covariate values are reported in table A2. The data indicate substantial ethnic disparities in education and job-related characteristics that may explain some of the ethnic wage gap in Peru. Over time, moreover, ethnic disparities in edu-

<sup>4</sup> Owing to space constraints, the graphs are not reproduced here but are available from the corresponding author on request.

cation have declined, thereby possibly contributing to the narrowing of the ethnic wage gap. The contribution of the different factors will now be further analysed using the decomposition technique described above.

## Results

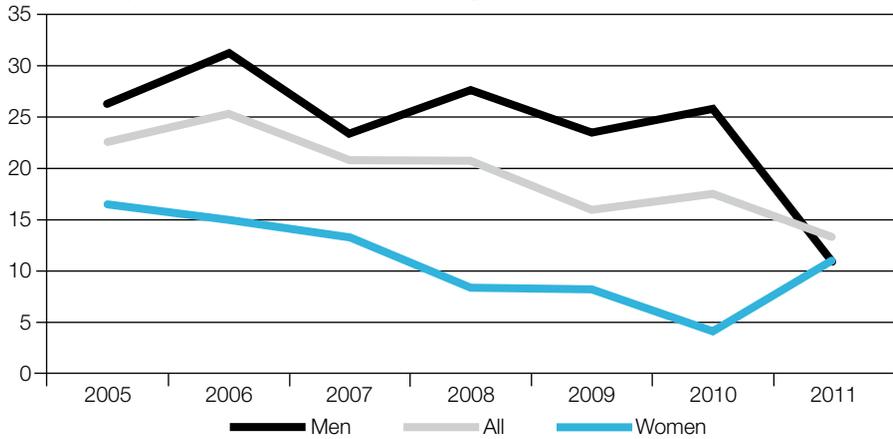
We now turn to the central question of this article: To what extent can discrimination and ethnic segregation explain wage differentials between indigenous and non-indigenous workers in Peru, and how do those differentials vary by sex? To address this question, we conduct a decomposition analysis of the wage differentials between indigenous and non-indigenous workers.

We start by investigating the magnitude and the trend of the ethnic wage gap that remains unexplained after controlling for differences in observable characteristics in order to establish the extent to which wage discrimination against indigenous workers could be an issue. The unexplained component is a residual measure of potential wage discrimination. Beyond actual wage discrimination, it is also very likely to capture differences in other unobserved characteristics, such as social and cultural norms, which negatively affect women and ethnic minorities. Before joining the labour market, the latter often face various forms of discrimination – e.g. in access to education and nutrition – that limit their human capital development and subsequently reduce their employability. Such “prior” discrimination predetermines some of the observed differences in workers’ characteristics and is therefore reflected in the explained component.

We then focus on the explained component of the ethnic wage gap and present three sets of decomposition exercises. First, we explore the contribution of differences in productivity-related individual characteristics (education, potential work experience, job tenure) and marital status, which are related to wages. Second, we look at the contribution of job-related characteristics (industry, occupation, terms of employment) to assess the extent of ethnic segmentation of the labour market. We then include geographical variables (regions, rural/urban divide) to uncover the possible effects of spatial inequalities on the ethnic wage gap.

Figure 1 takes a first look at the results of the ethnic wage gap decomposition by presenting the unexplained component over the period 2005–11 based on Neumark’s (1988) approach and OLS estimates of the log hourly wage. A substantial proportion of the raw ethnic wage gap cannot be explained by differences in observable characteristics in our data and remains unexplained. However, the unexplained component decreased significantly over time – from 23 per cent in 2005 to 13 per cent in 2011. Until 2010, this downward trend was quite linear among women and rather serrated among men. In 2011, the decline of the unexplained component was abruptly reversed for women (with a 6 per cent increase compared to 2010) and accelerated dramatically for men (with a 15 per cent decrease compared to 2010). Over the period 2005–10, only a tiny percentage of the ethnic wage gap is unexplained among women (from 16 per cent in 2005 to 4 per cent in 2010), while the unexplained component

Figure 1. Unexplained component of the ethnic mean observed log hourly wage gap by sex in Peru, 2005–11 (percentages)



Note: Individuals aged 14 and above.

Source: ENAHO 2005–11.

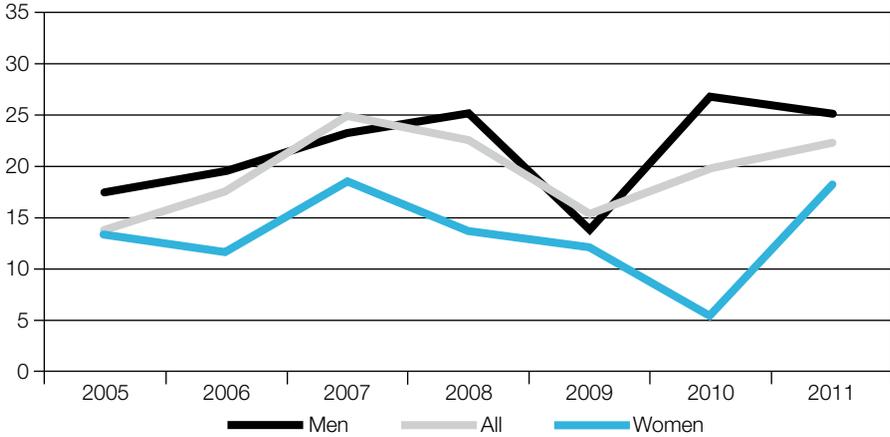
among men is much larger (26 per cent in both 2005 and 2010). In 2011, the unexplained component reached the same level for both men and women at 11 per cent.

These results diverge quite substantially from those of some previous research on Latin America, which finds that most of the ethnic pay differential remains unexplained (Patrinos, 2000; Hall and Patrinos, 2006). However, these studies only account for productively related factors and leave aside differences in job characteristics, although the latter obviously play a crucial part in developing countries with segmented labour markets. In line with our results, Atal, Ñopo and Winder’s (2009) study of seven Latin American countries found that accounting for job-related factors substantially diminished the unexplained component of the ethnic wage gap. Barrón (2008), in turn, found that no more than 20 per cent of Peru’s ethnic wage gap was unexplained. Finally, Ñopo, Saavedra and Torero (2004) found that, after accounting for differences in observable (demographic and job) characteristics, the wage premium of non-indigenous workers over indigenous ones was no more than 12 per cent in urban Peru.

Going beyond the analysis of the wage gap “at the mean”, we further conduct quantile regressions to analyse the ethnic wage gap at different points of the wage distribution. Figures 2 to 4 respectively show measures of the unexplained component of the ethnic wage gap by sex for the first, second and third quartiles of the estimated log hourly wage over the period 2005–11.

First, the proportion of the ethnic wage gap that remains unexplained does not follow a linear trend across the wage distribution over time. Over the years, the unexplained component of the gap was rather volatile among lower paid workers (first quartile), albeit with an increase since 2009. By con-

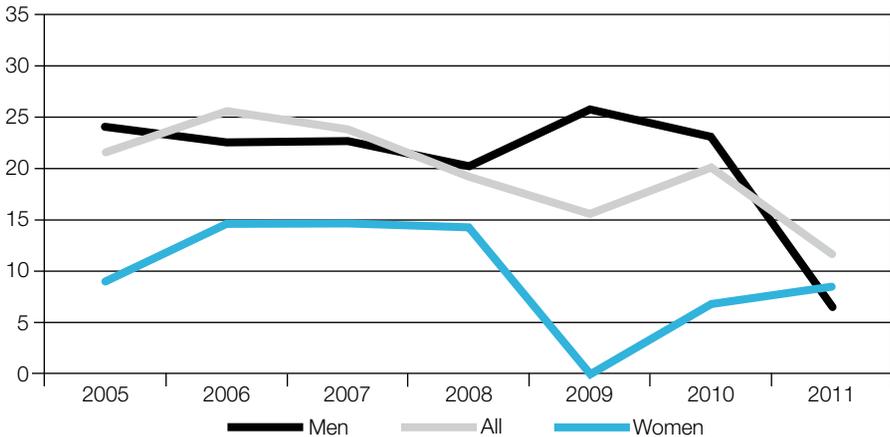
Figure 2. Unexplained component of the ethnic predicted log hourly wage gap by sex in the first quartile, 2005–11 (percentages)



Note: Individuals aged 14 and above.

Source: ENAHO 2005–11.

Figure 3. Unexplained component of the ethnic predicted log hourly wage gap by sex at the median, 2005–11 (percentages)



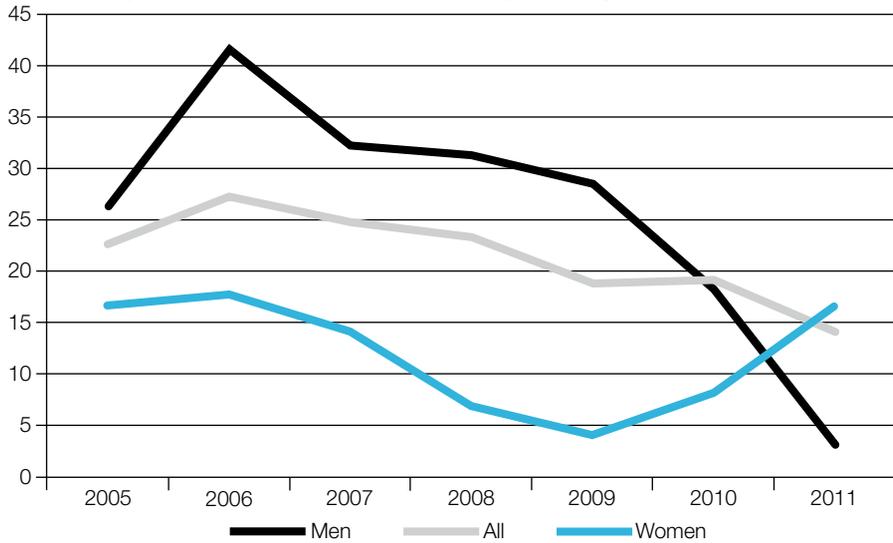
Note: Individuals aged 14 and above.

Source: ENAHO 2005–11.

trast, the gap narrowed among higher paid workers (median and third quartile) throughout the period.

Second, aggregate trends in the unexplained component of the ethnic wage gap hide significant gender disparities. Remarkably, between 2009 and 2011, when Peru suffered from external shocks due to the global financial and economic crisis, the share of the ethnic wage gap that is unexplained by observable characteristics contracted dramatically for male workers at the upper end of the wage distribution (median and third quartile), but suddenly and sharply

Figure 4. Unexplained component of the ethnic predicted log hourly wage gap by sex in the third quartile, 2005–11 (percentages)



Note: Individuals aged 14 and above.

Source: ENAHO 2005–11.

increased for the corresponding female workers. These findings indicate that economic and employment strains may increase ethnic wage discrimination against women and low-paid workers.

Third, the magnitude of the unexplained component differs greatly by sex. In most cases, the unexplained component appears to be greater for men than for women. However, at the median and the third quartile of the wage distribution, the unexplained component shrank substantially between 2005 and 2011 for men, but displayed no steady decline for women. As a result, in 2011, the unexplained part of the ethnic wage gap observed among women exceeded that observed among men for the first time. Among lower paid workers (first quartile), the unexplained share of the wage disadvantage of indigenous workers has been always greater for men.

We now turn to the analysis of the explained component of the wage differentials between indigenous and non-indigenous workers, accounting for three different sets of controls. The results of our OLS estimates are reported in Appendix B, tables B1.1 to B1.7; those of our Simultaneous Quantile estimates are reported in tables B2.1 to B2.7. The first set of controls comprises human capital variables, including education, potential work experience and job tenure.

Our OLS estimates indicate that differences in education account for a substantial share of the ethnic wage gap: between 35 and 42 per cent over the period 2005–11. Among men, the portion of the gap attributable to differences in schooling initially contracted from 39 per cent in 2005 to 28 per

cent in 2007, and then increased from 30 per cent in 2008 to 38 per cent in 2011. Among women, the contribution of differences in education to the ethnic wage gap generally exhibits a decreasing pattern, from 41 per cent in 2005 to 35 per cent in 2011.

The results based on the Simultaneous Quantile estimates further indicate that, especially for women, the contribution of differences in educational attainment to the ethnic wage gap generally increases as we move up the wage distribution. Over the years, this educational component tended to decrease among lower paid workers (first quartile). Among higher paid workers (median and third quartile), the educational component for men declined from 2005 to 2007 and then increased from 2008 to 2011, while for women it declined somewhat in the beginning of the period and then steadily from 2008 to 2011. Two other findings deserve to be mentioned. First, the educational component for men exceeded that for women for the first time in 2011. Second, this shift is observed among higher paid workers (median and third quartile), but not among lower paid workers (first quartile). Overall, our results show that lower educational attainment among indigenous workers is an important source of the explained ethnic wage gap, especially at the upper ends of the wage distribution.

In contrast to education, potential work experience tends to play in favour of indigenous workers, particularly among men and, in recent years, higher paid workers. Indeed, indigenous workers appear to have substantially longer potential work experience than their non-indigenous counterparts, which could indicate that access to wage employment is more competitive for them.

The second set of controls consists of job-related characteristics. The variables considered are industry, occupation, and terms of employment. The job component of the ethnic wage gap varied between 22.5 and 31 per cent over the period 2005–11, representing a proportion that was in most cases larger than the human capital component (education, potential work experience and job tenure). Between 2005 and 2011, the job component increased from 15 to 23 per cent among men, and from 33 to 39 per cent among women. The job component is thus clearly greater for women and at the upper ends of wage distributions (median and third quartile). At the first quartile, the job component increased from 9 to 17 per cent among men, and from 33 to 34 per cent among women over the period 2005–11. At the median, it grew from 14 to 22 per cent among men, while remaining around 38 per cent among women. At the third quartile, the job component increased from 17 to 25 per cent among men, and from 33 to 40 per cent among women. All these results explicitly show that differences in job characteristics are important – and increasingly strong – determinants of the ethnic wage gap, especially among women and higher paid workers.

Within the job component, we observe that differences in industry allocation act in favour of indigenous workers and reduce the ethnic wage gap, particularly among women and workers in lower paid jobs: their contribution to the gap varies between –6 and 0 per cent for men as against –11 and –6 per cent for women, and between –4 and –1 per cent at the third quartile, com-

pared to  $-12$  and  $-4$  per cent at the first quartile. These findings refute the hypothesis that industry segregation positively contributes to the ethnic wage gap.

By contrast, occupational differences accounted for a large share of the ethnic wage gap in 2005–11, with contributions ranging between 5 and 14 per cent for men and 20 and 23 per cent for women at the mean, and between 14 and 19 per cent at the third quartile and 13 and 21 per cent at the first quartile. Furthermore, in the more recent years of the period, the share of the ethnic wage gap explained by occupational differences increased towards the upper ends of the male and female wage distributions (median and third quartile). This confirms that occupational segregation is an important source of the ethnic wage gap, especially for women and among higher paid workers.

Disparities in workers' terms of employment also contribute significantly to the ethnic wage gap, particularly for women. Among male workers, between 5 and 14 per cent of the ethnic wage gap over the period 2005–11 can be explained by differences in terms of employment; and, among female workers, the contribution is between 19 and 26 per cent. This is mainly driven by the relatively higher concentration of indigenous workers in precarious jobs with no contract and lower wages.

The last set of controls included in our decomposition exercises relates to spatial disparities. It turns out that differences in location account for the second largest portion of the ethnic wage gap, just after education, with contributions ranging from 29 to 37 per cent. These contributions are also higher for men (between 37 and 48 per cent) than for women (between 19 and 23 per cent), and at the first quartile (between 30 and 46 per cent) than at the third quartile (between 24 and 32 per cent) of wage distributions. The contribution of spatial disparities has declined over time, however. While these findings reflect the fact that a higher proportion of indigenous workers are located in rural and mountainous areas, where wages are lower, they also confirm that recent internal migratory flows have contributed to reducing the ethnic wage gap.

## Conclusion

This article has measured and analysed ethnic wage gaps in Peru over the period 2005–11. Our objective was to uncover the extent to which discrimination and ethnic segregation can explain wage differentials between indigenous and non-indigenous workers, and how the effects of these factors may differ by sex and along the wage distribution. We applied Neumark's (1988) decomposition technique to ethnic wage gaps using annual data from Peru's National Household Survey over the period 2005–11.

First, our results indicate that raw ethnic wage gaps are large, and far wider than gender wage gaps. There is also clear evidence that the wage gap between indigenous and non-indigenous workers widens along the wage distribution. Looking at the trends over the period 2005–11, however, we observe an overall narrowing of the ethnic wage gap.

Second, we find that both the magnitude and the trends in ethnic wage differentials are heavily gendered. The ethnic wage gap is markedly wider among women than among men. At the same time, gender wage gaps are much more significant among indigenous workers than among the non-indigenous. Our results further indicate that indigenous women are at a particular disadvantage: not only are they paid the lowest absolute wages but their relative situation, in terms of wage gaps, has seen little, if any, improvement over time, contrary to what we observe among men.

Third, our analysis indicates that the determinants of the ethnic wage gap differ greatly between men and women. Up to 2010, we find that most of the female ethnic wage gap can be explained by disparities in observable characteristics. In 2011, however, the unexplained part of the ethnic wage gap was the same for both sexes, after a sudden narrowing of the gap among men, and a widening of the gap among women. This suggests that wage discrimination practices may actually have been stronger for indigenous males, at least until recent years.

Fourth, disparities in education, location, terms of employment and occupation are the major observable determinants of the ethnic wage gap. By contrast, differences in potential work experience and industry allocation work in favour of indigenous workers and tend to reduce the ethnic wage gap. Ethnic segmentation by education and location play a more visible role among men, while ethnic segmentation by terms of employment and occupation has a stronger effect on women. There are also important variations in the determinants of the wage gap across the wage distribution. Education, terms of employment (only in recent years) and occupation explain a more substantial share of the ethnic wage gap at the top of the wage distribution, while spatial disparities explain more of the ethnic wage gap at the bottom end of the distribution.

All in all, these results underscore the extent to which ethnic disparities in Peru need to be analysed through a gender lens. From a policy perspective, they have several implications. First, although there is a case for supporting the enforcement of equal pay measures, ethnic wage discrimination does not seem to be as important a factor for women as it is for men. Other interventions aimed at addressing ethnic segmentation in the work place and supporting education parity among ethnic minorities are thus needed, especially to address the particular disadvantage of indigenous women. Second, as spatial disparities explain a substantial component of the wage gap, local economic development strategies could also contribute to reducing the ethnic wage gap.

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## Appendix A. Summary statistics

Table A1. List and definition of covariates

Covariate Female	Definition Women
edu1 (ref.)	No education
edu2	Primary incomplete
edu3	Primary complete
edu4	Secondary incomplete
edu5	Secondary complete
edu6	Tertiary education
exppot	Potential work experience: age minus years of schooling minus 6
exppot2	Squared potential work experience divided by 100
job_tenure	Job tenure: number of months in main job
married	Married
industry1 (ref.)	Primary production activity
industry2	Manufacturing
industry3	Services (public administration and public companies)
industry4	Services (private companies, entrepreneurs, worker cooperatives, special services' companies, and domestic workers)
occupa1 (ref.)	Low-skilled blue-collar
occupa2	High-skilled blue-collar
occupa3	Low-skilled white-collar
occupa4	High-skilled white-collar
terms1 (ref.)	No contract
terms2	Fixed-term contract & others (excluding service contract)
terms3	Permanent contract
urban	Urban
region1 (ref.)	Lima metropolitan area
region2	Coast (north, centre and south)
region3	Mountains (north, centre and south)
region4	Forest



Table A2. Mean covariate values by ethnicity and sex, 2005–11 (cont.)

	2009						2008					
	Non-indigenous			Indigenous			Non-indigenous			Indigenous		
	All	Men	Women	All	Men	Women	All	Men	Women	All	Men	Women
female	0.38	—	—	0.34	—	—	0.38	—	—	0.32	—	—
edu1 (ref.)	0.01	0.01	0.01	0.06	0.03	0.13	0.01	0.01	0.01	0.06	0.03	0.12
edu2	0.07	0.07	0.06	0.17	0.15	0.21	0.07	0.08	0.07	0.19	0.17	0.23
edu3	0.08	0.09	0.07	0.15	0.15	0.14	0.09	0.09	0.07	0.13	0.13	0.12
edu4	0.15	0.17	0.12	0.21	0.22	0.18	0.15	0.17	0.13	0.22	0.23	0.20
edu5	0.28	0.30	0.24	0.24	0.26	0.19	0.29	0.31	0.27	0.22	0.24	0.18
edu6	0.41	0.35	0.49	0.18	0.19	0.14	0.38	0.34	0.45	0.18	0.20	0.15
exppot	16.44	16.99	15.54	22.01	22.14	21.77	16.32	16.90	15.37	21.99	22.60	20.71
exppot2	4.57	4.86	4.10	7.71	7.73	7.67	4.50	4.81	4.00	7.53	7.74	7.10
job_tenure	55.54	54.84	56.70	51.33	55.10	43.99	54.47	55.20	53.30	53.60	57.74	44.86
married	0.25	0.26	0.22	0.30	0.34	0.23	0.25	0.26	0.22	0.30	0.34	0.21
industry1 (ref.)	0.18	0.23	0.08	0.33	0.34	0.32	0.18	0.24	0.09	0.31	0.32	0.28
industry2	0.12	0.14	0.09	0.09	0.10	0.06	0.13	0.15	0.09	0.09	0.10	0.06
industry3	0.19	0.15	0.24	0.17	0.19	0.14	0.18	0.15	0.23	0.19	0.21	0.13
industry4	0.52	0.48	0.59	0.41	0.37	0.48	0.51	0.46	0.59	0.42	0.37	0.52
occupa1 (ref.)	0.47	0.52	0.38	0.68	0.67	0.70	0.46	0.51	0.39	0.69	0.67	0.72
occupa2	0.10	0.14	0.04	0.10	0.13	0.04	0.12	0.16	0.05	0.10	0.13	0.05
occupa3	0.21	0.16	0.29	0.11	0.08	0.15	0.20	0.14	0.28	0.10	0.08	0.14
occupa4	0.23	0.19	0.29	0.12	0.12	0.10	0.22	0.19	0.28	0.12	0.13	0.10
terms1 (ref.)	0.56	0.56	0.56	0.71	0.66	0.81	0.57	0.57	0.58	0.70	0.64	0.82
terms2	0.27	0.29	0.25	0.18	0.21	0.12	0.26	0.28	0.24	0.19	0.22	0.12
terms3	0.16	0.15	0.19	0.11	0.13	0.07	0.16	0.15	0.18	0.12	0.14	0.06
urban	0.84	0.81	0.88	0.57	0.57	0.58	0.83	0.81	0.87	0.62	0.62	0.61
region1 (ref.)	0.21	0.19	0.23	0.11	0.10	0.14	0.21	0.19	0.25	0.12	0.11	0.14
region2	0.34	0.34	0.32	0.12	0.12	0.13	0.33	0.35	0.31	0.14	0.14	0.13
region3	0.25	0.25	0.24	0.65	0.67	0.63	0.25	0.24	0.25	0.62	0.62	0.62
region4	0.21	0.21	0.20	0.11	0.11	0.10	0.21	0.22	0.19	0.12	0.13	0.11

(continued overleaf)

Table A2. Mean covariate values by ethnicity and sex, 2005–11 (cont.)

	2007						2006					
	Non-indigenous			Indigenous			Non-indigenous			Indigenous		
	All	Men	Women	All	Men	Women	All	Men	Women	All	Men	Women
female	0.38	—	—	0.32	—	—	0.37	—	—	0.32	—	—
edu1 (ref.)	0.01	0.01	0.02	0.05	0.03	0.11	0.01	0.01	0.01	0.05	0.03	0.10
edu2	0.07	0.08	0.07	0.18	0.16	0.21	0.08	0.08	0.07	0.19	0.18	0.22
edu3	0.09	0.10	0.07	0.15	0.15	0.15	0.10	0.11	0.08	0.15	0.14	0.17
edu4	0.16	0.18	0.13	0.20	0.22	0.16	0.16	0.18	0.13	0.22	0.23	0.20
edu5	0.29	0.31	0.26	0.23	0.26	0.19	0.30	0.32	0.27	0.21	0.24	0.16
edu6	0.37	0.33	0.44	0.18	0.19	0.18	0.35	0.30	0.44	0.17	0.18	0.15
expot	16.43	17.10	15.37	22.19	22.74	20.99	15.99	16.71	14.77	21.97	22.49	20.88
expot2	4.51	4.83	3.99	7.54	7.81	6.95	4.34	4.69	3.73	7.48	7.73	6.95
job_tenure	54.95	55.51	54.06	56.13	57.56	53.03	57.30	58.38	55.44	59.38	64.96	47.55
married	0.25	0.27	0.23	0.33	0.37	0.24	0.25	0.27	0.21	0.32	0.36	0.25
industry1 (ref.)	0.18	0.24	0.08	0.32	0.34	0.26	0.21	0.29	0.09	0.34	0.37	0.27
industry2	0.12	0.15	0.09	0.09	0.10	0.07	0.11	0.13	0.08	0.07	0.07	0.07
industry3	0.19	0.15	0.24	0.20	0.21	0.18	0.18	0.14	0.24	0.21	0.23	0.16
industry4	0.51	0.46	0.59	0.39	0.35	0.48	0.50	0.44	0.59	0.39	0.33	0.50
occupa1 (ref.)	0.49	0.54	0.41	0.70	0.69	0.72	0.51	0.57	0.42	0.70	0.70	0.70
occupa2	0.10	0.14	0.05	0.09	0.11	0.05	0.10	0.13	0.04	0.08	0.09	0.05
occupa3	0.19	0.14	0.26	0.08	0.07	0.11	0.18	0.12	0.26	0.09	0.07	0.12
occupa4	0.22	0.18	0.28	0.13	0.13	0.12	0.21	0.17	0.28	0.13	0.13	0.12
terms1 (ref.)	0.58	0.59	0.58	0.70	0.66	0.78	0.61	0.63	0.60	0.72	0.68	0.81
terms2	0.25	0.26	0.24	0.18	0.21	0.12	0.23	0.23	0.23	0.15	0.17	0.11
terms3	0.16	0.15	0.18	0.12	0.14	0.09	0.15	0.14	0.17	0.13	0.16	0.08
urban	0.83	0.80	0.88	0.62	0.60	0.66	0.80	0.76	0.86	0.60	0.57	0.66
region1 (ref.)	0.21	0.20	0.24	0.11	0.10	0.15	0.20	0.18	0.22	0.10	0.08	0.14
region2	0.34	0.35	0.33	0.13	0.12	0.16	0.37	0.38	0.35	0.17	0.17	0.17
region3	0.24	0.24	0.23	0.64	0.67	0.59	0.22	0.22	0.23	0.60	0.61	0.58
region4	0.21	0.21	0.20	0.11	0.12	0.10	0.21	0.23	0.20	0.12	0.13	0.11

Table A2. Mean covariate values by ethnicity and sex, 2005–11 (*concl.*)

	2005					
	Non-indigenous			Indigenous		
	All	Men	Women	All	Men	Women
female	0.36	—	—	0.31	—	—
edu1 (ref.)	0.01	0.01	0.02	0.06	0.03	0.12
edu2	0.08	0.09	0.07	0.20	0.19	0.24
edu3	0.10	0.11	0.09	0.16	0.16	0.13
edu4	0.17	0.19	0.13	0.23	0.23	0.21
edu5	0.30	0.31	0.27	0.21	0.23	0.15
edu6	0.34	0.29	0.42	0.15	0.15	0.15
exppot	16.15	17.01	14.65	22.17	22.67	21.05
exppot2	4.42	4.83	3.69	7.51	7.71	7.08
job_tenure	56.96	58.38	54.45	60.65	67.04	46.25
married	0.26	0.29	0.21	0.33	0.38	0.23
industry1 (ref.)	0.23	0.30	0.10	0.36	0.39	0.30
industry2	0.11	0.12	0.09	0.07	0.08	0.05
industry3	0.19	0.15	0.25	0.20	0.21	0.17
industry4	0.48	0.43	0.57	0.37	0.33	0.48
occupa1 (ref.)	0.52	0.57	0.43	0.70	0.69	0.72
occupa2	0.10	0.13	0.05	0.10	0.13	0.04
occupa3	0.17	0.13	0.24	0.09	0.08	0.12
occupa4	0.21	0.17	0.28	0.11	0.11	0.12
terms1 (ref.)	0.62	0.63	0.61	0.71	0.66	0.81
terms2	0.22	0.23	0.22	0.17	0.20	0.11
terms3	0.15	0.14	0.17	0.12	0.14	0.08
urban	0.79	0.75	0.84	0.57	0.54	0.63
region1 (ref.)	0.15	0.13	0.17	0.07	0.06	0.09
region2	0.38	0.38	0.39	0.18	0.18	0.17
region3	0.24	0.24	0.24	0.63	0.63	0.62
region4	0.23	0.24	0.20	0.13	0.13	0.11

Note: Individuals aged 14 and above.

Source: ENAHO 2005–11.

## Appendix B. Wage gap decomposition

Table B1.1. Neumark decompositions of the ethnic mean observed log hourly wage gap, 2011 (OLS estimates)

	All	Men	Women
<b>Ethnic mean observed log hourly wage gap</b>	<b>0.278</b>	<b>0.183</b>	<b>0.498</b>
<b>Explained (%)</b>	<b>86.8</b>	<b>89.2</b>	<b>88.9</b>
Female	-6.2	—	—
Human capital characteristics	30.4	22.8	30.9
<i>Of which:</i>			
Education	39.2	38.4	35.4
Experience	-8.8	-15.8	-4.1
Job tenure	0.1	0.2	-0.4
Marital status	-1.1	-2.1	-0.4
Job characteristics	31.1	23.4	38.7
<i>Of which:</i>			
Industry	-4.4	-1.2	-7.1
Occupation	16.7	10.5	21.1
Terms of employment	18.8	14.1	24.6
Location	32.5	45.1	19.8
<b>Unexplained (%)</b>	<b>13.2</b>	<b>10.8</b>	<b>11.1</b>
<i>Of which:</i>			
Non-indigenous treatment advantage	1.9	1.7	1.5
Indigenous treatment disadvantage	11.3	9.1	9.6

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.  
Source: ENAHO 2011.

Table B1.2. Neumark decompositions of the ethnic mean observed log hourly wage gap, 2010 (OLS estimates)

	All	Men	Women
<b>Ethnic mean observed log hourly wage gap</b>	<b>0.322</b>	<b>0.244</b>	<b>0.527</b>
<b>Explained (%)</b>	<b>82.5</b>	<b>74.2</b>	<b>96.0</b>
Female	-6.3	—	—
Human capital characteristics	30.9	21.6	33.9
<i>Of which:</i>			
Education	40.0	36.2	37.3
Experience	-9.2	-14.6	-3.7
Job tenure	0.0	0.0	0.3
Marital status	-1.0	-2.3	-0.1
Job characteristics	28.3	15.1	43.1
<i>Of which:</i>			
Industry	-3.0	-0.5	-5.7
Occupation	14.2	5.3	23.0
Terms of employment	17.1	10.3	25.8
Location	30.6	39.8	19.1
<b>Unexplained (%)</b>	<b>17.5</b>	<b>25.8</b>	<b>4.0</b>
<i>Of which:</i>			
Non-indigenous treatment advantage	2.7	4.4	0.6
Indigenous treatment disadvantage	14.7	21.5	3.4

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.  
Source: ENAHO 2010.

Table B1.3. Neumark decompositions of the ethnic mean observed log hourly wage gap, 2009 (OLS estimates)

	All	Men	Women
<b>Ethnic mean observed log hourly wage gap</b>	<b>0.325</b>	<b>0.231</b>	<b>0.536</b>
<b>Explained (%)</b>	<b>84.1</b>	<b>76.6</b>	<b>91.9</b>
Female	-4.3	-	-
Human capital characteristics	28.7	18.6	34.9
<i>Of which:</i>			
Education	37.5	33.3	36.1
Experience	-9.0	-14.7	-2.4
Job tenure	0.2	0.0	1.1
Marital status	-1.0	-2.3	-0.1
Job characteristics	31.3	23.6	35.1
<i>Of which:</i>			
Industry	-4.2	-0.1	-10.7
Occupation	17.6	9.9	23.2
Terms of employment	17.9	13.8	22.6
Location	29.4	36.8	21.9
<b>Unexplained (%)</b>	<b>15.9</b>	<b>23.4</b>	<b>8.1</b>
<i>Of which:</i>			
Non-indigenous treatment advantage	2.5	3.9	1.2
Indigenous treatment disadvantage	13.4	19.6	7.0

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.

Source: ENAHO 2009.

Table B1.4. Neumark decompositions of the ethnic mean observed log hourly wage gap, 2008 (OLS estimates)

	All	Men	Women
<b>Ethnic mean observed log hourly wage gap</b>	<b>0.337</b>	<b>0.258</b>	<b>0.557</b>
<b>Explained (%)</b>	<b>79.2</b>	<b>72.4</b>	<b>91.7</b>
Female	-6.4	-	-
Human capital characteristics	28.5	17.2	38.8
<i>Of which:</i>			
Education	39.4	30.2	45.9
Experience	-10.9	-12.8	-7.6
Job tenure	0.1	-0.2	0.5
Marital status	-1.5	-3.6	0.2
Job characteristics	27.5	18.1	34.0
<i>Of which:</i>			
Industry	-4.6	-2.3	-7.5
Occupation	17.8	11.0	21.4
Terms of employment	14.3	9.4	20.2
Location	31.1	40.7	18.7
<b>Unexplained (%)</b>	<b>20.8</b>	<b>27.6</b>	<b>8.3</b>
<i>Of which:</i>			
Non-indigenous treatment advantage	3.2	4.6	1.1
Indigenous treatment disadvantage	17.5	23.0	7.2

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.

Source: ENAHO 2008.

Table B1.5 Neumark decompositions of the ethnic mean observed log hourly wage gap, 2007 (OLS estimates)

	All	Men	Women
<b>Ethnic mean observed log hourly wage gap</b>	<b>0.351</b>	<b>0.281</b>	<b>0.555</b>
<b>Explained (%)</b>	<b>79.2</b>	<b>76.7</b>	<b>86.8</b>
Female	-6.7	-	-
Human capital characteristics	23.3	14.3	30.2
<i>Of which:</i>			
Education	34.8	28.1	37.3
Experience	-11.4	-13.6	-7.1
Job tenure	-0.1	-0.2	0.1
Marital status	-1.3	-2.4	-0.2
Job characteristics	27.1	19.3	33.4
<i>Of which:</i>			
Industry	-3.4	0.0	-8.8
Occupation	16.3	9.8	20.8
Terms of employment	14.3	9.5	21.5
Location	36.9	45.6	23.3
<b>Unexplained (%)</b>	<b>20.8</b>	<b>23.3</b>	<b>13.2</b>
<i>Of which:</i>			
Non-indigenous treatment advantage	3.4	4.1	1.8
Indigenous treatment disadvantage	17.4	19.2	11.4

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.  
Source: ENAHO 2007.

Table B1.6. Neumark decompositions of the ethnic mean observed log hourly wage gap, 2006 (OLS estimates)

	All	Men	Women
<b>Ethnic mean observed log hourly wage gap</b>	<b>0.325</b>	<b>0.245</b>	<b>0.522</b>
<b>Explained (%)</b>	<b>74.7</b>	<b>68.8</b>	<b>85.1</b>
Female	-4.5	-	-
Human capital characteristics	26.7	17.7	33.0
<i>Of which:</i>			
Education	41.3	36.0	43.8
Experience	-14.4	-17.2	-11.1
Job tenure	-0.2	-1.0	0.2
Marital status	-1.8	-2.9	-0.7
Job characteristics	22.5	12.1	34.0
<i>Of which:</i>			
Industry	-6.1	-5.7	-7.4
Occupation	16.3	11.5	19.6
Terms of employment	12.3	6.2	21.8
Location	31.7	41.9	18.8
<b>Unexplained (%)</b>	<b>25.3</b>	<b>31.2</b>	<b>14.9</b>
<i>Of which:</i>			
Non-indigenous treatment advantage	4.3	5.6	2.2
Indigenous treatment disadvantage	21.0	25.6	12.7

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.  
Source: ENAHO 2006.

Table B1.7. Neumark decompositions of the ethnic mean observed log hourly wage gap, 2005 (OLS estimates)

	All	Men	Women
<b>Ethnic mean observed log hourly wage gap</b>	<b>0.307</b>	<b>0.217</b>	<b>0.547</b>
<b>Explained (%)</b>	<b>77.4</b>	<b>73.7</b>	<b>83.6</b>
Female	-5.7	—	—
Human capital characteristics	24.1	15.6	29.7
<i>Of which:</i>			
Education	42.1	38.7	40.8
Experience	-17.7	-22.2	-11.4
Job tenure	-0.3	-0.9	0.4
Marital status	-1.7	-4.4	-0.1
Job characteristics	25.5	15.0	33.2
<i>Of which:</i>			
Industry	-5.5	-4.4	-6.9
Occupation	18.9	14.0	20.8
Terms of employment	12.1	5.4	19.3
Location	35.2	47.5	20.8
<b>Unexplained (%)</b>	<b>22.6</b>	<b>26.3</b>	<b>16.4</b>
<i>Of which:</i>			
Non-indigenous treatment advantage	3.9	4.9	2.5
Indigenous treatment disadvantage	18.7	21.5	13.9

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.

Source: ENAHO 2005.

Table B2.1. Neumark decompositions of the ethnic predicted log hourly wage gap by quartile, 2011

	First quartile			Median			Third quartile		
	All	Men	Women	All	Men	Women	All	Men	Women
	<b>Ethnic predicted log hourly wage gap</b>	<b>0.313</b>	<b>0.212</b>	<b>0.546</b>	<b>0.221</b>	<b>0.133</b>	<b>0.417</b>	<b>0.217</b>	<b>0.134</b>
<b>Explained (%)</b>	<b>77.7</b>	<b>74.9</b>	<b>81.8</b>	<b>88.4</b>	<b>93.4</b>	<b>91.5</b>	<b>85.8</b>	<b>96.8</b>	<b>83.4</b>
Female	-5.3	-	-	-7.6	-	-	-7.7	-	-
Human capital characteristics	28.8	21.4	29.1	33.7	28.6	33.6	31.7	26.9	28.6
<i>Of which:</i>									
Education	33.2	29.9	32.1	41.7	46.2	36.3	45.9	55.2	36.6
Experience	-4.4	-8.3	-3.0	-8.1	-18.6	-2.6	-14.3	-28.5	-7.2
Job tenure	0.0	-0.2	0.0	0.1	1.0	-0.2	0.1	0.2	-0.7
Marital status	-0.8	-2.0	-0.3	-1.6	-2.4	-0.7	-1.3	-1.8	-0.7
Job characteristics	23.7	16.7	33.5	30.8	22.1	37.9	35.3	25.3	39.8
<i>Of which:</i>									
Industry	-6.1	-1.2	-7.3	-6.1	-2.4	-11.0	-3.8	-1.6	-9.6
Occupation	13.0	6.4	16.9	16.6	8.3	23.4	19.1	11.9	25.6
Terms of employment	16.8	11.5	24.0	20.3	16.2	25.5	20.1	15.1	23.8
Location	31.2	38.8	19.5	33.0	45.2	20.7	27.9	46.4	15.6
<b>Unexplained (%)</b>	<b>22.3</b>	<b>25.1</b>	<b>18.2</b>	<b>11.7</b>	<b>6.6</b>	<b>8.5</b>	<b>14.2</b>	<b>3.2</b>	<b>16.6</b>
<i>Of which:</i>									
Non-indigenous treatment advantage	2.9	1.6	2.5	0.7	2.0	-0.2	0.1	-1.1	0.5
Indigenous treatment disadvantage	19.4	23.5	15.7	10.9	4.6	8.7	14.1	4.3	16.1

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.  
Source: ENAHO 2011.

Table B2.2. Neumark decompositions of the ethnic predicted log hourly wage gap by quartile, 2010

	First quartile			Median			Third quartile		
	All	Men	Women	All	Men	Women	All	Men	Women
	<b>Ethnic predicted log hourly wage gap</b>	<b>0.329</b>	<b>0.231</b>	<b>0.532</b>	<b>0.284</b>	<b>0.191</b>	<b>0.490</b>	<b>0.286</b>	<b>0.203</b>
<b>Explained (%)</b>	<b>80.3</b>	<b>73.3</b>	<b>94.7</b>	<b>79.7</b>	<b>76.9</b>	<b>93.2</b>	<b>80.8</b>	<b>81.8</b>	<b>91.8</b>
Female	-5.7	-	-	-7.1	-	-	-6.8	-	-
Human capital characteristics	30.6	20.4	35.8	31.4	25.7	34.5	32.0	23.4	36.1
<i>Of which:</i>									
Education	38.0	33.2	38.1	42.3	44.7	38.2	45.1	41.9	41.3
Experience	-7.5	-12.8	-3.1	-10.8	-19.1	-4.3	-13.1	-18.5	-5.3
Job tenure	0.1	0.0	0.9	0.0	0.1	0.7	0.0	0.1	0.1
Marital status	-0.9	-2.2	-0.1	-0.7	-1.4	0.0	-1.0	-2.1	-0.1
Job characteristics	24.9	14.0	38.6	27.5	12.8	40.0	30.0	18.7	40.7
<i>Of which:</i>									
Industry	-4.1	-1.5	-4.8	-4.0	-1.2	-8.6	-1.4	0.1	-9.0
Occupation	12.9	4.9	19.4	16.2	4.2	25.6	14.2	6.8	24.6
Terms of employment	16.0	10.6	24.0	15.3	9.8	23.1	17.2	11.8	25.0
Location	31.3	41.1	20.3	28.5	39.7	18.6	26.5	41.8	15.1
<b>Unexplained (%)</b>	<b>19.8</b>	<b>26.7</b>	<b>5.4</b>	<b>20.3</b>	<b>23.1</b>	<b>6.8</b>	<b>19.2</b>	<b>18.2</b>	<b>8.2</b>
<i>Of which:</i>									
Non-indigenous treatment advantage	3.5	4.3	0.9	2.4	4.1	0.4	1.7	2.2	0.1
Indigenous treatment disadvantage	16.2	22.5	4.5	18.0	19.0	6.4	17.5	16.0	8.1

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.

Source: ENAHO 2010.

Table B2.3. Neumark decompositions of the ethnic predicted log hourly wage gap by quartile, 2009

	First quartile			Median			Third quartile		
	All	Men	Women	All	Men	Women	All	Men	Women
	<b>Ethnic predicted log hourly wage gap</b>	<b>0.295</b>	<b>0.175</b>	<b>0.551</b>	<b>0.288</b>	<b>0.209</b>	<b>0.446</b>	<b>0.313</b>	<b>0.234</b>
<b>Explained (%)</b>	<b>84.7</b>	<b>86.2</b>	<b>87.8</b>	<b>84.4</b>	<b>74.2</b>	<b>100.2</b>	<b>81.2</b>	<b>71.5</b>	<b>95.9</b>
Female	-4.7	-	-	-4.7	-	-	-4.4	-	-
Human capital characteristics	32.0	26.9	36.8	30.9	20.8	37.6	29.6	20.6	37.0
<i>Of which:</i>									
Education	40.0	38.9	37.4	40.8	34.7	40.1	38.5	35.2	42.0
Experience	-8.4	-12.0	-1.7	-10.3	-13.9	-3.8	-9.0	-14.7	-5.7
Job tenure	0.5	0.0	1.1	0.4	0.0	1.4	0.1	0.0	0.6
Marital status	-0.9	-3.3	0.0	-1.2	-2.5	-0.1	-1.5	-2.1	-0.1
Job characteristics	28.3	22.3	28.8	30.2	21.8	36.1	33.0	24.1	37.0
<i>Of which:</i>									
Industry	-7.4	-2.2	-14.8	-3.9	2.5	-17.5	-1.6	2.4	-12.7
Occupation	17.0	6.9	20.4	17.2	7.2	28.9	17.8	10.1	26.3
Terms of employment	18.7	17.6	23.3	16.9	12.1	24.8	16.7	11.6	23.4
Location	29.9	40.4	22.2	29.1	34.2	26.6	24.5	28.9	22.0
<b>Unexplained (%)</b>	<b>15.3</b>	<b>13.8</b>	<b>12.2</b>	<b>15.7</b>	<b>25.8</b>	<b>-0.2</b>	<b>18.8</b>	<b>28.5</b>	<b>4.1</b>
<i>Of which:</i>									
Non-indigenous treatment advantage	2.8	1.0	1.6	2.1	5.1	0.8	2.5	3.2	-0.4
Indigenous treatment disadvantage	12.5	12.8	10.7	13.6	20.7	-1.1	16.4	25.3	4.6

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.  
Source: ENAHO 2009.

Table B2.4. Neumark decompositions of the ethnic predicted log hourly wage gap by quartile, 2008

	First quartile			Median			Third quartile		
	All	Men	Women	All	Men	Women	All	Men	Women
	<b>Ethnic predicted log hourly wage gap</b>	<b>0.335</b>	<b>0.231</b>	<b>0.586</b>	<b>0.294</b>	<b>0.209</b>	<b>0.527</b>	<b>0.331</b>	<b>0.262</b>
<b>Explained (%)</b>	<b>77.4</b>	<b>74.9</b>	<b>86.3</b>	<b>80.7</b>	<b>79.8</b>	<b>85.7</b>	<b>76.6</b>	<b>68.7</b>	<b>93.1</b>
Female	-6.6	-	-	-7.1	-	-	-6.3	-	-
Human capital characteristics	28.8	20.8	33.7	30.5	19.8	36.2	28.3	16.7	44.3
<i>Of which:</i>									
Education	37.3	30.4	39.4	41.9	34.7	41.7	40.3	29.1	56.0
Experience	-8.6	-9.3	-6.3	-11.5	-14.6	-6.0	-12.0	-12.3	-11.6
Job tenure	0.1	-0.3	0.7	0.0	-0.2	0.5	0.0	-0.1	-0.1
Marital status	-1.5	-4.2	0.2	-1.7	-3.8	0.2	-1.1	-3.1	0.1
Job characteristics	22.7	14.9	31.4	27.3	16.6	32.3	26.7	17.1	31.8
<i>Of which:</i>									
Industry	-6.1	-3.8	-7.8	-5.1	-4.4	-10.4	-3.7	-2.7	-11.0
Occupation	15.6	9.1	18.1	18.5	12.1	23.0	17.6	11.3	23.8
Terms of employment	13.2	9.6	21.2	13.9	9.0	19.7	12.8	8.4	19.0
Location	34.0	43.5	21.0	31.7	47.2	16.9	29.0	38.0	16.9
<b>Unexplained (%)</b>	<b>22.6</b>	<b>25.1</b>	<b>13.7</b>	<b>19.3</b>	<b>20.2</b>	<b>14.3</b>	<b>23.4</b>	<b>31.3</b>	<b>6.9</b>
<i>Of which:</i>									
Non-indigenous treatment advantage	3.3	1.2	1.4	2.8	4.5	1.0	3.7	7.8	0.5
Indigenous treatment disadvantage	19.3	23.9	12.2	16.5	15.7	13.3	19.8	23.5	6.4

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.  
Source: ENAHO 2008.

Table B2.5. Neumark decompositions of the ethnic predicted log hourly wage gap by quartile, 2007

	First quartile			Median			Third quartile		
	All	Men	Women	All	Men	Women	All	Men	Women
	<b>Ethnic predicted log hourly wage gap</b>	<b>0.348</b>	<b>0.276</b>	<b>0.573</b>	<b>0.327</b>	<b>0.247</b>	<b>0.516</b>	<b>0.338</b>	<b>0.288</b>
<b>Explained (%)</b>	<b>75.1</b>	<b>76.8</b>	<b>81.4</b>	<b>76.1</b>	<b>77.3</b>	<b>85.3</b>	<b>75.2</b>	<b>67.7</b>	<b>85.8</b>
Female	-7.3	-	-	-6.9	-	-	-5.8	-	-
Human capital characteristics	22.0	13.1	29.1	22.3	14.6	31.5	23.2	14.0	32.8
<i>Of which:</i>									
Education	31.8	23.8	35.0	34.8	29.8	39.4	37.1	29.3	42.1
Experience	-9.6	-10.4	-5.9	-12.3	-15.0	-8.0	-13.9	-15.2	-9.4
Job tenure	-0.2	-0.4	0.1	-0.1	-0.2	0.1	-0.1	-0.1	0.0
Marital status	-1.3	-2.6	-0.2	-1.4	-2.1	-0.2	-1.5	-2.4	-0.2
Job characteristics	21.9	15.8	29.0	26.7	17.2	32.3	27.3	17.3	32.4
<i>Of which:</i>									
Industry	-6.5	-1.3	-12.3	-4.7	-2.1	-13.9	-2.6	-0.2	-9.7
Occupation	14.8	8.2	17.0	17.7	10.2	24.2	16.4	8.5	26.0
Terms of employment	13.6	8.9	24.3	13.7	9.1	22.0	13.6	9.0	16.1
Location	39.8	50.5	23.5	35.4	47.6	21.8	32.0	38.8	20.9
<b>Unexplained (%)</b>	<b>24.9</b>	<b>23.2</b>	<b>18.6</b>	<b>23.9</b>	<b>22.7</b>	<b>14.7</b>	<b>24.8</b>	<b>32.3</b>	<b>14.2</b>
<i>Of which:</i>									
Non-indigenous treatment advantage	3.0	4.2	2.0	3.8	3.6	1.6	3.2	4.3	1.3
Indigenous treatment disadvantage	21.9	19.0	16.6	20.1	19.2	13.1	21.6	28.1	12.9

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.  
Source: ENAHO 2007.

Table B2.6. Neumark decompositions of the ethnic predicted log hourly wage gap by quartile, 2006

	First quartile			Median			Third quartile		
	All	Men	Women	All	Men	Women	All	Men	Women
	<b>Ethnic predicted log hourly wage gap</b>	<b>0.273</b>	<b>0.195</b>	<b>0.488</b>	<b>0.293</b>	<b>0.194</b>	<b>0.490</b>	<b>0.313</b>	<b>0.254</b>
<b>Explained (%)</b>	<b>82.4</b>	<b>80.5</b>	<b>88.4</b>	<b>74.3</b>	<b>77.4</b>	<b>85.3</b>	<b>72.6</b>	<b>58.4</b>	<b>82.2</b>
Female	-5.9	--	--	-5.0	--	--	-4.1	--	--
Human capital characteristics	29.9	19.6	34.7	26.7	19.9	34.5	25.2	15.8	30.5
<i>Of which:</i>									
Education	45.6	40.4	43.7	39.9	38.4	46.6	40.3	33.6	42.5
Experience	-15.4	-19.4	-9.4	-13.0	-17.4	-12.1	-15.0	-17.1	-12.2
Job tenure	-0.3	-1.4	0.4	-0.2	-1.1	0.0	-0.1	-0.7	0.2
Marital status	-1.7	-2.1	-0.8	-1.4	-2.9	-0.4	-1.8	-2.4	-0.6
Job characteristics	22.4	8.1	32.8	20.7	9.3	32.4	23.9	11.8	36.8
<i>Of which:</i>									
Industry	-11.6	-11.6	-13.8	-7.4	-9.8	-10.9	-4.3	-4.4	-3.3
Occupation	19.9	11.9	22.9	16.2	12.3	21.2	15.8	11.5	19.4
Terms of employment	14.1	7.8	23.6	11.9	6.8	22.1	12.4	4.7	20.7
Location	37.7	54.9	21.6	33.3	51.1	18.8	29.4	33.3	15.6
<b>Unexplained (%)</b>	<b>17.6</b>	<b>19.5</b>	<b>11.6</b>	<b>25.7</b>	<b>22.6</b>	<b>14.7</b>	<b>27.4</b>	<b>41.6</b>	<b>17.8</b>
<i>Of which:</i>									
Non-indigenous treatment advantage	2.0	1.5	1.7	4.3	5.3	1.6	4.6	7.9	0.7
Indigenous treatment disadvantage	15.6	18.0	10.0	21.4	17.3	13.1	22.8	33.6	17.0

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.  
Source: ENAHO 2006.

Table B2.7. Neumark decompositions of the ethnic predicted log hourly wage gap by quartile, 2005

	First quartile			Median			Third quartile		
	All	Men	Women	All	Men	Women	All	Men	Women
	<b>Ethnic predicted log hourly wage gap</b>	<b>0.265</b>	<b>0.179</b>	<b>0.516</b>	<b>0.279</b>	<b>0.183</b>	<b>0.474</b>	<b>0.300</b>	<b>0.218</b>
<b>Explained (%)</b>	<b>86.1</b>	<b>82.5</b>	<b>86.7</b>	<b>78.3</b>	<b>76.0</b>	<b>91.1</b>	<b>77.3</b>	<b>73.7</b>	<b>83.3</b>
Female	-6.6	-	-	-6.3	-	-	-5.4	-	-
Human capital characteristics	26.5	12.4	31.9	25.9	17.1	31.7	25.1	17.5	32.4
<i>Of which:</i>									
Education	46.5	40.8	41.4	42.7	38.9	44.1	43.3	41.2	45.5
Experience	-19.6	-27.3	-10.2	-16.4	-20.4	-13.0	-18.0	-23.1	-13.2
Job tenure	-0.4	-1.2	0.7	-0.4	-1.4	0.6	-0.2	-0.6	0.2
Marital status	-1.9	-4.1	-0.2	-1.5	-3.5	-0.1	-1.1	-2.9	0.0
Job characteristics	22.6	9.1	32.6	24.6	14.5	37.9	26.3	17.2	33.1
<i>Of which:</i>									
Industry	-12.3	-11.1	-10.9	-8.5	-6.5	-10.8	-3.3	-2.7	-8.0
Occupation	20.6	13.9	20.4	20.8	15.4	27.6	18.3	15.4	22.3
Terms of employment	14.3	6.3	23.1	12.3	5.5	21.1	11.3	4.6	18.8
Location	45.5	65.2	22.5	35.5	47.9	21.7	32.3	41.9	17.8
<b>Unexplained (%)</b>	<b>13.9</b>	<b>17.5</b>	<b>13.3</b>	<b>21.7</b>	<b>24.1</b>	<b>9.0</b>	<b>22.8</b>	<b>26.3</b>	<b>16.7</b>
<i>Of which:</i>									
Non-indigenous treatment advantage	4.2	4.0	2.4	4.4	5.3	0.8	3.2	6.0	3.7
Indigenous treatment disadvantage	9.8	13.5	10.9	17.3	18.7	8.1	19.5	20.3	12.9

Note: Individuals aged 14 and above. Positive value indicates advantage to non-indigenous and negative sign indicates advantage to indigenous.  
Source: ENAHO 2005.

## Unlimited unskilled labour and the sex segregation of occupations in Jamaica

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***Abstract.** In the developing world, standard measures of occupational segregation by sex may be deeply misleading because of structural, cultural and historical differences between developing countries and the developed countries that often feature in studies of segregation. In Jamaica in particular, the legacy of slavery has made female labour an integral part of the workforce for centuries – whereas large-scale female participation in the developed countries can only be measured in decades. The authors find that the country's large, undifferentiated pools of unskilled labour ironically translate into lower levels of occupational segregation, with women outpacing men in the professional categories.*

High levels of occupational segregation by sex do not always translate into simple narratives about male domination or female disadvantage – especially in the developing world. Before we can make sense of occupational segregation and wage differentials, we must first ensure that structural or cultural factors – like a country's labour force composition and its history – are not unduly shaping what these measures mean. While wage differentials will be addressed in a subsequent paper, we argue here that, in Jamaica in particular, certain structural and cultural peculiarities make analyses of sex segregation misleading at best. The reason for this is the large proportion of unskilled labour that tends to exist in poor countries – and the way that such large, undifferentiated pools of labour can influence observed occupational segregation.

In the Caribbean, plantation economies emerged from the system of slavery (see Beckford, 1972). Slavery depended on those pools of unskilled manual labour, and so it used the brutal architecture of the plantation economy to control that labour. Plantation economies defined the structure of the labour force, shaped gender relations and produced social dynamics that are strikingly different from those that exist in the developed countries.

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The remainder of this article is organized into four main sections. The first discusses some of the structural determinants of occupational segregation by sex in the developing world. The second presents our data and measurement methodology. The third section descriptively reviews available labour force statistics on age, education, training and occupational categories, and analyses the data on segregation. The fourth section concludes.

## Structural determinants of occupational segregation by sex in the developing world

After the Second World War, the Saint Lucian economist and Nobel Prize laureate, W. Arthur Lewis (1958) drew attention to the “unlimited” supply of unskilled labour in poor countries by noting that there were typically more people willing to work at the subsistence wage than there were jobs. Lewis highlighted the “disguised unemployment” that existed in the small agricultural holdings that were typical of the rural Caribbean (*ibid.*, p. 402). For example, while all the members of a (family) farm might technically be listed as farmers, the productivity of the land would be unaffected if some members sought employment outside the farm. Lewis noted similarly large pools of casual workers and small retailers in the developing world’s urban areas. Though nominally employed, they were in fact surplus, unskilled labour. To put this in perspective, in 2010, 71.1 per cent of Jamaica’s employed labour force had no training whatsoever – no vocational training, no tertiary training, no on-the-job training. In that same year, 65.7 per cent of Jamaica’s total employed labour force had never passed a regional or national qualification exam, or attained a degree. Such a large, undifferentiated pool of unskilled labour is bound to have a profound effect on calculations of occupational segregation like the Duncan and Duncan (1955) index of dissimilarity. It would necessarily translate into low levels of segregation, making the findings either misleading or irrelevant. Indeed, if the vast majority of people (both male and female) are unskilled labourers, then the most pressing concern is not segregation *per se*, but the fact that most workers are unskilled.

Similarly, due to the peculiarities of the plantation economy, the social structures of Caribbean countries exhibit crucial differences from those of the developed countries typically featured in studies of occupational segregation by sex. For one thing, given the realities of slavery – and indentured servitude after emancipation – large-scale female labour force participation has a history stretching back five hundred years, not mere decades as is the case in the developed economies. Joycelin Massiah, the former head of the University of the West Indies’ Institute of Social and Economic Research (ISER) at Cave Hill, Barbados, put it succinctly when she said, “women in the Caribbean have always worked” (1986, p. 177). Massiah highlighted the condition of female slaves “as labourers in the canefields alongside the male slaves, as domestic labourers in the plantation houses and as primary goods producers and distributors in the slave community” (*ibid.*, p. 178). After emancipation, Caribbean

women, like men, merely went on to engage in wage labour. In this sense, Caribbean labour markets have never been defined by a rigid division of labour, where males were the only breadwinners and females stayed home. There was of course rigid stratification on the basis of race and class; but for the poor, black majority, labour force participation was more fluid, with females often becoming the primary breadwinners. Indeed, not only have Caribbean women always worked, but “work outside of the home [has always been] an integral part of their identity” (Ellis, 2003, p. 21).

Anthropologists have also explored the notion of “matrifocal” family structures (see Smith, 1988, p. 126, and 1996, on Jamaica and Guyana; Quinlan, 2006, on Dominica). Smith defined matrifocality as “the tendency for the unit of a woman, her children, and her daughter’s children to emerge as a particularly solidary unit, often constituting the core of a domestic group” (1996, p. 40). Quinlan went further, suggesting that mothers in a rural Dominican community actually favoured daughters – and invested more heavily in them. Since sons faced greater risks in their society (violence, alcoholism, etc.), daughters were therefore better investments – simply because they were more likely to be around to support their mothers in the future.

At one point, Quinlan argues that “Caribbean mothers also appear stricter and more demanding with daughters than sons, which may indicate indifference rather than indulgence toward sons” (2006, p. 465). Other scholars have presented an alternate theory to explain this phenomenon. For example, in *Learning to be a man*, Barry Chevannes (2001) argues that the looser requirements of boys are important to their socialization in that this steels them to the outside world and prepares them to take on the male provider role as they assist their siblings and mothers (see also Leo-Rhynie, 1998, p. 246). Either way, in the long term, this differential socialization could have consequences for gender relations and the labour force opportunities of men and women.

This brings us to the question of how we address high (or increasing) levels of occupational segregation by sex – especially if the statistics show higher levels of female education and employment in professional occupational categories. Some have argued that the Caribbean is witnessing some version of male marginalization (Miller, 1994) or the loss of male privilege (Figueroa, 2000). Miller’s thesis in particular has drawn the ire of those who claim male marginalization implies males are being marginalized by female success. For example, Prendergast and Grace (2006) argue that males (and male organizations in particular) should be more proactive in the gender debate instead of wallowing in the “marginalization” debate. In explaining the relative lack of academic/social achievement by males, Prendergast and Grace also touch upon the Caribbean’s problematic male gender identities. Indeed, in the literature, Caribbean masculinity is often problematized, since it is thought to lead boys to take greater risks and pursue physical, overtly masculine activities instead of applying themselves in the “feminized” sphere of schooling (Plummer, McLean and Simpson, 2008). Even though these “gender identity” arguments are beyond the scope of this article, we will return to them in

our conclusion, as we consider their possible connection with the sex segregation of occupations in Jamaica and the wider Caribbean. At this juncture, the relevant point is the extent to which Caribbean social structures (and gender power relations) differ from those of the developed countries.

### *The problem of aggregation*

There is a compelling case to be made that even though women now seem to be doing well, segregation may in fact be “hidden” within overly broad occupational categories. Richard Anker noted that “[w]hen very aggregated data (such as the usual seven major ISCO occupations) are used, occupational segregation’s effect is underestimated, mainly because most occupational segregation by sex remains unobserved” (1997, p. 333). For this reason, Chang’s (2004) study of 16 developing countries uses 43 occupational categories, instead of the usual seven or so. After noting the problem of aggregation, she goes on to explain that “while the professional category as a whole may appear to be fairly well integrated by sex, the occupations that comprise the professional category may be quite segregated. At this level of aggregation, traditionally female-dominated occupations such as nursing and teaching are in the same category as traditionally male occupations such as doctors and physicists” (ibid., p. 115).

This may all be true, but it still overlooks the glaring structural problem that exists in societies shaped by the legacy of the plantation, namely, the vast pool of unskilled labour. In poor countries, there are not large cadres of male physicists and scientists balancing out nurses, teachers and office managers.

### *The role of social policy*

Social policy is often used to explain and combat occupational segregation by sex. While governments often pass laws and fund agencies that have no discernible influence on society, Jamaica’s social policy with regard to women has been remarkably progressive. In 1974, a woman’s desk was established in the Ministry of Youth and Community Development; a year later, there was a full-fledged Women’s Bureau in the Prime Minister’s office. By 1979, the Maternity Leave Act was signed into law, offering paid and unpaid maternity leave to Jamaican women.<sup>1</sup> In 1981, Jamaica ratified the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). The country’s current Prime Minister is a woman; and its Director of Public Prosecutions, Chief Justice, Solicitor General and Auditor General are also women. This is not to say that discrimination does not exist in Jamaica – but that women’s progress and women’s entry into the annals of power are cultural, legal and political realities. When combined with the legacy of matrifocality, hundreds of years of large-scale female participation in the labour force, and undifferentiated pools of manual labour, we again have a social structure that may defy the simple logic of the sex segregation of occupations in the developed countries.

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<sup>1</sup> In the United States, by contrast, it was not until 1993 that Congress passed the Family and Medical Leave Act, which offered unpaid leave to women.

### *The composition of occupational categories*

Comparing sex segregation results over a long time frame can be misleading if occupational categories have changed. Blau and Hendricks noted that “studies that take in a reasonably long time period have not used comparable occupational categories across years... Thus, measured changes over time in the degree of segregation may be affected by alterations in the Census occupational classification scheme” (1979, p. 197). They also noted that when occupational categories change, they usually become more precise, allowing sex segregation to be better documented and exposed. This would eventually lead Blau to studies that attempted to “crosswalk” results after coding schemes had changed (Blau, Brummund and Yung-Hsu Liu, 2012).

Jamaica’s sex segregation over the period 1969–2012 can thus be explained by a combination of two structural factors: large undifferentiated pools of labour in the beginning; and then, as occupational categories changed and became more specific, a precipitous increase in observed sex segregation driven by women’s ascension in the labour force – particularly within the category of highly trained professionals. This is, again, why simple narratives about sex segregation remain elusive in the developing world.

## Data and methodology

### *Data*

Our data are transcribed from the Labour Force Survey of the Statistical Institute of Jamaica (STATIN), a quarterly survey usually based on a 1 per cent sample of the Jamaican population. In 2012, this represented some 28,448 individuals. All available years are used (1968–1969 and 1972–2013). STATIN usually conducts the survey in January, April, July and October; where possible, we have exclusively used the October data. The exceptions are 1988 (for which November data are used), 2001 and 2013 (for which the April data are used). It has been suggested that because newly graduated students might be entering the labour force in October (and driving up unemployment numbers), April might be a more stable month. However, we figured that if there was a bias, it was a systematic one, which would therefore have a negligible effect on long-term trends. Moreover, STATIN’s yearly reports typically use October data.

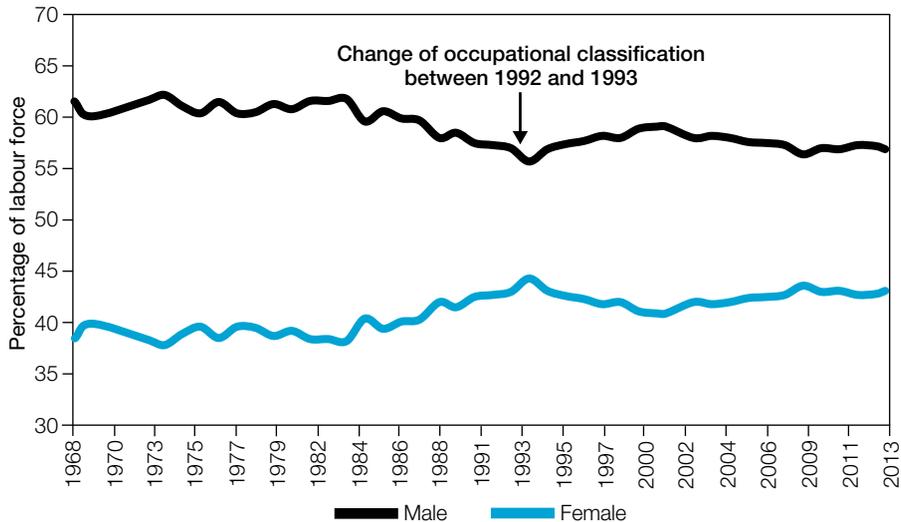
In 1993, the occupational categories used in the survey were changed (see table 1). For example, the pre-1993 category of “Professional, technical, administrative, executive, managerial and related occupations” became “Professionals, senior officials and technicians”. Other categories were consolidated, re-conceptualized or added. What seems more problematic is that the change of occupational classification may have had a larger methodological effect within STATIN. For example, as shown in figure 1, the 1993 sex composition of the employed labour force seems anomalous. In 1992, 57 per cent of the labour force was male; and in 1993, the male proportion was at its lowest recorded level, at 55.7 per cent; a year later, however, it was back to 56.9 per cent. Thus,

Table 1. Change in Jamaica’s occupational classification

Pre-1993	1993 to present
<ul style="list-style-type: none"> <li>• Professional, technical, administrative, executive, managerial and related occupations</li> <li>• Clerical and sales occupations</li> <li>• Self-employed and independent occupations</li> <li>• Service occupations</li> <li>• Craftsmen, production process and operating occupations</li> <li>• Unskilled manual and general occupations</li> <li>• Occupation not specified</li> </ul>	<ul style="list-style-type: none"> <li>• Professionals, senior officials and technicians</li> <li>• Clerks</li> <li>• Service workers and shop and market sales workers</li> <li>• Skilled agricultural and fishery workers</li> <li>• Craft and related trades workers</li> <li>• Plant and machine operators and assemblers</li> <li>• Elementary occupations</li> <li>• Occupation not specified</li> </ul>

Source: STATIN.

Figure 1. Labour force composition by sex, 1968–2013



Note: 2001 and 2013 values are from April; 1988 values are from November; all other values are from October. Source: Authors’ calculations based on STATIN data.

it is possible that the change of occupational classification caused a temporary (at the very least) change in STATIN’s overall methodology.

Another problem is that analysis of formal versus informal employment was complicated by the inclusion of the categories “Agriculture sector” and “Domestic workers” in the new employment typology introduced in 2011 (see table 2). STATIN’s explanation was that these additional categories were in accordance with ILO methodology, and that the first (“Agriculture sector”) reflected the difficulty of determining whether agricultural workers were producing for their own consumption or the marketplace. STATIN also argued that the “informal sector” was primarily urban, but this assumption could under-represent the true extent of informal employment – especially

Table 2. Jamaican labour force by type of employment and by sex, 2012

	Numbers	Percentage
<i>Male</i>		
Formal	199 400	32.4
Informal	249 800	40.6
Agriculture sector	159 000	25.8
Unclassified	7 500	1.2
<b>Total</b>	<b>615 700</b>	<b>100</b>
<i>Female</i>		
Formal	231 000	49.0
Informal	166 300	35.3
Domestic workers	32 800	7.0
Agriculture sector	37 300	7.9
Unclassified	3 900	0.8
<b>Total</b>	<b>471 300</b>	<b>100</b>
<i>Total</i>		
Formal	430 400	39.6
Informal	416 100	38.3
Domestic workers	32 800	3.0
Agriculture sector	196 300	18.1
Unclassified	11 400	1.0
<b>Total</b>	<b>1 086 900</b>	<b>100</b>

Source: STATIN.

in a country with so many unskilled workers.<sup>2</sup> The “Domestic workers” category presented similar complications – and left open the possibility that the proportion of informal female employment would be larger if some domestic workers were to be categorized as informal workers. That said, taking table 2 at face value, we see a higher proportion of males in informal employment, namely 40.6 per cent versus 35.3 per cent of females. Unfortunately, since STATIN only started collecting these data in 2011, there is no way to determine whether the proportion of males in informal employment has always been larger than that of females (even though this seems likely). Many of the people in the “Agriculture sector” and “Domestic workers” categories would otherwise fall into the “Unskilled manual and general occupations” category in table 1 (pre-1993) or “Elementary occupations” (1993 to present). The key point here is that the large “informal sector” is another component of the unskilled labour force.

<sup>2</sup> In short, workers were classified in the informal sector based on the type of *enterprise* they were in – rather than the kind of work they performed. In Jamaica, these were primarily enterprises with fewer than ten workers, and paying no contributions to the National Insurance Scheme (for social security coverage in old age/retirement and in the event of industrial injury incapacitation).

### Measuring occupational segregation by sex

The Duncan and Duncan (1955) index of dissimilarity (ID) or sex segregation index measures the percentage of males or females who would have to switch occupations for there to be equality in the labour force. Richard Anker actually argues for a more exacting definition of the index “*as the sum of the minimum proportion of women plus the minimum proportion of men who would have to change their occupation in order for the proportion female to be identical in all occupations*” (1998, p. 75; italics in original). Either way, an index of 100 would represent total segregation, and an index of 0 would mean total equality. The formula is

$$S_i = (0.5) \sum_i \left| \frac{F_{it}}{T_{it}} - \frac{M_{it}}{T_{it}} \right|$$

where  $F_{it}$  denotes the number of females in a particular occupation at a particular point in time,  $M_{it}$  is the number of males in that occupation at that time, and  $T_{it}$  is the total number of males *and* females in that occupation. In other words, for each occupation,  $T_{it} = F_{it} + M_{it}$ . To calculate the formula, we first subtract the proportion of males in each occupation from the proportion of females. Next, we sum the absolute values of those calculations. Last, the summed values are multiplied by 0.5, to create the segregation index ( $S_i$ ) for that particular time.

Blau, Brummund and Yung-Hsu Liu (2012) provide a good discussion of some of the problems with the ID. Segregation can be caused by two factors: change in the occupational distribution of the labour force by sex (e.g. more women becoming doctors) or change in the occupational mix of the labour market (e.g. the decline of manufacturing jobs and the rise of service-oriented jobs). By itself, however, the ID cannot tell us which of these changes is taking place. Accordingly, two additional measures are often used to supplement the ID:

The sex composition effect measures how much the segregation index would have changed if just the percentage male (female) within occupations changed, but the relative size of each occupation remained constant; the occupation mix effect measures how much occupational segregation would have changed if just the relative size of occupations changed, but the sex composition of each occupation remained constant (ibid., p. 12).

Both effects are calculated by introducing two distinct times into the ID formula ( $t$  and  $t-1$ ). For instance, if we were calculating the sex composition effect between 1980 and 1990, 1990 would be  $t$  and 1980 would be  $t-1$ , as follows:

$$\left[ (0.5) \sum_i \left| \frac{\frac{F_{it}}{T_{it}} T_{it-1}}{\sum_i \frac{F_{it}}{T_{it}} T_{it-1}} - \frac{\frac{M_{it}}{T_{it}} T_{it-1}}{\sum_i \frac{M_{it}}{T_{it}} T_{it-1}}} \right| \right] - S_{t-1}$$

The occupation mix effect is given by:

$$S_t - \left[ (0.5) \sum_i \left| \frac{\frac{F_{it}}{T_{it}} T_{it-1}}{\sum_i \frac{F_{it}}{T_{it}} T_{it-1}} - \frac{\frac{M_{it}}{T_{it}} T_{it-1}}{\sum_i \frac{M_{it}}{T_{it}} T_{it-1}} \right| \right]$$

Note that both formulas incorporate the occupation total from the earlier time ( $T_{it-1}$ ), and that the formula for the sex composition effect uses the segregation index from the earlier time ( $S_{t-1}$ ) while the occupation mix formula uses the segregation index from the current time ( $S_t$ ).

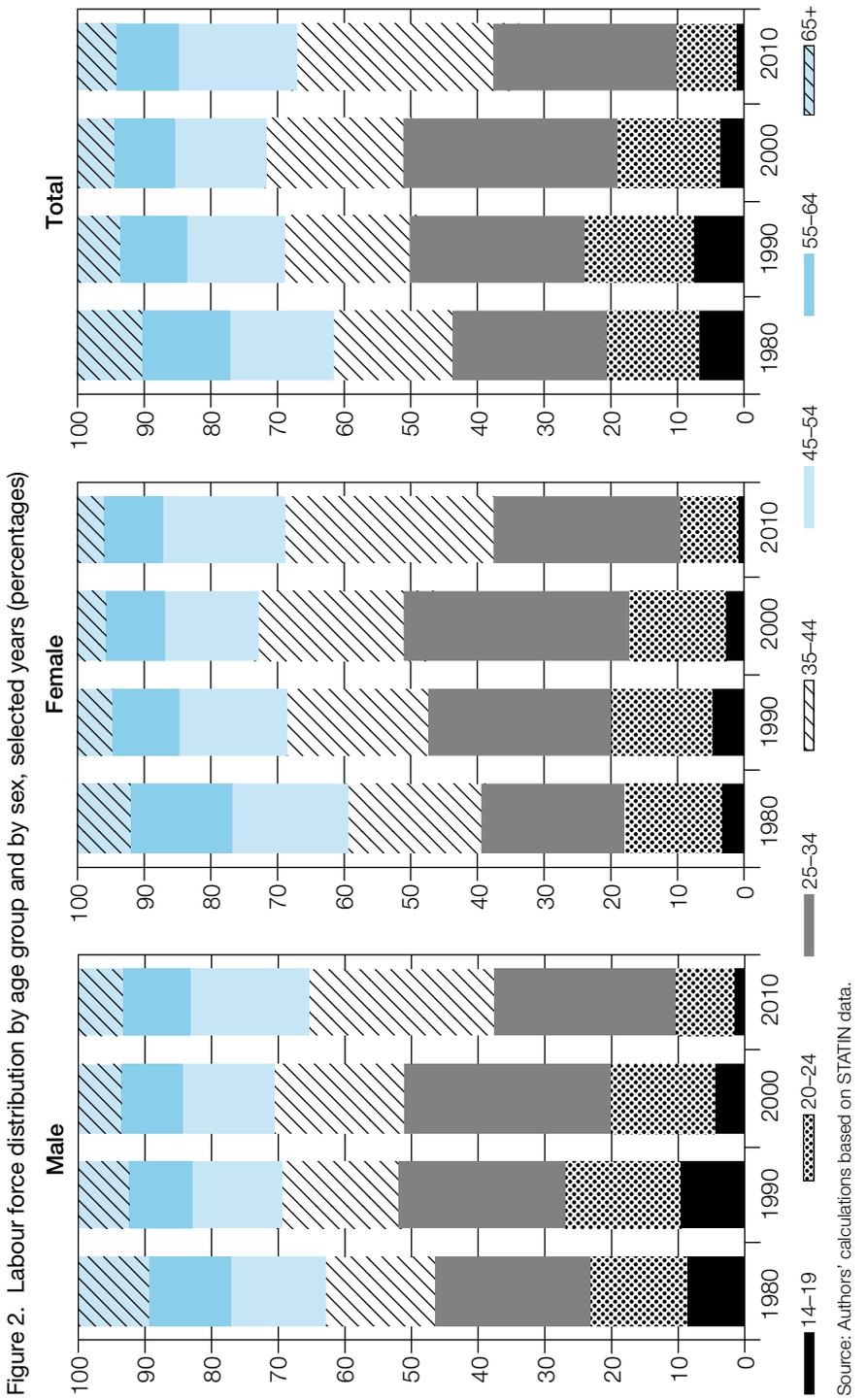
## Data analysis and interpretation

Even though there are still more males in the Jamaican labour force, the percentage of females has grown steadily over the years (see figure 1). For example, females accounted for 38.2 per cent of the labour force in 1968, compared to 43.1 per cent in 2013. As we will see, however, their growing labour force participation has increased rather than decreased occupational segregation by sex.

### Age groups

The main age group trend is that there are now fewer young people in the labour force (see figure 2). For example, in 1980, 6.8 per cent of those in the 14–19 age group (and 13.7 per cent of those in the 20–24 age group) were in the labour force. By 2010, the proportions were 1.3 and 8.9 per cent, respectively. However, while these aggregate numbers are relatively low, the percentage of males in the 14–19 age group was twice that of females in 1980 and 1990. In 1980, 8.9 per cent of males in that age group were in the labour force as against 3.5 per cent of females. This may be a reflection of the willingness of young males to work, more unskilled jobs tailored to males, an acceptance of their labour, more pressure for them to work, or some combination of these factors. But female pursuit of higher education is also a factor – which we will consider during our discussion on training.

In 1980, 1990 and 2000, the 25–34 age group was the largest segment of the labour force, accounting for 23.3, 26.1 and 31.9 per cent, respectively. By 2010, however, this age group accounted for only 27.5 per cent of the labour force, while the largest segment was the 35–44 age group, at 29.3 per cent. This trend holds for both males and females. Several things may be going on here: (1) the 25–34 cohort of 2000 may have been extraordinarily productive, meaning that they carried that productivity over as they entered the 35–44 age group; (2) the apparent productivity of the 35–44 age group in recent years may merely be masking a lack of opportunity for younger workers; or (3) there may again be some combination of these processes. Indeed, between 2000 and 2010, all workers below 35 saw their labour force participation drop, while those aged 35 and older saw their labour force participation increase.



Source: Authors' calculations based on STATIN data.

### *Training received*

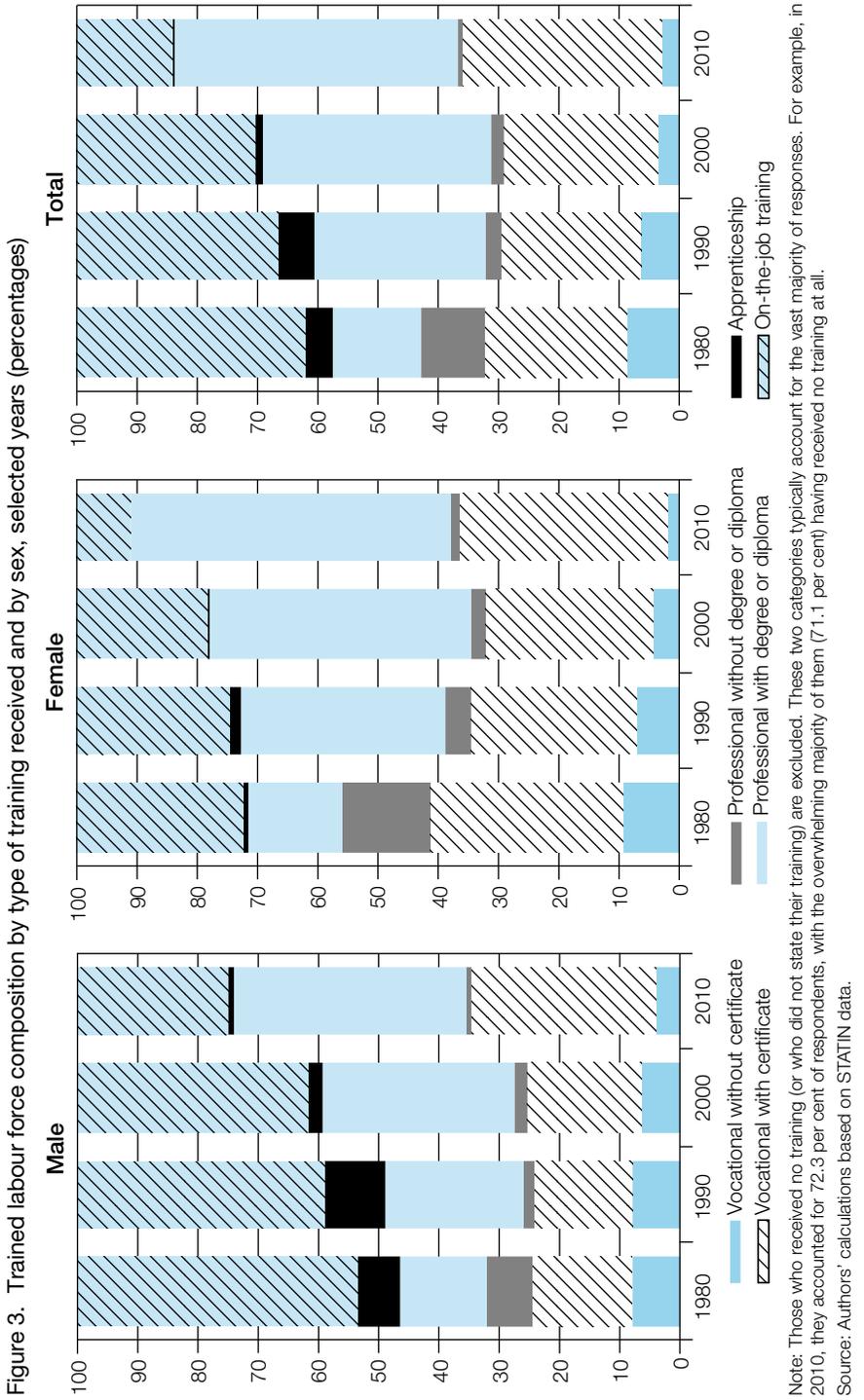
The vast majority of Jamaican workers have no training. In 2010, this applied to 71.1 per cent of the workforce. However, among those who did have training, a higher percentage of females had professional degrees (see figure 3). For example, in 2010, 53.3 per cent of females with training were in the “Professional with degree or diploma” category, compared to 38.6 per cent of males. Moreover, females constituted 64.2 per cent of this category – even though there were *fewer* females in the labour force (see figure 1). As one might expect, (female) teachers and nurses are heavily represented here.

On-the-job training used to account for a large share of training, especially among men. In 1980, 46.4 per cent of men with training had on-the-job training, but by 2010 the proportion had dropped to 25.1 per cent. Among females, the proportion declined from 27.5 to 8.7 per cent. Also interesting is the increasing prominence of vocational certificates. In 1980, 16.6 per cent of males and 31.9 per cent of females had vocational certificates. By 2010, the percentage had almost doubled among males (to 30.6 per cent) while showing a more modest increase among females, to 34.8 per cent. Lastly, the growing importance of formal credentials in the Jamaican labour market is also reflected in the decline of three categories, namely, “Vocational without certificate”, “Professional without degree or diploma”, and “Apprenticeship”.

### *Highest examination passed*

As shown in table 3, a higher proportion of Jamaican men have never passed a formal education exam. More importantly, the gender gap in this respect has been widening. In 2000, 79.4 per cent of men had never passed an exam, compared to 66.2 per cent of women, resulting in a gap of 13.2 percentage points. By 2010, the proportions were 73.8 and 55.7 per cent, respectively, widening the gap to 18.1 points. For both males and females, the proportion of those who have never passed an exam has gone down, but it has gone down further for women. Furthermore, the percentage of females holding a degree has increased to more than double that of males, with the gap widening to some 8.9 percentage points in 2010. Higher percentages of females also had secondary level qualifications such as the General Certificate of Education at the Ordinary and Advanced levels (GCE “O” and “A”) and their Caribbean Examinations Council (CXC) equivalents. Five or more of these subject passes allow for matriculation into university or another tertiary level institution – as well as greater chances of employment.<sup>3</sup>

<sup>3</sup> The GCE and CXC examinations, respectively, are British and Caribbean exit examinations taken at the end of secondary schooling. The English speaking Caribbean’s history of colonization explains the GCE, which was the sole exit examination and matriculation requirement until the introduction of the CXC examinations in 1979. Because the CXC only offered ordinary level examinations between 1979 and 1998, its examinations were known simply by the CXC abbreviation. After 1999, when advanced level examinations were introduced, CXC examinations were distinguished between the Caribbean Secondary Education Certificate (CSEC) – which referred to examinations taken at the end of grade 11 – and the Caribbean Advanced Proficiency Examination (CAPE) – which was taken at the end of grade 12 (Level 1) and 13 (Level 2).



## Sex segregation of occupations in Jamaica

Table 3. Labour force distribution by highest examination passed and by sex, selected years

	Number			Percentage		
	2000	2005	2010	2000	2005	2010
<i>Male</i>						
None	488 200	521 800	503 000	79.4	76.8	73.8
CXC Basic J.S.C. etc.	15 100	12 700	11 000	2.5	1.9	1.6
CXC Gen., GCE "O" 1-2	11 200	11 600	16 400	1.8	1.7	2.4
CXC Gen., GCE "O" 3-4	18 000	22 500	19 700	2.9	3.3	2.9
CXC Gen., GCE "O" 5+ or GCE "A" 1-2'	12 000	20 200	23 700	2.0	3.0	3.5
GCE "A" 3+	1 500	600	800	0.2	0.1	0.1
Degree	21 900	33 800	49 400	3.6	5.0	7.2
Other	16 300	12 900	14 200	2.6	1.9	2.1
Not stated	31 000	43 200	43 400	5.0	6.4	6.4
<b>Total</b>	<b>615 200</b>	<b>679 300</b>	<b>681 600</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Female</i>						
None	326 900	332 300	311 200	66.2	60.9	55.7
CXC Basic J.S.C. etc.	23 300	21 400	14 500	4.7	3.9	2.6
CXC Gen., GCE "O" 1-2	20 100	19 800	16 000	4.1	3.6	2.9
CXC Gen., GCE "O" 3-4	30 400	33 200	36 300	6.2	6.1	6.5
CXC Gen., GCE "O" 5+ or GCE "A" 1-2'	15 100	25 300	33 500	3.1	4.6	6.0
GCE "A" 3+	1 600	1 200	1 600	0.3	0.2	0.3
Degree	28 900	51 500	90 100	5.9	9.4	16.1
Other	20 800	25 200	24 500	4.2	4.6	4.4
Not stated	26 600	35 800	30 800	5.4	6.6	5.5
<b>Total</b>	<b>493 700</b>	<b>545 700</b>	<b>558 500</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Both</i>						
None	815 100	854 100	814 200	73.5	69.7	65.7
CXC Basic J.S.C. etc.	38 400	34 100	25 500	3.5	2.8	2.1
CXC Gen., GCE "O" 1-2	31 300	31 400	32 400	2.8	2.6	2.6
CXC Gen., GCE "O" 3-4	48 400	55 700	56 000	4.4	4.5	4.5
CXC Gen., GCE "O" 5+ or GCE "A" 1-2'	27 100	45 500	57 200	2.4	3.7	4.6
GCE "A" 3+	3 100	1 800	2 400	0.3	0.1	0.2
Degree	50 800	85 300	139 500	4.6	7.0	11.2
Other	37 100	38 100	38 700	3.3	3.1	3.1
Not stated	57 600	79 000	74 200	5.2	6.4	6.0
<b>Total</b>	<b>1 108 900</b>	<b>1 225 000</b>	<b>1 240 100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Note: See footnote 3. The numbers after the GCEs indicate the number of subjects passed.

Source: STATIN.

### *Occupational categories: Pre-1993*

Before the occupational classification changed in 1993 (see table 1), the largest category by far was “Self-employed and independent occupations” (see figure 4). This “catch-all” category encompassed any labour scheme whereby people managed to make money without legally being in the employ of someone else.<sup>4</sup> In 1975, it accounted for 35.1 per cent of the Jamaican labour force, growing further to 41 per cent in 1980 and 43.4 per cent in 1985. Its share then declined to 38 per cent in 1990. Yet the key factor is, here again, the unskilled nature of the Jamaican labour force, especially in the early years: in 1975, the category of “Unskilled manual and general occupations” accounted for 16.2 per cent of the labour force; and when this is added to the category of “Self-employed and independent occupations”, it turns out that 51.3 per cent of the Jamaican labour force was in categories that were essentially – or potentially – low skilled. Significantly, by 1990, 53.5 per cent of males fell into these categories, as against 38.8 per cent of females. On the other hand, women dominated two other categories – “Clerical and sales occupations” and “Service occupations”. In 1990, the first of these accounted for only 7.8 per cent of males but 17.5 per cent of females, while the second accounted for 8.3 per cent of males as against 24.7 per cent of females. These differences need to be borne in mind for our discussion of occupational segregation by sex below.

### *Occupational categories: Post-1993*

After 1993, the catch-all category of “Self-employed and independent occupations” disappeared, and the functionally “self-employed” were distributed across other categories (see table 1). In other words, *whom* one worked for ceased to matter. Women continued to dominate the professional and service-related categories (see figure 5). By 2010, 74 per cent of females – as against only 31 per cent of males – were concentrated in three categories: “Professionals, senior officials and technicians”; “Clerks”; and “Service workers and shop and market sales workers”. On the other hand, men dominated the categories of “Craft and related trades workers” (20.2 per cent of males as against 2.9 per cent of females) and “Plant and machine operators and assemblers” (9.38 per cent of males versus 0.8 per cent of females).

### *Sex segregation index, sex composition effect and occupation mix effect*

The problematic 1993 change in the occupational classification (see table 1) also had an effect on sex segregation (see figure 6). In 1992, the sex segregation index was 30.4; a year later, after the change, it reached 38.7. Since then, the general pattern has been one of increasing sex segregation of occupations, with the index reaching 45 in 2013. This trend differs from that observed in

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<sup>4</sup> While the category could technically include the owners of stores and other lucrative enterprises, someone with a fruit stand on the side of the road would also qualify for inclusion; and indeed, in the Jamaican context, this type of labourer would be the most likely occupant of this category.

Figure 4. Pre-1993 occupational categorization of the labour force, by sex, selected years (percentages)

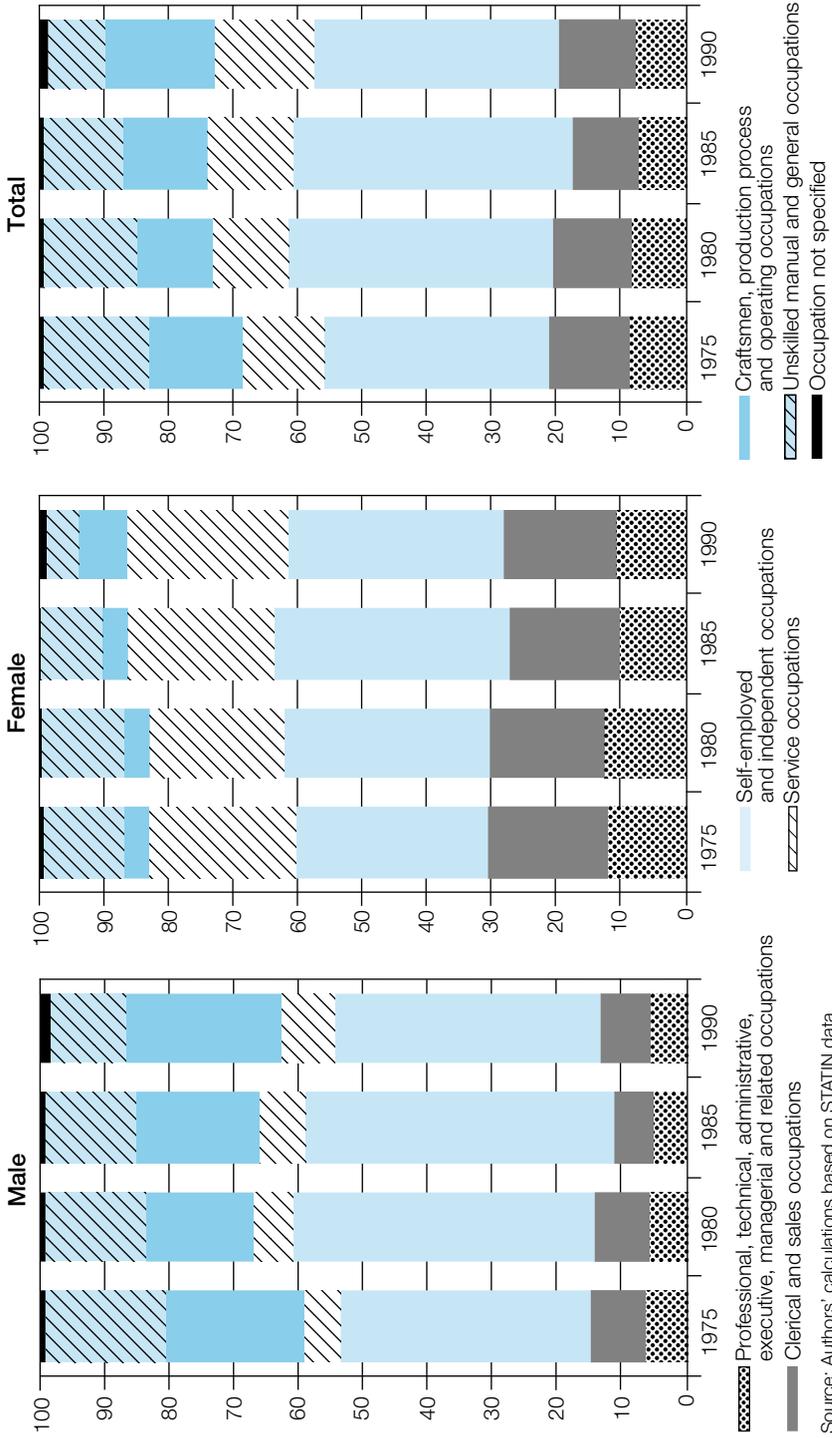
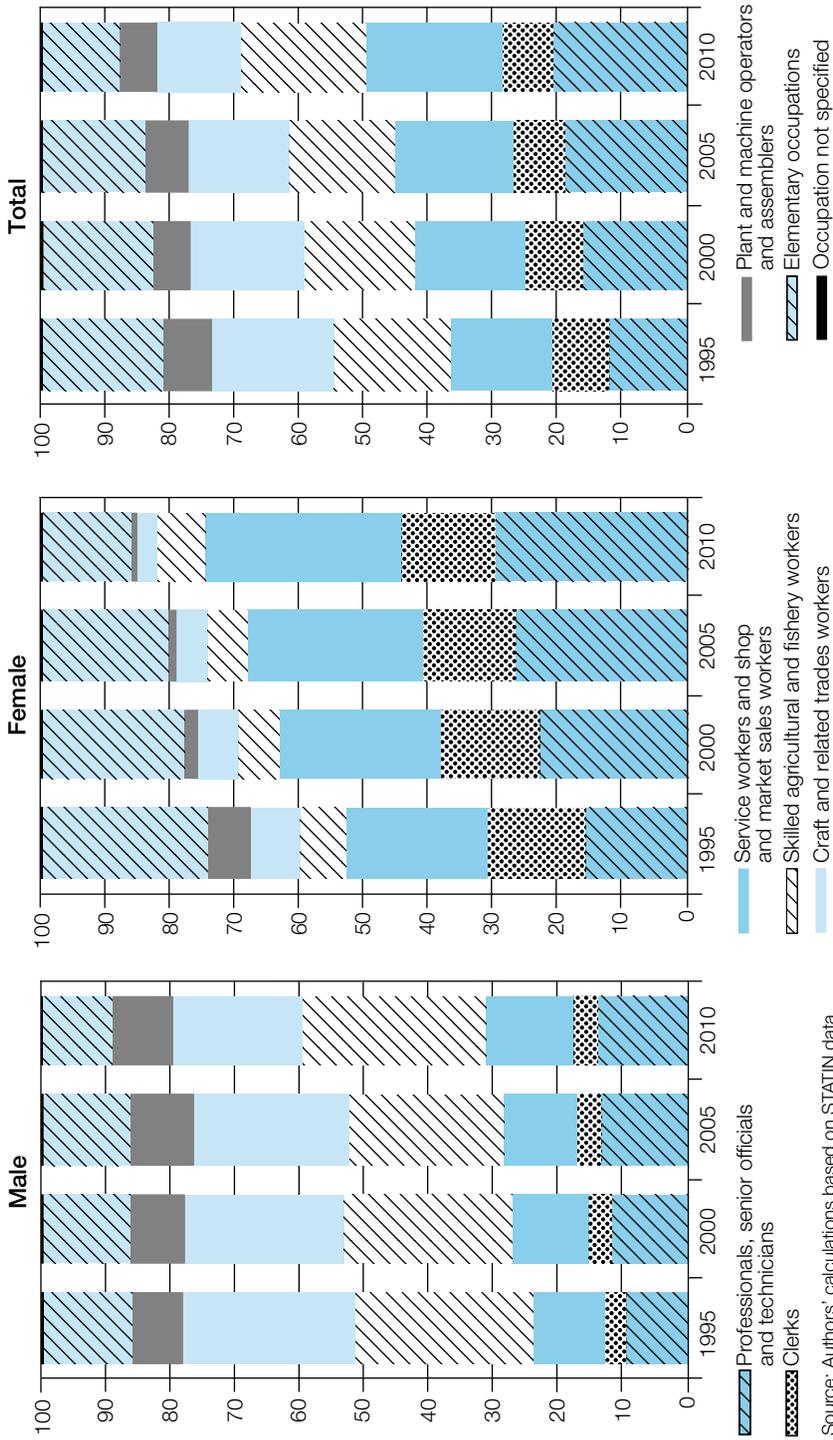
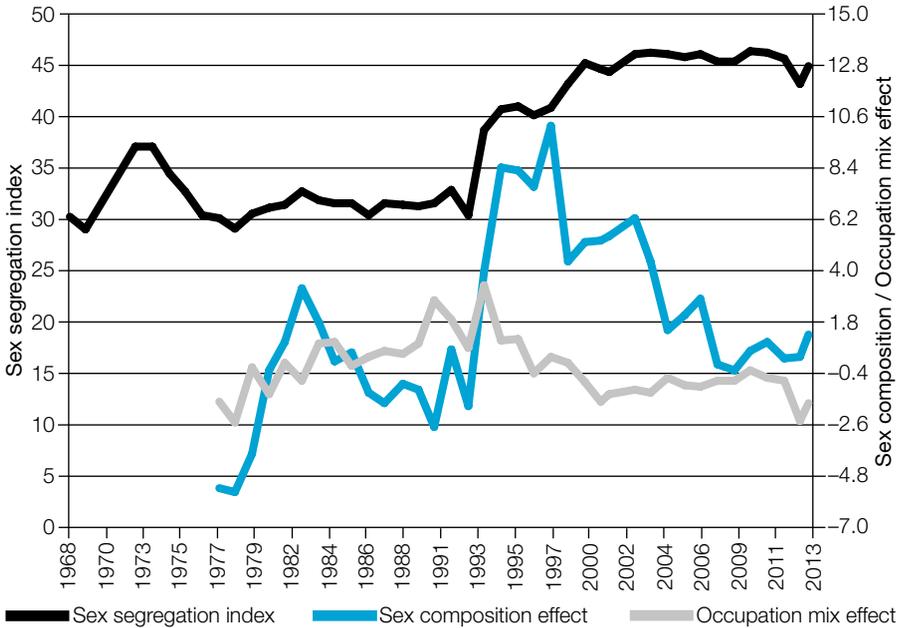


Figure 5. Post-1993 occupational categorization of the labour force, by sex, selected years (percentages)



Source: Authors' calculations based on STATIN data.

Figure 6. Sex segregation index, sex composition effect and occupation mix effect (1968–2012)



Note: The sex composition and occupation mix effects were calculated using the year indicated on the chart and the year five years previous.

Source: Authors' calculations based on STATIN data.

Europe and the United States, where occupational segregation by sex has steadily declined. For example, Blau, Brummund and Yung-Hsu Liu (2012) put the index for the United States in the high 60s in 1971 and in the low 50s by 2009. This apparent contrast, however, is somewhat misleading.

As argued in the beginning of this article, the colonial plantation economy has had a profound effect on the nature of Caribbean labour. Given this legacy, there has never really been a time when Caribbean women were *outside* the labour force, whereas it was only in the 1960s that substantial numbers of women began to enter the labour force in Europe and the United States. Even Jamaica's *male* labour force participation was high by international standards. For example, the World Bank noted "extraordinarily high participation rates in Jamaica, with the labor force (on the broad definition) representing 74% of the population over 14 years of age, with a participation rate of 65% for women. These are among the highest rates in the world" (1984, p. 3). The historically high participation rate of Jamaican women is indeed one reason why Jamaica's occupational segregation by sex has been lower than that of the developed countries – especially if one takes a point of comparison in the 1970s.

Another factor that explains Jamaica's relatively low sex segregation of occupations in the early years was the use of those "catch-all", low-skill occupational categories discussed above. In particular, the pre-1993 occupational

classification aggregated much unskilled and ad hoc labour into two categories – “Self-employed and independent occupations” and “Unskilled manual and general occupations” – which together accounted for 47.3 per cent of the Jamaican labour force in 1990. Since this gave the outward appearance that very large proportions of men and women were in the same occupations, sex segregation was (technically) relatively low. With the reclassification of workers into more specific categories following the demise of the catch-all self-employment category in 1993, sex segregation therefore seemed to rise precipitously between 1992 and 1993. Since then, as Jamaica’s labour patterns have slowly come to resemble those of more developed countries, its occupational segregation by sex has inched *up*, towards the index value of 50, while such segregation has been inching *down* in the developed countries. The long-term trend therefore seems to be towards convergence as occupational categories and labour patterns become standardized internationally.

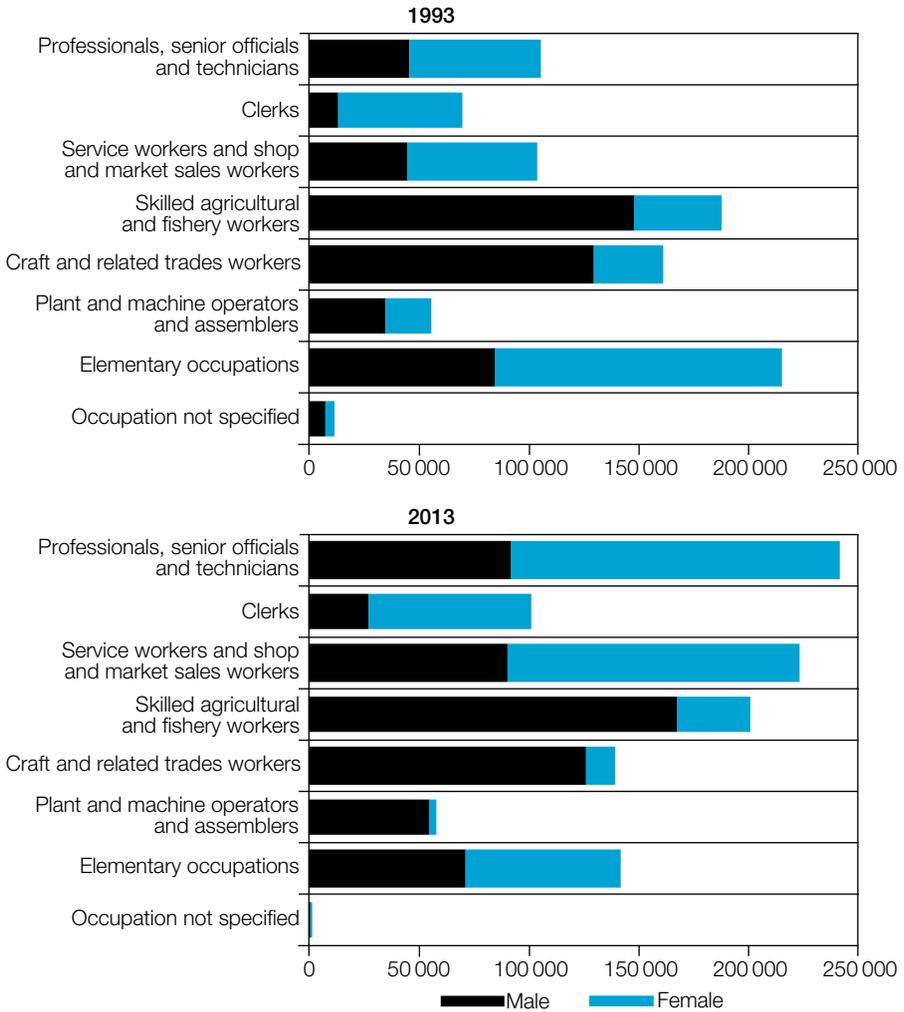
Either way, Jamaica’s increasing sex segregation is almost certainly a story about female success – or at least numerical dominance – in fields that may have had a more even mix of males and females in the past. Indeed, the sex composition effect for 1992, which measures the difference between 1992 and five years earlier (1987), was  $-1.8$ . This means that the 1992 sex segregation index would be 1.8 lower if the number of males/females within occupations changed but the occupations themselves remained the same. Yet, the sex composition effect has been very volatile. A year later, it was 3.9; and it reached an all-time high of 10.2 in 1997. But here again, the 1993 change of occupational classification comes into play, because the 1997 value is based on 1992 (i.e.  $t-1$ ) in the formula.

At any rate, the sex composition effect has had a positive value for every year after 1992, except for 2007 and 2008, when it was  $-0.04$  and  $-0.2$ , respectively. On the other hand, the occupation mix effect (which measures the change in sex segregation that would have occurred if the occupational mix had been adjusted but sex composition remained the same) peaked at 3.4 in 1993 and has not risen above 1 since.

Between 2002 and 2011, the sex segregation index was stable, which is reflected in the fact that the sex composition effect and the occupation mix effect have been less volatile and closer to zero.

The above developments happened during a period when the formal labour force was shifting towards more professional categories. As shown in figure 7, in 1993, most of the labour force was in the “Elementary occupations” category – which women dominated (at 60.6 per cent). By 2013, however, females only accounted for 50.5 per cent of this category. Indeed, the largest occupational category in 2013 was “Professionals, senior officials and technicians”; and while women already dominated this category in 1993 (at 56.6 per cent), their dominance had increased to 62 per cent by 2013. In short, females have moved from lower occupational categories into higher ones, while males have continued to dominate occupations in agriculture and trades, which are less reliant on credentials and less prestigious.

Figure 7. Occupational distribution of the labour force by sex, 1993 and 2013



Source: Authors' calculations based on STATIN data.

## Concluding discussion

Ironically, patterns of occupational segregation by sex in Jamaica show clear evidence of females outpacing males in professional categories – and this may foreshadow a discussion looming in the developed countries too. Richard Anker once commented that

integrating men into typical “female” occupations is a controversial issue, since most labour market discrimination is directed against women, not men; moreover, such measures would contribute to eliminating one of the few labour market advantages women have. Yet breaking down the sex segregation of occupations

is critical to improving women's labour market situation, and this goal cannot be accomplished without breaking down the sex stereotyping of men, women and occupations (Anker, 1997, pp. 328–329).

Like elsewhere in the developed and developing world, there is persistent discrimination against women in Jamaica for a host of reasons; but the story of sex segregation of occupations is not that simple. At the very least, this cannot be the entirety of the discussion. For example, what do we do if efforts to reduce sex segregation are actually successful – or if the pattern of segregation no longer fits (or never did fit) the patterns prevalent in developed countries? The vast pool of unskilled Caribbean labour, the long-standing labour force participation of Caribbean females, matrifocality, and the increasing success of Caribbean females calls for a more nuanced approach to occupational segregation by sex in this setting.

In the opening sections of this article, we noted the “gender identity” arguments commonly used in the Caribbean to explain the paucity of males in the upper echelons of the labour force. There is a stream of thought, exemplified by Prendergast and Grace (2006), which presents problematic masculinities as a root cause of this phenomenon. Yet, such arguments are largely ahistorical. In the case of Prendergast and Grace, they did a contemporary study of Caribbean attitudes on masculinity, interviewing *only* males, and then argued that the problematic views emerging from the interviews were the cause of male failure. However, they never established that male attitudes were markedly different in the past (when males were supposedly successful). A more historical and *empirical* argument is that a change in the structure of the economy – namely, the change from an agricultural economy with a large mining sector, to a service-based economy – has meant the ascension of classically “female” jobs while key “male” jobs have either disappeared or gone into decline. Could problematic masculinities be exacerbating males' achievement woes? Certainly. However, as these “gender identity” arguments typically focus on problematizing masculinity, we rarely (if ever) get a sense of the extent to which females also share the “problematic” views to which we attribute male failure. Masculinity has tended to be viewed in isolation, as if the female population – indeed, *society* – has nothing to do with its construction. Feminists have long understood that femininity is not solely something created by females, so why would masculinity solely be a male creation, which must be “fixed” by males?

Moreover, many of those “female” occupations that Anker mentioned – like teaching, nursing and clerical jobs – are now more stable, more lucrative and more in demand, than traditional “male” occupations. The rise of (traditionally “female”) service sector jobs may thus require greater emphasis on breaking down the stereotyping of classically “female” occupations – so as to provide opportunities (and realistic expectations) to young men entering the labour force. We can no longer afford to hold off on these “controversial” issues for fear that women's “few” advantages will be lost – especially when the sex segregation of occupations we observe in reality does not fit the pattern of (and the policy positions demanded by) segregation in the developed countries.

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## Falling female labour force participation in Kerala: Empirical evidence of discouragement?

Shalina Susan MATHEW\*

**Abstract.** *India's female employment and labour force participation have been declining since the mid-2000s. Kerala, traditionally its best-performing state on these indicators, has done worse than the country as a whole. This article examines the shifts that occurred in Kerala's female employment and participation between 2004 and 2012, by household income level, age group, level of education and occupational category. Those dropping out of the labour market are typically young, educated women qualified for professional occupations, suggesting a discouragement effect exacerbated by widening gender pay differentials in top occupations. These shifts have obliterated some of the hitherto defining features of Kerala's labour market.*

A disquieting feature of the labour market in India – and in South Asia more generally – has been the relatively low labour force participation of women, and its further decline in recent years. Studies on the region point to an array of complex, often interconnected forces driving female labour force participation down, including not only socio-cultural norms, but also economic, human capital and demographic determinants. Against this background, this article examines the changing labour market dynamics of female employment in urban Kerala.

Kerala makes an interesting case study indeed. On the strength of its historically impressive accomplishments in social and human development, this state in south-western India gained a place of prominence in the development discourse as the “Kerala model of development” (UN-DESA, 1975). Its performance on indicators of human well-being was not only far ahead of the national averages *despite* its slower economic growth, but also comparable with

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that of many middle-income countries.<sup>1</sup> While Kerala's development trajectory thus deviated from the conventional path of economic growth leading to human development, it had in fact been conditioned by a wide range of unique socio-political, cultural and historical processes.<sup>2</sup> Their development outcomes are still reflected in the state's low levels of infant mortality, long life expectancy, high levels of literacy, a sex ratio favourable to females, and low population growth (currently below the replacement rate). These accomplishments were hailed as a classic case of "welfare by public intervention" (Sato, 2004), whereby public action and state provisioning of public goods and basic needs offered an alternative path towards social development, despite low economic growth (Drèze and Sen, 1997).

These socio-demographic advances created an environment conducive to women's entry into the paid activities in the market on a considerable scale. While their educational attainments equipped them to seek work in highly paid service occupations, the state's socio-demographic progress provided further stimulus to their labour market attachment. This resulted in remarkably high rates of female labour force participation, particularly among higher educated women, by comparison with the rest of the country. Even among higher educated women across India, participation was lower, highlighting the influence of factors other than education and earnings in determining women's economic decisions.

Since 2004, however, female labour force participation in Kerala has trended downwards, as it has done throughout India. Comparatively, it is the magnitude of the decline and its spread across the female workforce that set Kerala apart. In an attempt to understand the dynamics underlying Kerala's departure from its long-term trend of high female labour force participation, the remainder of this article is organized into five sections. The first provides some background that contextualizes recent labour market developments, and the second briefly presents the data sources and concepts used in the study. The third section comparatively examines the compositional shifts in female employment and labour force participation in India and Kerala by level of household expenditure, educational attainment, and age, while the fourth section analyses the occupational characteristics of Kerala's female employment. The fifth section concludes with a summary of the study's main findings.

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<sup>1</sup> In the absence of strong economic growth to sustain its social development and welfare policies, debates were raised on the sustainability of the Kerala model in the long run. Kerala's experience was thus referred to as a "paradox of development"; the "paradox of social development and economic backwardness"; "lopsided development" and so on (Chakraborty, 2005; George, 1998; Government of Kerala, 2006; Kannan, 2005; Panikar and Soman, 1984; Tharamangalam, 1998). Such concerns abated when Kerala's economy started to gain momentum in the 1980s (Ahluwalia, 2002; Chakraborty, 2005; Government of Kerala, 2006; Jeromi, 2003; Kannan, 2005; Pushpangadan, 2003). By the 1990s, however, Kerala had embarked on a high-growth phase which peaked in the 2000s, when its economy grew at a rate higher than the national average.

<sup>2</sup> For a detailed historical account, see Ramachandran (1997).

## Background

Kerala's labour market trends and patterns of female participation in the post-reform period<sup>3</sup> exhibit two distinct phases – from 1993–94 to 2004–05, and post-2004–05. The most striking features of the urban labour market up to 2004–05 were women's high labour force participation rate and low rate of employment,<sup>4</sup> resulting in soaring unemployment. Among the higher educated, participation was in the range of 70 to 80 per cent – comparable with the rates observed in the developed countries – and more than double the rate averaged across the rest of the country. As a result of Kerala's low employment rates, however, unemployment among higher educated women remained as high as 20–30 per cent. Such high rates of female unemployment have been explained in terms of women's job preferences, overall high unemployment in the economy and constraints on skill utilization, lack of employable skills, etc. (Devi, 2002; Kodoth and Eapen, 2005; Mathew, 1995; Nagaraj, 1999).

In the subsequent phase, post-2004–05, female unemployment eased because of a marginal improvement in women's employment rates, coupled with an unprecedented fall in their labour force participation. These labour market adjustments are of interest on several accounts. First, Kerala's female employment rates improved during a period when the overall employment rate of women in India was in decline, generating debates over the economy's "jobless growth". Second, and more importantly, the increase in women's employment rates in Kerala was accompanied by shrinking female labour force participation, marking another departure from the patterns observed up to 2004–05. Given Kerala's long history of labour migration, women's shrinking participation raises questions about the possible role of female labour emigration to destinations outside the state. However, the Kerala Migration Survey data indicate that both male and female labour migration from Kerala peaked in 2003 and has since been declining. Moreover, the female share of total out-migration dropped from 34.9 per cent in 2003 to 32.7 per cent in 2011 (Zachariah and Rajan, 2012).

Against this backdrop, this study hypothesizes discouragement in explaining the observed compositional shifts in employment, particularly among Kerala's higher educated and relatively well-off women. Studies on the "discouraged worker effect" regard discouragement as a mechanism that hampers the occupational achievement of groups with poor chances on the labour market (van Ham, Mulder and Hooimeijer, 2001, p. 1734). Discouragement

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<sup>3</sup> Although India's economic liberalization had started in the 1980s, it was in 1991 that the country embarked upon systematic market-oriented reforms supported by the IMF and the World Bank in an attempt to tackle its balance-of-payments crisis and high inflation. The underlying policy objectives of stabilization and structural adjustment had far-reaching effects on the economy, including the labour market.

<sup>4</sup> Although the National Sample Survey Office commonly uses the term "work-force participation rates" (WFPR) in reference to rates of employment, this article follows standard international usage and uses the latter term instead (see NSSO, 2014, for more detail on terminology and definitions).

has been widely researched across various groups in developed countries, such as women, migrants, inner-city African-American residents, etc., in terms of their spatial constraints on job search and local labour market conditions (see, for example, Browne and Misra, 2003; van Ham, Mulder and Hooimeijer, 2001; Hanson and Pratt, 1992; Kain, 1968). In many Asian countries also, reduced opportunities for productive employment since 1995 (due to sharp swings in capital flows) have led fewer women to report themselves as being part of the labour force, which amounts to the “discouraged worker effect” observed in the developed countries (Ghosh, 2007, p. 104). In short, the discouraged worker effect is more widespread among persons with relatively less chances of finding employment. This may stem either from low levels of skill and education, or from various constraints on job search, including spatial and gender constraints.

As the subsequent sections will demonstrate, conventional explanations for country-level specificities are inadequate to enlighten the Kerala case. Positing a causal relationship between the qualitative and quantitative shifts in employment and declining labour force participation, this study points to a discouraged worker effect operating in the female labour market in Kerala. In the absence of data on women’s labour market decisions per se, I attempt to construe them from the available data on compositional and qualitative shifts in the employment choices available to women workers.

## Data sources and methodology

My empirical analysis is based on nationally representative data from the Employment and Unemployment Surveys (EUS) of the National Sample Survey Office (NSSO). The unit-level data from 2004–05 onwards are used extensively, while data going back to 1993–94 are used wherever necessary. In accordance with the concepts and definitions used in the National Sample Survey (NSS), this study applies the “usual principal status” measure of labour market activity status, i.e. the respondent’s predominant activity status during the reference period of 365 days preceding the date of the survey (NSSO, 2014). According to this measure, a person is considered to be in the labour force if s/he has spent at least six months of the reference period in employment or seeking work. This measure provides for the best possible assessment of occupational details.

In order to identify compositional shifts in female labour market participation, the latter is examined by level of household income and educational attainment. Based on monthly per capita consumption expenditure (MPCE), a proxy for household income, households are classified into quintiles so as to trace female labour market trends across MPCE quintiles. The same exercise is performed across levels of education, whereby women are classified as not literate, literate with primary, middle, secondary, higher-secondary and diploma/certificate-level education, and those with 15–17 years of formal education, i.e.

graduates and post-graduates.<sup>5</sup> The prospects of acquiring a job matching one's qualifications and aspirations being a key determinant of active job search and remaining in the labour force, I also attempt to gain insights into "typically female" occupations. To this end, I make use of the National Classification of Occupations (NCO) governing the unit-level data of the EUS, which classifies occupations on the basis of educational and skill requirements.

## Female employment and participation trends in India and Kerala

In the 1990s, the labour force participation and employment rates among women in urban Kerala were, given their higher levels of education, significantly higher than in the rest of India (table 1). Their labour force participation increased steadily until 2004–05, whereupon it began to decline, not only in Kerala but also throughout the country. However, the decline in Kerala was greater than the national average, from 33 to 25 per cent as against 20.4 to 17.8 per cent, respectively, between 2004–05 and 2011–12. Meanwhile, Kerala's female employment rates improved minimally during the long-term period from 1993–94 to 2011–12. Between 2004–05 and 2011–12, the phase of significant labour market changes, the rate grew from 19.1 to 20.3 per cent. During the same period, India's female employment rates declined from 18.5 to 16.7 per cent.

This evoked mixed responses, ranging from criticism of the economy's "jobless growth" and scepticism regarding the reliability of the data and data collection processes, to soothing remarks about women's pursuit of higher education and "income effects" (*Economic and Political Weekly*, 2011; Planning Commission of India, 2011; Rangarajan, Kaul and Seema, 2011). However, several studies confirm that education and income effects are partial at best in accounting for the withdrawal of women from paid employment. Kannan and Raveendran (2012) establish that only 27 per cent of the decline between 2004–05 and 2009–10 was accounted for by additional enrolment in education. Chowdhury (2011) shows that while male participation declined mainly in the age groups 15–19 and 20–24 because of educational enrolment, female participation decreased in all age groups. Chandrasekhar and Ghosh's (2011) estimation of age-specific participation rates also points to a drop in female employment in the 25–59 age group during the period from 2004–05 to 2009–10, whereas male employment increased significantly in the same age group.<sup>6</sup>

The most widely cited observation about women's labour market participation has been its U-shaped relationship with economic development, which

<sup>5</sup> Diploma or certificate courses include general education, technical education and vocational education, below graduation level.

<sup>6</sup> For further studies on female employment in India after 2004–05, see Himanshu (2011), Klasen and Pieters (2012 and 2013), Lahoti and Swaminathan (2013), Rustagi (2013) and Thomas (2012).

**Table 1. Female employment and labour force participation rates in urban Kerala and India between 1993–94 and 2011–12 (percentages)**

Year	Employment		Labour force participation	
	Kerala	India	Kerala	India
1993–94	20.1	17.5	26.5	19.1
1999–2000	20.2	16.6	27.4	17.9
2004–05	19.1	18.5	33.4	20.4
2011–12	20.3	16.7	25.1	17.8

Note: Women aged 15+ by usual principal activity status.  
 Source: Author's estimates based on NSSO unit-level data.

has been documented both across countries and over time (Boserup, 1970; Çağatay and Özler, 1995; Goldin, 1995; Mammen and Paxson, 2000; Pampel and Tanaka, 1986; Tam, 2011). The U-shaped relationship has also been observed to hold between female participation and economic or educational status (Klasen and Pieters, 2013). In developing economies, labour force participation rates are indeed high among less educated women from poor households and among higher educated women eligible for white-collar jobs. While the former's participation is driven by household subsistence needs, the latter's is driven by the weaker social stigma associated with clerical and other service jobs among higher educated women.

A widespread explanation for women's changing labour market activity in developing economies is that the earnings of women are transitory and supplementary in nature, and that the fluctuations in their labour market participation are therefore related to fluctuations in household income. The decision of women to participate thus largely becomes a household decision. Following this argument, women's labour market decisions depend on the household "income effect": an increase in the income earned by the members of the household is negatively related to the labour force participation of women. The underlying assumption is that women have weaker attachment to the labour market. In other words, women withdraw from the labour market when their household no longer requires the income they can earn. Inherent in the perceived secondary importance of women's work is the assumption that their human capital or skills are lower, making their work less remunerative. In the context of South Asian developing countries, the prevailing social norms and notions of family status also drive women to withdraw from the labour market when the family income rises.

Arguing that the "income effect" is at work in urban India, Klasen and Pieters (2012) show that rising male incomes reduced female labour force participation as rising household incomes spared them the urgent need to work. On closer inspection of the available data on Kerala, however, the picture that emerges is not so clear-cut, as other factors appear to be at play as well.

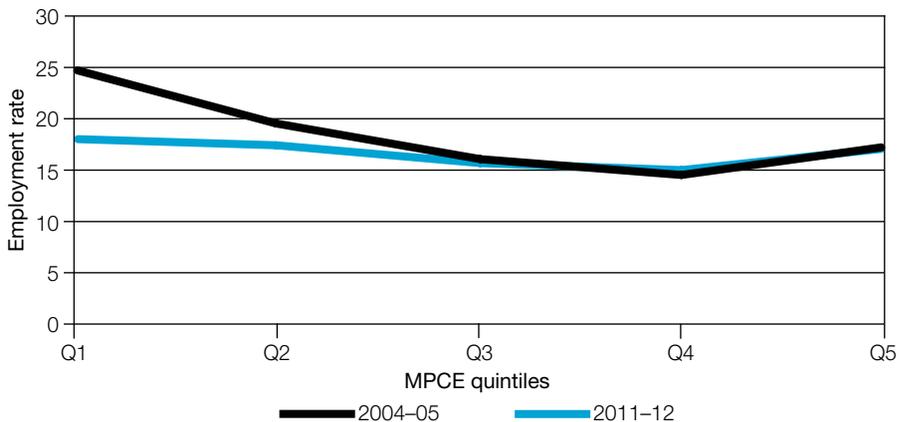
### Activity status by income level

Taking the household MPCE as a proxy for income, this section examines the changing patterns in female employment and labour force participation across MPCE quintiles in Kerala and India.

In India as a whole, the employment rates among urban women show a clear U-shaped association with household MPCE, particularly in 2004–05. While the highest employment rates are observed among women from the poorest households, women from the highest MPCE households were also actively engaged in gainful employment, probably in better-off and well-paying occupations, as reflected in the upward sloping part of the curve in figure 1. By 2011–12, however, India's female employment rates had undergone a significant decline, especially in the first two quintiles, driving the overall decline in urban female employment rates from 18.5 to 16.7 per cent and producing a shallow U-shaped labour supply curve. As shown in figure 1 and Appendix table A1, the rate dropped by about 7 percentage points in the lowest MPCE quintile but only by 0.2 percentage points in the highest.

India's female labour force participation rates also exhibited a U-shaped relationship with MPCE, which broadly followed the movements in employment rates over the period under study, with a disproportionate decline in the lowest MPCE quintiles (figure 2 and Appendix table A1). Between 2004–05 and 2011–12, the female participation rate declined by 2.6 percentage points, from 20.4 to 17.8 per cent on average, while it fell by 7 percentage points, from 26.1 to 18.9 per cent, in the first quintile (table 1 and Appendix table A1). In the fifth quintile, by contrast, the rate declined by about 1 percentage point, from 19.4 to 18.2 per cent.

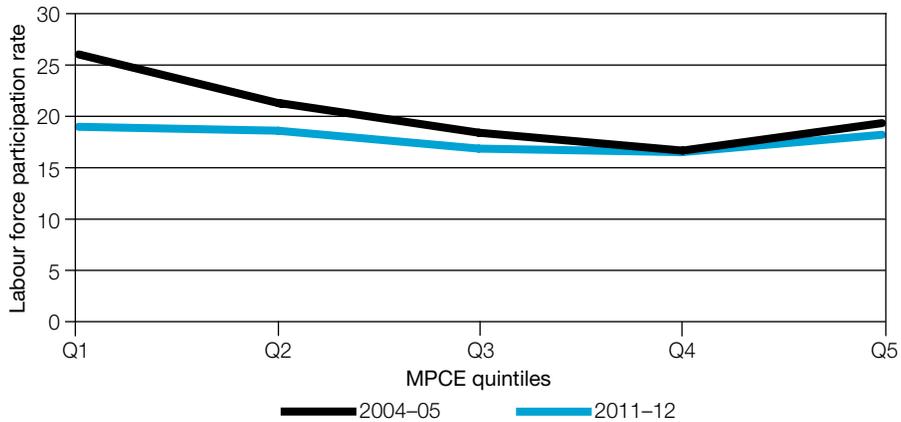
Figure 1. Female employment rates by MPCE quintile in urban India, 2004–05 and 2011–12 (percentages)



Note: Women aged 15+ by usual principal activity status.

Source: Author's calculations based on NSSO data.

Figure 2. Female labour force participation rates by MPCE quintile in urban India, 2004–05 and 2011–12 (percentages)



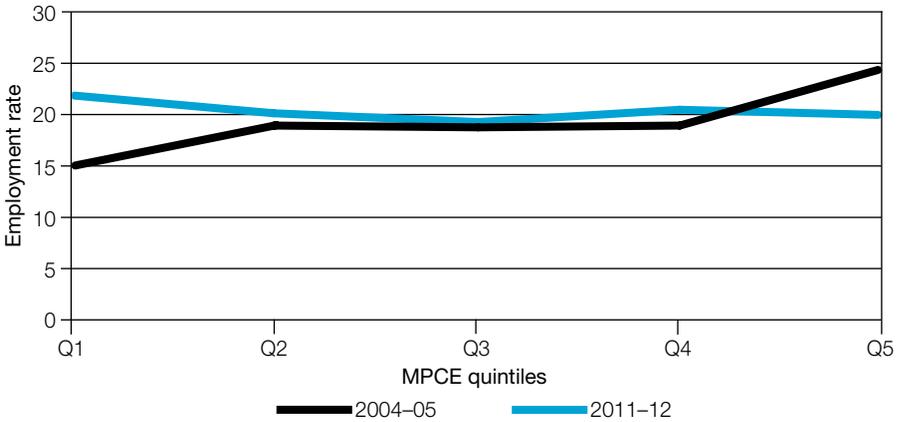
Note: Women aged 15+ by usual principal activity status.  
 Source: Author's calculations based on NSSO data.

Compared to the all-India pattern, women's employment and labour force participation by household income quintile in Kerala present a more complex picture (figures 3 and 4, and Appendix table A2). First, these indicators do not follow a clear U-shaped relationship with the MPCE distribution. Second, their movements across the distribution in 2004–05 and 2011–12 were in opposite directions, especially at the lower end of the distribution.

In Kerala, the absence of a clear U-shaped relationship between MPCE and female employment rates was particularly evident in 2004–05, when the employment curve sloped upwards at both ends of the distribution, while flat-lining across the middle three quintiles (figure 3). Among women from the poorest households, the employment rate was as low as 15 per cent, while rising to about 24 per cent in reasonably well-off households. By 2011–12, however, this pattern was reversed, with substantially higher female employment among poorer households (some 22 per cent), and rates well below those recorded in 2004–05 in the highest MPCE quintile. Between 2004–05 and 2011–12, the female employment rate in the first MPCE quintile thus increased by nearly 7 percentage points, from 14.9 to 21.8 per cent. At the all-India level, by contrast, this quintile witnessed the sharpest decline in female employment, by about 7 percentage points, from 24.8 to 18 per cent. Conversely, while India's female employment in the fifth quintile remained more or less stable over this period, with a mere 0.2 percentage point decline, Kerala's experienced its single largest decline in this quintile. In short, the period under study saw major alterations in employment rates among women from the richest and poorest households in Kerala. While marking a crucial departure from previous trends in this state, this also stands in contradiction to the patterns observed country-wide.

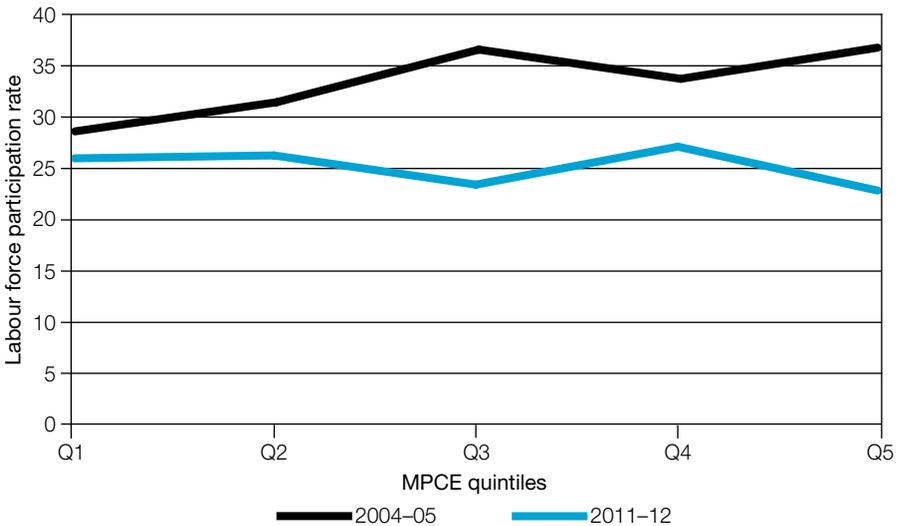
As shown in figure 4 and Appendix table A2, Kerala's female labour force participation pattern was also reversed during the period under study.

Figure 3. Female employment rates by MPCE quintile in urban Kerala, 2004–05 and 2011–12 (percentages)



Note: Women aged 15+ by usual principal activity status.  
 Source: Author's calculations based on NSSO data.

Figure 4. Female labour force participation rates by MPCE quintile in urban Kerala, 2004–05 and 2011–12 (percentages)



Note: Women aged 15+ by usual principal activity status.  
 Source: Author's calculations based on NSSO data.

In a departure from the positive relationship that existed between this indicator and household incomes in 2004–05, a sizeable proportion of women from upper MPCE households appear to have withdrawn from the labour market by 2011–12, as reflected in the downward sloping curve for those years. Also, from being substantially higher than the all-India average in 2004–05, female

labour force participation in Kerala fell from 33.4 to 25.1 per cent between 2004–05 and 2011–12, with most of the decline concentrated in the fifth quintile, where the participation rate slumped to 22.7 per cent – the lowest of the entire distribution. Interestingly, the combined effects of these shifts in patterns of female employment and labour force participation have contributed to moderating Kerala’s hitherto high rates of female unemployment.

### *Education-specific activity status*

This section examines female employment and labour force participation by level of educational attainment in urban India and Kerala. For India as a whole, both variables exhibit a U-shaped relationship with educational attainment except for huge spikes in the participation and employment of diploma/certificate holders (see figures 5 and 6, and Appendix table A3).<sup>7</sup> Also at the all-India level, the education-specific variations in female employment and labour market participation rates were not drastic between 2004–05 and 2011–12, with the most pronounced shifts occurring among the illiterate and diploma holders: employment declined by about 5 percentage points among the former and by about 10 percentage points among the latter. Participation broadly followed the same pattern.

Here again, the relationships capturing the employment and participation behaviour of women in Kerala are more complex than they are on the national average. Significantly, the shifts in their employment and participation behaviour are dissimilar (see figures 7 and 8, and Appendix table A4). As observed in the case of women’s labour market behaviour by income level, the major shifts in their employment and labour force participation by educational level took place at the top and bottom ends of the spectrum – among women with the lowest and highest educational attainments. Most notable is the fall in the employment and labour force participation of those with higher education. Between 2004–05 and 2011–12, Kerala’s overall urban female employment rates rose from 19.1 to 20.3 per cent, driven mostly by women with intermediate levels of education, particularly at the higher secondary and diploma levels (figure 7).

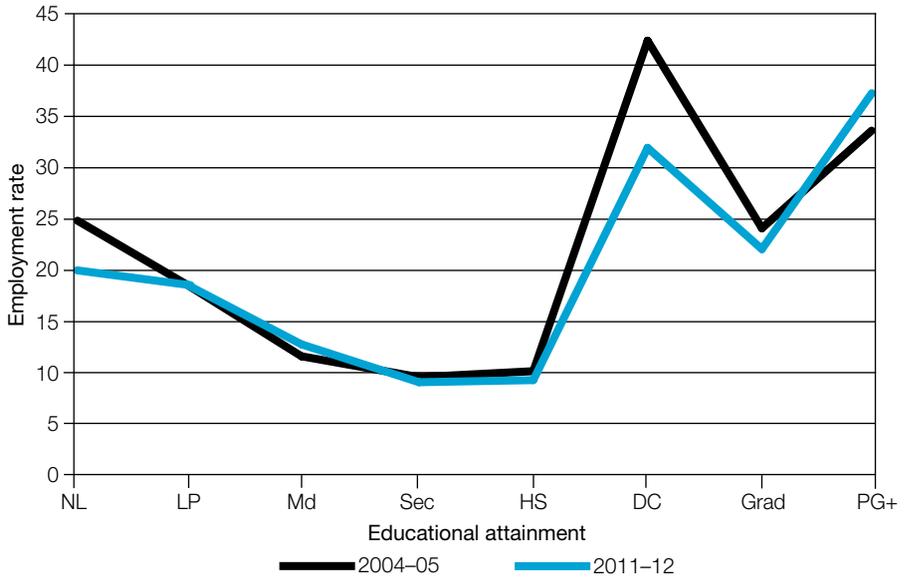
During the period under study, Kerala’s overall female labour force participation rate dropped from 33.4 to 25.1 per cent, with much of the decline concentrated among the higher educated. Thus, while it is interesting to note that female participation declined across all educational categories, graduates and post-graduates appear to exhibit a particularly strong disinterest in the labour market, reflected in declines of 20 and 31 percentage points, respectively (Appendix table A4 and figure 8). It may also be noted that prior to this drop, participation among Kerala’s female post-graduates was about 88 per cent – a rate comparable with those of the developed countries of east Asia or even Iceland and Denmark. At the all-India level, despite the overall reduction in

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<sup>7</sup> Diplomas and certificates are mostly job-oriented or vocational, and a greater share of diploma holders can therefore be expected to enter the labour market.

## Falling female labour force participation in Kerala

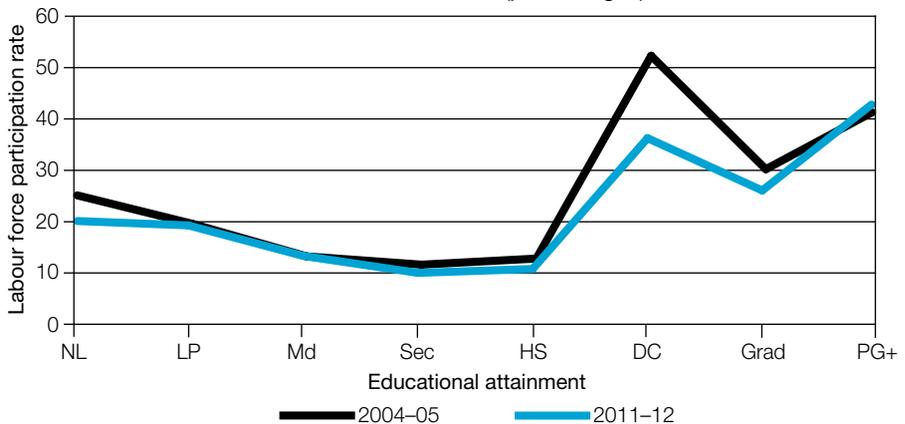
Figure 5. Female employment rates by level of educational attainment in urban India, 2004–05 and 2011–12 (percentages)



Notes: Women aged 15+ by usual principal activity status. NL = not literate; LP = literate and up to primary; Md = middle; Sec = secondary; HS = higher secondary; DC = diploma/certificate; Grad = graduate; PG+ = post-graduate and above.

Source: Author's estimates based on NSSO unit-level data.

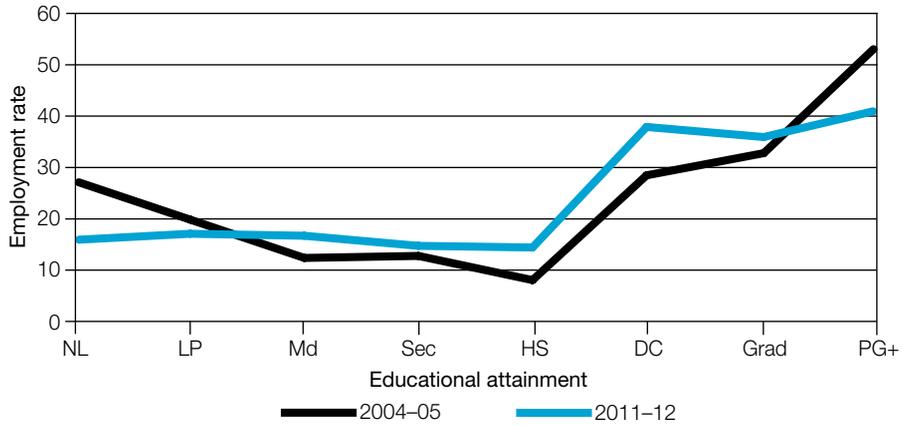
Figure 6. Female labour force participation rates by level of educational attainment in urban India, 2004–05 and 2011–12 (percentages)



Notes: Women aged 15+ by usual principal activity status. NL = not literate; LP = literate and up to primary; Md = middle; Sec = secondary; HS = higher secondary; DC = diploma/certificate; Grad = graduate; PG+ = post-graduate and above.

Source: Author's estimates based on NSSO unit-level data.

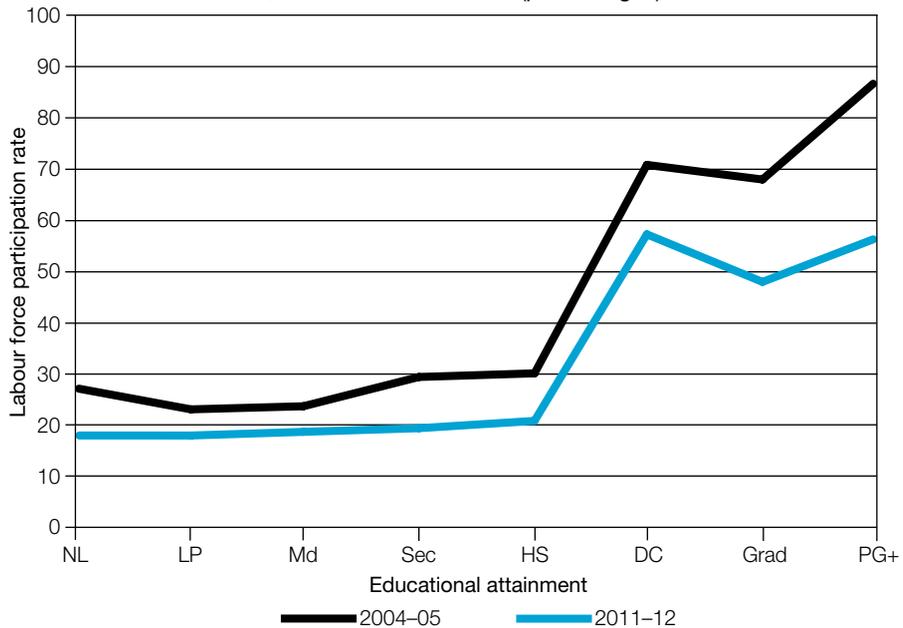
Figure 7. Female employment rates by level of educational attainment in urban Kerala, 2004–05 and 2011–12 (percentages)



Notes: Women aged 15+ by usual principal activity status. NL = not literate; LP = literate and up to primary; Md = middle; Sec = secondary; HS = higher secondary; DC = diploma/certificate; Grad = graduate; PG+ = post-graduate and above.

Source: Author’s estimates based on NSSO unit-level data.

Figure 8. Female labour force participation rates by level of educational attainment in urban Kerala, 2004–05 and 2011–12 (percentages)



Notes: Women aged 15+ by usual principal activity status. NL = not literate; LP = literate and up to primary; Md = middle; Sec = secondary; HS = higher secondary; DC = diploma/certificate; Grad = graduate; PG+ = post-graduate and above.

Source: Author’s estimates based on NSSO unit-level data.

Table 2. Urban female population aged 15+ by level of educational attainment in Kerala, 2004–05 and 2011–12

	2004–05	2011–12
Not literate	9.1	6.3
Literate/up to primary	23.5	17.0
Middle	26.8	26.2
Secondary	15.7	18.7
Higher secondary	8.2	12.3
Diploma/certificate course	5.7	3.4
Graduate	8.2	12.0
Post-graduate and above	2.8	4.1
All	100.0	100.0

Source: Author's calculations based on NSSO unit-level data.

female labour force participation, participation among post-graduate women increased marginally, from 41.6 to 42.9 per cent over the period (Appendix table A3). Similarly, among graduate women, the fall in participation was only about 4 percentage points nationwide, as against 20 percentage points in Kerala (Appendix table A4). Given the increasing proportion of higher educated women in Kerala (table 2), and this state's past record of high labour force participation among educated women, this substantial drop in female participation will be examined in greater detail below.

### *Age-specific activity status*

The foregoing overview thus suggests that relatively well-educated and well-off women in Kerala are becoming detached from the labour market. Particularly disquieting is the fact that the downward movements in female participation have been brought about primarily by the weakened activity of younger women (table 3). While about half of Kerala's working-age female population in the age groups 20–24 and 25–29 participated in the labour force in 2004–05, participation among women in these age groups had dropped by about 20 percentage points by 2011–12, suggesting that new jobseekers and/or young workers may have been discouraged from active participation in the labour market. Indeed, the shifts in participation among the older age cohorts have been moderate, particularly among women aged 30–44 years. Among these older age groups, the changes in rates of employment and participation have also been more consistent, possibly reflecting a comparatively smaller proportion of unsuccessful jobseekers in these age groups.

At the all-India level, by contrast, the decline in female labour force participation was more or less evenly spread across all age groups, averaging some 2–3 percentage points. In India as a whole, moreover, it was the older age group of 55–59 years that experienced the steepest decline, by 4 percentage points.

**Table 3. Female employment and labour force participation rates by age group in Kerala and India, 2004–05 and 2011–12 (percentages)**

Age group	20–24	25–29	30–34	35–39	40–44	45–49	50–54	55–59	60+	15+
<b>Kerala</b>										
2004–05										
Employment rate	16.7	15.7	21.5	24.1	28.8	31.4	33.2	17.5	10.1	19.1
Labour force participation rate	51.8	51.2	43.8	40.6	34.5	32.3	36.0	17.6	10.2	33.4
2011–12										
Employment rate	13.8	20.5	31.1	33.6	33.4	25.0	24.9	24.3	5.9	20.3
Labour force participation rate	29.7	33.5	42.3	37.5	34.4	25.7	26.6	24.3	6.4	25.1
<b>India</b>										
2004–05										
Employment rate	15.5	18.6	23.6	26.5	26.2	22.7	22.4	19.2	8.6	18.5
Labour force participation rate	20.9	22.1	25.5	27.8	26.7	22.9	22.6	19.2	8.6	20.4
2011–12										
Employment rate	14.0	19.9	21.1	23.6	23.7	21.1	19.5	15.3	6.7	16.7
Labour force participation rate	17.8	22.3	22.4	23.9	23.9	21.2	19.6	15.3	6.7	17.8

Source: Author's estimates based on NSSO unit-level data.

In summary, the consideration of female labour market activity by MPCE quintile, educational attainment level and age group essentially highlights Kerala's divergence from the all-India patterns. Rather than income and substitution effects or increased enrolment in education, labour market developments in Kerala point to a discouragement effect among young, educated and economically well-off women. In order to explore these dynamics further, the next section examines the nature of female employment in Kerala from the perspective of occupational distribution.

## Occupational distribution of female employment

In 2004–05, the NSSO still applied the NCO-68 national classification of occupations, which was replaced by the NCO-2004 classification from the 64th round onwards. For comparability between the 61st and 68th rounds of the survey (i.e. 2004–05 and 2011–12), the occupational categories of the NCO-68 have been regrouped and restructured in line with those of NCO-2004, whose one-digit-level occupational classification is used in this study. Its broad occupational “divisions” and corresponding skill levels are as follows:

- Division 1 – Legislators, Senior officials and Managers (skill level not specified);
- Division 2 – Professionals (more than 15 years of formal education/post-graduate university degree);
- Division 3 – Technicians and Associate professionals (14–15 years of formal education/first university degree);

- Division 4 – Clerks (11–13 years of formal education/secondary education);
- Division 5 – Service workers and Shop and market sales workers (11–13 years of formal education/secondary education);
- Division 6 – Skilled agricultural and fishery workers (11–13 years of formal education/secondary education);
- Division 7 – Craft and related trades workers (11–13 years of formal education/secondary education);
- Division 8 – Plant and machine operators and assemblers (11–13 years of formal education/secondary education);
- Division 9 – Elementary occupations (up to 10 years of formal education and/or informal skills/primary education).

Table 4 shows the occupational distribution of female employment in Kerala between 1993–94 and 2011–12. The most notable distributional shift over this period is the substantial increase in Division 9. Between 2004–05 and 2011–12, the proportion of female workers in elementary occupations more than doubled, from 9.4 to 20.1 per cent, making it the single largest occupational category of female employment. This trend should be considered in conjunction with the significant increase (observed above) in the employment rates of women from households in the lowest MPCE quintiles during the same period. This pattern suggests that a large proportion of female workers are turning to elementary occupations for employment in the last resort. Indeed, in the absence of this shift, it may be assumed that female employment rates in Kerala would have remained lower.

The rise in the proportion of female workers in elementary occupations was accompanied by a fall in the proportion of those in Divisions 6 to 8, thereby confining the bulk of women's employment to fewer occupations and increasing occupational segregation. At the other end of the spectrum, in occupations normally requiring post-graduate and graduate levels of education, the rising share of women in Division 2 superficially suggests a positive development, but it is women with lower educational attainment who are moving into this occupational category, confirming the shrinking presence of graduate and post-graduate women in the workforce (table 5). Division 3 also witnessed a drop in its percentage of graduate and post graduate women, though the overall share of female employment actually declined in this category: the 11.2 per cent proportion of women employed in Division 3 is the lowest on record since 1993–94. As shown in table 5, the percentage of graduate and post-graduate women fell from 85 to 79 per cent in Division 2 and from 54 to 47 per cent in Division 3. In response to the general decline in the proportion of higher educated women in the workforce, an increasing share of workers with higher secondary and diploma-level education were absorbed into Division 2, while Divisions 4 to 9 exhibit a larger proportion of women with higher education than in the previous period, particularly in Division 4 (i.e. clerks). The marginal increase in the share of graduates and post-graduates employed in elementary occupations (Division 9) indicates that higher educated women

## Women, gender and work

**Table 4. Female employment across one-digit-level occupational divisions in urban Kerala between 1993–94 and 2011–12 (percentages)**

	Percentage female			
	1993–94	1999–2000	2004–05	2011–12
Division 1	1.3	4.8	4.2	9.4
Division 2	7.0	4.8	9.3	17.4
Division 3	11.4	13.0	13.5	11.2
Division 4	6.9	5.8	8.9	8.6
Division 5	12.7	18.9	25.3	16.1
Division 6	14.0	6.9	7.0	3.5
Division 7	25.9	28.5	17.4	13.0
Division 8	8.7	5.9	5.0	0.7
Division 9	12.1	11.4	9.4	20.1

Source: Author's estimates based on NSSO unit-level data.

**Table 5. Female employment by level of education and occupational division in urban Kerala, 2004–05 and 2011–12**

	2004–05				2011–12			
	NL, LP	Md, Sec	HS, DC	Grad, PG+	NL, LP	Md, Sec	HS, DC	Grad, PG+
Division 1	16.5	47.4	9.4	26.7	14.1	48.2	12.3	25.4
Division 2	4.1	5.3	5.8	84.8	0.0	6.5	14.8	78.7
Division 3	2.3	6.7	37.1	54.0	0.0	15.1	37.8	47.1
Division 4	0.0	13.6	33.7	52.7	0.0	9.5	23.1	67.4
Division 5	62.1	31.5	3.4	3.0	18.8	57.3	15.1	8.8
Division 6	44.0	39.5	12.0	4.5	49.7	28.5	14.3	7.5
Division 7	44.1	51.3	3.9	0.7	33.4	52.5	9.0	5.1
Division 8	55.5	37.5	7.0	0.0	0.0	64.4	35.6	0.0
Division 9	75.9	20.6	3.5	0.0	46.1	49.0	4.4	0.5

Notes: Women aged 15+ by usual principal activity status. NL = not literate; LP = literate and up to primary; Md = middle; Sec = secondary; HS = higher secondary; DC = diploma/certificate; Grad = graduate; PG+ = post-graduate and above.

Source: Author's estimates based on NSSO unit-level data.

are increasingly being employed in jobs that do not match their education, suggesting increased participation among women from lower MPCE households. These shifts also reflect the general rise in the levels of literacy and education among Kerala's female population (see table 2 above).

Table 6 shows the age distribution of the graduate and post-graduate women employed in Divisions 2 and 3, in which the proportion of higher educated women declined.<sup>8</sup> The data point to a falling share of young workers, particularly among new entrants aged 20–29 and those aged 30–34 years.

<sup>8</sup> This exercise is not carried out for all educational categories across all occupational divisions because such disaggregation leads to problems of sample size.

Table 6. Age composition of the graduate/post-graduate female workforce in the professional/technician and associate professional categories in urban Kerala, 2004–05 and 2011–12

Age group	2004–05				2011–12			
	20–29	30–34	35–49	50+	20–29	30–34	35–49	50+
Graduate+	30.1	17.8	28.1	23.9	27.8	15.4	45.5	11.3

Source: Author's calculations based on NSSO unit-level data and NCO-2004 Divisions 2 and 3.

Table 7. Real wages by sex and female-to-male wage ratios across NCO-2004 occupational divisions in urban Kerala, 2004–05 and 2011–12

	Div 1	Div 2	Div 3	Div 4	Div 5	Div 6	Div 7	Div 8	Div 9	Weighted average
<b>2004–05</b>										
Male	396.3	331.9	214.2	200.2	134.1	n.a.	150.0	154.0	124.8	174.4
Female	488.4	298.7	199.0	193.1	65.9	n.a.	64.4	68.0	79.2	149.6
Ratio	1.23	0.90	0.93	0.97	0.49	n.a.	0.43	0.44	0.64	0.86
<b>2011–12</b>										
Male	492.4	644.8	437.4	242.3	179.8	n.a.	211.1	194.1	199.1	261.9
Female	436.5	415.5	284.7	225.0	86.8	n.a.	111.4	58.2	94.7	206.4
Ratio	0.89	0.64	0.65	0.93	0.48	n.a.	0.53	0.30	0.47	0.79

Notes: On the exclusion of Division 6, see footnote 9. Real wages are the average daily earnings from workers' usual principal activity in Indian rupees (INR).

Source: Author's estimates based on NSSO unit-level data and the consumer price index of the Department of Economics and Statistics of the Government of Kerala.

From 48 per cent in 2004–05, the combined share of these two age groups declined to 43 per cent in 2011–12. Meanwhile, the proportion of those in the 35–49 age group increased sharply, from 28 to almost 46 per cent. This corroborates the disquieting labour market trend whereby young professionals and paraprofessionals are increasingly “missing” from the workforce. Again, the substantial fall in the representation of higher educated, young females in the labour market points to a discouragement effect.

In the context of Kerala's falling rates of female labour force participation, it is also interesting to consider the above changes in women's occupational and age distribution from the perspective of the wage rates paid to male and female workers across occupational divisions. Table 7 provides estimates of the real wage rates and female-to-male wage ratios for each occupational division in urban Kerala in 2004–05 and 2011–12, while accounting for differences in skill levels so as to eliminate biases.<sup>9</sup> Over this period, average real wages increased by about 1.5 times for both men and women, while the average female-to-male wage ratio deteriorated marginally, from 0.86 to 0.79. However, the occupational wage data show that the gender pay

<sup>9</sup> The wage data for Division 6 are excluded because the majority of the workers in this division were self-employed, and the residual sample of wage earners (regular and casual) was too small.

gap widened drastically in the high-skilled occupations of Divisions 2 and 3 as a result of the dampened growth of female wages compounded by a substantial rise in male wages, although both of these occupational divisions had a high wage ratio of 0.9 in 2004–05. Another occupational division that witnessed a particularly sharp deterioration in its female-to-male wage ratio was Division 9 (elementary occupations), whose wage ratio dropped from 0.64 to 0.47; this division also saw an increased concentration of female workers in 2011–12. In fact, the wage ratios worsened in all the occupational divisions except Division 7 (crafts and related trades), which experienced a steady decline in its share of female workers. Kerala's worsening gender wage gaps could thus be a major factor discouraging prospective female workers from labour market participation, especially in the light of women's job aspirations and preferences.

## Conclusion

Against the background of India's falling female labour force participation rates and shifting patterns of female employment, this article has examined women's labour market behaviour in Kerala since the mid-2000s. The period between 2004 and 2012 saw Kerala depart from its traditional pattern of high female labour force participation, and shift towards the low rates of female participation observed at the all-India level. However, given the former uniqueness of Kerala's labour market in terms of female participation, this shift cannot be passed off as the fallout of the country-wide decline in women's labour market participation. Contrasting the labour market patterns in Kerala with those obtaining in the rest of the country, the study has shown that the explanations mooted for changes in female labour market behaviour at the all-India level are inadequate to explain the trends observed in Kerala.

Examining the qualitative shifts in Kerala's female employment and labour force participation, the article has highlighted the disproportionate decline in participation among higher educated and relatively well-off women. Also of particular significance in this regard is the drop in participation rates among women in the younger age groups. Apparently discouraged by labour market conditions, younger women are delaying their entry into the labour market, increasing the time they spend in education when they can afford to do so, or giving up on the labour market altogether. Since the quality of employment plays a major role in workers' labour force participation decisions, especially among women with higher education and high reservation wages, I suggest that prospective female workers are being discouraged from seeking paid employment, not least by Kerala's widening gender pay gaps. This is corroborated by the fact that the widening of male/female wage differentials has been the greatest in those occupations that the higher educated aspire to.

Since the available data provide no information on women's labour market decisions per se, I have attempted to construe them from the data on qualitative shifts in female employment. While this is a limitation of this study, the

investigation of women's labour force participation decisions could be pursued through future research, by primary-level studies and specific survey questions on the withdrawal of women from paid activities in the labour market.

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## Appendix

**Table A1. Female employment and labour force participation rates by MPCE quintile in urban India, 2004–05 and 2011–12 (percentages)**

Activity status	MPCE quintiles				
	0–20	20–40	40–60	60–80	80–100
	<b>2004–05</b>				
Employment	24.8	19.5	16.1	14.5	17.2
Labour force participation	26.1	21.2	18.3	16.6	19.4
	<b>2011–12</b>				
Employment	18.0	17.5	15.6	15.0	17.0
Labour force participation	18.9	18.6	16.9	16.5	18.2

Note: Women aged 15+ by usual principal activity status.  
Source: Author's estimates based on NSSO unit-level data.

**Table A2. Female employment and labour force participation rates by MPCE quintile in urban Kerala, 2004–05 and 2011–12 (percentages)**

Activity status	MPCE quintiles				
	0–20	20–40	40–60	60–80	80–100
	<b>2004–05</b>				
Employment	14.9	18.9	18.7	18.9	24.3
Labour force participation	28.5	31.4	36.7	33.8	36.9
	<b>2011–12</b>				
Employment	21.8	20.1	19.1	20.3	19.9
Labour force participation	25.9	26.4	23.4	27.1	22.7

Note: Women aged 15+ by usual principal activity status.  
Source: Author's estimates based on NSSO unit-level data.

**Table A3. Female employment and labour force participation by level of educational attainment in urban India, 2004–05 and 2011–12 (percentages)**

	Educational attainment								
	NL	LP	Md	Sec	HS	DC	Grad	PG+	All
	<b>2004–05</b>								
Employment	25.0	18.6	11.7	9.5	10.3	42.3	24.1	34.0	<b>18.5</b>
Labour force participation	25.1	19.4	13.2	11.6	12.7	52.4	30.2	41.6	<b>20.4</b>
	<b>2011–12</b>								
Employment	19.9	18.7	12.7	9.1	9.4	32.0	22.1	37.6	<b>16.7</b>
Labour force participation	20.1	19.0	13.4	9.9	10.5	36.1	26.0	42.9	<b>17.8</b>

Notes: Women aged 15+ by usual principal activity status. NL = not literate; LP = literate and up to primary; Md = middle; Sec = secondary; HS = higher secondary; DC = diploma/certificate; Grad = graduate; PG+ = post-graduate and above.  
Source: Author's estimates based on NSSO unit-level data.

Women, gender and work

Table A4. Female employment and labour force participation by level of educational attainment in urban Kerala, 2004–05 and 2011–12 (percentages)

	Educational attainment								
	NL	LP	Md	Sec	HS	DC	Grad	PG+	All
	<b>2004–05</b>								
Employment	27.3	20.1	12.5	12.8	8.2	28.6	33.1	53.6	<b>19.1</b>
Labour force participation	27.4	23.0	23.8	29.4	30.3	70.9	67.9	87.5	<b>33.4</b>
	<b>2011–12</b>								
Employment	16.2	17.4	16.9	14.8	14.6	38.1	36.0	41.1	<b>20.3</b>
Labour force participation	17.8	17.8	18.3	19.2	20.7	56.9	47.9	56.8	<b>25.1</b>

Notes: Women aged 15+ by usual principal activity status. NL = not literate; LP = literate and up to primary; Md = middle; Sec = secondary; HS = higher secondary; DC = diploma/certificate; Grad = graduate; PG+ = post-graduate and above.

Source: Author’s estimates based on NSSO unit-level data.

## Gender equality at work in sub-Saharan Africa: A case study of Mali's modern sector

Saliha DOUMBIA\* and Dominique MEURS\*\*

The past 20 years have witnessed a proliferation of economic studies, both theoretical and empirical, on wage discrimination against women. To an economist, such discrimination remains an elusive market failure because it means that employers pay workers different wages for doing the same job. According to Becker (1957), this behaviour on the part of employers is unsustainable in a competitive market because enterprises labouring under such prejudice will be less profitable than their competitors and get driven out of business.

This view, however, fails to take full account of the obstacles women are up against in the labour market, especially occupational segregation. Because some jobs are “closed” to them, women tend to fall back on other occupations in large numbers, thereby putting downward pressure on the wages they are paid (Bergmann, 1974). The theory of statistical discrimination offers an explanation for occupational segregation, based on the behaviour of enterprises (Arrow, 1973; Phelps, 1972). Lacking perfect information on job applicants, employers tend to assign them the average characteristics of the group to which they belong. As far as women are concerned, the employer's assumptions would be less dedication to the job and a stronger likelihood of career breaks. As a result, women get relegated to “mummy-track” jobs that can make them leave the labour market altogether and thus retroactively validate the employer's preconceptions. As this example suggests, an analysis of pay differentials between men and women needs to take account of the occupational differences between them, which result from a combination of employer prejudice and “off-the-job” constraints. Childcare arrangements and costs, scheduling and working time can indeed influence the behaviour of households and, consequently, human resource management.

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Many empirical studies have endeavoured to measure the wage gap between men and women and establish its causes by distinguishing between structural effects – i.e. differences in, say, education, experience, hours of work, or type of job held – and effects that cannot be traced to differences in characteristics and which therefore reflect outright wage discrimination.

The average wage gap between men and women is sensitive to two factors. The first is the position of female employees in the occupational hierarchy of pay which, in turn, depends both on objective differences in productive characteristics and on discriminatory practices. The second factor is the dispersion of wages, which determines the extent to which women are penalized on account of their position in the distribution of wages. In other words, the greater the inequality in the overall structure of wages, the wider the pay gap between men and women (Blau and Kahn, 1995). Indeed, given two countries with a similar structure of employment by sex, the country with the widest wage dispersion will also be the one with the widest wage gap between men and women because women's unfavourable position in that country's hierarchy of pay is bound to have more serious financial implications than in the country with less overall wage inequality. But to what extent do such analyses of discrimination apply to developing countries?

Current development policies attach growing importance to the position of women in society, as a factor of economic development (Sen, 1995). Policy-makers stress the economy-wide benefits of improvements in women's living and working conditions, while devoting particular attention to educational and health policies that help women to gain wider access to the labour market. In the context of developing countries, research has tended to focus on the supply of female labour in relation to household characteristics. Researchers highlight the obstacles to women's entry into the labour market, particularly as regards wage employment in the formal sector. They also identify differences in behaviour depending on the type of labour market considered (formal or informal). Women's labour market participation also varies from one sector to another: it tends to be strong in agriculture, widespread in the informal sector and limited in the formal sector (Jacobsen, 1994). By contrast, studies on the demand side of the labour market are scarce. As a result, very little information is available on the human resource policies of enterprises, including in respect of wage differentials by sex.

Within the framework of an ILO support programme concerned with the application of the Equal Remuneration Convention, 1951 (No. 100), a special survey was conducted among the modern sector enterprises of Mali in 2001.<sup>1</sup> This study, whose findings offer insights into the relevant areas of enterprise policy, is significant for two reasons. The first is methodological and lies in the compilation of a set of matching worker/enterprise data, i.e. information cover-

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<sup>1</sup> The survey was conducted by the Employment and Training Observatory (Bamako) within the framework of an ILO project for the promotion of equal remuneration in Mali. Data were gathered from the entire territory of Mali, except for the districts of Gao and Kidal (in the first case because the survey could not be conducted there and, in the second, because the data collected were unusable). For a complete report on this study, see Meurs (2001).

ing both a sample of workers and the enterprises that employ them.<sup>2</sup> The second reason is empirical: the study explores the structure of wages in the very special labour market of Mali's modern sector.

Among the developing countries, Mali stands out on account of the wide gender differences it displays. In education, for example, its female population is severely disadvantaged, particularly in rural areas. The female literacy rate is about 15 per cent, as against 23 per cent for the entire adult population. The male–female gap in school enrolment rates is still very wide, with 25 per cent for girls against 40 per cent for boys (APDF, 2000).

The modern commercial sector – as opposed to the informal and agricultural sectors – is made up of all those commercial enterprises that are subject to the labour code, apply collective agreements and file tax returns. In other words, it is that part of the market economy which tends to function on the Western model and, to be more precise, on the French institutional model. The modern private sector accounts for a very small share of Mali's total employment, with less than 3 per cent of the employed population (7 per cent if agriculture is excluded). But this sector has been growing rapidly, particularly since the privatization of major state enterprises that were formerly counted as part of the public sector (OEF, 1999).

As in other developing countries, the proportion of women employed in Mali's modern commercial sector is small, at around 20 per cent, whereas the rate of feminization of Mali's informal sector is high by comparison with that of other African countries, at 59 per cent of non-agricultural employment in 1996 (Charmes, 1998). In theory, women's educational disadvantage might be expected to channel them into the lowest-skilled jobs, and wage dispersion should result in a wide wage gap between men and women, irrespective of discrimination. However, aggregate enterprise data show that the male–female gap in average wages is relatively narrow (OEF, 1999). Another observation is that women's under-representation pairs up with strong occupational segregation and concentration of female employees in only a few occupation/skill categories at intermediate levels in the hierarchy.

This article examines that paradox. After presenting the data and methodology applied, it analyses individual workers' wages by sex and investigates the causes of the average pay gap between men and women in the private sector and in the civil service.

## Data and methodology

### *Data collection among private enterprises in the modern sector*

Empirical research on African labour markets generally tends to draw either on household survey data or on aggregate data from modern-sector enterprises. Household data are helpful to understand the determinants of labour

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<sup>2</sup> The main advantage is that data on employee characteristics can be supplemented by precise information on the enterprises employing them.

supply and to identify constraints on women's economic activity related to household characteristics. But those data provide no information on employers and demand-side factors. The aggregate data supplied by enterprises give some idea of the structure of employment and wages, but they preclude any detailed analysis of the separate effects of personal characteristics.

This article draws on data collected from modern-sector enterprises in Mali in January and February 2001. The survey consisted of two parts: one questionnaire addressed to the enterprise, and another designed to collect information on a sample of its workers (a maximum of 15 per enterprise). Thus, on the one hand, survey staff had to get management or some designated department to fill out the "enterprise questionnaire" and, on the other hand, they had to conduct individual interviews of workers drawn by lot in order to fill out the individual questionnaires. In this way, the information on remuneration, training, family status, etc. was provided directly by the workers themselves, thereby generating better-quality data on their personal characteristics. The survey questionnaires were designed in collaboration with the Employment and Training Observatory (OEF) and approved at a tripartite meeting of government, employer and trade union representatives held under the auspices of the International Labour Organization in December 2000. This meeting also gave employer and trade union representatives an opportunity to appreciate the significance of gender equality issues in the world of work and to acquaint themselves with the proposed methodology for evaluating the situation in Mali's enterprises.

Once the survey data had been processed, the database contained personal and occupational characteristics (sex, age, family status, nationality, education, experience, occupational status) and employer characteristics (size, economic sector, enterprise status, economic situation) for a sample of 1,054 workers distributed across 155 enterprises representing virtually every region of Mali. The data thus collected reflect the status of individuals as at October 2000.

### *Principal characteristics of the enterprises under study*

A major concern in the construction of the database was its representativeness of the modern sector. The only available basis for comparison was a survey the OEF had conducted in 1997, which covered virtually the entire modern sector in Mali. The sample of enterprises studied here was thus drawn from that earlier survey, subject to two specific requirements. The first was a minimum enterprise size of five employees, since the objective was to collect responses not only from the enterprises themselves but also from the workers they employed. Very small enterprises were therefore excluded from the scope of the survey. Although such enterprises are very numerous in Mali – 40 per cent of the enterprises surveyed in 1997 employed fewer than five workers – they employ only a small percentage of the modern-sector workforce. In particular, their exclusion reduces the representation of the retail and hotel businesses which are dominated by very small enterprises. Still, the enterprises included in the 2001 survey were mostly small, with 73 per cent of them employing fewer

## Box 1

**Comparison of the January 2001 sample with the enterprises surveyed in 1997 (OEF Survey of nearly all modern-sector private enterprises)**

	January 2001 Survey (based on 134 enterprises for which the data were complete)		1997 Survey (1 646 enterprises)
	Number	Percentage	Percentage
<b>Legal status</b>			
1. Public	23	17.2	12.0
2. Private	69	51.5	66.4
3. Mixed	10	7.5	5.3
4. NGO/Cooperative	22	16.4	15.6
5. Multinational organizations	3	2.2	0.7
6. Other	7	5.2	0
<b>Main business</b>			
Agriculture, livestock, fishery, forestry	5	3.7	4.0
Extractive industry	1	0.8	0.2
Manufacturing	16	11.9	8.0
Electricity, gas, water	5	3.7	1.2
Construction, public works	3	2.2	5.5
Retail trade, hotels	13	9.7	30.0
Public transport	23	17.2	9.3
Banking, insurance	11	8.2	9.0
Services	57	42.5	32.8
<b>Size (number of employees)</b>			
Fewer than 5	6	4.5	39.5
5 to 9	31	23.1	26.1
10 to 49	56	41.8	26.7
50 to 99	17	12.7	3.9
100 to 199	12	9.0	2.0
200 or more	12	9.0	1.8
<b>Region</b>			
Kayes	9	6.72	7.28
Koulikoro	11	8.21	13.94
Sikasso	11	8.21	10.16
Ségou	11	8.21	8.07
Mopti	8	5.97	6.04
Tombouctou	9	6.72	4.29
Gao	—	—	5.53
Kidal	—	—	0.28
Bamako	75	55.97	44.41

**Box 2**

**Average proportions of female employees, by enterprise legal status, sector, size and region (percentages)**

Legal status		Sector		Size		Region	
Public	20.2	Agriculture, livestock, fishery, forestry	18.8	5 to 9	40.2	Kayes	26.0
Private	27.6	Extractive industry	0.1	10 to 49	24.1	Koulikoro	40.8
Mixed	19.4	Manufacturing	21.2	50 to 99	27.3	Sikasso	23.6
NGO	30.4	Electricity, gas, water	9.6	100 to 199	17.1	Ségou	36.1
Cooperative							
Multinational organizations	7.2	Construction, public works	24.9	200 or more	17.5	Mopti	29.6
Other	16.2	Retail trade, hotels	32.1			Tombouctou	18.3
		Public transport	25.1			Kidal	—
		Banking, insurance	36.0			Bamako	26.1
		Services	30.8			Gao	—

Note: The distribution is based on the 134 enterprises that answered the relevant four questions.  
Source: OEF, January 2001 Survey of modern-sector enterprises.

than 50 workers. The second requirement was to include a sufficiently large number of female employees for statistical analysis, bearing in mind that rates of feminization vary from one sector to another. Selection of the sample by sector was thus dictated by the male–female structure of employment although this approach obviously reduced the representation of mining and manufacturing industries relative to their actual weight in the country’s economy. Box 1 compares the structure of the 2001 sample with the 1997 reference base.

Lastly, as regards the legal status of enterprises, it is worth noting that NGOs play an important part in Mali’s modern sector. They account for 16 per cent of the enterprises surveyed; their rates of feminization are not significantly higher than those of commercial enterprises (see box 2).

**Structure of employment by sex in the modern private sector**

Based on the “enterprise” questionnaire, table 1 shows the distribution of employees surveyed by broad occupational category (12,432 employees). Women appear to be particularly under-represented in the manual labour categories, especially in unskilled jobs. They are more strongly represented in supervisory jobs, accounting for a quarter of total employment in the junior executive and supervisor categories. Lastly, relative to the average feminization rate of 18 per cent across all occupations, women do not seem to be *particularly* under-represented in management jobs.

Women’s under-representation in the least skilled jobs is interesting. It reflects both their low participation in modern-sector wage employment and their level of education which, incidentally, is on average lower than that of

Table 1. Structure of permanent workforce by occupational category and by sex

Occupational category	Men	Women	Total	Percentage of women
Management	231	55	286	19.2
Senior executives	1 182	232	1 414	16.4
Junior executives	1 612	496	2 108	23.5
Supervisors	1 622	584	2 206	26.5
Skilled workers (clerical)	1 921	440	2 361	18.6
Skilled workers (manual)	1 096	92	1 188	7.7
Semi-skilled workers (clerical)	660	75	735	10.2
Semi-skilled workers (manual)	1 127	181	1 308	13.8
Labourers	617	10	627	1.6
Apprentices	113	86	199	43.2
Total	10 181	2 251	12 432	18.1

Source: OEF, January 2001 Survey of modern-sector enterprises.

the male population. That “feminine jobs” tend to be concentrated in lower management is thus somewhat paradoxical in the light of the overall pattern of female labour market participation. Indeed, if women’s employment in the modern sector were to follow the structure observed across the labour force as a whole, there would be, on the one hand, a much higher rate of feminization and, on the other, over-representation of women in the least skilled jobs because of the male–female gap in educational attainment.

## Analysis of individual workers’ remuneration

### *Average pay and wage distribution*

In the sample studied here, men’s average monthly wage is 141,511 CFA francs (FCFA),<sup>3</sup> while women’s is FCFA 119,552. The average wage of women is thus 84.5 per cent of that of men (see table 2), though the gap between male and female median wages is narrower (the corresponding proportion being 90.2 per cent).

However, the most salient feature of these statistics is the very wide dispersion of wages: the ratio between deciles D9 and D1 is 9.2 for men and 6.5 for women. This reflects both extremely wide wage inequality<sup>4</sup> and wider wage dispersion among men than among women. In order to contrast the male and female wage distributions, figure 1 shows the values of the male and female

<sup>3</sup> The CFA franc, which is the currency of several African countries, is pegged to the euro (1 euro = 655.96 CFA francs; 1000 CFA francs = 1.52 euro).

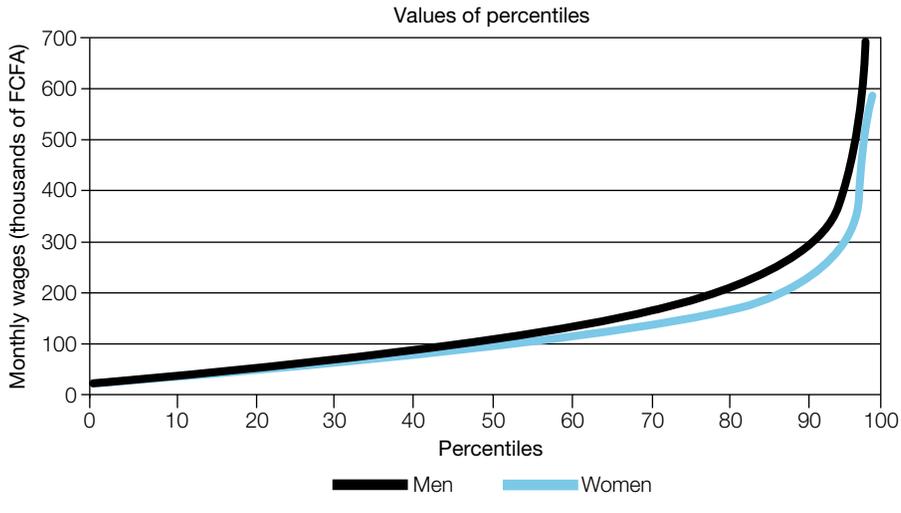
<sup>4</sup> By way of comparison, the D9 to D1 ratio in France’s private sector is 3.1, which puts France among the industrialized countries with relatively high inequality. Norway and Sweden, with a ratio of 2, are considered the most egalitarian, whereas the United States, with a ratio of 4.5, ranks among the countries with the widest wage inequality (Piketty, 1997).

Table 2. Average male and female wages (regular employees, excluding apprentices)

	Number	Average wage	Standard deviation	Median	D9/D1 ratio	Minimum	Maximum	Median wage F/M (%)
Men	608	141 511	151 588	100 000	9.2	15 000	1 800 885	
Women	446	119 552	120 100	90 264	6.5	12 500	1 211 143	90.2

Source: OEF, January 2001 Survey of modern-sector enterprises.

Figure 1. Comparison of male and female wages



percentiles. While relatively narrow over the first half of the distribution, the gap then widens somewhat, with the male curve slightly above the female; then the two curves join up in the highest percentiles. In order to give a better idea of how close the wage distributions are to each other, the average female percentiles have been recalculated in terms of the male distribution. This is done by assigning to each of the values of the female percentiles the corresponding percentile from the male distribution. For example, the value of FCFA 200,000 – which is that of the eighty-fifth percentile for women – corresponds to the seventy-fifth percentile in the male distribution. The next step is to calculate the average of these transposed “male” percentiles: the closer the average comes to 50, the narrower the gap between the wage distributions. In this case, it works out at 45.3, showing that women’s position in the wage scale is not very different from men’s.<sup>5</sup>

<sup>5</sup> Comparing wage gaps across the industrialized countries, Blau and Kahn (1995) find values of 33.2 and 28.2 for the United States and Sweden, respectively. In Sweden, women in wage employment are thus at a greater disadvantage than in the United States in terms of their position in the wage scale, though Sweden has a small male–female gap in average wages because of its narrow dispersion of wages.

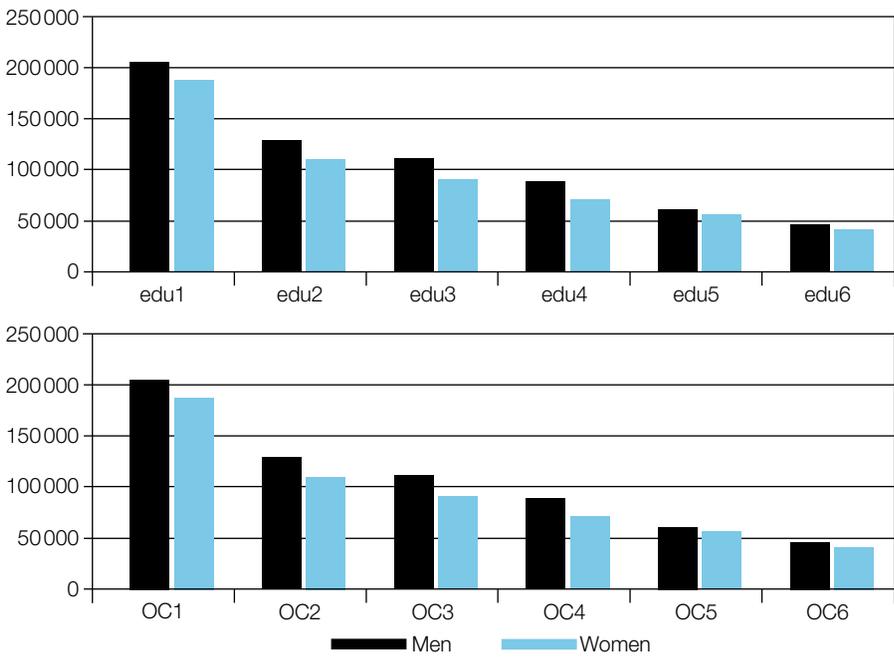
### Wage gap by level of education and occupational category

To what extent is the distribution of wages determined by educational and occupational characteristics?

Figure 2 clearly shows that average wages go up with the level of education. While women appear to be paid slightly less than men for any given level of education, wage increments from one level to another are of the same order of magnitude for women as they are for men.

The link between the scale of wages and occupational categories (OC) is less obvious. Managerial and senior executive occupations (OC1) carry markedly higher pay than do the other categories; at the other extreme, the lowest-paid jobs are those of semi-skilled and unskilled workers (OC5 and OC6). However, the wages of the intervening categories of junior executives, supervisors and skilled workers (OC2, OC3 and OC4) are relatively close together and do not display any systematic disadvantage for women. The explanation for this somewhat puzzling wage structure lies in the definition of qualification levels and grades within the occupational hierarchy. In fact, an occupational classification programme covering all Malian enterprises is currently under way.

Figure 2. Average male and female wages in FCFA by educational level (edu) and occupational category (OC)



*Analysis of the average male–female wage gap*

The next step was to carry out a standard econometric analysis of wage structure in order to estimate the effects of personal characteristics and thus find out whether women are discriminated against, all else being equal. To that end, wage equations were estimated for men and for women, using level of education, occupational experience, number of children and nationality as explanatory variables (see table 3). Then, using combined variables, the differential effects of these personal characteristics were compared between men and women.

The basic model, which was estimated for all employees, highlights the significant effect of education, as might have been expected from the examination of average wages by level of education. It also shows that the coefficient for work experience – measured as the interval between the date of exit from the educational system and the date of the survey – is both positive and significant, albeit more so for the female sample than for the male sample. Another finding is that non-Africans working in Mali earn 70 per cent more than their Malian counterparts. Lastly, while the estimated coefficient for the “female” variable is admittedly negative (–6 per cent), its significance is weak.

The earnings equations were also estimated separately for men and for women. Here, the estimated coefficients for men and for women were found to differ only slightly. In order to verify this finding, combined variables for education, experience and nationality were introduced into a third specification (see table 4). The estimated coefficients for these combined effects are

Table 3. Earnings equation: Human capital model (regular employees, excluding apprentices)  
Dependent variable: Log of monthly wage

Independent variables	1. Total		2. Men		3. Women	
	Coefficient	t-value	Coefficient	t-value	Coefficient	t-value
Constant	<b>10.342</b>	106.43	<b>10.447</b>	78.81	<b>10.194</b>	69.77
Female (1)	-0.062	-1.51	—	—		
Post-secondary academic education (2)	<b>1.410</b>	19.17	<b>1.380</b>	14.95	<b>1.442</b>	11.22
Technical and vocational education (2)	<b>0.758</b>	10.60	<b>0.763</b>	8.36	<b>0.751</b>	6.12
Secondary education (2)	<b>0.577</b>	6.39	<b>0.563</b>	4.86	<b>0.586</b>	3.90
Primary 2 (2)	<b>0.308</b>	3.63	<b>0.304</b>	2.69	<b>0.322</b>	2.34
Non-African (3)	<b>0.721</b>	3.35	<b>0.734</b>	2.68	<b>0.663</b>	1.87
Experience	<b>0.019</b>	2.65	0.014	1.37	<b>0.023</b>	1.93
Experience <sup>2</sup> * 100	0.011	0.55	0.015	0.64	0.000	0.42
No children (4)	-0.003	-0.07	-0.079	-1.05	0.082	1.10
Observations	1 050		605		446	
Adjusted R <sup>2</sup>	0.338		0.325		33.09	

(1) Reference: male. (2) Reference: primary 1 and illiterate. (3) Reference: African. (4) Reference: one or more children.

Table 4. Combined effects

Dependent variable: Log of monthly wage  
(regular employees, excluding apprentices)

	Coefficient	t-value
Constant	10.353	108.39
Female (ref.: male)	-0.110	-0.66
Post-secondary academic education	<b>1.401</b>	15.73
Technical and vocational education	<b>0.792</b>	9.00
Secondary education	<b>0.572</b>	5.13
Primary 2	<b>0.297</b>	2.74
Non-African	<b>0.718</b>	2.72
Experience	<b>0.021</b>	6.64
<i>Female and</i>		
Post-secondary academic education	0.024	0.15
Technical and vocational education	-0.009	-0.06
Secondary education	0.065	0.34
Primary 2	0.039	0.22
Non-African	-0.027	-0.06
Experience	0.002	0.37
Number of observations	1050	
Adjusted R <sup>2</sup>	0.332	

not significant. In other words, women's educational qualifications and work experience do not systematically command lower wages than those of men.

At this point, it thus appears that wage discrimination per se is not the result of differential returns to personal characteristics. If only the basic variables are taken into account (education, experience), the results do show women to be at a disadvantage (-6 per cent), but not a very significant one.

Could this wage gap be attributed to enterprise characteristics? To answer this question, the initial earnings equation was expanded with a range of variables representing occupational category and enterprise characteristics, namely region, legal status, industry, size, unionization, client profile and profitability (see table 5).

Before examining the "female" variable and comparing the male and female equations, a few comments need to be made on the overall structure of wages that emerges from the general equation. Indeed, the survey made it possible to take a broad approach to the determinants of wage structure in Mali's private sector. The quality of the estimation is significantly enhanced by the introduction of the additional variables, with the correlation coefficient increasing to 49 per cent. Another observation is that occupational categories become significant (except for "semi-skilled clerical workers" whose wages do not differ significantly from those of semi-skilled manual workers and labourers). In

Women, gender and work

**Table 5. Earnings equation controlling for job category and enterprise characteristics**  
 Dependent variable: Log of monthly wage

Variable	1. Total		2. Men		3. Women	
	Coefficient	t-value	Coefficient	t-value	Coefficient	t-value
Constant	<b>10.131</b>	85.43	<b>10.124</b>	68.92	<b>9.963</b>	44.07
Female (ref.: male)	-0.047	-1.28				
<i>Ref.: primary 1 and illiterate</i>						
Post-secondary academic education	<b>0.834</b>	9.7	<b>0.747</b>	7.06	<b>0.942</b>	6.22
Technical and vocational education	<b>0.469</b>	6.48	<b>0.441</b>	4.98	<b>0.464</b>	3.57
Secondary education	<b>0.367</b>	4.21	<b>0.348</b>	3.28	<b>0.322</b>	2.09
Primary 2	<b>0.252</b>	3.25	<b>0.257</b>	2.66	0.234	1.71
Non-African (ref.: African)	<b>0.613</b>	3.22	<b>0.695</b>	2.99	0.499	1.49
Experience	<b>0.014</b>	2.22	0.014	1.79	0.015	1.41
Experience <sup>2</sup> * 1000	0.000	0.61	0.000	0.32	0.000	0.46
<i>Ref.: semi-skilled manual workers and labourers</i>						
Managers and senior executives	<b>0.679</b>	6.61	<b>0.710</b>	5.97	<b>0.679</b>	3.03
Junior executives	<b>0.445</b>	4.6	<b>0.415</b>	3.72	<b>0.562</b>	2.62
Supervisors and skilled manual workers	<b>0.365</b>	3.81	<b>0.343</b>	3.12	<b>0.488</b>	2.28
Skilled clerical workers	<b>0.269</b>	2.83	<b>0.232</b>	2.05	0.408	1.95
Semi-skilled clerical workers	0.021	0.2	-0.032	-0.26	0.117	0.51
<i>Ref.: other regions</i>						
Koulikoro	<b>-0.216</b>	-3.26	<b>-0.181</b>	-2	<b>-0.263</b>	-2.69
<i>Ref.: services</i>						
Manufacturing, construction and public works	-0.062	-1.13	0.115	1.6	<b>-0.299</b>	-3.61
Retail trade, hotels	-0.092	-1.18	-0.085	-0.87	-0.050	-0.39
Public transport	-0.068	-1.12	-0.075	-0.94	-0.048	-0.52
Banking, insurance	<b>0.223</b>	3.13	<b>0.428</b>	4	0.003	0.04
NGO (ref.: non-NGO)	<b>0.308</b>	5.9	<b>0.390</b>	5.66	<b>0.205</b>	2.51
<i>Ref.: fewer than 10 employees</i>						
10 to 49 employees	<b>0.114</b>	1.98	0.149	1.94	0.123	1.39
50 to 99 employees	-0.056	-0.78	-0.068	-0.69	0.057	0.53
100 to 199 employees	<b>-0.232</b>	-2.97	<b>-0.306</b>	-2.89	-0.049	-0.42
200 or more employees	<b>0.293</b>	3.63	<b>0.272</b>	2.53	<b>0.379</b>	3.1
Trade union presence (ref.: no union)	<b>0.339</b>	6.57	<b>0.340</b>	5.13	<b>0.303</b>	3.66
Local market (ref.: national and international)	<b>-0.216</b>	-4.93	<b>-0.281</b>	-4.9	-0.111	-1.65
Intermediate/low profitability (ref.: high profitability)	<b>-0.138</b>	-3.01	-0.115	-1.86	-0.108	-1.55
Observations	1050		605		444	
Adjusted R <sup>2</sup>	48.66		52.71		44.26	

other words, occupational categories have a separate effect on the wage scale determined by educational levels.

As regards enterprise characteristics, NGO status is associated with higher wages relative to the other status categories. Furthermore, work in the banking and insurance sectors pays significantly more than work in other service in-

dustries. On the whole, the other sectors tend not to compare very favourably with services. Also observed is a marked unionization effect: the presence of a trade union has a significant positive effect on wages. Lastly, the characteristics of the market in which the enterprise operates also have an effect on wages: if the enterprise's market is local – as opposed to nationwide or export-oriented – or if the enterprise reports low profitability, the wages it pays are lower than those paid by other enterprises.

Once all of the above characteristics have been factored in, the estimated coefficient for the “female” variable is not significantly different from zero. This finding puts Mali in an unusual position in the light of the various other studies conducted on wage discrimination.

When the estimations are calculated separately for men and for women, it turns out that the coefficients do differ for a few of the enterprise characteristics, but they do not point to a systematic disadvantage for women. Thus, women working in the Koulikoro area appear to earn less than their counterparts elsewhere; women employed in manufacturing, construction and public works are paid significantly less than those in the service sector; and the higher wages observed in the banking and insurance sector appear to apply only to men (relative to male employees in other service industries). Lastly, female employees are better off in large enterprises – an effect that does not benefit male employees.

This analysis leads to the conclusion that the negative coefficient observed for the “female” variable in the basic model resulted primarily from the omission of occupational and enterprise characteristics. In other words, the sample under study shows no indication of wage discrimination as such. Aside from structural characteristics (education, experience), the average wage gap is primarily attributable to the distribution of men and women between enterprises with different characteristics, whereby women tend – more typically than men – to work in “less advantageous” enterprises.

## The civil service

In January 2001, Mali's civil service (state administration) comprised 33,905 civil servants – a workforce as large as that of the modern sector subject to the labour code. It therefore seemed to make sense to supplement the foregoing study of the commercial sector with an equivalent analysis of the civil service. The methodology, however, had to be adapted to the special characteristics of this segment of the modern sector. In particular, the civil service's human resource management policy is characterized by the following three features:

- recruitment into the civil service has been subject to a competitive examination since 1983, and promotion to a higher category within the service is generally based on an internal competition;
- civil servants are assigned to hierarchic categories according to their level of education;
- civil service salaries are set according to an index-based scale specific to each government administration, with index-point increments within a

given grade depending largely on seniority. On this scale, the basic salary is calculated by multiplying the appropriate number of index points by FCFA 292.5. The basic salary is then supplemented by bonuses, paid by the relevant ministry, to make up total remuneration.

This system of human resource management is in principle less prone to wage discrimination. Recruitment by anonymous written examination guarantees the impartiality of grading. And the index-based salary scale automatically translates into equality of basic salaries for any given number of index points. Seniority, as a determinant of career progression, is also a mechanism that works against lower wages for women. If there proved to be any actual discrimination in pay, it could only come from differences in the bonuses paid to civil servants with the same number of index points on the wage scale; women would be discriminated against if they were more typically employed in jobs carrying lower bonus rates.

However, the above procedures fail to protect female civil servants against occupational segregation. To begin with, the unequal enrolment of men and women in education obviously translates into over-representation of male candidates in competitive examinations for admission to the higher categories in the civil service hierarchy. Then, there are several reasons why women may find it harder than men to qualify for internal promotion (whether by internal competitions or by merit). The reasons may include difficulty in attending post-educational training (the lower the initial educational level, the more difficult the courses are to follow), difficulty in taking on responsibilities because of family constraints or risk-aversion, and supervisors' preference for promoting men.

The significance of such factors was evaluated using two additional sources of information. First, the National Civil Service Directorate provided the distribution by category and by sex of Mali's entire civil service as at 17 January 2001. This gives an initial idea of hierarchic distribution of civil servants by sex. Second, the Payroll Office – which administers payments to the entire civil service – provided pay slip particulars on the sex, hierarchical category, salary scale index points, bonuses and personnel numbers of the staff of the Ministry of Trade, Industry and Handicrafts for the year 2000. This information made it possible to measure the average wage gaps between men and women for this subset of the civil service.

### *Women's representation in the civil service*

Table 6 shows the distribution of Mali's civil servants by sex and by major category. Category A is equivalent to senior executive (Master's degree or higher attainment); category B, to junior executive (B2 requires a post-secondary technical degree or equivalent qualification; and B1, a diploma in a technical discipline or equivalent qualification); category C is equivalent to skilled worker (vocational training certificate); and category D consists of civil servants without any qualification (this category is being phased out).

Table 6. Distribution of civil servants by sex and major hierarchic category  
(all titularized staff as at 17 January 2001)

Category	Women	Men	Total	Percentage of women	Deviation from average
A	775	6808	7583	10.2	0.4
B1	1664	2625	4289	38.8	1.6
B2	3510	12390	15900	22.1	0.9
Total B	5174	15015	20189	25.6	1.1
C	2215	3901	6116	36.2	1.5
D	6	11	17	35.3	1.5
<b>Total</b>	<b>8170</b>	<b>25735</b>	<b>33905</b>	<b>24.1</b>	<b>1.0</b>

Source: National Civil Service Directorate.

The first three columns in table 6 show the absolute numbers of civil servants (female, male, total). The fourth column shows the proportion of women in each of the major hierarchic categories. The last column is an indicator of over/under-representation (ratio of the proportion of women in the category to the proportion of women overall).

Women account for a quarter of Mali's civil servants – a higher proportion than that observed in the modern private sector, although eligibility for the civil service recruitment examination now requires a minimum level of education (recruitment to category D has been discontinued). A possible explanation is that the competitive examination procedure helps women to overcome obstacles to their recruitment. The fact that many civil service jobs are based in urban areas – particularly in Bamako – may also be a factor contributing to higher levels of female employment. A third factor may be that women encounter fewer cultural barriers in the public sector than in the private sector.

The distribution of civil servants by hierarchic category highlights striking discrepancies between women and men. Women appear to be under-represented in category A (at 10 per cent) and “over-represented” in categories B1 and C, where they account for 39 and 36 per cent of the staff, respectively, i.e. twice their representation in the civil service as a whole. Lastly, in category B2, which is the largest in the civil service, women account for 22 per cent of the entire staff, a proportion reflecting their overall average representation.

These imbalances in male–female staffing levels may result from women's lower entry-level educational attainment (there are potentially fewer female applicants for category A posts), or from obstacles to internal promotion, or from a combination of those two factors. Whatever the case, the outcome is lower salaries for women in the civil service. The extent of the male–female gap in average salaries then depends on the salary differentials between the various civil service categories.

### *Salary differentials*

In order to find out about salary differentials between men and women in the civil service, a specific survey was conducted in the Ministry of Trade, Industry and Handicrafts. This Ministry was selected in cooperation with the Payroll Office and the OEF, for a number of reasons. It is a comparatively small Ministry; it is not particularly male-dominated; and it seemed to present a case without any special characteristics, making it representative of the civil service as a whole. Another advantage of focusing on a single ministry is that the range of jobs under study is more consistent than would have been the case if the entire civil service had been considered. In particular, it can reasonably be assumed that job content and skill requirements are roughly equivalent for a given number of salary index points and level of seniority, whatever the department within the Ministry. Of course, the drawback of this approach is that it captures only part of the explanation for average salary differentials – that relating to women's position within a given ministry (i.e. intra-ministerial differences) – and fails to take account of differences in male–female distribution between different ministries (i.e. inter-ministerial differences).

In order to concentrate on core staff, it was decided to consider only titularized civil servants. Contract workers (not officially civil servants) and interns are therefore excluded from the analysis. Barring three cases in which the respondents failed to specify their sex, the survey sample consisted of 137 civil servants of the Ministry of Trade, Industry and Handicrafts in 2000. Their distribution by sex and by category is shown in table 7.

The rate of feminization, being slightly above one-third, is markedly higher than that observed for the civil service as a whole. The sample displays the same imbalance in hierarchic distribution as that observed for the entire civil service, albeit with a slightly higher proportion of women in category A and strong over-representation of women in category C.

Annual salaries average FCFA 1,630,515 for male civil servants and FCFA 1,128,995 for female civil servants. This translates into a gap of 31 per cent in average pay to the advantage of men (see table 8).<sup>6</sup> By comparison with the private sector, the dispersion of civil service salaries appears to be much narrower: the D9/D1 ratio is 3.7 across the entire sample. Contrary to what proved to be the case in the private sector, the dispersion of civil service salaries is greater for women than it is for men. This probably has something to do with the capping of top-level salaries (paid to those at the top of the civil service hierarchy), which may guard against over-inflation of top-level male salaries (as opposed to what happens in the private sector).

Examination of the data by category shows that the pay gap still favours men, though much less so than in the private sector, with a maximum of 11 per cent in category B. The overall gap in average pay thus appears to result

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<sup>6</sup> Male and female monthly salaries average FCFA 135,876 and 94,083, respectively. Both figures are significantly lower than those found for the sample of private-sector employees.

**Table 7. Civil servants' distribution by sex and major hierarchic category (titularized staff of the Ministry of Trade, Industry and Handicrafts, 2000)**

Category	Men	Women	Total	Percentage of women	Deviation from average
A	58	13	71	18.3	0.53
B	27	16	43	37.2	1.08
C	5	18	23	78.3	2.28
<b>Total</b>	<b>90</b>	<b>47</b>	<b>137</b>	<b>34.3</b>	<b>1</b>

Source: Payroll Office.

**Table 8. Indicators of annual pay dispersion in FCFA, 2000 (titularized staff of the Ministry of Trade, Industry and Handicrafts)**

	Total	Men	Women	Female/Male gap (%)
Average	1 458 460	1 630 515	1 128 995	69.2
D9	2 430 290	2 650 290	2 069 256	78.1
Median	1 419 410	1 537 260	906 360	59.0
D1	662 904	906 360	573 360	63.3
D9/D1	3.7	2.9	3.6	

Source: Payroll Office.

primarily from the rigid salary hierarchy between the three categories, coupled with women's under-representation in category A (see table 9).

What remains to be examined is whether bonuses play a part in producing these annual salary differentials. On average, women enjoy higher bonus rates than their male counterparts, except in category A (see table 10). Moreover, bonus rates are higher in categories C and B. Therefore, annual bonuses cannot be blamed for wage gaps; on the contrary, they contribute to equalizing the average annual salaries of men and women.

At this stage, the most likely explanation is that the observed differential between male and female average salaries reflects differences in the structure of employment by hierarchic category. The outcome would thus appear to be determined by occupational segregation, not pay discrimination per se. In order to find out whether this was the case, we estimated an earnings equation, in which sex, hierarchic category, bonus rate and a variable called "order" were factored in as explanatory variables for the level of remuneration. The "order" variable is the personnel number assigned to each new civil servant at the time of recruitment: the lower the number, the greater the seniority. This variable serves as a proxy for seniority (see table 11).

The result of this estimation is unambiguous. As expected, the estimated coefficients for the hierarchic categories are significant and positive; and the same goes for the bonus rate. The "order" variable is significant and negative: all else being equal, the higher the number assigned to this variable, the lower

Women, gender and work

Table 9. Average annual pay in FCFA by category and by sex, 2000  
(titularized staff of the Ministry of Trade, Industry and Handicrafts)

	Total	Men	Women	Female/Male gap (%)
A	1 938 578	1 943 489	1 911 210	98.3
B	1 077 276	1 124 259	997 994	88.8
C	692 091	733 797	680 507	92.7

Source: Payroll Office.

Table 10. Average bonus rates by sex and by category, 2000  
(titularized staff of the Ministry of Trade, Industry and Handicrafts)

	Total	Men	Women	Female/Male gap (%)
Total	12.4	11.4	14.3	125.4
A	11.0	11.2	10.4	92.9
B	11.7	10.9	13.2	121.1
C	17.8	16.5	18.2	110.3

Source: Payroll Office.

Table 11. Earnings equation: Titularized staff of the Ministry of Trade, Industry and Handicrafts, 2000

Dependent variable: Log of annual pay

Exogenous variables	Total		Men		Women	
	Coefficient	t-value	Coefficient	t-value	Coefficient	t-value
Constant	<b>13.70</b>	218.03	<b>13.70</b>	132.89	<b>13.80</b>	139.84
Sex (ref.: female)	0.03	0.9	—	—	—	—
Category A	<b>0.94</b>	18.35	<b>0.96</b>	10.41	<b>0.93</b>	13.64
Category B	<b>0.41</b>	8.01	<b>0.44</b>	4.63	<b>0.37</b>	6.08
Category C (ref.)	—	—	—	—	—	—
Bonus rate	<b>0.01</b>	6.49	<b>0.01</b>	6.01	<b>0.01</b>	2.18
Order * 100	<b>-0.08</b>	-10.73	<b>-0.07</b>	-8.62	<b>-0.08</b>	-6.03
N		137		90		47
Adjusted R <sup>2</sup> (* 100)		84.5		77.6		87.2

Note: The coefficients in bold are significant at the 1 per cent level.

Source: Payroll Office.

the salary – a logical outcome given the nature of this variable, because a high personnel number implies recent entry into the civil service. By contrast, the sex variable, albeit positive, is not significant.

To check whether this result concealed differential effects of these variables between men and women, a second set of estimations was calculated separately for men and women, following the same method as that used earlier for

the private sector. The resulting coefficients were all significant, though they did not differ between men and women (the statistical test is not detailed here).

In other words, if occupational category, seniority and bonus rate are taken into account, there is no significant difference between male and female salaries in this sample of civil servants.

## Concluding remarks

The foregoing analysis of patterns of female employment and wages in Mali's public and modern private sectors highlights the following points:

- women's weak labour force participation in the modern sector, accounting for only about 20 per cent of the sector's wage employment;
- concentration of female employment at intermediate skill levels;
- wide dispersion of wages, both male and female;
- a pay gap between men and women averaging 15 per cent in the modern private sector and 30 per cent in the civil service;
- a wage structure showing high returns to education and continuing training;
- the difficulty of getting a clear picture of the hierarchy of pay by occupational category;
- in the public and modern private sectors alike, the male–female gap in average pay is entirely explained by wage differentials linked to the structure of employment (civil service) or enterprise characteristics (private sector).

What now remains to be established is the actual cause of the underlying occupational segregation. The modern sector is where women seem to experience the greatest difficulty in finding employment since they account for a much larger share of employment in the informal sector and in agriculture (over 60 per cent). But the modern sector only employs about 3 per cent of the employed economically active population – 7 per cent of the combined workforce of the informal and formal sectors excluding agriculture (OEF, 1999). In other words, this article has focused on a minute fraction of the currently employed economically active female population. Nonetheless, this detracts nothing from the crucial importance of promoting occupational equality because the modern private sector is growing rapidly and should eventually spread across the entire economy, of which it probably constitutes the most efficient sector at present. Modern-sector growth without female labour would put Mali's economy at a disadvantage.

The low incidence of wage employment among female labour force participants probably owes more to cultural circumstances than it does to management decision-making. Of course, if enterprises were actively to encourage women's recruitment, vocational training and promotion, they might have a stronger impact on attitudes towards work by sending a signal to the economically active population. It could also be argued that modern-sector employment growth would help to get more women into wage employment

because enterprises needing to recruit workers may then be less reluctant to hire women. But while demand-side policies may well prepare the ground for greater occupational equality, they may not, on their own, suffice to bring about any significant increase in female employment in the modern sector.

The fact is that moving into wage employment – and, more generally, into market-based work – has wider implications for women than it does for men because of the different roles society assigns to them (Quiminal, 2001). In the circumstances, all that can be advanced are a few hypotheses which would need to be verified by a specific household survey. By comparison with agricultural or informal-sector work, enterprise-based wage employment generates an income that is not linked to the domestic sphere and/or family-based work; it implies a clear separation between productive market-based work and non-market domestic work (unlike agricultural work that allows women to keep an eye on their children while they work); and, lastly, it imposes a choice between occupational obligations, on the one hand, and social obligations towards a husband or family network (like staying at home to look after a sick husband), on the other (Traoré, 1997). All of this would require a reconfiguration of the gendered division of labour that would not be without implications for women's husbands and families. A man whose wife takes up wage employment may well fail to see any direct advantage in her doing so to the extent that it is, officially at least, up to the male head of household to provide for the household's financial needs. From this perspective, any cash that a married woman might earn by working in the modern sector would contribute nothing or very little to making the household better off; meanwhile, the burden of domestic work to be done would remain undiminished. A likely outcome of such reasoning may be to discourage girls from pursuing their education and women from pursuing a steady career. If so, correcting the occupational inequality observed in the modern sector of Mali's economy probably calls for a wide-ranging debate on the factors that hamper the development of female wage employment in Malian society, coupled with a proactive government policy to increase women's participation in the modern-sector economy.

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## The socio-cultural dimension of women's labour force participation choices in Switzerland

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In Switzerland, as in most other industrialized countries, women's growing labour force participation has been one of the most significant economic and social developments of recent decades (Killingsworth and Heckman, 1986).<sup>1</sup> Yet, the backdrop to this trend is typically a family setting within which the male–female distribution of domestic tasks is still highly unequal despite significant improvements.<sup>2</sup> The resulting conflict between work and family is becoming increasingly acute and difficult to manage, especially for women, but also for families.

A woman's decision to join the labour force thus has implications that go beyond the strictly individual sphere, while she herself typically ends up caught in between her work and her family, inside a space bounded by an array of policy and institutional constructions, including family policy, labour policy, training policy, etc. (Bernardi, 1999; Chaponnière, 2000; Del Boca and Pasqua, 2002; OECD, 2004). Her decision is also conditioned by cultural considerations, because each and every individual is part of a social and cultural system that influences choices and behaviour (Fleury et al., 1997; Bühler, 2001).

Internationally, there are wide variations not only in the overall level of female labour force participation, but also – and even more so – in the dynamics of such participation at different points over the life cycle (Killingsworth and Heckman, 1986). In this respect, Europe displays two main patterns of female labour force participation (figure 1). The first, characteristic of central and northern European countries, is reflected in the so-called

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<sup>1</sup> According to the federal population censuses, women account for 76 per cent of Switzerland's labour force growth over the period 1970–2000. Globally, this trend tends to be reflected in growing numbers of female labour force participants, rather than in the volume of employment (Hakim, 1993; Jonung and Persson, 1993).

<sup>2</sup> According to Branger, Gazareth and Schön-Bühlmann (2003), women in Switzerland devote almost twice as much time to domestic and family work as men (31 and 17 hours per week, respectively).

M-shaped curve representing the proportion of women in the labour force by age group, with two peaks separated by a drop in participation when women reach the age of about 30. The second pattern, which is typical of the Mediterranean countries, gives a curve that looks like a toppled L, with a single peak at the age of entry into the labour market followed by a steady decline of the proportion of women in the labour force up to the age of final withdrawal (Reyneri, 2002).

The purpose of this article is to highlight the prevailing patterns of female labour force participation in each of Switzerland's three main language regions<sup>3</sup> and to investigate the possibility that a cultural factor may influence women's behaviours in relation to a conflict of values and, consequently, their ability to reconcile work and family.<sup>4</sup> With its three language regions, Switzerland makes an interesting case study in this respect, including from the broader perspective of international comparison, because it lies at the intersection of three major European cultures – the French, the Germanic and the Italian – and astride the Alps, which make up the natural boundary between southern Europe and central/northern Europe.

The methodology used in this article is based on a non-conventional application of classification trees (segmentation analysis). Instead of being used for the usual purposes of classification, the trees serve here to structure and focus the analysis – i.e. statistical population bounding and partitioning into groups – but also, and primarily, they serve as a descriptive data-mining method for comparative analysis, both inter-regional and inter-cultural. The choice of the classification tree methodology was dictated precisely by such considerations of structure and data mining, ultimately with a view to arriving at a better understanding and interpretation of results. The end product is indeed a visual representation which makes the results much easier to understand – than those of a logistic regression analysis, for example – especially from the perspective of readers who are unfamiliar with statistical methods.

Following this general introduction, the second part of the article briefly discusses classification trees, their application in this particular research, the data, the statistical population and the variables selected. The main findings of the study are presented in the third part of the article in terms of inter-group, inter-regional and inter-cultural variations. A few concluding remarks are offered in a final part.

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<sup>3</sup> Namely the German-speaking cantons, the French-speaking cantons, and Ticino and part of the Canton of Grisons, where Italian is spoken. Switzerland does have a fourth language, Romansh, but the Romansh-speaking area is so small that, for the purposes of this study, it has been merged with the German-speaking region.

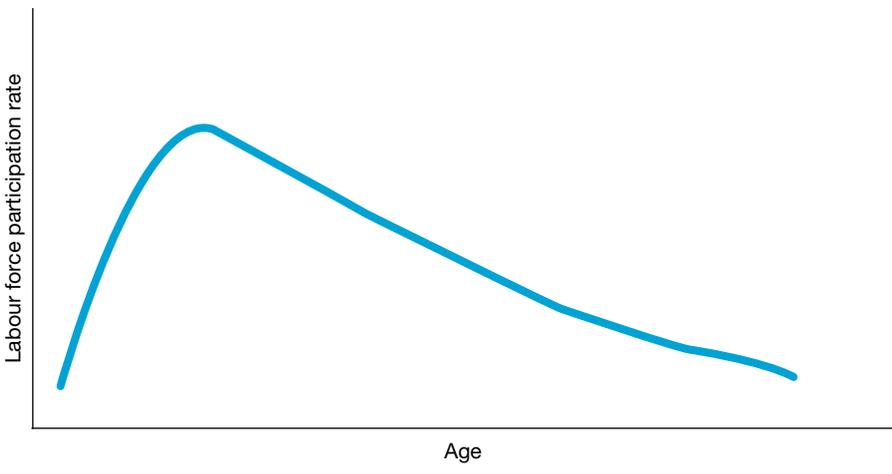
<sup>4</sup> That there are cultural differences between the three regions has been highlighted time and again in the outcomes of voting on issues of family policy, entitlement to allowances, etc. A good example is the protracted process which, after four rounds of voting, led to the introduction in 2004 of maternity benefits and 14 weeks of paid maternity leave for all women. On this issue, a very deep cultural rift opened up between the French-speaking and Italian-speaking populations, which were in favour of state support, on the one hand, and the German-speaking population, the majority of which felt that the family should remain a strictly private matter.

Figure 1. Main patterns of female labour force participation in Europe

(a) M-shaped curve



(b) Toppled L curve



## Methodological aspects of the analysis

### *Methodological approach*

Based on data from the federal population census of 2000, the labour force participation choices of women living in Switzerland were investigated in two stages, each of them using classification trees. In the first, so-called pre-analysis stage, drawing on the vast literature on this subject, the trees were used to point the study in the right direction: to establish the statistical population and to make the analysis relevant by ensuring that the study was conducted on an appropriate scale. In this sense, the partitioning of the statistical

population into distinct groups of individuals characterized by a degree of internal homogeneity (and inter-group heterogeneity) in relation to patterns of labour force participation – i.e. participation or non-participation and employment intensity<sup>5</sup> – was meant to avoid making the analysis overly superficial while reducing the extreme complexity of individual situations (as reflected in variables such as age, marital status, number of children, family type, educational attainment, etc.). This initial application of the classification trees also contributed to the selection of the variables used in the subsequent analysis.

The second, analytical stage examines women's behaviours and choices in regard to the distribution of time between paid employment and unpaid family work, both by group and by language region, using both conventional descriptive analysis (frequency analysis, contingency tables, not reproduced here) and classification trees. Whereas conventional descriptive analysis gives a detailed picture of the relationship between one or two characteristics of women's profiles and their labour force participation rate or employment intensity, the classification trees make it possible to explore multivariate relationships, i.e. the interaction of predictors (explanatory variables) in explaining the response variable (variable to be explained) and the relative significance of each predictor within the relationship.<sup>6</sup>

### *Classification trees*

Segmentation analysis is a data-mining method particularly suited to the study of large populations with multiple variables, whether qualitative or quantitative. It can be used to classify individuals within the given population, to partition the population (highlighting its latent structure) or to explain a variable – the so-called response variable – in relation to other variables called predictors.

In the latter application, which is the one pursued here, each of the predictors is tested in order to determine the one that splits the population into optimally homogeneous groups in terms of predicting the value of the response variable. Building on this initial split of the data set, the exercise is then repeated in order to determine the next best split for each of the two subsets identified, and so on until some stopping criterion is met.

The result looks like a tree. The nodes represent the data sets at different stages of the segmentation process; the branches show the criteria whereby subdivisions were effected; and the "leaves" are the terminal nodes beyond which further segmentation was deemed unnecessary (Fabbris, 1997; for additional technical information, see the methodological annex to this article).

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<sup>5</sup> Employment intensity refers to a distinction between full-time employment (90 per cent or more), long part-time employment (50–89 per cent) and short part-time employment (up to 49 per cent, but at least one hour per week).

<sup>6</sup> At this exploratory stage, segmentation analysis is used as, say, logistic analysis would be used at a more advanced stage of investigation.

## The model

### Variables

*Labour market status* – i.e. participation or non-participation, and employment intensity – was used as the response variable for the purposes of the segmentation analysis. The predictors, selected on the basis of a literature survey and pre-analysis results, fall into three categories, namely:

- *personal and occupational variables* (age, educational attainment, marital status, nationality, type of occupation, and broad occupational category);
- *family variables* (mother/childless woman, number of children, age of children, and household type);<sup>7</sup>
- *geographic and cultural variables* (urban or rural place of residence, language region of residence, major statistical district of residence, and religious denomination).

### The statistical population

The starting point was the female population aged 15 years and over whose normal place of residence was in Switzerland as at 5 December 2000 according to the federal population census. The results of the initial classification trees led to the exclusion of women under 20 years of age and those aged over 62 years, together with first-generation immigrant women of foreign nationality (i.e. born abroad). The exclusion of these women was dictated by their patterns of labour market behaviour and by the aims of the study, i.e. analysis of women's labour force participation choices with a particular focus on the cultural factor that distinguishes the three main regions of Switzerland.

The selected population thus comprised 1,729,019 women aged between 20 and 61 years who were permanently resident in Switzerland in 2000 (foreign women born abroad were excluded).

### Groups identified from the pre-analysis

Segmentation analysis of the statistical population and of the three regional sub-populations produced very similar classification trees from the initial splits at least. For reasons of coherence, consistency and robustness, on the one hand, and convenience, on the other, the partitioning produced by the first two splits was adopted. This identified three distinctive groups of women with highly specific relationships to the labour market, namely:

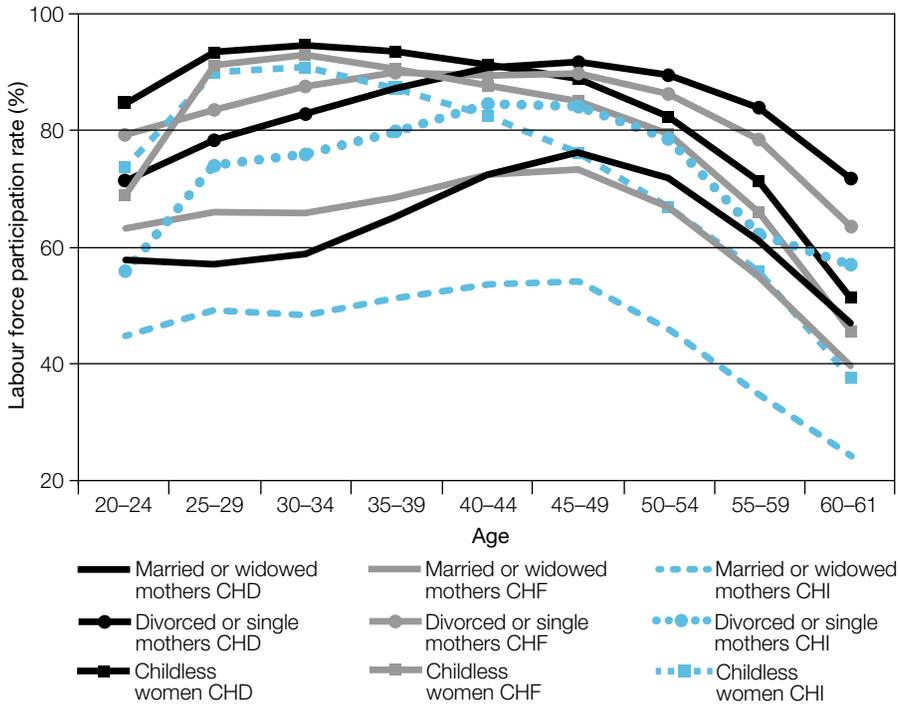
- 609,861 childless women;
- 903,527 married or widowed mothers;
- 56,578 divorced or single mothers.<sup>8</sup>

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<sup>7</sup> The "household type" variable reflects the general composition of the household. The categories are: single woman, single mother with one or more children, childless couple, and couple with one or more children.

<sup>8</sup> These three groups do not add up to the total of 1,729,019 because 59,053 mothers (3.5 per cent) failed to specify their marital status.

Figure 2. Labour force participation rates by age, group and language region, 2000



Note: CHD: German-speaking region; CHF: French-speaking region; CHI: Italian-speaking region.

Source: Federal population census, 2000.

## Findings

### Inter-group analysis

Using the classification trees to partition the predictor space at the pre-analysis stage demonstrated the relevance of the selected splits in terms of strong inter-group diversity and a degree of intra-group consistency in regard to patterns of participation and employment (see figures 2 and 3, respectively).

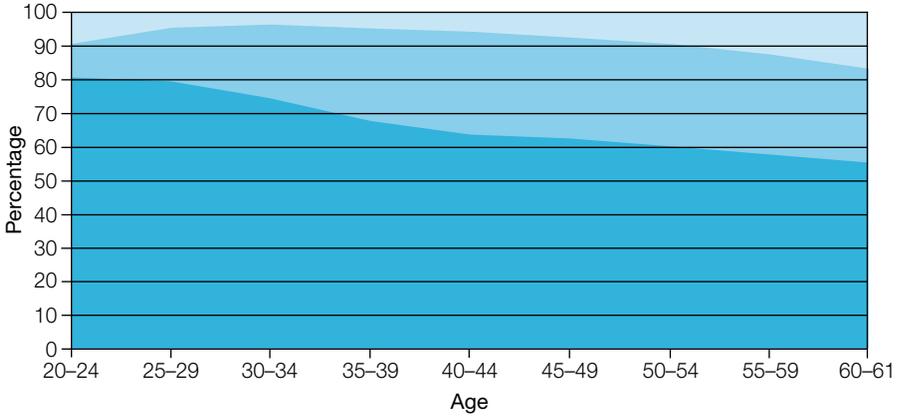
*Childless women* make up the group that displays the most active labour force participation – at least up to the age of 40 years – and the highest employment intensity. Following labour market entry (between the ages of 20 and 30 years), their labour force participation curve slopes downwards until final withdrawal (figure 2). This decline in labour force participation is coupled with a gradual reduction in employment intensity over these women’s working life (figure 3a).<sup>9</sup>

<sup>9</sup> An alternative explanation is based on a “generational” effect directly related to women’s growing labour force participation. According to this view, young women without children display much higher labour force participation rates and employment intensity than do older women. A “longitudinal” analysis will be offered below.

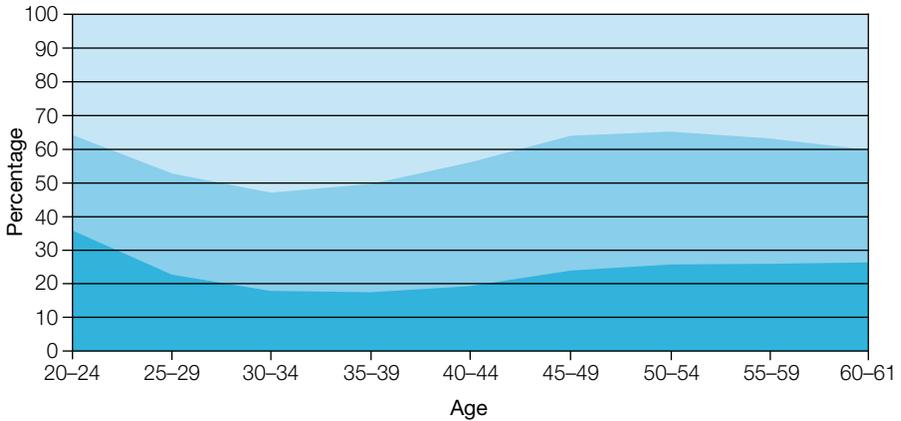
Women's labour force participation choices in Switzerland

Figure 3. Employment intensity of women in employment in Switzerland, 2000

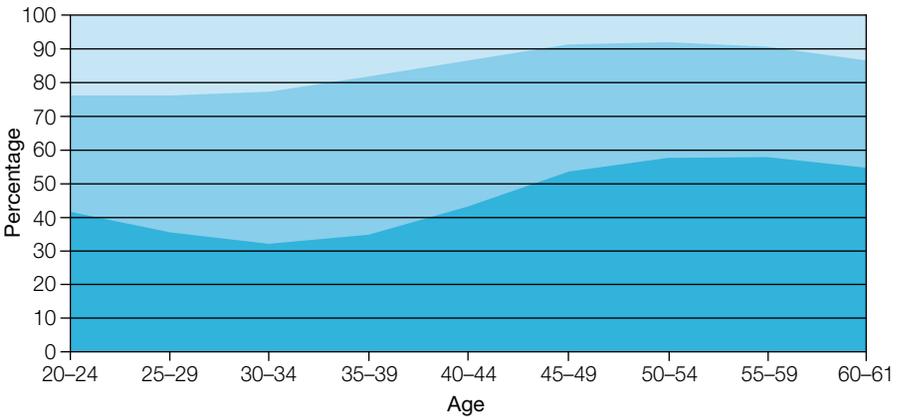
(a) Childless women



(b) Married or widowed mothers



(c) Divorced or single mothers



Short part-time Long part-time Full-time

The very low rates of labour force participation of married or widowed mothers clearly reflect the traditional separation of male/female roles within the family, with the man in paid employment and the woman looking after family and domestic responsibilities. As regards employment intensity, the predominant choice in this group is part-time employment (figure 3b).

By contrast, the “choices” made by *divorced or single mothers* highlight the critical nature of the tension between family and work. Most of them do not have a choice between labour force participation and family/domestic responsibilities: the two spheres must somehow be reconciled. Even among those who do leave their employment during maternity and their children’s early infancy, the duration of their withdrawal from the labour market remains very short. Accordingly, this group’s labour force participation rates lie halfway between those of the other two groups during the childbearing years of the life cycle. Thereafter, however, divorced or single mothers make up the group with the most active labour force participation. Only while their youngest child is still in infancy does their employment intensity fall below that of childless women.

### *Inter-regional analysis*

The inter-regional analysis of women’s patterns of labour force participation is based on a comparative analysis of the selected predictors and their interactions, on the one hand, and their relationships with the response variable, on the other. The comparison also takes account of the distribution of the population in regard to labour force participation/non-participation and employment intensity for each group’s three regional trees.

Because of constraints on the length of this article, detailed results are reported only for the group of single or divorced mothers, though a rough outline of the main findings on the other groups will be given as well.<sup>10</sup>

#### Single or divorced mothers

Though a very large number of characteristics were considered, the classification trees constructed for divorced or single mothers (figure 4 and table 1) are split only by educational attainment, occupation, age, household type, age of youngest child, number of children and, for mothers living with a partner, the latter’s labour force status (participation/non-participation).<sup>11</sup>

The results of tests on the quality of these trees are fully satisfactory in terms of descriptive capability and stability. Based on measures of partial, absolute and relative deviance, information gains show that the induction trees

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<sup>10</sup> For a comprehensive account, see Losa and Origoni (2004).

<sup>11</sup> Surprisingly, the place of residence (urban/rural) does not turn out to be a significant determinant, although this factor might have been expected to play a significant part (mainly in terms of the availability of childcare facilities, opportunities for part-time work, etc.). This apparent paradox most probably has something to do with the relatively small proportion of women living in rural areas, particularly among the group of single or divorced mothers (never more than 20 per cent) – hence this factor’s relatively weak discriminatory capability in the construction of the trees.

Figure 4. Classification trees for divorced or single mothers, 2000

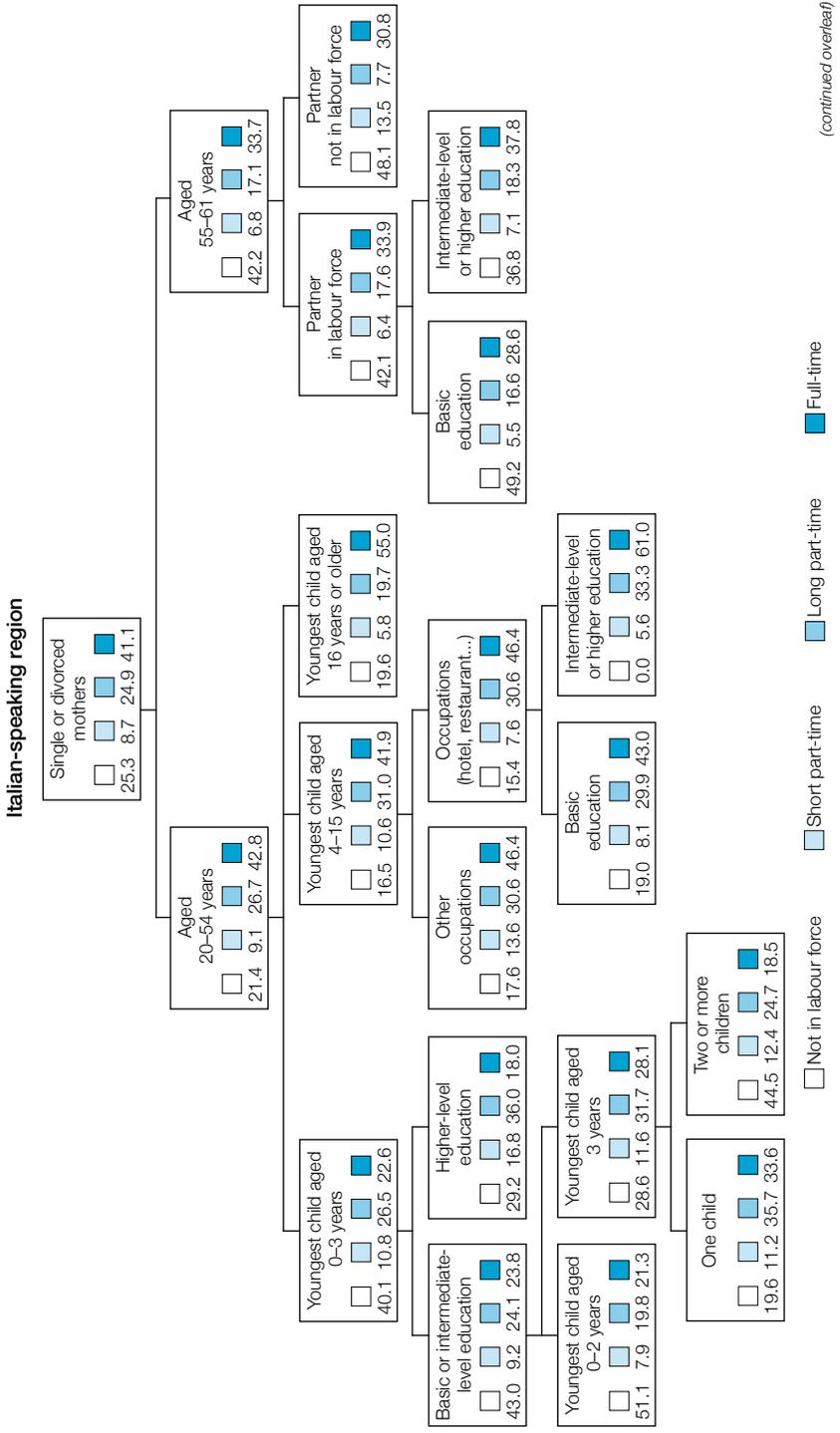


Figure 4. Classification trees for divorced or single mothers, 2000 (cont.)

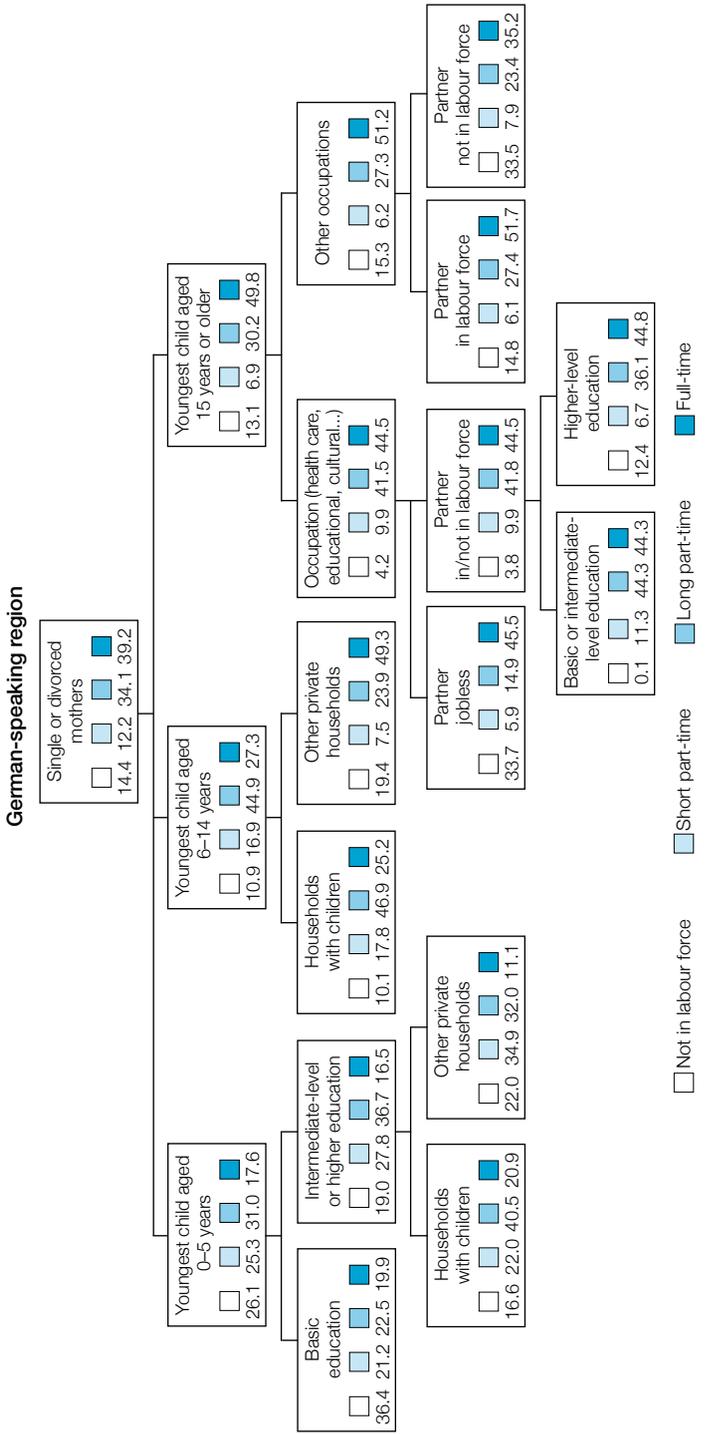
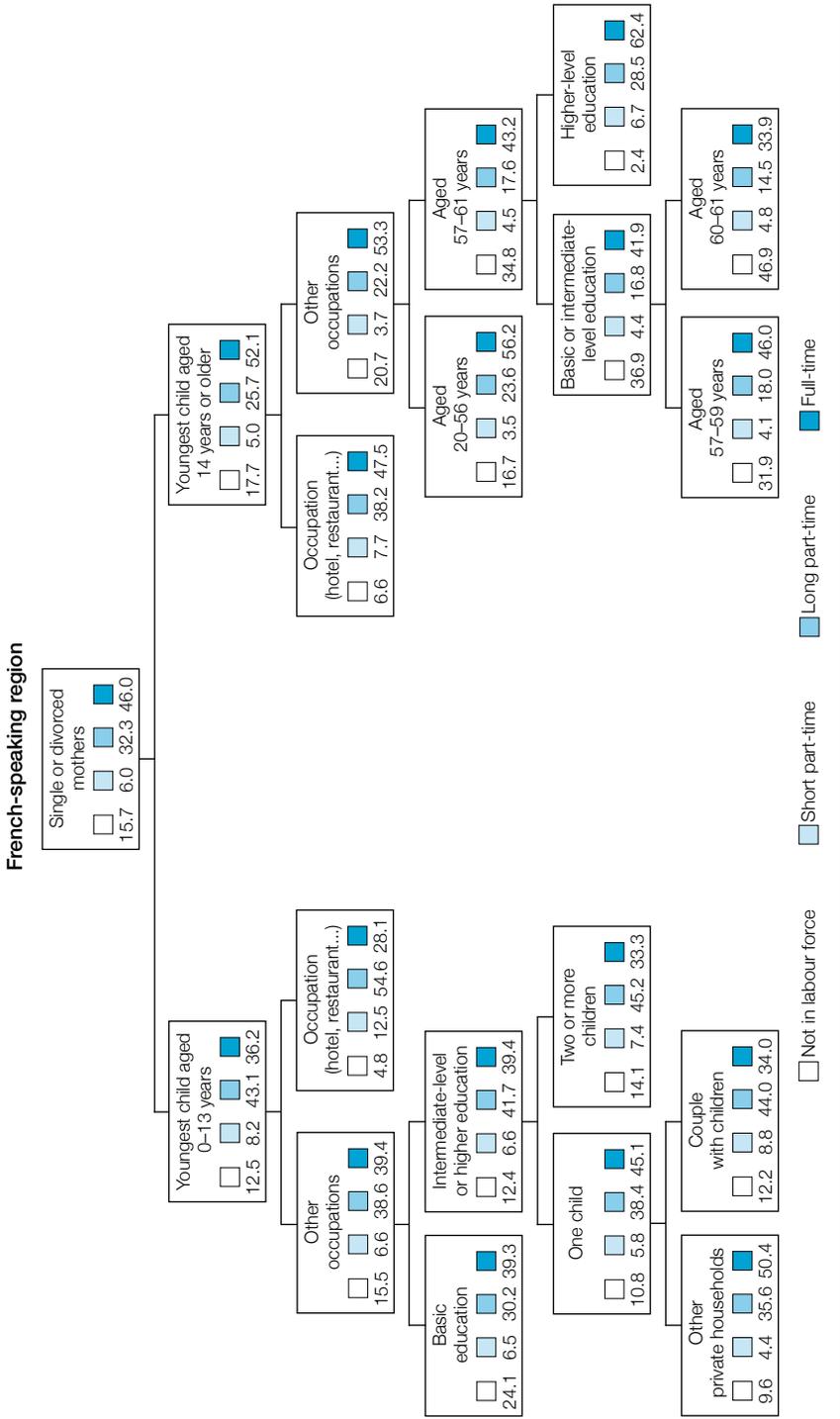


Figure 4. Classification trees for divorced or single mothers, 2000 (concl.)



Women, gender and work

Table 1. Recapitulative ranking of the factors used to construct the trees for the three language regions, by group

Factors	Single or divorced mothers			Married or widowed mothers			Childless women		
	CHI	CHD	CHF	CHI	CHD	CHF	CHI	CHD	CHF
<i>Personal</i>									
Age	1		3, 5	1	2, 5, 6	1, 6	1, 3	3, 5	1, 3
Education	3, 4	2, 4	3, 4	2	3	2, 4, 7	4		
Occupation	3	2	2						
Marital status				5			2	1	2
<i>Household</i>									
Age of youngest child	2, 4	1	1		1, 4, 5	5			
Number of children	5		4	6		6			
Household type		2, 3	5	4	4, 5	4	3	2	3, 4
<i>Partner</i>									
Status	2	3						2	
Occupational category				3	2, 3	3	5	4	
Nationality				5					

Note: The ranking shows the order in which the predictors were used to effect successive splits (i.e. their explanatory power). CHD: German-speaking region; CHF: French-speaking region; CHI: Italian-speaking region

provide clearly significant information on patterns of female labour force participation.<sup>12</sup> As regards stability, comparative tests with trees constructed for randomly selected/independent population sub-groups and from noisy data show that the induction trees display substantial stability, thereby confirming the reliability of the models derived from them.

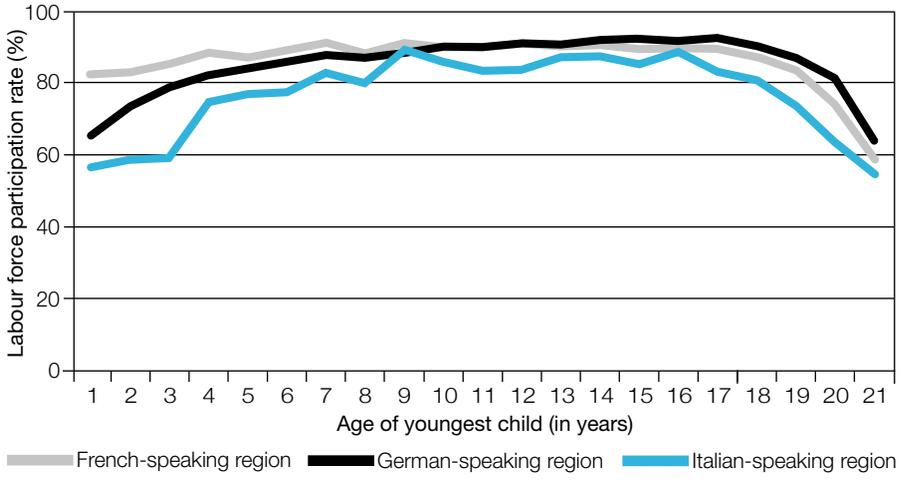
The main determinant factors are the same across all three regions. However, crucial inter-regional differences show up in the way those factors interact and in the significance of their respective effects on labour force participation rates and employment intensity.

The *age of the youngest child* is the most discriminating factor in all three regions. This highlights the key importance of maternity in shaping women’s decisions about work and family, especially for the mothers in this group who are often the only adult in their household. The most significant inter-regional differences thus centre on this variable, be it in regard to its position in the tree, the discretization thresholds identified,<sup>13</sup> or in regard to the distributions of the different values taken by the labour force participation and employment

<sup>12</sup> For example, the square root of the Theil uncertainty coefficient (*u*), which gives the reduction in Shannon’s “entropy”, shows that the induction trees are about halfway in between the initial node and the target table, which reflects the most refined partitioning obtainable from the data set. For further details, see Losa, Origoni and Ritschard (2005).

<sup>13</sup> Discretization consists in changing a continuous variable, such as age, into a discrete variable by specifying ranges (e.g. 0–5 years, 6–14 years, and 15 years and over). Such ranges are specified so as to obtain groups that are as homogeneous as possible in terms of the response variable.

Figure 5. Single or divorced mothers' labour force participation rate by age of youngest child, 2000



intensity variables. Generally speaking, the younger the last child (1–3 years), the higher the proportion of women who stay out of the labour market in order to devote themselves entirely to their family (figure 5). As the children grow up, those mothers who had withdrawn from the labour market return to work gradually, whereas those who had not quit their job during maternity progressively increase their employment intensity.

For the Italian-speaking and German-speaking regions, the trees show that those who withdraw and then gradually return to work fall into three groups according to the age of their youngest child. In the Italian-speaking region, the first group is composed of mothers whose youngest child is aged between zero and three years; the second, between four and 15 years; and the third, 16 years or older. In the German-speaking region, the corresponding age ranges are 0–5 years, 6–14 years, and 15 years or older. In the French-speaking region, by contrast, women's behaviours differ only as between two youngest-child-age ranges, namely, 0–13 years and 14 years or older.

The most significant regional disparities occur in respect of the choices made by mothers in the first group. Those in the Italian-speaking region tend to choose non-participation, especially if they have only basic or intermediate-level education or if they have more than one child. In the German-speaking region, the prevailing pattern is part-time employment, except for mothers with only basic education, the majority of whom are not in the labour force. As their youngest child enters pre-school in the Italian-speaking region (3–4 years) and primary school in the German-speaking region (6–7 years), these mothers have a little more time to resume paid employment or to increase their weekly hours of work. In the French-speaking region, however, women's behaviour appears to be less sensitive to the start of schooling for

their youngest child. In this region, fertility rates around the national average, coupled with women's high labour force participation rates and employment intensity, suggest that mothers are better at balancing work and family, even when their children are very young.

*Educational attainment* has a strong influence over women's patterns of labour force participation in all three regions. The higher the level of education, the higher the rate of participation and the lower the rate of full-time employment. This dual effect is particularly pronounced in the Italian-speaking and German-speaking regions when the last child is very young (less than four and six years, respectively). The majority of mothers with basic or intermediate-level education choose to leave their job to devote themselves to their home and children for a period, whereas those with higher-level education more typically choose part-time employment. Higher educational attainment thus tends to increase labour force participation while reducing employment intensity. There are presumably several reasons for this pattern. One of them is that a woman with a high level of education is in a better position to pursue a career (and therefore has a stronger incentive to keep in touch with the labour market). Another reason relates to the higher opportunity costs of quitting her job. Yet another may be a more attractive ratio of childcare costs to earnings. Conversely, the employment conditions of women with lower levels of education appear to make them more inclined to concentrate on their family, as this often makes a more comfortable option not only in practical terms but also in terms of self-identification.

A similar pattern can be observed in the French-speaking region: among women whose youngest child is under 14 years of age, the proportion of non-participants is 24.1 per cent for those with basic or intermediate-level education as against 12.4 per cent for those with higher-level education.

The *presence of a partner* within the household has a negative impact both on the labour force participation rate and on the proportion of women in full-time employment, at least in the French-speaking region. When the household comprises a single child and the mother has intermediate-level or higher education, the presence of a partner seems to encourage long part-time employment, whereas single mothers are more often in full-time employment.

The *number of children* has a similar effect, albeit with regional variations. In the Italian-speaking region, the majority of women whose youngest child is under four years of age do not participate in the labour force. Furthermore, their spells of non-participation are longer if they have more than one child. In the French-speaking region, women with intermediate- or higher-level education tend more typically to stay in the labour market, although they may reduce the number of weekly hours they work. By contrast, this variable does not show up as a significant determinant in the classification tree for women in the German-speaking region.

The other variables mentioned above are of secondary importance. The *partner's labour market status* is an explanatory factor only among those mothers in the German-speaking region who are close to retirement: when

the partner withdraws from the labour market, the proportion of these women who are still in employment drops sharply, particularly among those in full-time employment. The type of occupation variable highlights a very specific pattern among women in health-care, educational, scientific and cultural occupations in the form of a relatively high ratio of part-time employment. Women's age plays an important part in the trees for the Italian-speaking and French-speaking regions by highlighting the age (54–55 years) at which women begin to withdraw gradually from the labour market into final retirement.

### The other groups

*Married or widowed mothers*, most of whom live in traditional nuclear families, display far more homogeneous patterns of labour force participation and employment intensity than do the women in the group discussed above. Here, the classification trees essentially bring out the same variables, with similar effects, across all three regions, namely: age, partner's broad occupational category, educational attainment, household type, age of the youngest child, partner's nationality, and number of children (see table 1). The most pronounced regional discrepancy relates to the labour force participation rates of women living in the Italian-speaking region who – in this group too – tend to be more inclined to devote themselves to the family sphere than women in the other two regions.

As shown in table 1, the factors that determined the construction of the tree for *childless women* are, in decreasing order of importance: marital status and age, household type, educational attainment, partner's broad occupational category and labour market status (participation/non-participation). The most salient regional variation relates to patterns of final withdrawal from the labour market. Whereas women in the German-speaking region tend to exit the market gradually, beginning with a progressive reduction of weekly working time, women in the other two regions stop working more abruptly, around the age of 48 years in the Italian-speaking region and 55 years in the French-speaking region.<sup>14</sup> That this pattern is particularly pronounced among married or widowed women suggests that living with a partner and marriage may have a significant effect on women's perception of financial and social security which, in turn, may influence the decisions they make regarding labour force participation.

### *The socio-cultural determinant of inter-regional variations*

Cross-regional variations in women's rates of labour force participation and employment intensity may be determined by a wide range of factors pertaining to individual or family characteristics, the labour market (supply, demand and conditions of employment), government policy (e.g. family welfare

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<sup>14</sup> This pattern could also be linked to a generational effect whereby childless women in younger age cohorts may be more inclined to remain in employment than older women. If so, such inter-regional differences as are observed may result from variations in the rate and pace of "feminization" of the labour force.

programmes or taxation), local geography and physical infrastructure (e.g. transport infrastructure and facilities), etc.

The purpose of this section is to examine the results obtained in order to test the hypothesis – mentioned by a number of researchers – that a socio-cultural factor plays an important part in shaping women's labour force participation choices (Altieri, 1993; Fleury et al., 1997; Bernardi, 1999; Bühler, 2001; Reyneri, 2002). The assumption made here is that a population which shares a given territory and speaks the same language has a specific common culture (Hofstede, 2003). Accordingly, the results of the analysis of Switzerland's three language regions can be reinterpreted in the light of a comparative socio-cultural analysis.

Data mining to that end was conducted by induction with a view to distinguishing behavioural factors from contextual factors, which may be political, structural (in terms of, say, differences between the female populations of the three regions, household composition, or economic structure influencing demand for labour), etc.<sup>15</sup> The analysis was confined to variations in labour force participation rates in relation to a few major structural factors. Its most significant findings are as follows.

1. The *structures of the female populations* do not differ significantly between the three regions in terms of age, marital status, educational attainment, household type, number of children, etc. This suggests that the inter-regional discrepancies in rates of labour force participation and employment intensity cannot be explained, to any significant extent, by factors related to differences in the structure of female labour supply.
2. The *cross-border component* of labour supply, which is substantial in some cantons of Switzerland, especially in the Italian-speaking region, could partly explain the patterns observed in this region.<sup>16</sup> Yet analysis of the 2000 federal census data for the three groups in each of the three regions shows that the inter-regional differences also show up in respect of women with higher education and those in occupations where cross-border workers are hardly represented.
3. *Family welfare policy* can influence women's labour force participation choices. Accordingly, the availability of childcare facilities can be expected to have a positive effect on participation, whereas the payment of family allowances can be expected to have a negative effect (OECD, 2004). Inter-regional discrepancies in women's labour force participation might

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<sup>15</sup> The inductive approach was dictated by the acute shortage of contextual information in the database compiled from the 2000 federal census and, even more so, by the wide contextual variations between the cantons making up each of the three language regions (in Switzerland, social and family policy falls within the jurisdiction of the cantons).

<sup>16</sup> Cross-border workers are people who commute across the border daily or weekly in order to work in a neighbouring country. The cross-border labour employed in Ticino is characterized by low skills (Flückiger and Falter, 2000), a high degree of sectoral concentration and high flexibility. As a result, cross-border workers are primarily in competition with local female labour in industries that employ large numbers of women.

thus be explained by differences in family welfare policy from one canton to another. Indeed, the system in operation in the canton of Ticino is considered to be a nationwide model because of its relatively generous policy regarding family benefits<sup>17</sup> and its relatively large number – albeit still insufficient – of childcare facilities (OFAS, 2004). All the same, the positive effect of childcare availability needs to be balanced against the possibly negative effect of family allowances, though the latter are restricted to low-income families. However, given the very small proportion of eligible families, this is unlikely to be a significant factor in the lower labour force participation rate of women in the Italian-speaking region. Moreover, if one looks at a specific sub-group that does not receive such allowances – e.g. married or widowed women living with a highly educated partner in full-time employment – the labour force participation differential between women in the Italian-speaking region and those in the other two regions can still be observed.

4. Lastly, a factor that is often cited as an important facilitator in reconciling work and family is the structure of labour demand in terms of opportunities for part-time employment (OECD, 2004; Seidel and Knittel, 2004). But even from this perspective, if one considers the category of health-care, educational, scientific and cultural occupations, in which part-time jobs are as common in the Italian-speaking region as they are in the others, it turns out yet again that there are pronounced inter-regional disparities in labour force participation rates.<sup>18</sup>

The foregoing observations suggest that the prevailing socio-cultural gender model clearly features among the factors that explain women's labour force participation choices in Switzerland.

## Concluding remarks

The findings of this study suggest that patterns of female labour force participation are shaped primarily by three key factors, namely, maternity, the presence of a partner within the household, and women's level of educational attainment. With age, which contextualizes the corresponding choices in time, the first two factors highlight the significance of two major events in a woman's life: the founding of a family – mostly around a married couple – and divorce, i.e. a time when the traditional family model breaks down amidst feelings of personal insecurity.

Within the space delineated by these variables, significant inter-regional differences can be observed. They relate to the way in which and the times at which the variables interact in determining women's patterns of labour

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<sup>17</sup> In Ticino, the basic family allowance (which is also paid in all of the other cantons) is supplemented by an additional allowance (OFAS, 2004).

<sup>18</sup> The same conclusion can be reached from consideration of occupational categories characterized by a low incidence of part-time employment.

market behaviour over their life cycle. Women in each of the three regions make different choices, not only in terms of labour force participation and employment intensity, but also in terms of how they manage the work–family conflict at different stages of their life.

In the Italian-speaking part of Switzerland, the pattern that emerges from these findings is one that remains strongly rooted in the traditional family model (i.e. women as homemakers), with markedly lower labour force participation rates even when the household type does not match that model (i.e. single mothers, childless women, childless couples). Also, among those women who are in the labour force, employment intensity tends to be higher. In the French-speaking region, the trade-off between work and family tends to occur at higher levels of labour force participation and employment intensity, highlighting a degree of invariability in regard to the most critical family situations. Lastly, women in the German-speaking region appear to make up the group that displays the least radical choices, in favour of compromise solutions.

Beyond institutional, structural and political diversity, these differences show that each of Switzerland's three language regions has its own value system as regards the family, work and the assignment of gender roles between women and men. The empirical findings of this study thus demonstrate the significance of the socio-cultural dimension of women's labour force participation choices in Switzerland.

The research methodology also points to the remarkable usefulness and versatility of induction trees for classification, data-mining and description in the processing of large databases with heterogeneous contents (quantitative and categorical). Moreover, one of the principal merits of the trees to emerge from this study lies in the visual representation of results. This presentation facilitates their interpretation and makes it easier to distil information from them, particularly in the earlier, data-mining stages of research. In particular, the determination of the range of predictors and of their interactions in relation to the response variable makes a crucial contribution to the subsequent specification of more refined models and to the effective application of inferential methods, such as logistic regression.

The findings and results of the foregoing investigation will, it is hoped, prove useful to further research in this field, both in Switzerland and internationally. For Switzerland, in particular, it would be very interesting to test the cultural hypothesis by analysing the characteristics of each region in comparison with the patterns observed in Italy, France and Germany. For example, do the patterns of labour force participation of women in the Italian-speaking region come close to those of women in (northern or southern?) Italy or is their behaviour more strongly influenced by political, institutional and economic factors?

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## Methodological annex

As mentioned in the section of the article entitled “Classification trees,” segmentation analysis is a multivariate graphic methodology that leads to the construction of a tree. The tree is composed of nodes that represent groups at different stages of the segmentation process, branches that reflect the criteria whereby they were subdivided, and leaves, i.e. terminal nodes.

This approach differs from hierarchical grouping methods in three respects. First, it classifies statistical units into homogeneous groups by reference to a response variable, whereas hierarchical methods classify groups on the basis of the entire range of variables, without distinguishing between predictors and the response variable. Second, the segmentation process is conducted by means of a single variable at a time (the one with the strongest predictive power), whereas hierarchical methods are based on the concept of distance between the groups identified (such distance again being calculated over the entire range of variables). And third, the aim of segmentation analysis is not to conduct a descriptive analysis per se (i.e. reduction of the complexity of the data set), but rather to generate classification rules for the statistical units in order to make predictions. In the case of this particular study, however, this last point was of relatively little interest.

The induction trees are constructed by seeking, through successive splits of the statistical population, some optimal partition of the predictor space in order to predict the value of the response variable or to reduce heterogeneity within a given node (Fabbris, 1997).<sup>1</sup>

Each split is effected according to the values of a predictor. Initially, each of the predictors is tested in order to identify the best fit, whereupon the process is repeated for each new node until some stopping criterion is met. In other words, the aim is to make the groups as homogeneous as possible while maximizing heterogeneity between them. Determining the best possible split for each node, according to specific criteria, is where current methods chiefly differ. These include CHAID (Kass, 1980), CART (Breiman et al., 1984) and C4.5 (Quinlan, 1993), to cite those which are arguably the most popular.

This particular application uses the CART method, which constructs binary trees by selecting, at each stage, the split that maximizes the homogeneity gain as measured by the Gini index. Though CART uses relatively loose stopping rules, it then goes on to “prune back” the tree. The stopping rules adopted for this research were those provided for by default regarding minimum improvement of node homogeneity – set at 0.0001 – and minimum node size, set at 100 individuals for each splittable node and 50 individuals for each “leaf” (though these thresholds never proved constraining given the size of the groups generated by partitioning).

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<sup>1</sup> Fabbris (1997) distinguishes eight possible uses for classification trees, namely, defining rules for prediction and classification, identifying deviant groups, detecting atypical cases, estimating missing values, suggesting research hypotheses and explanatory models, studying interactions between predictors, synthesizing information from the database, and testing non-linear relationships between predictors and the variable to be predicted.

The quality of a classification tree is generally tested on the basis of its accuracy in predicting the response variable with given predictor values. The criterion used to that end was the rate of misclassification. However, the model's predictive accuracy becomes less important when the trees are used for structuring, describing the response variable, and exploring interrelationships between predictors. In this case, the point is to evaluate the descriptive power of the model together with the stability and robustness (Fabbris, 1997) of the partitioning of the statistical population and interrelationships between the selected predictor variables.

On the basis of such considerations, this study included tests aimed at verifying, first, the explanatory contribution of the trees constructed – through examination of a number of other validation criteria suggested by Ritschard and Zighed (2003 and 2004) and applied to this case study by Losa, Origoni and Ritschard (2005) – and, second, their stability, by comparing results with those derived from randomly selected population samples and with trees constructed after a number of the data had been randomly modified.

## Gender equality, part-time work and segregation in Europe

Theo SPARREBOOM\*

***Abstract.** This article shows how both segregation by sex and segregation by hours shape the occupational space of part-time workers. The level of segregation by sex varies according to the shares of full-time and part-time work in total employment, and the trade-off between increasing the volume of female employment and decreasing segregation by sex is much stronger for full-time work. The author argues that there is less segregation by sex in part-time work than in full-time work; it is the gap between the volume of male and female part-time employment that determines the effect of part-time work on segregation in total employment.*

An ambiguous relationship exists between gender equality and part-time work. On the one hand, part-time work has allowed many women to enter the labour market who may not have worked at all if only full-time jobs were available. On the other hand, part-time work is often of lesser quality than full-time work, in terms of both pay and other aspects (OECD, 2010). While the growth in women's part-time work tends to increase the volume of female employment, it does not necessarily reduce the gap between the volume of male and the volume of female employment (Sparreboom, 2012). Part-time work is often seen as a manifestation of the pressure on women to accommodate care and reconcile work and family life (Orloff, 2002), and the growth of part-time work is less dependent on policies such as the provision of childcare to facilitate full-time work by women (OECD, 2010; Sparreboom, 2012). However, part-time work comes at a cost in terms of inequality not only of hours worked but also employment quality.

Occupational segregation by sex is an important and enduring aspect of labour markets around the world, and is an important factor in women's disadvantaged economic situation compared to men (Anker, 1998). Occupational segregation by sex restricts options and choices for women, and affects

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the valuation and remuneration of work. It accounts for a significant part of the observed wage gap between men and women, partly because the relative importance of gender differences in human capital is diminishing (Ñopo, Daza and Ramos, 2011; World Bank, 2011). Segregation also has negative economic effects, since it hampers the efficient allocation of labour, thereby reducing the labour market's ability to respond to change. Excluding part of the labour market from access to occupations reduces the pool of talent, and it is almost inevitable that labour and skill shortages take longer to be resolved in strongly sex-typed occupations (Bettio and Verashchagina, 2009).

While occupational segregation by sex and part-time employment are often considered separately in the literature, this article attempts a joint analysis, allowing us to examine the interplay between segregation by sex and segregation between part-time and full-time employment. Revisiting the debate on the trade-off between increasing the volume of female employment and decreasing segregation by sex in Europe (Rubery and Fagan, 1993; Bettio and Verashchagina, 2009), the article demonstrates that cross-country results change markedly if part-time work is taken into account. A new measure of segregation between part-time and full-time work – i.e. segregation by hours of work – is used to complement traditional measures of segregation by sex, providing valuable additional insights.

The data used are from the European Social Survey (ESS), a biennial survey based on questions including those relating to the respondent's employment situation. Data from the ESS are publicly available,<sup>1</sup> but the sample sizes in individual countries are relatively small. For this reason, we combine the samples from the first five biennial rounds of the ESS (2002, 2004, 2006, 2008, 2010), thus covering the period 2002–11 for 25 developed economies, including all countries of the European Union (EU) except Malta, Latvia, Lithuania and Romania, which were not covered by the ESS, plus Norway and Switzerland.<sup>2</sup> Therefore, the indicators presented in this paper are average values for the period 2002–11, based on five rounds of the ESS for 15 countries for which data are available for all years, with averages based on available surveys/years for the remaining countries.<sup>3</sup> In line with van Bastelaer, Lemaître and Marianna (1997), a cut-off of 30 hours has been adopted to define part-time work in this article.

The remainder of the article is organized into three sections. The first section provides a brief overview of explanations of occupational segregation by sex, and examines occupational segregation in the sample of 25 developed

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<sup>1</sup> See <http://www.europeansocialsurvey.org/>.

<sup>2</sup> The sample size for the employed population is 96,000 observations across all countries, ranging from 1,000 to 7,000 per country.

<sup>3</sup> Austria (Round 1–3), Belgium (1–5), Bulgaria (3–5), Cyprus (3 and 4), Czech Republic (1, 2, 4 and 5), Denmark (1–5), Estonia (2–5), Finland (1–5), France (1–5), Germany (1–5), Greece (1, 2 and 4), Hungary (1–5), Ireland (1–4), Italy (1 and 2), Luxembourg (1 and 2), Netherlands (1–5), Norway (1–5), Poland (1–5), Portugal (1–5), Slovakia (2–4), Slovenia (1–5), Spain (1–5), Sweden (1–5), Switzerland (1–5), United Kingdom (1–5).

economies. While the findings in this section with regard to levels of segregation are broadly in line with the literature, they show that segregation varies according to whether workers are in full-time or part-time employment, and that the much discussed trade-off between increasing the volume of female employment and decreasing segregation by sex appears to be much stronger for full-time work: in other words, for higher levels of full-time employment there are higher levels of segregation. The second section, which looks at part-time work and segregation, argues that the level of segregation by sex in part-time work is generally lower than in full-time work, as both men and women are crowding into a narrower range of occupations. It is therefore the gap between the volume of female and male part-time employment that determines the effect of part-time work on the level of segregation in total employment. This section also shows that segregation between full-time and part-time work should be considered together with segregation by sex in order to obtain a more comprehensive picture of the occupational space of part-time workers. The third section concludes and offers some policy recommendations that could strengthen the role of part-time work in reducing gender inequality.

## Segregation by sex: Explanations and trends

Many theories have been advanced to explain occupational segregation by sex. A central position is taken by labour supply theories in the neoclassical theoretical framework, which started with the pioneering work of Becker (1965) and Gronau (1977) on household economics and household time allocation. The labour supply argument rests on three propositions (Jonung, 1998): division of labour is profitable for the family; investment in human capital depends on labour force attachment; and occupations differ in terms of the human capital they require and/or offer.

In this neoclassical labour supply model, the family is viewed as a production unit, which can benefit from specialization if the partners' productivity in the household or capacity to earn in the market differs. Specialization then results in differences between men and women in terms of labour supply, and in differential choices for investment in human capital. In other words, if women specialize in household activities, they will make choices regarding investment and jobs that are compatible with this specialization. Such choices may include, for example, a preference for part-time work, flexible working hours or short commuting distances. According to the neoclassical labour supply model, occupational segregation and wage differentials by sex therefore primarily reflect differences in human capital and experience. Furthermore, if the supply side model holds, its effects on occupational segregation will be reinforced on the demand side by employer behaviour, even assuming that employers are non-discriminatory.

The neoclassical labour supply model, however, does not explain why women would specialize in household work and men in market work. Put differently, the model explains labour market outcomes very well if differences in

specialization and productivity are a given, but in order to explain why these differences arise in the first place, other factors need to be invoked, such as biological differences between men and women, tastes or preferences, innate ability, etc. However, Jonung plausibly argues that such factors by themselves are not sufficient to explain the extent of occupational segregation by sex, whilst preferences and tastes may also be socially constructed rather than intrinsic. Nevertheless, as pointed out by feminist theories, the characteristics of “female” occupations often correspond to stereotypes of women and their supposed abilities, and supply-side as well as demand-side sex stereotyping certainly plays a role in occupational sex segregation (Anker, 1998).

Despite having been criticized for defending the status quo and the existing levels of occupational segregation, the neoclassical supply side model actually highlights the key role of the allocation of time within the family (Jonung, 1998). Similarly, the World Bank (2011) identifies time use in the family as one of the three factors explaining occupational segregation around the world (the other two being access to productive inputs and the impact of market and institutional failures). Accordingly, as long as existing differences in time use between men and women do not change, the expectation that increased female labour force participation by itself would lead to reductions in occupational segregation seems unwarranted (Jonung, 1998). Rather, employment – particularly in the European context – has evolved in ways that have benefited female-dominated occupations (Rubery and Fagan, 1993). One mechanism by which this has happened is the co-called commodification or marketization of household production. This means that household-based activities (including care) have been progressively brought to the market or the public sector. In this way female labour supply is freed, while at the same time demand is created for paid labour in traditionally female occupations (Bettio, 2002; Bettio and Verashchagina, 2009).

In this context, employment and gender policies may have the unintended effect of reinforcing occupational segregation. Work–family policies such as spending on childcare and paid paternity, maternity and parental leave increase the volume of female employment and reduce gender gaps (ILO, 2011; Sparreboom, 2012). Such policies have been linked to “social democratic” welfare regimes, which are not only characterized by relatively small gender gaps in labour force participation rates and employment-to-population ratios, but also show high levels of occupational segregation (Mandel, 2009). The opposite pattern – low female labour force participation rates but also low levels of segregation – can be observed in “conservative” and even more so in “liberal” regimes.

Based on data from the 1990s for industrialized countries, Mandel and Semyonov (2006) argue that the efforts of social democratic States to facilitate labour market access for women, by means of generous family policies and an extensive public sector, appear to have reproduced the gendered division of labour and to have reduced women’s chances of obtaining desirable occupational positions. An important reason for these outcomes, according to the same authors, is the fact that family policies do not seriously challenge the

### Box 1. Occupational segregation in the European Union

Gender segregation in the EU is analysed in the comprehensive report by the European Commission's Expert Group on Gender and Employment (Bettio and Verashchagina, 2009). The report examines the extent of and changes in segregation, reviews the causes and implications of segregation, and discusses the main policies for tackling segregation. Some of the findings of the report include:

1. For the EU as a whole, the level of occupational segregation, as measured by the standardized or Karmel and MacLachlan index (IP), is still relatively high, with a value of 25.3 out of a maximum of 50 in 2007.
2. Differences among countries are still wide, with a gap of about 10 percentage points in the IP index between the most and the least segregated countries. The four high-segregation countries are Estonia, Slovakia, Latvia and Finland, and the four low-segregation countries are Greece, Romania, Malta and Italy. The well-known opposition of the 1990s between high-segregation Nordic countries and low-segregation Mediterranean countries has given way to a similar opposition between (part of) eastern Europe and (part of) the Mediterranean.
3. The indices of occupational segregation for Europe as a whole (EU27 or EU15) do not indicate significant change since 1992. However, a slight upward trend is observable over the period 2000–10.
4. Aggregate trends in occupational segregation hide contrasting patterns at country level. Fast de-segregating countries are Austria, the Czech Republic, Denmark, Norway, Sweden and the United Kingdom, while re-segregating countries comprise Bulgaria, Ireland, Italy, Latvia, Romania and Spain.

The report focuses on four sets of factors explaining segregation. First, the choice of study field still influences which occupations men and women enter, even though there is close correspondence between the field of study and occupation for only a minority of occupations, in particular, those in the licensed professions such as doctors, teachers, lawyers and accountants. Second, stereotypes continue to be important, but the report notes that it is not easy to establish the extent to which they reflect preferences, social norms or are used as surrogate information. Also, case studies suggest that stereotypes are less important among younger professionals. A third factor highlighted in the report is the unequal care burden, which pushes many women to seek shorter and more flexible hours of work. Part-time work further restricts the choice of occupation, in particular among the less qualified. Finally, organizational and personnel practices may restrict career paths and career prospects for women within occupations.

traditional distribution of family responsibilities between men and women. For example, paid leave policies, while enabling the reconciliation of motherhood with paid employment, also remove women from their employment for prolonged periods. Such policies may therefore hamper investment in firm-specific knowledge and discourage employers from hiring women to positions of authority and power. By contrast, in liberal regimes, women are less likely to benefit from work–family policies to facilitate labour market access, which results in lower female participation rates but also in less segregation, since those women who are employed are competing with men on an equal footing.

### *Extent of and change in segregation in Europe*

A study published by the European Commission (Bettio and Verashchagina, 2009) discusses the extent of and change in occupational segregation by sex in the EU, as well as the main factors explaining this segregation (see box 1).

The study argues that significant increases in the volume of female employment may increase the level of segregation, at least in the short term, and that a trade-off may therefore exist between increasing the volume of female employment and decreasing segregation. This trade-off partly results from the fact that it is easier for women to access those occupations in which they are already well represented, and growth in the relative weight of these occupations (i.e. the share of these occupations in total female employment) will increase segregation levels. However, when the inflow of women into the labour market is sufficiently large, women may also enter relatively male-dominated occupations. The extent to which this desegregation within occupations is happening is a decisive factor in shaping segregation patterns in the long term (ibid.).

### *Occupational segregation in 25 developed economies*

Gender inequality in the sample of 25 countries can be seen from the average occupational distribution by sex, across the nine major occupational groups.<sup>4</sup> Major groups 2, 3, 4, 5 and 9 account for a fairly high proportion of total female employment, with the remaining groups accounting for a fairly low proportion (see figure 1). The largest differentials between men and women are found in major group 5 (service workers and shop and market sales workers), which is also the largest group for female employment, and major group 7 (craft and related trades workers), which is the largest group for male employment. The fact that the distribution of female employment is skewed towards the left-hand side of the figure also highlights the concentration of women in relatively few occupations. Whereas 75 per cent of women are classified in major groups 2 to 5, this proportion is 44 per cent for men.

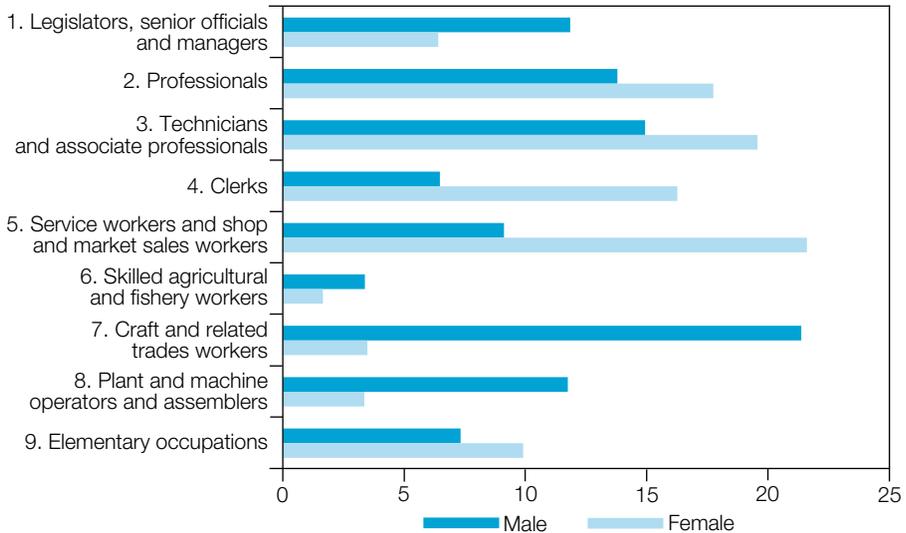
Occupational classification by major group masks a considerable amount of segregation, since occupational distribution at the level of sub-major group and below is also far from equal between men and women. For example, sub-major group 21 (physical, mathematical and engineering science professionals) accounts on average for 4.9 per cent of male employment, as compared to 1.3 per cent of female employment. In the case of sub-major group 22 (life science and health professionals) the opposite pattern can be found, since this group accounts for 1.3 per cent of male employment and 2.7 per cent of female employment.

Segregation between male and female occupational distributions can be summarized in an index. In this article we use the Duncan and Duncan index of dissimilarity (ID), arguably the most widely used measure of segregation (Anker, Melkas and Korten, 2003). The ID is defined as half the sum of the absolute differences, over all occupations, between the proportion of male workers and the proportion of female workers in each occupation (or group of

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<sup>4</sup> Major groups as defined by the International Standard Classification of Occupations (ISCO-88), excluding armed forces.

Figure 1. Average occupational distribution by sex, across major groups 1–9 (percentages)



Source: Author's calculations based on the European Social Survey (various rounds) for the following countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and the United Kingdom.

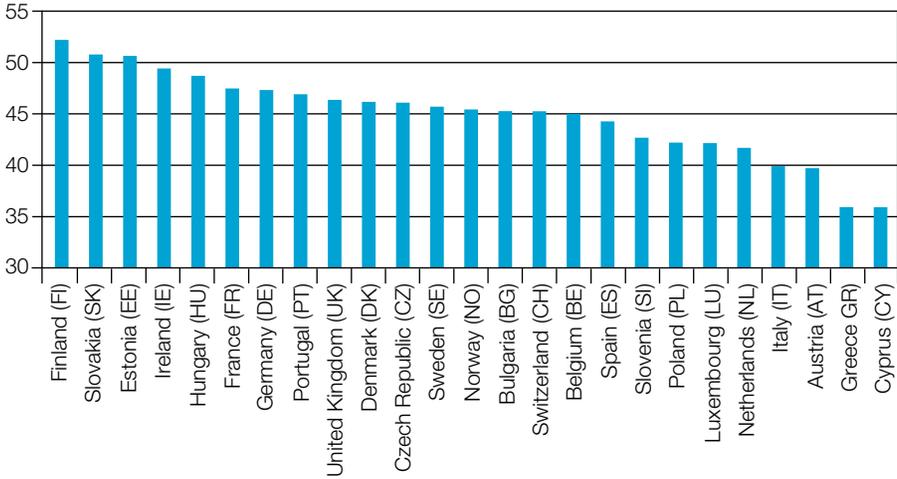
occupations).<sup>5</sup> The index can in general be interpreted as the minimum proportion of either group that have to change categories to make the relative frequency distributions equal (Mulekar, Knutson and Champanerkar, 2008, p. 2099). An advantage of the ID is that it is not directly dependent on the relative volume of female employment, and therefore allows for cross-country comparisons while disregarding differences in the level of female employment-to-population ratios (Charles and Grusky, 1995).

The IDs calculated for the 25 countries in our sample are broadly consistent with the results presented by the European Commission's Expert Group on Gender and Employment (see box 1). There are large differences between countries, with a gap of 16 percentage points between the most segregated and the least segregated country (figure 2). The average value of the ID in the 25 countries, for the period 2002–11, is 45 per cent, which is lower than the average reported for the EU.<sup>6</sup> Apart from differences arising from the

<sup>5</sup>  $ID = (1/2) \sum ABS (M_i/M - F_i/F)$ , with:  
 ABS the absolute difference  
 $M_i/M$  the proportion of male workers in occupation  $i$   
 $F_i/F$  the proportion of female workers in occupation  $i$   
 $\sum$  summation over all occupations  $i$

<sup>6</sup> According to table A.1 in Bettio and Verashchagina (2009), the ID in the EU27 was 48.9 per cent in 2001 and 51.0 per cent in 2007.

Figure 2. Occupational segregation by sex (ID, percentages)



Source: Author’s calculations based on the European Social Survey (various rounds).

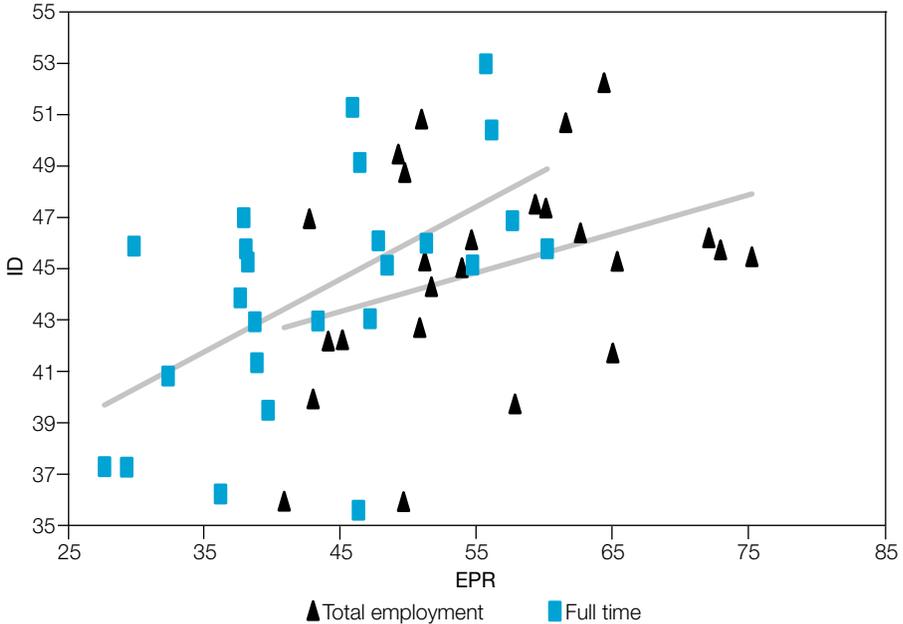
coverage of countries in the European Commission’s report compared to our sample, the lower average ID in the 25 countries can be explained by the fact that the IDs in the European Commission’s report were calculated on the basis of minor groups (ISCO-88, three-digit codes) using data from labour force surveys and not, as in this article, sub-major groups (ISCO-88, two-digit codes) using data from the ESS.<sup>7</sup> Nevertheless, several of the same high segregation countries (Estonia, Finland, Slovakia) and low segregation countries (Greece, Italy) are found in both samples.

### *Occupational segregation and the volume of female employment*

As noted earlier, a potential trade-off exists between the volume of female employment and the level of occupational segregation by sex. The European Commission’s report finds a significant relationship between the level of segregation and the female employment-to-population ratio (EPR – the proportion of the working-age population that is employed) as well as between changes in the indicators over time, but also notes that this relationship is not entirely robust. The report observes that this may be due to the diminishing importance of the employment structure (i.e. where, and to what extent, total employment grows), compared to desegregation within occupations, in determining the level of segregation in the long term.

<sup>7</sup> The value of the ID increases with the number of occupational categories (Anker, 1998). This increase is non-linear and tapers off at around 20 categories, but may nevertheless result in considerable differences between IDs measured on the basis of ISCO-88 sub-major groups and those measured on the basis of minor groups.

Figure 3. Female total/full-time EPRs and occupational segregation by sex (percentages)

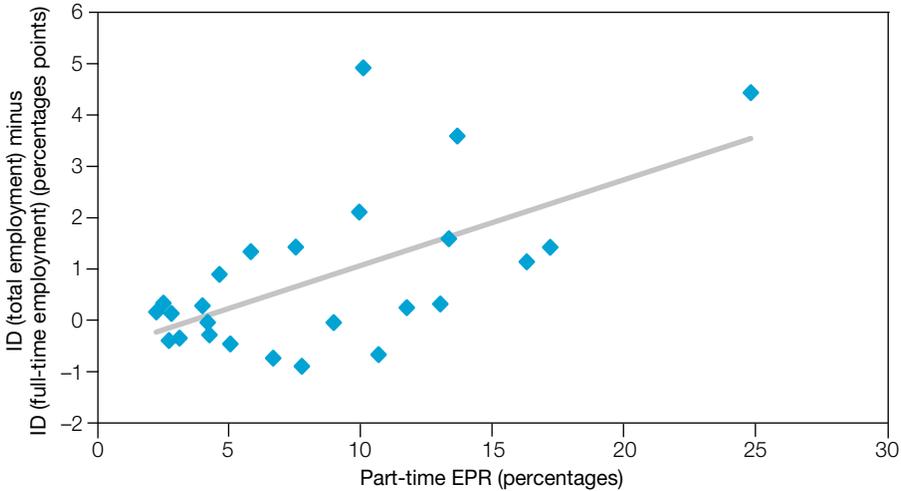


Note: The x-coefficient of the regression line for total employment is significant at the 90 per cent confidence level (R-squared = 0.13) and for full-time employment at the 99 per cent confidence level (R-squared = 0.33).  
 Source: Author's calculations based on the European Social Survey (various rounds); see figure 1 for a list of countries.

In the sample of 25 countries we also find a significant relationship between the female EPR and the level of segregation, and this relationship is also not robust. If we remove the most segregated country (Finland) from the sample, the relationship is no longer significant. However, as shown in figure 3, the relationship between the female full-time EPR and the level of segregation in full-time work is much stronger, and less sensitive to the countries included in the sample. In other words, the shares of full-time and part-time work in total female employment seem to have a distinct effect on the level of segregation. This is confirmed in figure 4, which plots the incidence of part-time work (part-time EPRs)<sup>8</sup> against the difference between the ID for total employment and the ID for full-time employment. The figure shows that a greater incidence of part-time work (which is largely driven by female part-time EPRs) results in a greater difference between the two IDs. A positive correlation between the share of part-time work and segregation

<sup>8</sup> Note that the EPR is different from the more conventional part-time employment rate, as the latter measures the number of part-time workers as a proportion of all workers, and not as a proportion of the working-age population.

Figure 4. Part-time EPRs and occupational segregation by sex



Note: The x-coefficient of the regression line is significant at the 99 per cent confidence level.

Source: Author's calculations based on the European Social Survey (various rounds); see figure 1 for a list of countries.

in total employment has also been suggested in the literature (Dolado, Felgueroso and Jimeno, 2002; Rubery and Fagan, 1993). The next section considers the interplay between segregation by sex and part-time work in more detail.

## Part-time work and segregation

The previous section raises the following question: Why does part-time work appear to differ from full-time work in terms of segregation by sex? This question has become more important with the continued growth of part-time work. According to Eurostat data, almost one in five workers worked part time in the EU27 in 2011 (18.8 per cent), compared to 17.5 per cent in 2000.<sup>9</sup> The female part-time employment rate in the EU27 declined from a peak of 34.8 per cent in 2004 to 31.6 per cent in 2011. Part-time employment growth in more recent years has therefore been due to an increase in the male part-time employment rate, which stood at 8.1 per cent in 2011, compared to 5.7 per cent in 2000.

### Segregation by sex in part-time work

Returning to the question of segregation by sex in part-time work, some of the factors that are commonly used to explain segregation by sex, such as biological differences, tastes or innate ability, would be equally valid for an ex-

<sup>9</sup> Eurostat online database, <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home> [accessed 11 June 2012].

planation of segregation by sex in either full-time or part-time work. Other arguments, in particular those suggested by the neoclassical supply-side model, point in another direction, suggesting lower levels of segregation by sex in part-time work than in full-time work. On the demand side, the marketization of household production may have contributed to segregation by sex in part-time work in that demand is created for labour in occupations that have remained female-dominated.

If, following conventional supply-side explanations of segregation by sex, specialization of women in household activities limits the number of hours that women are available for work, the same may be true for male part-timers. In other words, if male part-time work were the result of specialization of women in market work and of men in household activities, this would help explain a lower level of segregation by sex in part-time work than in full-time work. Although this argument may be valid for prime-age male part-timers, it seems less relevant for other demographic groups that have a relatively high likelihood of working part time, such as older workers and young persons. In the case of older workers reducing their working hours following a period of full-time work, in transition to retirement, there would be little reason to expect differences in segregation by sex between full-time and part-time workers. Young workers are also more likely to work part time (ILO, 2012), and explanations of segregation by sex among young part-timers may in part follow the arguments suggested in the previous section. For example, young persons taking up part-time work in accordance with their field of study (see box 1) would influence the level of segregation by sex among young part-timers in the same way as for the labour market as a whole. On the other hand, young workers might be less susceptible to demand-side sex stereotyping, particularly in countries where progress has been made with desegregation. The fact that many young persons perform part-time work as a secondary activity alongside their studies also suggests that traditional gender roles are less important (Kjeldstad and Nymoen, 2012).

Comparison of segregation by sex between part-time and full-time workers would therefore appear to be an empirical matter. Comparing the occupational distributions of full-time and part-time workers by major groups, for men and women, respectively, suggests that there is less segregation by sex in part-time work (figures 5a and 5b). This is due to the fact that the differences between women and men on the one hand, and between part-time workers and full-time workers on the other, mostly have the same sign (figure 5c). This is true for all major groups except major group 3 (technicians and associate professionals) and major group 4 (clerks).

In other words, the overall pattern is that part-time work for both men and women features heavily in occupational groups that account for a large share of female employment, in particular major groups 2, 5 and 9. Calculation of the IDs for full-time and part-time workers on the basis of sub-major groups underlines the pattern in figures 5a–5c. Figure 6, comprising the 15 countries with the largest sample sizes in the ESS data set, shows that

Women, gender and work

Figure 5a. Occupational distribution of male full-time and part-time employment, major groups 1–9 (percentages)

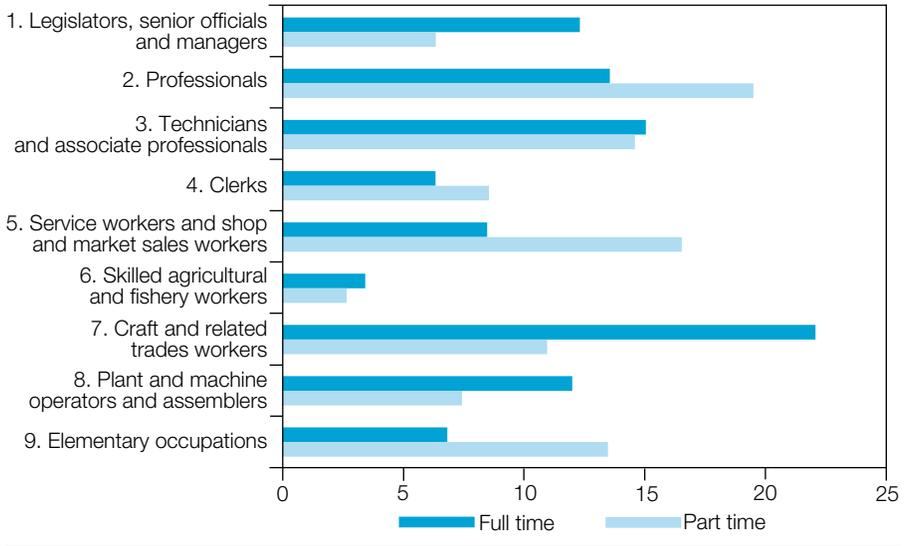
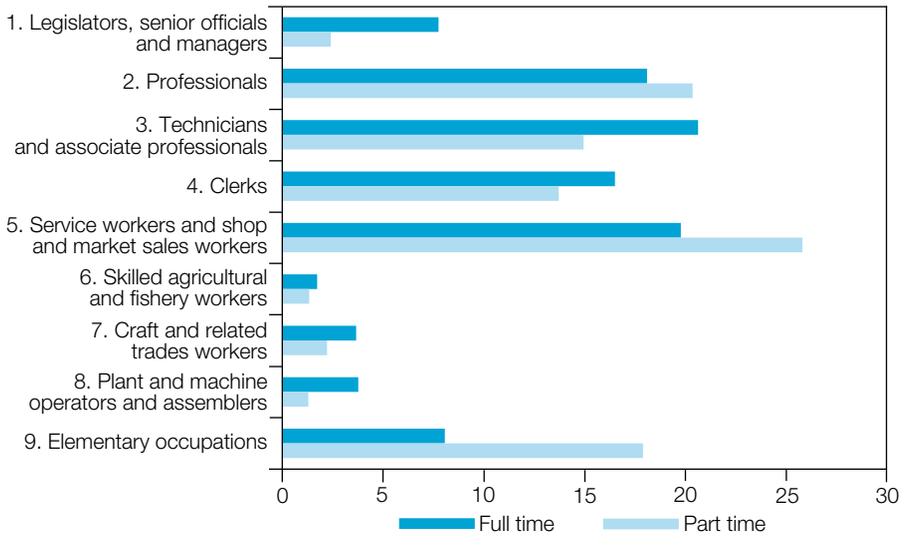
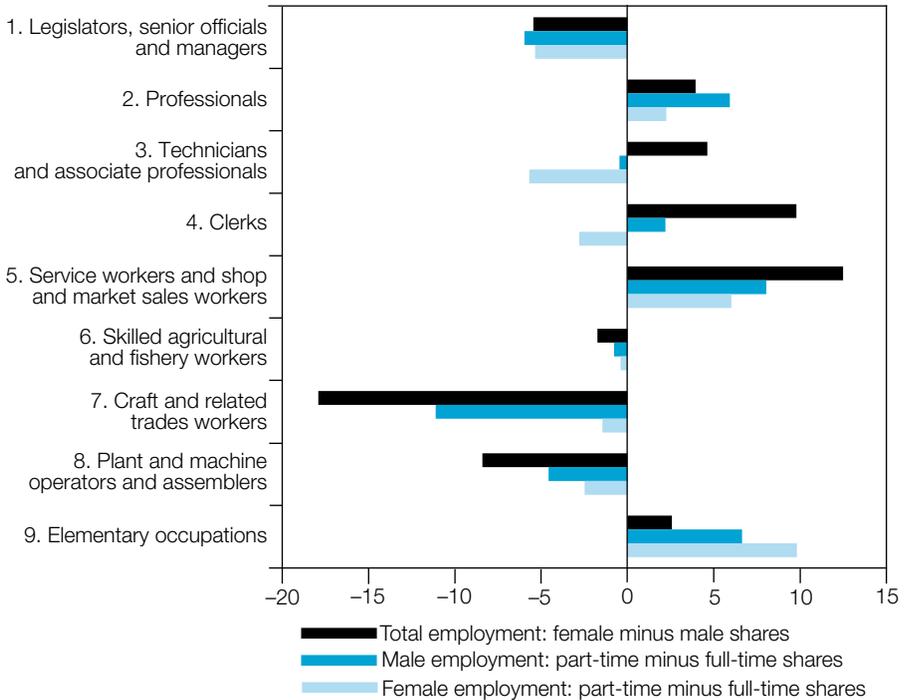


Figure 5b. Occupational distribution of female full-time and part-time employment, major groups 1–9 (percentages)



segregation by sex is lower in part-time work than in full-time work in all countries except Portugal (which has a high ID in part-time work due to the exceptionally large proportion of female part-time workers in elementary occupations).

Figure 5c. Differences in occupational shares between men and women (total employment), and between male/female full-time and part-time workers, major groups 1–9 (percentage points)

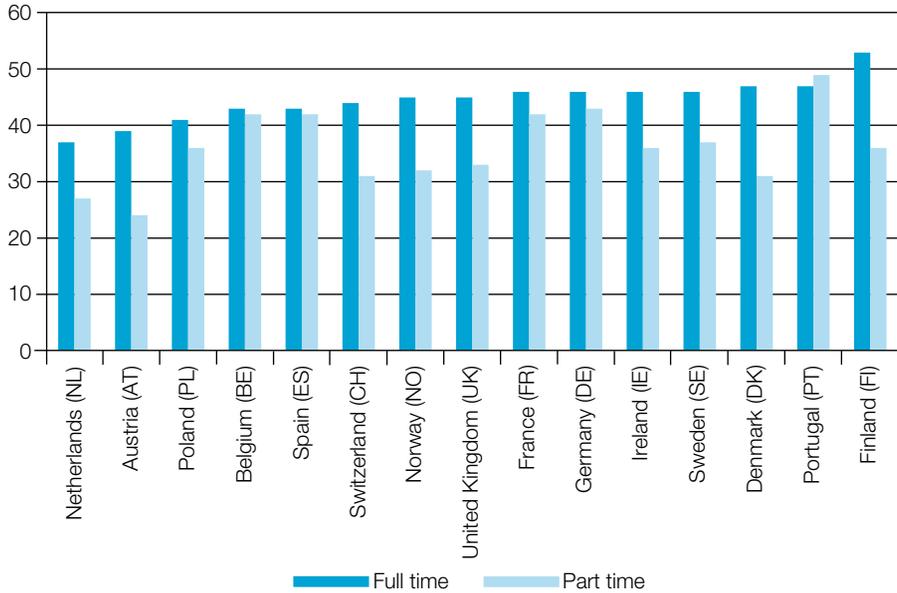


Source: Author's calculations based on the European Social Survey (various rounds); see figure 1 for a list of countries.

The lower levels of segregation by sex in part-time work seem to be inconsistent with the relationship between the part-time employment-to-population ratio and segregation in total employment. How can segregation by sex in total employment – compared to full-time employment – increase when the incidence of part-time work increases (figure 4), while segregation by sex in part-time work is usually lower than in full-time work (figure 6)? To answer this question, it is important to consider the male part-time EPR in conjunction with the overall incidence of part-time work. More part-time work may certainly reinforce the concentration or crowding of women in a narrow range of occupations, but only if there is a large gap between female and male part-time EPRs. If this gap is small, the overall effect of more part-time work may be less segregation. This is illustrated in figure 7, which plots the difference between female and male part-time EPRs against the difference between the ID for total employment and the ID for full-time employment. The intuitive logic behind this figure is that, if the gap between female and male part-time EPRs becomes smaller, this means that more men are crowding into “female” and/or part-time occupations, thereby reducing the differences between men and women in the labour market as a whole.

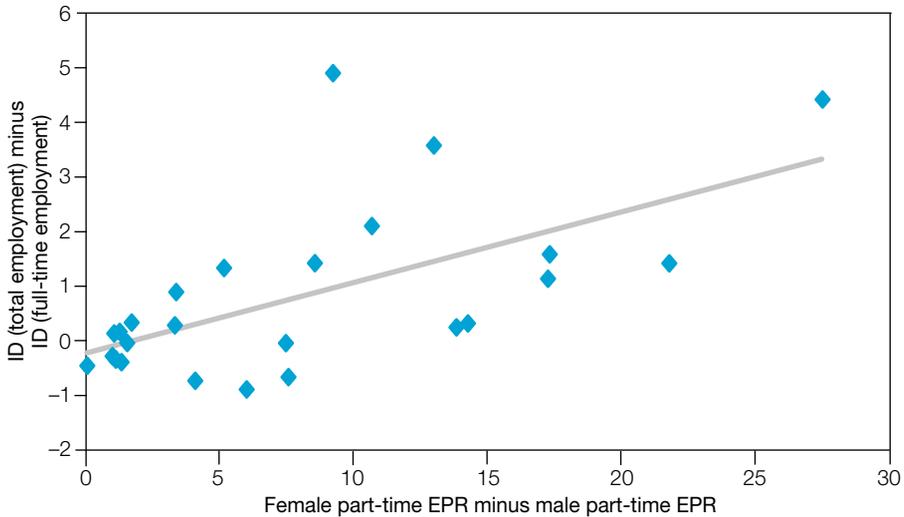
Women, gender and work

Figure 6. Occupational segregation by sex in full-time and part-time work (ID, percentages)



Source: Author's calculations based on the European Social Survey (various rounds).

Figure 7. Differences between female and male part-time EPRs and occupational segregation by sex (percentage points)



Note: The x-coefficient of the regression line is significant at the 99 per cent confidence level.

Source: Author's calculations based on the European Social Survey (various rounds); see figure 1 for a list of countries.

In view of the apparent fact that part-time work may either increase or decrease segregation by sex, depending on the gap between male and female part-time EPRs, and given that both male and female part-time EPRs have been changing in many countries in recent decades, it is perhaps less surprising that the trade-off between increasing female total employment and decreasing segregation by sex (figure 3) is not robust. Similarly, changes in segregation in total employment over time could be due to convergence or divergence of female and male part-time EPRs and/or changes in the total (male/female) part-time EPR. An increasing incidence of part-time work, together with convergence between male and female EPRs, might result in a lower level of segregation in total employment, even when segregation by sex in full-time work remains the same.<sup>10</sup> In this case, segregation by sex is replaced by another type of segregation, namely between full-time and part-time work.

### *Quality of part-time work*

In many countries, part-time work has been viewed more positively since the early 1990s, and policies have become more favourable. The ILO Part-Time Work Convention, 1994 (No. 175), was essentially aimed at levelling the playing field between part-time and full-time workers in terms of wages and working conditions, including social protection, safety and health, sharing this objective with the subsequent 1997 EU Directive on Part-Time work (97/81/EC). In line with these international efforts, most OECD governments have introduced legislation on equal treatment for part-time workers. Accordingly, part-time work in the past two decades has been going through a “normalization process” (Kjeldstad and Nymoene, 2012), albeit to varying degrees between countries and groups of part-time workers.

A large part of the literature on the quality of part-time work has focused on wages. On average, (female) part-time workers tend to earn less than full-time workers, resulting in a part-time pay penalty (Bardasi and Gornick, 2008; OECD, 2010). In OECD (2010) it was shown that the part-time penalty is reflected in a wider range of indicators, including earnings potential, union membership and job security. At the same time, however, the OECD study showed that part-time jobs also carry a “premium” in terms of working time and health. Evaluating the impact of legislation on equal treatment for part-time workers suggests that the legislation is associated with an increased likelihood of having a permanent contract for men and women, and an increased likelihood of participating in training for men, reducing the job quality gap between full-time and part-time workers, but only in countries with tight labour market conditions (*ibid.*, box 4.3).

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<sup>10</sup> It was shown in Sparreboom (2012) that such convergence occurred in several countries that have been identified as fast desegregating countries in the European Commission’s report (see box 1), in particular Denmark, Norway and Sweden. A rise in the overall incidence of part-time work in these countries may therefore have contributed to the observed desegregation, alongside the explanations offered in the report.

Studies show that the magnitude of the part-time pay penalty varies substantially between countries, and may even be absent altogether. For example, controlling for differences in characteristics of workers and jobs eliminates most of the wage gap in Belgium (Jepsen et al., 2005). Hardoy and Schøne (2006) show that in Norway, part-time work is not penalized, and Bardasi and Gornick (2008) suggest the same with regard to Sweden. Institutional labour market characteristics in these countries may help to explain the more favourable labour market position of part-time workers. In Norway, for example, the traditional emphasis on gender equality and generous family policies, the strict enforcement of regulations to combat discrimination against part-time workers, the eligibility of part-time workers for all work-related benefits, the high unionization of part-time workers and the compressed wage structure all play a role. In short, there seems to be no stigma attached to part-time work in Norway (Hardoy and Schøne, 2006).

Less research is available on the part-time pay penalty for men. In a study of six European countries (Belgium, Denmark, Ireland, Italy, Spain, and the United Kingdom), it was found that the raw gap in hourly gross pay ranged from 16 per cent of a male part-timer's wage in Spain to 149 per cent in Ireland (O'Dorchai, Plasman and Rycx, 2007). In Denmark the gap could be fully explained by the characteristics of jobs and workers, but in the remaining countries there was evidence of a pay penalty. In a study on the Netherlands it was found that the part-time pay penalty for men was greater than for women (Russo and Hassink, 2005).

Much of the raw wage gap between full-time and part-time workers is explained by occupational segregation, which suggests strongly limited occupational choices of part-time workers. In Britain, Manning and Petrongolo (2008) show that the part-time pay penalty becomes very small if differences in occupation between part-timers and full-timers are controlled for, suggesting that almost the entire pay gap is due to occupational segregation. Also in Britain, Connolly and Gregory (2009) demonstrate that "occupational downgrading" affects a large proportion of women who switch from full-time to part-time work during their career, reflecting the limited availability of part-time opportunities within their current occupation. Similarly, Jepsen et al. (2005) highlight that, while there does not seem to be a "within industry and occupational group" wage gap, there does seem to be a "market-wide" wage gap, which again suggests severe occupational limitations for part-timers. In the study of male part-timers in Europe, occupational segregation was also found to be important in Belgium, Denmark, Ireland, Spain and the United Kingdom, but less so in Italy (O'Dorchai, Plasman and Rycx, 2007).

### *Segregation by hours of work*

Studies on the part-time wage penalty highlight the levels of segregation between part-time and full-time work. In the same way as segregation between male and female occupational distributions, segregation between full-time and

Figure 8. Segregation by sex and by hours of work

Segregation by sex (male vs female) All workers		Segregation by hours of work (full time vs part time) All workers	
Full-timers	Part-timers	Women	Men
Adults	Young persons	Adults	Young persons
Region 1	Region 2	Region 1	Region 2
Low-skilled	High-skilled	Low-skilled	High-skilled
...	...	...	...
ID (sex) = (1/2) $\Sigma$ ABS ( $M_i/M - F_i/F$ ), with:		ID (hours) = (1/2) $\Sigma$ ABS ( $PT_i/PT - FT_i/FT$ ), with:	
ABS	absolute difference	ABS	absolute difference
$M_i/M$	proportion of male workers in occupation $i$	$PT_i/PT$	proportion of part time-workers in occupation $i$
$F_i/F$	proportion of female workers in occupation $i$	$FT_i/FT$	proportion of full-time workers in occupation $i$
$\Sigma$	summation over all occupations $i$	$\Sigma$	summation over all occupations $i$

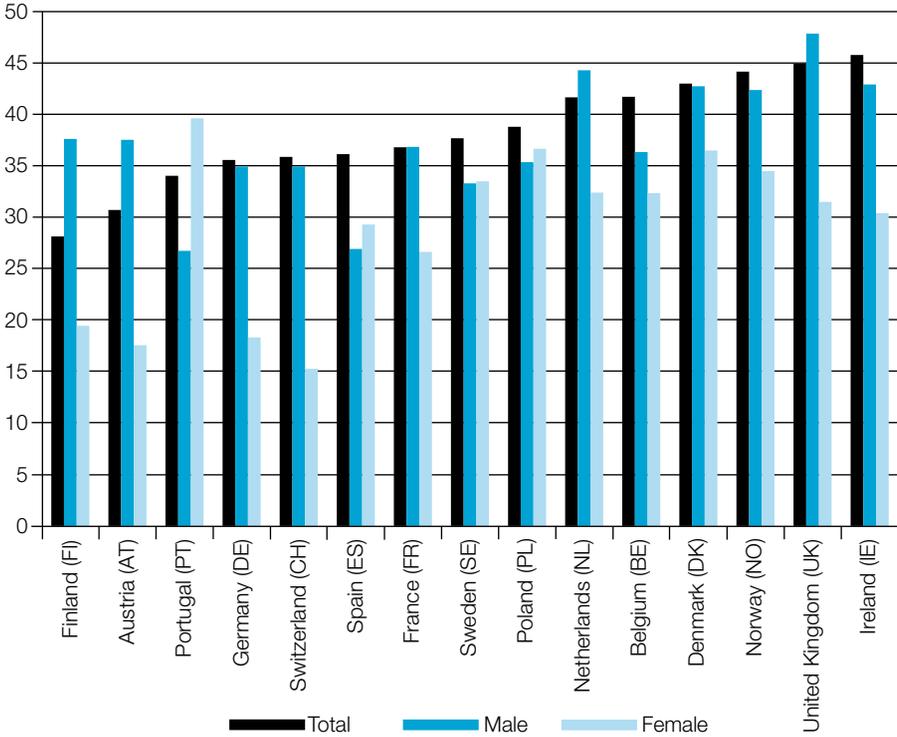
part-time workers can be summarized in an index. The ID (hours) is calculated in an analogous way to the ID (sex), using the relative proportions of full-time and part-time workers instead of the relative proportions of male and female workers.<sup>11</sup> The formulas are shown in figure 8,<sup>12</sup> which also provides some examples of indices that may be calculated for sub-groups in the labour market. The ID (sex) can be calculated for full-time and part-time workers (as was done in the previous section); similarly, the ID (hours) can be calculated for men and women separately.

Again, looking at only the 15 countries with the largest sample sizes, there is considerable segregation between part-time and full-time work, ranging from 28 per cent in Finland to 46 per cent in Ireland (figure 9). For both men and women the range of the ID (hours) is larger than this, exceeding 20 percentage points, while in most countries the ID (hours) for men is higher than the ID (hours) for women. Intuitively this makes sense, since women are generally confined to a more narrow range of occupations, and segregation due to part-time work therefore appears to be more restrictive for men. Perhaps a less intuitive result is that countries in which part-time work is widely regarded as normalized, such as Norway and Sweden, are not the countries that perform well on occupational segregation by hours of work. The fact that female part-time work is well protected and well accepted does not seem to translate into an equal range of occupational choices for full-time and part-time workers.

<sup>11</sup> See Bardasi and Gornick (2008) for calculations of the ID (hours) using three broad occupational groups and Sparreboom and Bourmpoula (2011), which use national labour force surveys with detailed occupational data from Greece, the Netherlands and the United Kingdom.

<sup>12</sup> The ID (hours) is affected by the cut-off that is adopted to define part-time work. As noted earlier, the threshold suggested by van Bastelaer, Lemaître and Marianna (1997) is used in this article. This threshold is within the range used by most countries, and a higher threshold would clearly reduce the measured differences between full-time and part-time work. Similarly, the use of a lower limit alongside the 30-hour upper limit may also change the results in some countries, reflecting the diversity in part-time work and part-time workers. However, additional limits on the definition of part-time work, or the use of additional breakdowns such as those suggested in figure 8, are not attempted in this article because of the available sample size and the need to consider data for sub-major groups (ISCO-88 two-digit code).

Figure 9. Occupational segregation by hours of work (ID, percentages)

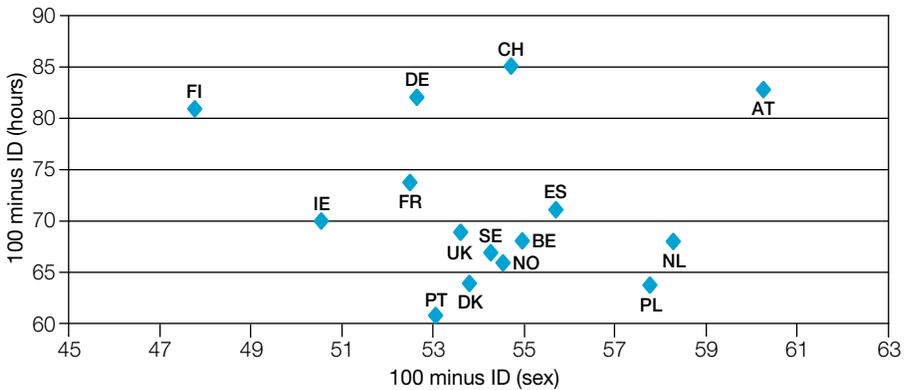


Source: Author's calculations based on the European Social Survey (various rounds).

It is important to note that segregation by hours of work limits the occupational space of female part-time workers in addition to the limitation they already face from segregation by sex. One way to visualize this occupational space is to consider the complement of the ID (hours) – i.e. 100 minus the ID – as one dimension and the complement of the ID (sex) as the other dimension (figure 10). In this way, female part-timers in countries situated high up, and to the right, in the figure have a greater occupational space, i.e. a space less constrained by segregation by sex or segregation by hours. The figure shows that in all countries the occupational space in terms of hours of work is greater than the occupational space in terms of sex. Austria is performing well with regard to both dimensions, while the occupational space of part-time workers is far more limited in Ireland. Norway and Sweden are at the heart of a group of countries with similar levels of occupational segregation by sex but at relatively low levels of occupational space in terms of hours of work.

Figure 10 also suggests that segregation between full-time and part-time employment does not correlate with the part-time employment-to-population ratio, as countries with high part-time EPRs such as the Netherlands and the United Kingdom also have a high ID (hours). The limited occupational space

Figure 10. Occupational space of women working part-time (ID, percentages)



Source: Author's calculations based on the European Social Survey (various rounds).

in terms of segregation by hours in the Netherlands seems to contradict assessments of part-time work in this country, as the Netherlands is often regarded as a country with few restrictions posed by part-time work (Yerkes and Visser, 2006; Bettio and Verashchagina, 2009). Figure 10 demonstrates that this is not true if segregation by hours is taken as an indicator of occupational space, but segregation by sex is relatively low in the Netherlands and female (full-time and part-time) workers benefit from this dimension of the occupational space.<sup>13</sup>

How can segregation between part-time and full-time work be explained? This question warrants empirical research into the supply and demand factors that explain possible differences between part-time and full-time work linked to groups of occupations. An approach explaining part-time work in terms of both supply and demand is adopted by Tijdens (2002) in an investigation of the nature of female part-time work in European countries. She distinguishes four regimes, or models, for predicting whether a woman will work part time or full time. The first model reflects the supply-side nature of part-time work – the “gender roles regime” – according to which the probability that an individual is engaged in part-time employment depends on gender roles in the family. The remaining three models – the “secondary labour market regime”, the “optimal staffing regime” and the “responsive firms regime”) – reflect the demand side. According to the secondary labour market regime, firms create low-wage and high-turnover part-time jobs, while according to the optimal staffing regime, firms will create part-time jobs in response to fluctuations in workload, for example because of time-related demand for services. Finally, according to the responsive firms regime, firms are responsive to workers’ demand for reduced hours in their jobs. All four models reflect factors that

<sup>13</sup> Bettio and Verashchagina (2009, p. 43, box 2) conclude that “... Dutch part-timers are clearly so many that they are found in a much larger number of occupations compared with their counterparts in other countries”. However, the ESS data suggest that the part-time employment rate is not correlated with segregation by hours.

are known to influence the supply and demand for part-time workers to varying degrees.

Based on these models, Tijdens conducts an empirical investigation to explain the likelihood that a woman will work part time rather than full time. She finds that in Europe as a whole, the gender roles regime ranked first as a predictor of the likelihood that a woman will work part time, but there were differences across countries. For example, in southern European countries the gender roles regime has less explanatory power than the optimal staffing regime. The responsive firms regime ranked second in explanatory power, underlining the clustering of part-time employment in workplaces dominated by women. The optimal staffing regime and the secondary labour market regime were ranked third and fourth, respectively. The study shows that part-timers are more likely to have non-permanent contracts, but are not disadvantaged in terms of working conditions, particularly with regard to health and safety.

All four models suggest that part-time work is likely to be more widespread in certain occupations (and industries) than in others, and that the nature of part-time work is such that segregation between full-time and part-work can be expected. In particular, both the gender roles regime and the responsive firms regime suggest segregation by hours along similar lines as segregation by sex. In the case of the gender roles regime this is most likely underpinned by the arguments advanced by the neoclassical supply side model, while according to the responsive firms regime, segregation by sex will be reinforced to the extent that firms are likely to be more responsive to workers' needs with regard to part-time work in workplaces in which women are already well represented. The optimal staffing regime is also more relevant for certain industries and occupations than others, as set out in OECD (2010), while the nature of the secondary labour market regime (emphasising low-wage employment) suggests segregation away from higher skilled (and better paid) occupations.

While the nature of part-time work may be such that segregation by hours can be expected, this is not a necessary outcome, since part-time work exists in a wide range of occupations (including all sub-major groups available in the ESS data). Tijdens (2002) also shows that the responsive firms regime plays a significant role in all countries, suggesting that at least some employers are responsive to workers' demands for less than full-time working hours. Furthermore, the willingness of employers to accommodate part-time work that is primarily in the interest of workers, as opposed to being driven by economic or organizational needs of companies, depends on several factors. While these include regulations affecting part-time employment, the presence of a "part-time culture" is also important, in the sense of the broad acceptance of part-time work by workers' and employers' organizations. Social partners play a vital role in nurturing such a culture, as has been highlighted in the case of the Netherlands (Yerkes and Visser, 2006; Sparreboom and Bourmpoula, 2011).

In other words, there seems to be no reason why part-time jobs should be limited to certain occupations as long as social partners agree to utilize the potential of part-time work. Government policies can also aim to reduce seg-

regation by hours, for example through labour market regulations. But given the high levels of segregation by hours of work in several countries in which part-time work is well protected (figure 10), it is not clear whether or to what extent regulatory policies have any effect on this segregation.<sup>14</sup> In the United Kingdom, the Government adopted a more proactive approach, with the introduction of a Quality Part-time Work Fund, which provided funding for projects to support new initiatives aimed at achieving a culture change, in which more senior jobs (particularly in the skilled occupations and professions) would be more open to part-time and flexible working (Lyonette and Baldauf, 2010). Among the key findings of an evaluation of the activities of the Fund was the need for detailed research in identifying occupation-specific issues in relation to the quality of part-time work.

## Conclusions

Occupational segregation by sex is a major obstacle to equality in the workplace, and incurs social and economic costs for individuals, firms and society at large. According to the European Commission's report on the subject (Bettio and Verashchagina, 2009), the level of segregation has hardly changed since the early 1990s, despite advances made by women in areas including education. This aggregate trend, however, hides contrasting country-level developments, which show a mix of resegregation and desegregation. The literature also demonstrates that there is no single-factor explanation for segregation, with differences in human capital and experience, preferences, stereotypes and organizational practices all playing their part. A key factor is the inequality between women and men with regard to the care burden, and the implications of this burden for time use; this inequality may have been reinforced rather than challenged by some of the conventional work–family policies.

Based on ESS data, we find levels of segregation by sex over the past decade or so that are broadly in line with the literature. Reconsidering the much-debated trade-off between increasing the volume of female employment and decreasing segregation by sex, we find that the trade-off is much stronger for full-time work: in other words, for higher levels of employment, there are higher levels of segregation. Given that, as has been argued in this article, segregation by sex is often lower in part-time work than in full-time work, segregation by sex in total employment is influenced by the incidence of part-time work as well as by the composition of part-time work by sex. It was shown that smaller gender gaps in part-time work tend to reduce segregation by sex in total employment, but for the “wrong” reason; instead of a widening of

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<sup>14</sup> According to Manning and Petrongolo (2008), policy initiatives in the United Kingdom favouring part-time workers, such as the 1999 National Minimum Wage, the 2000 Part-Time Workers Regulations and the 2003 Right to Request Flexible Working, appear to have made little difference to the part-time pay penalty. The most likely explanation for this is that, with the exception of the right to request flexible working, none of these policies were targeted on routes by which female part-time workers end up in low-level occupations.

occupational choices for women, smaller gender gaps in part-work indicate more limited choices for men working part time.

Even countries with low part-time pay penalties and well-protected part-time work often have substantial occupational segregation between part-time work and full-time work. We find levels of segregation by hours of work, measured in a similar way to segregation by sex, to range between 28 and 46 per cent, which limits the occupational choices of part-time workers in general, and male part-time workers in particular. In the case of female part-time workers, segregation by hours of work is an additional limitation to that posed by segregation by sex.

Three policy objectives with regard to part-time employment as a means of reducing gender inequality were suggested in Sparreboom (2012). The first is to establish equivalence between full-time and part-time work in terms of wages and working conditions; the second is to facilitate access to freely chosen part-time work; and the third is convergence of male and female part-time employment rates at higher levels of female part-time employment.

The first objective summarizes the main thrust of ILO Convention No. 175. The second objective, which is explicitly stated in Article 9 of this Convention, means that part-time work should be available in a broad range of sectors and occupations, which can be monitored using measurement of segregation by hours. Although the first and second objectives are equally relevant for male and female part-timers, women stand to gain more since women currently account for the majority of part-time workers. The third objective aims to reduce gender inequality in terms of hours of work, but will also affect segregation by sex. If convergence between male and female part-time employment rates occurs, segregation by sex in total employment measured on the basis of conventional indicators will provide a “better” picture of the development of gender differentials in labour markets.

Achieving these objectives requires integration of gender objectives in employment policies, paying particular attention to the role of part-time work. Some elements of these policies include programmes and workshops to reduce the stigma associated with part-time work, as well as incentives for men to enter into part-time work, particularly in occupations that tend to be dominated by men. Policies could also target industries or occupational groups that have high levels of segregation and/or a low incidence of part-time work.

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## Gender and labour in times of austerity: Ireland, Italy and Portugal in comparative perspective

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Nata DUVVURY\*\*\*\* and Áine NÍ LÉIME\*\*\*\*\*

***Abstract.** Using Eurostat data for 2007, 2010 and 2012, the authors examine the effects of the 2008 crisis on the situation of male and female workers in Italy, Ireland and Portugal, with particular attention to changing labour market dynamics, (intra-household) employment patterns, and incomes. The gender gaps in employment, unemployment and precarious employment are narrowing, but this trend cannot be interpreted as progress toward gender equality: it is driven by men's increasingly vulnerable position resulting from the generalized deterioration of labour market conditions, including the growth of precarious and/or low-paid employment, unemployment and poverty to the detriment of household living standards.*

The global financial meltdown of 2008 and the subsequent wave of reforms affected most countries across the globe. In Ireland, Italy and Portugal, however, their impact was exacerbated by sovereign debt crises and consequent fiscal consolidation programmes. As a result, all three countries experienced severe economic recession and labour market contraction. Ireland and Portugal were the first to initiate reforms and implement austerity budgets to meet the bailout conditions set by the so-called Troika, i.e. the European

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Commission (EC), the International Monetary Fund (IMF) and the European Central Bank (ECB).

Based on the rich body of literature that suggests structural and economic reforms often have gendered effects (see Rubery, 1988; Elson, 1995; Daly, 2011), the main purpose of this article is to conduct a comparative gender-sensitive analysis of the impact of austerity packages on recent labour market dynamics in Ireland, Italy and Portugal. These three countries were indeed characterized by different “gender regimes” before the crisis, making the analysis of its consequences particularly interesting from a gender perspective (Anxo et al., 2007; Erhel and Guergoat-Larivière, 2013; Karamessini and Rubery, 2014). In Ireland, the dominant structure of growth was heavily biased towards construction, international financial services, and exports. The country faced a banking crisis, a fiscal crisis, an economic crisis, a “reputational crisis,” and a social crisis. The government guarantee of banking debt in September 2008 quickly transformed the banking crisis into a sovereign debt crisis which affected the entire economy and its fiscal stability (Whelen, 2013). This, in turn, had a disastrous effect on Ireland’s ability to borrow in the markets, and by late November 2010, the Government signed on to an EC–IMF–ECB bailout. A key condition of the bailout was compliance with the European Union (EU) policy guideline of a fiscal deficit no larger than 3 per cent of GDP by 2015.

Italy has also been severely hit by the crisis. Here, fiscal austerity policies were undertaken in 2009 and stepped up in 2011, together with structural reforms of the goods, services and labour markets, with a view to increasing their efficiency and competitiveness, reducing administrative costs and corruption, and incentivizing investment (Istat, 2014). According to OECD estimates, these market reforms were to have a positive effect on GDP growth – in ten years’ time. The Italian tax system featured complex and uncertain regulations and a higher tax rate than the European average, which were said to have had a negative effect on employment and on the consumption and investment behaviour of firms and households. More crucially, Italy is characterized by a higher incidence of single-earner households compared to the EU average, which heightens the risk of poverty when the typically male breadwinner loses his job (Verashchagina and Capparucci, 2014). Moreover, as with other Mediterranean countries, Italy’s welfare model seems to be increasingly diverging from the “European social model” and, being based on family support, possibly exacerbating inequalities and segmentation because of the growing economic precariousness of households (Simonazzi, 2014 and 2015).

As for Portugal, the global financial collapse exposed its sovereign debt crisis and gave rise to three “Growth Programmes” in 2010 and two subsequent packages, aimed at containing the deficit and the public debt. A political crisis erupted in March 2011, when the Parliament failed to approve the fourth Stability and Growth Programme, prompting the Government to recognize the need for external financial support. In May, a three-year bailout programme was therefore agreed with the Troika. Here again, a key condition of the bailout was compliance with the EU policy guideline. In view of the size of Por-

tugal's deficit, the EC extended the deadline by one year and set the target of a fiscal deficit no larger than 2.5 per cent of GDP by 2015. As a result, the policy agenda has been largely dominated by the current fiscal consolidation plan, austerity measures, labour market reforms (towards less labour protection), and the country's critical economic and employment situation (Casaca, 2013; Ferreira, 2014).

Considering the similarities between the three countries' main political concerns and institutional reforms since 2008, the first part of this article uses Eurostat labour force survey data to examine how the economic recession and austerity reforms have affected their labour markets in terms of employment, part-time work, (long-term) unemployment, and temporary contracts among men and women. The second part of the article explores a different Eurostat database – European Union Statistics on Income and Living Conditions (EU-SILC) – in order to consider the impact of the main changes in the three labour markets on household employment patterns, income poverty and social exclusion. The data we examine are primarily for 2007 (before the outbreak of the crisis), 2010 (at the height of the crisis) and 2012. The final section offers some concluding remarks and suggestions for further research.

## Employment effects of economic recession and austerity reforms

### *Employment rates*

The promotion of women's economic independence has long been identified as pivotal for advancing gender equality in Europe. Accordingly, the EU's main economic and social policy instruments have stressed the need to bring more women into the labour market and to increase their participation in economic activity, along with broader policy aims such as increasing the proportion of the population in employment, enhancing economic growth and contributing to the sustainability of social security systems (Crompton, 2006; Villa, 2007; Rubery, 2011; Bould and Casaca, 2012). In 2000, the European Employment Strategy (EES) agreed by the EU15 set the target of achieving an overall employment rate of 70 per cent and a female employment rate of 60 per cent by 2010. Table 1 shows how Ireland, Italy and Portugal performed in this regard between 2000 and 2012.

The data suggest that the weakening of the male-breadwinner model and the growth of the dual-earner model have been occurring at a different pace in each country. In 2000, the female employment rates in both Ireland and Italy were below the EU15 average. In Italy, less than 40 per cent of women aged 15–64 years were formally participating in the labour force. Portugal, by contrast, had already attained the EU target for female employment by 2000, with 60.5 per cent, and this rate remained fairly stable until 2010. Thus, although Ireland and, particularly, Italy were still below the target in 2010, with 55.8 and 46.1 per cent, respectively, the gender employment gap narrowed sharply in all

Table 1. Male and female employment rates (population aged 15–64) and gender employment gaps, 2000, 2007, 2010 and 2012

	2000			2007			2010			2012		
	M	W	Gap (M–W)	M	W	Gap (M–W)	M	W	Gap (M–W)	M	W	Gap (M–W)
EU27	70.7	53.6	17.1	72.5	58.2	14.3	70.0	58.2	11.8	69.8	58.6	11.2
EU15	72.5	53.9	18.6	74.2	59.5	14.7	71.3	59.4	11.9	70.6	59.8	10.8
Ireland	75.7	53.2	22.5	77.5	60.6	16.9	63.5	55.8	7.7	62.7	55.1	7.6
Italy	67.6	39.3	28.3	70.7	46.6	24.1	67.7	46.1	21.6	66.5	47.1	19.4
Portugal	76.2	60.5	15.7	73.8	61.9	11.9	70.1	61.1	9.0	64.9	58.7	6.2

M = Men; W = Women.  
Source: Eurostat (Labour Force Survey).

three countries over that decade. This is especially true of Ireland, where the gap shrank from 22.5 to 7.6 percentage points between 2000 and 2012.

The diversity of gender regimes is related to the history of women’s integration into paid employment (Karamessini and Rubery, 2014). There are indeed historical and socio-economic factors underpinning Portugal’s relatively high levels of female labour force participation and their further increase since the 1960s. First of all, women’s participation was motivated by the shortage of male workers due to the massive recruitment of men for the country’s colonial wars and emigration. Another factor was the need to contribute to family incomes, as wages were particularly low under the right-wing authoritarian regime that held power for almost 50 years until the democratic revolution of 1974. Thereafter, the persistence of low wages was compounded by other factors including the development of the public administration sector, women’s rising formal educational attainment, and a family socialization process based on the dual-breadwinner model (see, for example, Chagas Lopes and Perista, 1995; Cardoso Torres et al., 2005; Casaca and Damião, 2011).

In the case of Ireland, the low levels of female participation are partly the result of a cultural norm that defines the home as the central place for women and which is explicitly enshrined in the Constitution (Mahon, 1998). This also contributed to shaping social and labour market policies, such as the “marriage bar”, which restricted married women’s employment in many occupations until 1973. Then, limited economic opportunities throughout the 1980s and early 1990s led to extensive emigration for employment. The dual-breadwinner model emerged only recently in Ireland, with the economic boom of the late 1990s, leading to a sharp increase in women’s labour force participation between 2000 and 2007, when the rate peaked at 60.6 per cent.

Italy still featured a wide gender employment gap in 2012 (19.4 percentage points). Its relatively low levels of female labour force participation may be explained by the comparatively weak development of the service sector, the relative under-supply of public childcare services, and a welfare state centred on the family and women as the main providers of (unpaid) domestic and

care work (Casaca and Damião, 2011; Addabbo, 2013; Bianco, Lotti and Zizza, 2013; Verashchagina and Capparucci, 2014). During the recent crisis, women aged over 50 years accounted for much of the (modest) growth in female employment, while male employment decreased markedly in the 35–49 age group (Istat, 2015). On average, there has also been an increase in the number of households with children where only the mother works (*idem*, 2013), though mothers now tend to drop out of the labour market at a higher rate and sooner after childbirth than before the crisis (*idem*, 2014).

In 2010, under the Europe 2020 Strategy, the Member States of the EU27 agreed on a new employment target to be reached by 2020: an overall employment rate of 75 per cent for the 20–64 age group (no particular reference was made to women). The financial crisis, the economic recession and the rise in unemployment explain the changes observed over the past few years, but the trends have been uneven across the three countries examined here. While Italy displays a continuous increase in female employment rates (in contrast to the decline in male employment rates), Ireland has experienced a slight decline among both men and women, and Portugal has been facing an alarming decline in both male and female employment rates (Casaca, 2012).

### *The effects of parenthood on employment*

According to the literature, Ireland, Italy and Portugal are classified in different gender regime clusters (Anxo et al., 2007). Portugal is closer to the “Nordic universal breadwinner model”, with women and men working on a full-time and continuous basis throughout their life-cycle; Ireland displays the features of the “maternal part-time work model”, as mothers tend to work part time even when their children are older; and Italy is included in the “Mediterranean exit or full-time work model”, as female employment rates tend to be low but, once in the labour market, women work on a full-time basis (Karamessini and Rubery, 2014). Our analysis confirms that there are indeed different employment trends across the three countries – between women and men, and between those without and with children – that reflect their gender regimes and economic conditions (Anxo et al., 2007; Erhel and Guergoat-Larivière, 2013; Karamessini and Rubery, 2014).

There is clear evidence of lower labour force participation among women with children in Ireland and Italy, but much less so for Portugal (see Appendix table A1). In 2007, there was a considerable gap (24.9 percentage points) in Ireland’s employment rates between women without children (84.4 per cent) and women with children (59.5 per cent), reflecting the combination of high employment during the “Celtic Tiger” period with relatively low availability of family-friendly policies (Ní Léime, Duvvury and Callan, 2015). In Italy, there was a smaller gap (14.4 percentage points) between mothers and childless women, though their employment rates were much lower than in Ireland (at 54.1 and 68.5 per cent, respectively), reflecting a gender regime based on “familialism”. Portugal stands out as having a high employment rate among

women with children (75.1 per cent) and a very narrow gap between the rates for women with children and those without (1.2 percentage points), reflecting the country's strong tradition of continuous female employment and the availability of policies that support working mothers (Casaca and Damião, 2011).

By 2012, the gap in Ireland had narrowed to 21 percentage points, as a result of a significant drop in employment among women without children and a more moderate decline among those with children; in Italy, the gap had narrowed to 10.7 percentage points; and in Portugal employment was higher among women with children than among those without – possibly a consequence of the dramatic increase in youth unemployment, particularly among young females (Casaca, 2012).

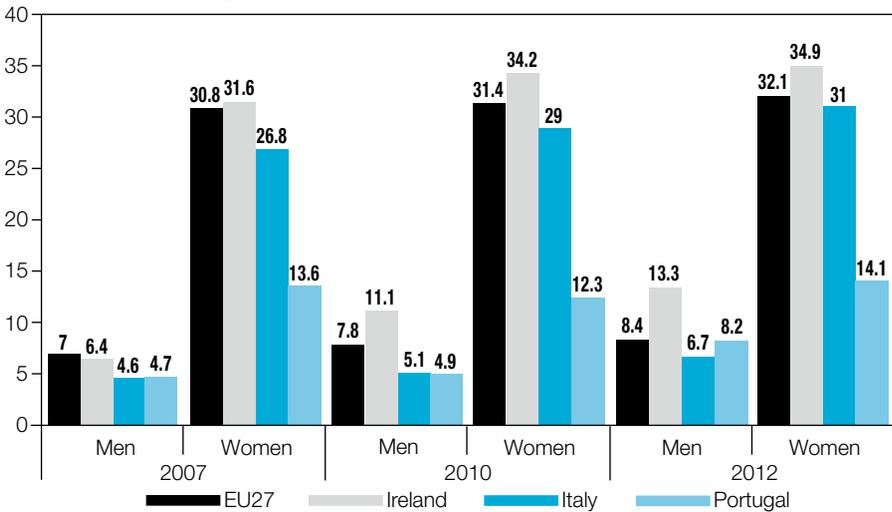
By contrast, all three countries display a higher rate of employment among men with children than among those without children, i.e. the traditional male-breadwinner model. In 2007, in Ireland, the employment rate was 92 per cent for men with children and 85.7 per cent for those without, leaving a gap of 6.3 percentage points, while in Italy, the gap was 11.2 percentage points, and in Portugal, 10.4 percentage points. This reflects the high levels of male employment during Ireland's Celtic Tiger period, though these subsequently dropped dramatically, especially among young men: by 2012, the gap between men with children and those without had widened to 8.2 percentage points. In Italy, the gap had by then increased to 12.5, and in Portugal, to 14 percentage points.

In summary, after the recession, the with/without children employment gaps narrowed among women in both Ireland and Italy and were actually reversed in Portugal. However, this resulted from an overall drop in female employment, not increased participation by women with children. Among men, the gaps widened, reflecting dramatic decreases in employment in all three countries, particularly among young men. Overall, there is some evidence of convergence in terms of the male and female gaps between those with children and those without as a result of declining employment opportunities for most groups, rather than increased employment opportunities for women with children.

### *The growth of part-time employment*

In line with EU trends, figure 1 shows that the incidence of part-time employment increased in all three countries over the period under analysis, for both women and men. As in most other developed countries, however, part-time work in Ireland, Italy and Portugal is much more prevalent among women than among men. Despite some cross-country variation, this clearly demonstrates that gender is a cross-cutting issue: gender roles shape the employment behaviour of both men and women in all three societies. The incidence of part-time work is strikingly low in Portugal, though it has increased, especially among men, since the economic and financial crisis, in line with the rapid deterioration of labour market conditions. Low wages, combined with economic necessity, the late development of the service sector and traditional (labour-intensive)

Figure 1. Part-time employment as a percentage of total employment (workers aged 15–64 years), 2007, 2010 and 2012



Source: Eurostat (Labour Force Survey).

models of production may account for the country's low rates of part-time employment (*ibid.*). In Ireland, the rate is consistently above the EU27 average: over one-third of employed women work on a part-time basis. Since 2007, the part-time rate has been increasing in Italy too, resulting in the widest gender gap – a difference of 24.3 percentage points – between the proportions of women and men in part-time employment. This type of employment, however, may conflict with the aims of gender equality. It may jeopardize not only women's career prospects and economic independence, both present and future, by increasing the gender pay gap and pension gap, but also the modernization of gender relations by reinforcing the role of women as the main care providers and men as the primary breadwinners (*ibid.*; Crompton, 2006; Rubery, 2011). Moreover, it should be stressed that the economic crisis has significantly increased the share of involuntary part-time work in the southern European countries (Addabbo, 2013; Gerecke, 2013; Istat, 2015).

### *Unemployment and precarious work*

Prior to the crisis, the unemployment rate was generally higher among women than among men across the EU27, including in Portugal and Italy. Ireland was an exception, with male unemployment slightly higher than female unemployment in 2007 (5 vs 4.2 per cent). This may be partly due to the fact that the downturn in the country's male-dominated construction industry had begun by the middle of 2006 (Duvvury, 2010). However, in the first years of the economic crisis, the pattern of generally higher female unemployment reversed quickly, leading commentators to characterize the financial crisis as a

“mancession” (Sierminska and Takhtamanova, 2011). Average male unemployment in the EU27 rose from 6.7 per cent in 2007 to 9.8 per cent in 2010, and to 10.5 per cent in 2012; over the same period, average female unemployment rose from 7.9 to 10.6 per cent. Among Irish men, unemployment more than tripled, from 5 to 18.1 per cent, between 2007 and 2012. The initial sharp increase in male unemployment is hardly surprising since men often dominate industries that are more vulnerable to cyclical shocks, such as construction, shipping and manufacturing (Rubery, 1988). However, as the crisis unfolded and reforms in public administration were fully implemented in occupations where women are over-represented (e.g. health and education), the impact on female unemployment could be expected to be stronger than that on male unemployment (Casaca, 2012 and 2013).

Indeed, as the crisis deepened and austerity (or fiscal consolidation) became the policy response across Europe, unemployment continued to increase for both women and men (see figure 2). However, men were nearly three times more affected if one considers only absolute changes between 2007 and 2012 (Sierminska and Takhtamanova, 2011; Bettio et al., 2012). In terms of the gender gap, Italy continued to have higher unemployment rates for women, whereas in Ireland (particularly) and Portugal (slightly) the gender gap was reversed by 2012. Occupational segregation by sex would seem to account for this reversal, as the first industries to be severely hit by the financial and economic crisis were male-dominated – construction, manufacturing, automotive repair and maintenance (Casaca, 2012 and 2013).

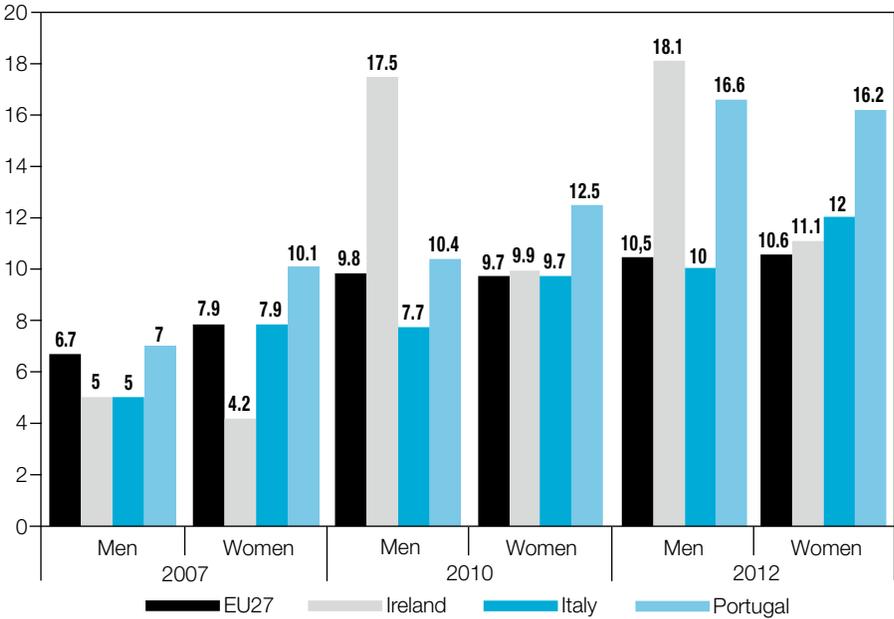
An important measure of unemployment is the proportion of long-term unemployed (see figure 3).<sup>1</sup> Across Europe, women experienced a higher incidence of long-term unemployment, by nearly 2 percentage points in 2012. In Italy, for example, long-term unemployment among women increased by 9.4 percentage points compared to 5.4 percentage points for men. While no comparable data are available for Ireland, its proportion of long-term unemployment was very high in 2012, affecting nearly three out of five unemployed men and women. The experience of long-term unemployment is also influenced by age: Eurostat data suggest that young males in Portugal were more likely to experience long-term unemployment than their female counterparts, though the opposite was true for those in the 25–49 and 50–64 age groups. Italy exhibits a similar pattern, albeit on a lesser scale (European Commission, 2012a). A key feature of long-term unemployment is its relationship to low educational attainment and skill levels. Though all educational attainment categories have been affected by the crisis in this regard, low educational attainment still translates into the highest rates of long-term unemployment, as is the case in Portugal (*ibid.*).

The above overview of unemployment and long-term unemployment trends needs to be qualified with some caveats. Research has indeed demonstrated that unemployed women tend not to be counted in unemployment

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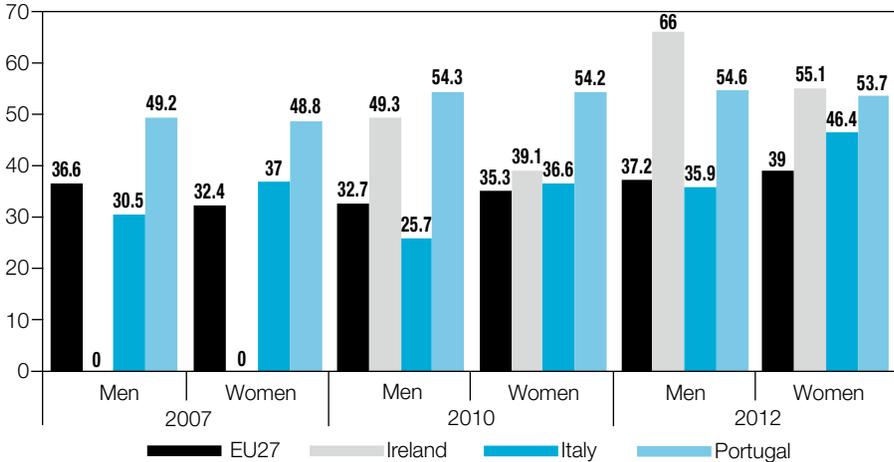
<sup>1</sup> The definition we use is that provided by Eurostat, i.e. the share of persons unemployed for 12 months or more in the total number of labour force participants.

Figure 2. Male/female unemployment rates (percentage of workers aged 15–64 years), 2007, 2010 and 2012



Source: Eurostat (Labour Force Survey).

Figure 3. Percentage of long-term unemployed in total male/female unemployment (workers aged 15–64 years), 2007, 2010 and 2012



Notes: No data available on Ireland for 2007. For Portugal, the data for 2012 were provided by the National Institute of Statistics (INE).

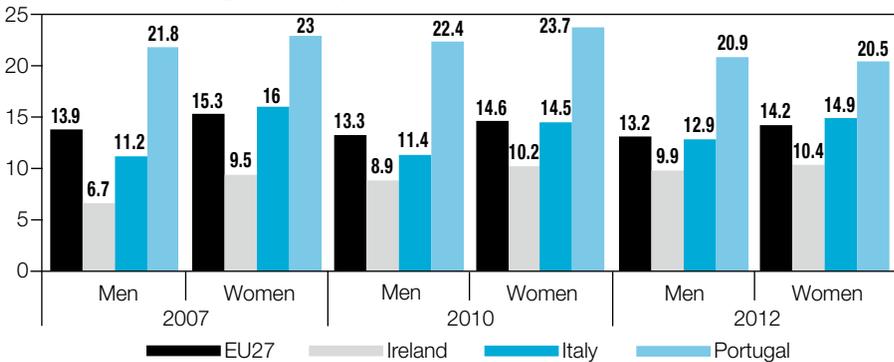
Source: Eurostat (Labour Force Survey).

statistics as they often withdraw from the labour market into unpaid or informal work. Thus, the impact of changing economic conditions – both for women and men – is not fully captured by employment and unemployment data. The statistics thus disguise feminized patterns of behaviour shaped by national labour market rules and norms and the constrained labour supply choices that women often face (Maier, 2011).

Another dimension of vulnerability in the labour market is temporary employment. At the start of the crisis, women averaged a slightly higher proportion of temporary employment than men across the EU27 (15.3 vs 13.9 per cent). Women's greater vulnerability to precarious employment has long been a common pattern in Europe and in the OECD countries generally (Rubery, 1988 and 2011). The gender gap in this respect has been evident in all three countries (except for Portugal in 2012) and is particularly wide in Italy (see figure 4). Over the crisis period, the share of temporary employment increased among both women and men in Ireland and Italy, but it declined in Portugal, and the gender gap in temporary employment narrowed across all three countries – as a result of the severe (and rapid) deterioration of men's labour market prospects since 2007.

However, the broad finding of narrowing gender gaps in terms of employment, unemployment and temporary employment cannot be interpreted as a movement towards gender equality or as a significant change in gender relations. Rather, this trend seems to suggest that men have moved closer to women's labour market vulnerability. This is indeed a common pattern resulting from the deep economic crisis, fiscal consolidation, bailout conditionalities and the severe austerity programmes imposed by the Troika, which have exacerbated the degradation of labour market conditions in all three countries. Moreover, austerity measures have included considerable changes in labour legislation, towards greater flexibilization. This has been particularly striking not only in Portugal and Italy – commonly seen as countries with higher levels of formal labour regulation – but also in Ireland, which is usually deemed to have a more liberal labour market (OECD, 2012). In Portugal, for instance, such deregulation was a condition for external financial assistance and has significantly reduced labour protection since 2011 by simplifying individual and collective dismissal procedures and cutting redundancy payments. Such policies have led to widespread job losses even in those industries that were previously taken to be more “secure” and protective of workers. Collective agreements were suspended in Portugal, whereas Ireland flexibilized wage determination so as to make it easier for companies to opt out of higher-level collective agreements (*ibid.*, p. 29). This may explain the greater vulnerability of men, who were traditionally employed in more protected private industries, but also the risk of further deterioration in labour conditions for women due to public administration reforms. Indeed, all three countries have drastically reduced their numbers of public employees, cut their salaries and frozen recruitment and career progression opportunities in the public sector. This has affected female workers disproportionately since they dominate public-sector

Figure 4. Percentage of temporary employment in total male/female employment (workers aged 15–64 years), 2007, 2010 and 2012



Source: Eurostat (Labour Force Survey).

employment. Moreover, severe cuts in public expenditure on educational and childcare services may also aggravate the terms on which women participate in the labour force, given the prevalence of a familialist ideology. This holds true of all three countries, albeit in different ways. In Portugal, the austerity reforms amount to a policy backlash against the dual-earner model, given the considerable public investment made in childcare services before 2010. In Ireland, the reforms have suspended EU pressures for the implementation of a policy framework more supportive of women's employment (Barry and Conroy, 2014; Ferreira, 2014). And in Italy, where welfare cuts have been deeper, the cutbacks have limited the expansion of childcare services, which are provided very unevenly across regions, leading to further constraints on mothers' labour supply with a negative impact on women's employment in all sectors (Addabbo, 2013; Verashchagina and Capparucci, 2014). We now need to discuss the implications of these developments in terms of household employment patterns, poverty and social exclusion.

## Household employment patterns, poverty and social exclusion

### *Household employment and income pooling patterns*

Microdata provided by EU-SILC suggest that the financial, economic and labour market crises have also had an important impact on household employment and income. In particular, Bettio et al. (2012, p. 78) report a significant decline in the number of dual-earner couples: in 2007 dual-earner couples constituted 74.1 per cent of all surveyed couples in the EU25, with male breadwinner and female breadwinner couples accounting for 21 and 4.9 per cent of the total, respectively. By 2009, the proportion of dual-earner couples

had dropped by 5.1 percentage points, with much of the change reflected in an increase in the proportion of female-breadwinner couples (+4.7 points). In Italy and Portugal, the increase in the share of female-breadwinner couples was higher than the EU average, at 6.64 points and 6.72 points, respectively. Interestingly, Italy experienced a decline not only in the proportion of dual-earner couples (-4.97) but also in that of male-breadwinner couples (-1.67). In other words, the rise in unemployment that severely hit men during the first phase of the crisis seems to have produced new household configurations, associated with the growing proportion of women becoming the main breadwinners (and also jobless households). Given the prevailing gender wage gap, however, this trend is likely to translate into a higher risk of poverty for female-breadwinner households, although women's access to paid employment acts as a buffer against the risk of poverty consequent upon job loss among men.

While the impact of the Great Recession on poverty and material deprivation will be discussed more fully below, it is important to start by examining the extent to which available measures of income poverty may be biased by the assumption of income pooling. Indeed, according to the classical views on poverty, the household is a “black box,” within which incoming resources are pooled and equally allocated and shared among household members (Pahl, 1983). But this assumption does not allow for an accurate estimation of the gender poverty gap. Within the current framework of poverty analysis, a household statistically classified as non-poor may include poor individual members, who are often women and children (Daly, 1992; Findlay and Wright, 1996; Bastos et al., 2009).

Accordingly, we use the ad hoc module of the EU-SILC 2010 on income pooling and resource sharing to reconstruct the intra-household allocation of resources in the three countries considered here. In order to observe patterns of intra-household inequality, Eurostat follows Pahl (1983) in defining three types of resource pooling, namely: full pooling, partial pooling and “no pooling.”<sup>2</sup> Except in the case of full pooling, differences in individual incomes and in sharing may result in intra-household inequalities that adversely affect those who are lower-income earners or not wage earners at all.

Preliminary results from the survey show that responses vary widely depending on whether one uses household-level information or individual-level information (Eurostat, 2013). In Italy, for example, the share of households that reported full pooling ranged from 78 per cent based on household-level responses to 44 per cent based on individual responses. Similar discrepancies

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<sup>2</sup> “Full pooling” is understood to refer to a situation in which all the incomes of all the household's members are pooled and used by any member for common or personal expenditures – i.e. all have full access to the pooled income whatever the individual contribution to the pool might be. Under the partial pooling regime, household members contribute a share of their personal income to the pool and keep the rest (which they do not necessarily use for themselves). A given household member then has access only to a share of the others' incomes, a priori only for common (or dedicated) expenses. “No pooling” means that no income is pooled at all, and that no household member has access to the income of another – suggesting that the household members have to organize for common expenses (Eurostat, 2013, p. 13).

Table 2. Distribution of households by income pooling regime (percentages)

	Household level			Individual responses			
	Full pooling	Partial pooling	No pooling	Full pooling	Partial pooling	No pooling	Not consistent
Ireland	63.5	11.5	25	41	23.2	2	33.8
Italy	78.3	12.8	8.9	44	25.6	3.6	25.9
Portugal	72.3	22.6	5.1	52.2	11.6	9.1	27.1

Source: Eurostat (2013), tables 1 and 4.

are observable in the cases of Ireland and Portugal (see table 2). However, cultural differences compounded by uncertain data quality and comparability make comparison difficult across countries. This also raises doubts about the consistency of responses on the prevailing model of income disposal. While full pooling is the most common pattern of household resource allocation in all three countries, the standard hypothesis of a generalized pattern of full pooling across all household seems to be rejected by the data.<sup>3</sup>

To sum up, table 2 suggests the existence of intra-household inequalities, as people who are lower-income earners or who are not earners at all (typically women and children) may be deprived of intra-household resources. In order to account for the problem of sex-differentiated access to resources, Bettio et al. (2012) use an indicator constructed at the individual level, namely, the dependency rate. This captures the proportion of people with an individual disposable income (after social transfers) below the at-risk-of-poverty threshold of 60 per cent of national median individual disposable income after social transfers. The dependency rates for the three countries examined here show a gender gap to the advantage of men that was similar in 2005 and 2009. Gradín, del Río and Cantó (2010) also show that poverty in the EU is not gender neutral, because of the inequalities that adversely affect women in terms of education, employment and wages. To overcome this problem, Bárcena-Martín and Moro-Egido (2013) consider only single-adult households in their research on the impact of micro- and macro-level factors on gendered poverty outcomes. Our findings thus also highlight the need for in-depth qualitative studies on the potential implications of men's and women's changing employment patterns for gender relations within the home.

### *Poverty and social exclusion*

As stated in the EES in 2000, raising employment and promoting social inclusiveness have long been key goals of EU policy. The goal of transforming the EU into a smart, inclusive and sustainable society was reaffirmed under the Europe 2020 Strategy. In addition to raising the employment rate to

<sup>3</sup> See Eurostat (2013) for preliminary results and sensitivity analysis on the EU-SILC 2010 ad hoc module on income pooling and sharing of resources.

75 per cent for men and women, this laid down a further commitment to lifting 20 million people out of poverty and social exclusion by 2020.

The recent economic crisis and current austerity reforms in Italy, Ireland and Portugal have been affecting these countries' rates of poverty and social exclusion. Neither of these is gender-neutral, as the causes and experiences of living in poverty and/or being socially excluded are distinctively gendered (Bastos et al., 2009) – and all three countries are variously affected by gender inequalities in regard to employment. Against this background, we now examine the gender implications of recent labour market dynamics for poverty and social exclusion.

According to the Eurostat definitions we use, the “at-risk-of-poverty rate”, capturing income poverty, is the share of people whose “equalized disposable income” is below 60 per cent of the national median equalized disposable income after social transfers.<sup>4</sup> In 2010, Eurostat introduced the concept of people “at risk of poverty or social exclusion”, incorporating definitions of income poverty (“at risk of poverty”), severe material deprivation, and very low work intensity.<sup>5</sup> Despite the importance of this compound definition, we undertake a separate analysis of each of these indicators as they are not gender neutral, hence also the importance of establishing the extent to which work intensity is associated with poverty. It should be noted, however, that the concept of work intensity does not distinguish full-time from part-time employment. This constitutes a limitation because the nature of an individual's labour force participation has important consequences for his/her resources and, therefore, for his/her experience of poverty and social exclusion (Ward and Ozdemir, 2013).

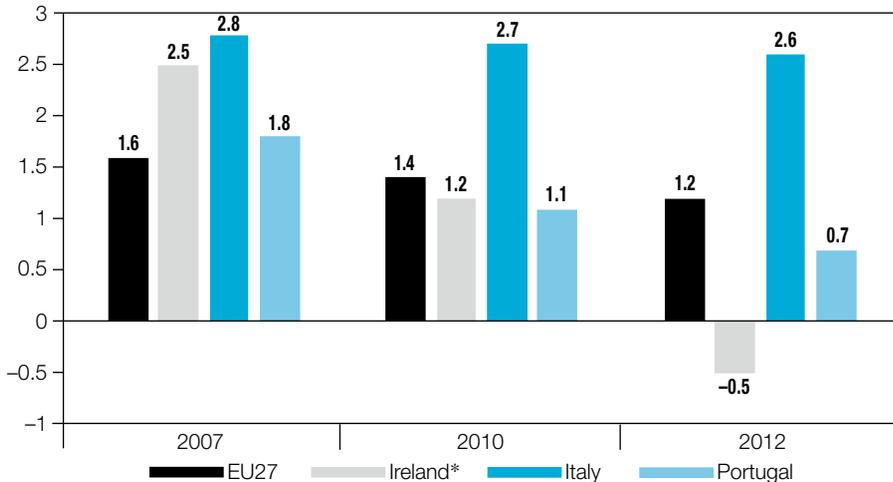
Except for Ireland in 2011, the at-risk-of-poverty rates are higher for women than for men across all three countries (and the EU27). Over the years, Italy and Portugal consistently display rates above the EU average, and Italian women face the highest risk of poverty – a condition that affects approximately one in five of them (see Appendix table A2). Italy also appears

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<sup>4</sup> Equalized disposable income is the total income of a household, after tax and other deductions, that is available for spending or saving, divided by the number of household members converted into “equalized adults” on the basis of the so-called modified OECD equivalence scale, which attributes the weight 1 to the first adult in the household, 0.5 to each subsequent member aged 14 or over, and 0.3 to household members aged under 14 (see <http://ec.europa.eu/eurostat/statistics-explained/index.php>).

<sup>5</sup> Specifically, an individual is deemed to be “at risk of poverty or social exclusion” if he or she belongs to at least one of the following three categories: (i) being at risk of poverty, (ii) being severely materially deprived, or (iii) living in a household with very low work intensity. People in the first of these categories are those whose equalized disposable income (after social transfers) is below 60 per cent of the national median equalized disposable income after social transfers. The second category includes people who cannot afford at least four of the following nine items: to pay their rent, mortgage or utility bills; to keep their home adequately warm; to face unexpected expenses; to eat meat or proteins regularly; to go on holiday; a television set; a washing machine; a car; a telephone. For the third category, an individual is deemed to live in a household with low work intensity if the members of the household aged 18–59 years worked less than 20 per cent of their potential working time in the income reference year. Work intensity evaluates the number of months during which individuals were employed in the income reference year. It varies between 0 (never employed) and 1 (always employed).

Figure 5. Gender gap in at-risk-of-poverty rates after social transfers (percentage points), 2007, 2010 and 2012



Notes: The gender gap is the difference between the at-risk-of-poverty rate after social transfers for women and the at-risk-of-poverty rate after social transfers for men. \* For Ireland, there are no data available for 2012; data for 2011 are used instead.

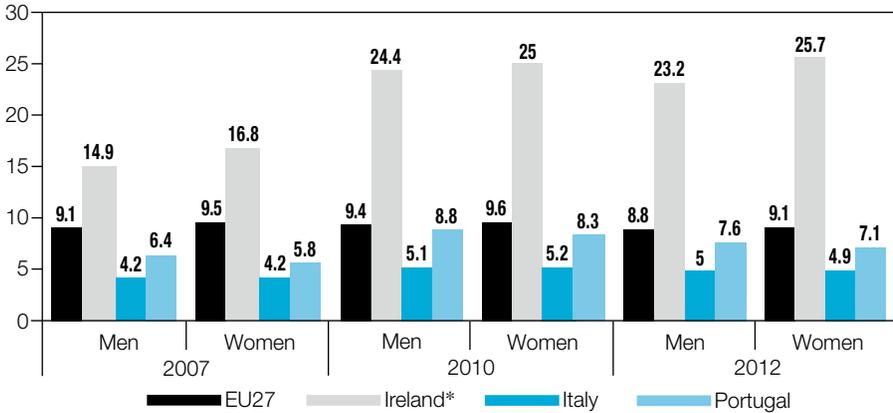
Source: Authors' calculations based on EU-SILC data.

to display the largest gender poverty gap to the disadvantage of women, and Ireland, the smallest. As shown in figure 5, the gap in Italy was 2.8 percentage points in 2007 and, though it narrowed slightly during the crisis, it was still wider than the EU average in 2012 (and the widest among the three countries studied here). In Portugal, however, the gap has been narrowing over the crisis period, which may be explained by men's greater vulnerability to unemployment during the initial phase of the crisis. Ireland follows a similar trend, with the 2011 reversal of the gender gap reflecting the cuts to unemployment benefits, which men were more likely to be receiving.

By computing the at-risk-of-poverty rates on income before transfers and comparing them with the rates after social transfers (Appendix tables A2 and A3), we confirm the important role of social transfers in protecting people from poverty during the crisis (see also Bettio et al., 2012). This is particularly evident in Ireland. Here, although the difference between the at-risk-of-poverty rates before and after social transfers tends to be greater for women, the crisis sharply widened the gap between the two states among men as well (see figure 6). This evidence also is probably related to their higher vulnerability to job loss coupled with the increase in the proportion of them receiving unemployment benefits.

The at-risk-of-poverty rates by employment status and work intensity suggest a rising trend in poverty among the employed, especially those characterized by low work intensity – the category in which women predominate (Appendix tables A4 and A5). This trend points to the growth of working

Figure 6. At-risk-of-poverty rate differentials before/after social transfers, 2007, 2010 and 2012 (percentage point gaps)



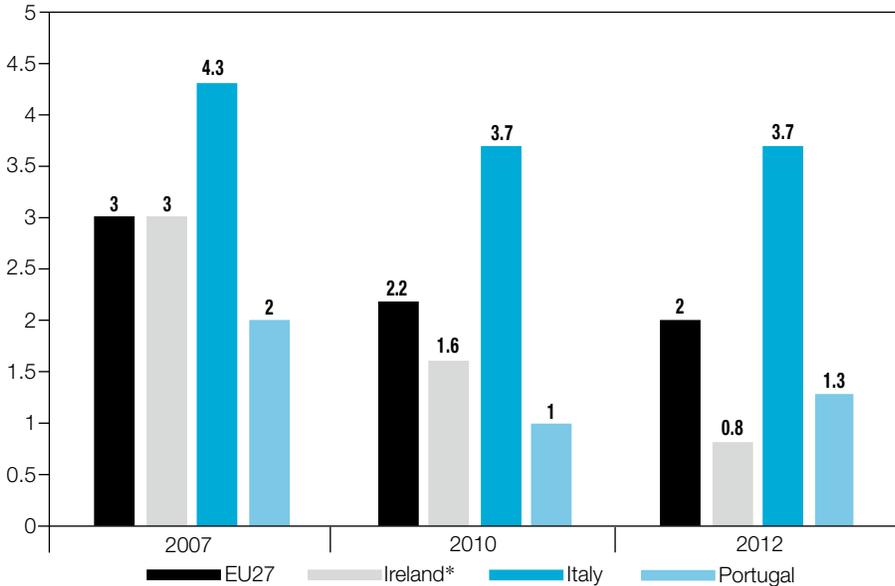
Notes: The gap is the difference between the at-risk-of-poverty rate before social transfer minus the at-risk-of-poverty rate after social transfers. \* For Ireland, there are no data available for 2012; data for 2011 are used instead.

Source: Authors' calculations based on EU-SILC data.

poverty in the three countries considered, reflecting the marked deterioration in wages and labour market conditions during the crisis and the implementation of very severe austerity measures.

The analysis of the “at-risk-of-poverty or social exclusion” indicator is in line with the income poverty results (Appendix table A6). As expected, however, the gender gaps shown in figure 7 are wider than the corresponding gaps in income poverty because they include material deprivation and work intensity – i.e. labour market attachment – areas where women are especially vulnerable (European Commission, 2012b). Noteworthy in this regard is the relative position of Italy: its wider average gender gap to the disadvantage of women can be related to the higher likelihood they face of being in lower-paid and more precarious employment or in inactivity. Moreover, they are also more likely than men to face material deprivation for lack of income support on account of their typically more discontinuous employment histories, their higher likelihood of experiencing long-term unemployment and the characteristics of the Italian system of unemployment insurance, which penalizes those who were formerly inactive or who were in precarious employment. The deterioration of the relative position of men in Ireland in 2011 should also be noted. Again, it reflects their higher vulnerability to unemployment, along with the changing composition of part-time employment, as men increasingly took up “vulnerable employment” (Duvvury and Finn, 2014). In Portugal, the gender gap narrowed in the first years of the crisis, in line with the EU 27 trend. More recently, however, it has again widened slightly, perhaps as a consequence of the lagged deterioration of women’s labour market position. As mentioned above, occupational segregation by sex had the effect of “sheltering” women’s jobs during the

Figure 7. Gender gap in at-risk-of-poverty or social exclusion rates, 2007, 2010 and 2012 (percentage points)



Notes: The gender gap is the difference between the at-risk-of-poverty or social exclusion rate for women and at-risk-of-poverty or social exclusion rate for men, according to the definition given in footnote 5. \* For Ireland, there are no data available for 2012; data for 2011 are used instead.

Source: Authors' calculations based on EU-SILC data.

first phase of the crisis (see Casaca, 2012 and 2013). In Italy, the gender gap in income poverty narrowed between 2007 and 2012, both for the employed and for the unemployed, but in Ireland, it widened for both; and in Portugal, the gap narrowed for the unemployed but widened for the employed. Generally speaking, however, the relative situation of women worsened (see Appendix table A4). Indeed, as from 2010 in particular, the extensive cuts made in public expenditure, especially in family-related benefits, have not been gender-neutral because women are the main recipients (Bettio et al., 2012).

The effect of fiscal consolidation on welfare provisions has thus been especially acute in the three countries analysed here (Bettio and Verashchagina, 2014). One of their common policy responses to the crisis has been to reduce public expenditure on health care, education and, particularly, social protection. This policy has had far-reaching consequences for poverty and social exclusion, especially for families with children, whose living conditions have deteriorated significantly. Government funding of social policy programmes, including social welfare and childcare, has been reduced, and direct payments to single parents and people with disabilities have been cut (Walsh, Carney and Ní Léime, 2015). It has been argued that the focus on reducing public expenditure may disproportionately affect women in the long run since they are the most vulnerable to cutbacks in services and to measures affecting public-sector workers (Rubery

and Rafferty, 2013). Changes in unemployment insurance systems, either limiting the duration of benefits or restricting eligibility, have also had a tremendous impact on standards of living in the context of growing unemployment and long-term-unemployment. Precarious workers and those with more intermittent employment trajectories – women and youth being over-represented in these groups – are now more exposed to the risk of not being covered by the welfare system.<sup>6</sup>

## Concluding remarks

In the pre-crisis period, under the EES, EU countries were trending towards convergence in terms of women's labour force participation and narrowing the gender employment gap (Karamessini and Rubery, 2014). Taking a gender-sensitive perspective, this article has used Eurostat data for 2007, 2010 and 2012 to analyse the effects of the 2008 financial and economic crisis and consequent austerity policies on labour market dynamics (employment, part-time work, unemployment, long-term unemployment, temporary contracts), households, income poverty and social exclusion in Ireland, Italy and Portugal.

Although the promotion of women's economic independence has been seen as crucial to the advancement of gender equality and to economic growth in Europe, the three countries have performed quite differently in this regard. Indeed, the weakening of the male-breadwinner model and the growth of the dual-earner model have been occurring at very different paces in each country. The gender employment gap has narrowed sharply, particularly in Ireland, though it is still fairly wide in Italy. However, both men and women in these three countries now have a longer way to go to reach the Europe 2020 target of 75 per cent employment than was the case at the outbreak of the crisis, before the introduction of severe austerity reforms. Moreover, cuts in public expenditure on schooling and childcare facilities have further constrained mothers' labour supply, thereby exacerbating the negative impact on women's employment and discouraging them from taking up full-time employment. This obviously highlights the need for further research in this area. The interaction between cutbacks in public spending and the increasing retirement age in the three countries (also lowering grandmothers' childcare supply) should also be analysed since primary carers (typically women) could experience a significant increase in the amount of unpaid work they do, compounded by lower access to public services and a further decline in their employment.

Diversity was also found in relation to working time regimes. Around one-third of Irish and Italian women are now working on a part-time basis – a trend that does not challenge the traditional male-breadwinner model, but seems to point to a modified version of it, and one that compromises gender equality both in the current labour market situation (fewer career prospects,

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<sup>6</sup> Although Italy's wage supplementation fund was expanded at the beginning of the labour market crisis to encompass employees who were not previously eligible (e.g. those employed in small firms) and recent reforms have tried to increase the coverage of unemployment benefits, the country's social protection system remains incomplete (OECD, 2015).

widening gender pay gaps) and in the future, with a widening of the gender pensions gap and greater vulnerability to income poverty and social exclusion (Rubery, 1988 and 2011; Crompton, 2006; Bettio et al., 2012; Casaca, 2012). Over the period 2007–12, the gender gap in temporary employment narrowed across all three countries because of the severe (and rapid) deterioration of men's labour market conditions since 2008. Looking at the overall figures on unemployment and precarious (temporary) employment, we find the situation in Portugal to be particularly critical.

In terms of the gender gap in unemployment, Italy continues to have higher unemployment rates among women, whereas in Portugal the gender gap has been reversed, with men experiencing higher unemployment by 2012. Occupational segregation by sex would seem to account for this outcome, as the first industries to be severely hit by the economic crisis were male-dominated – i.e. construction, manufacturing, automotive repair and maintenance. This also occurred in many other European countries during the first phase of the crisis, immediately after 2007, in a process that led commentators to characterize the financial crisis as being primarily a “mancession” (Sierminska and Takhtamanova, 2011). The traditional view that women act as a “buffer segment” in the labour market, being called in when demand expands and dispensed with when it contracts, has already been challenged in the context of previous crises (Bruegel, 1979). But considering the data on the current crisis, that view seems to be completely refuted (Bettio et al., 2012). However, as the crisis unfolds and public administration reforms are fully implemented – in occupations where women are over-represented (e.g. health care, education) – the impact on female employment can be expected to be far more detrimental (Casaca, 2012 and 2013). Meanwhile, across all three countries, the most general finding is convergence in terms of the narrowing gender gaps in employment and unemployment, and part-time and temporary work, which cannot be interpreted as a movement towards gender equality or a significant change in gender relations. Rather, this trend suggests that men have moved closer to women's vulnerable position in the labour market, in a process that is accelerating the generalization of degraded labour market conditions (i.e. low-quality jobs, part-time work, insecure temporary contracts, low wages, and unemployment) and vulnerability to income poverty and social exclusion. In Portugal and Ireland, this is a common pattern resulting from the deep economic crisis, fiscal consolidation plans, severe austerity programmes, including labour market and welfare reforms, and bailout conditionalities. In fact, we note significant policy convergence across all three countries with respect to both labour market deregulation and weakening social protection. In the context of growing unemployment and long-term unemployment, the reduction of social spending in general and of unemployment benefits in particular has contributed to a dramatic deterioration of living conditions, and left many individuals without any social protection. Also, the adoption by all three countries of austerity policies narrowly focused on reducing public debt appears to have adversely affected progress towards gender equality.

In this regard, it is worth noting that the number of employed people exposed to the risk of poverty (the working poor) also increased during the period under analysis, particularly affecting those in low-intensity employment (mainly women). Our analysis confirms the importance of social transfers in protecting workers and households from the risk of poverty (see also Bettio et al., 2012). The difference between the at-risk-of-poverty rates before and after social transfers tends to be wider for women, although the crisis has sharply increased the gap for men too. This finding is probably related to men's higher vulnerability to job loss and to their increased reliance on unemployment benefits (particularly in Ireland). In the current context of austerity and extensive cuts in social provisions, this raises some key concerns, as vulnerability to income poverty may increase in the near future for both men and women, but especially for women as the main recipients of social benefits. In terms of the risk of social exclusion, the gender gap is wider than it is for income poverty (particularly in Italy) because this indicator includes material deprivation as well as labour market vulnerability, areas where women are especially exposed. There is indeed evidence from the three countries to suggest that gender-sensitive social policies are needed to ensure the protection of the most vulnerable groups from the consequences of the crisis.

Current labour market conditions also seem to be shaping new household configurations that are increasingly featuring women as the main breadwinners. Given the persistent wage gap to the disadvantage of women, this shift also could well heighten the risk of poverty for female-breadwinner households. Moreover, changes in household employment patterns may also have important implications for men's and women's relations within the home. In particular, since "full pooling" of resources is not found to be the generalized pattern across households in the three countries considered, differences in individual incomes and in income sharing regimes may generate intra-household inequalities, which may negatively affect those who are lower-income earners or not wage earners at all (typically women and children).

In the current context of crisis and austerity, our research has thus identified some relevant gender specificities, which could make an important contribution to mainstreaming gender in labour and social policies. Gendered changes in household employment patterns and the hypothesis of intra-household inequalities suggest that further research is needed to find out whether gender identities and roles are being renegotiated between couples. This would also require analysis of the impact of current changes on the negotiation and distribution of paid and unpaid work, decision-making processes and power relations. All of these factors call for in-depth qualitative studies aimed at examining the potential implications of current labour market and household changes for gender relations within the home.

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## Appendix

**Table A1. Employment rates among men and women without and with children, 2007, 2010 and 2012 (percentages)**

	2007			
	Without children		With children	
	Men	Women	Men	Women
Ireland	85.7	84.4	92.0	59.5
Italy	82.7	68.5	93.9	54.1
Portugal	82.4	76.3	92.8	75.1
	2010			
	Without children		With children	
	Men	Women	Men	Women
Ireland	72.1	80.5	79.1	56.5
Italy	78.0	66.3	90.6	53.5
Portugal	77.7	77.1	90.1	72.2
	2012			
	Without children		With children	
	Men	Women	Men	Women
Ireland	70.6	79.5	78.8	58.5
Italy	76.1	66.1	88.6	55.4
Portugal	71.8	72.0	85.8	73.5

Source: Eurostat (Labour Force Survey 2007, 2010, 2012).

**Table A2. Male/female at-risk-of-poverty rates after social transfers, 2007, 2010 and 2012 (percentages)**

	2007		2010		2012	
	Men	Women	Men	Women	Men	Women
EU27	15.7	17.3	15.7	17.1	16.3	17.5*
Ireland*	16.0	18.5	14.6	15.8	(15.4)	(14.9)
Italy	18.4	21.2	16.8	19.5	18.1	20.7
Portugal	17.2	19.0	17.3	18.4	17.5	18.2

\* estimated. \* For Ireland, there are no data available for 2012; the numbers in parentheses refer to 2011.

Source: EU-SILC.

**Table A3. Male/female at-risk-of-poverty rates before social transfers (pensions excluded from social transfers), 2007, 2010 and 2012 (percentages)**

	2007		2010		2012	
	Men	Women	Men	Women	Men	Women
EU27	24.8	26.8	25.1	26.7	25.1	26.6
Ireland*	30.9	35.3	39.0	40.8	(38.6)	(40.6)
Italy	22.6	25.4	21.9	24.7	23.1	25.6
Portugal	23.6	24.8	26.1	26.7	25.1	25.3

\* For Ireland, there are no data available for 2012; the numbers in parentheses refer to 2011.

Source: EU-SILC.

**Table A4. Male/female at-risk-of-poverty rates by most frequent activity status, 2007 and 2012 (percentages of employed/unemployed/retired persons)**

	2007						2012					
	Employed		Unemployed		Retired		Employed		Unemployed		Retired	
	M	W	M	W	M	W	M	W	M	W	M	W
EU27	9.0	7.6	47.9	39.8*	13.5	11.8	9.7*	8.6*	49.9*	43.9*	10.8*	11.7*
Ireland*	5.5	5.6	43.8	44.2	36.0	28.6	(6.2)	(4.3)	(31.3)	(34)	(15.4)	(5.0 <sup>u</sup> )
Italy	11.8	6.9	49.4	39.7	10.7	8.6	12.2	9.4	48	40.4	9.1	8.3
Portugal	9.9	8.7	36.9	27.7	19.4	15.6	11.2	8.5	38.6	38.3	13.5	11.3

Notes: M = Men; W = Women; \* estimated; <sup>u</sup> low reliability. \* For Ireland, there are no data available for 2012; the numbers in parentheses refer to 2011. Data on other inactive persons are not included.

Source: EU-SILC.

**Table A5. Male/female at-risk-of-poverty rates by work intensity (high, medium and low), 2007 and 2012 (percentages)**

	2007						2012					
	High		Medium		Low		High		Medium		Low	
	M	W	M	W	M	W	M	W	M	W	M	W
EU27	8.5	8.8	18.2	18.6	34.4	35.5	9.2*	10.4*	22.6*	22.7*	41.8*	42.6*
Ireland*	4.1	5.4	8.6	9.2	27.8	23.0	(4.1)	(2.9)	(9.7)	(10.2)	(16.6)	(13.5)
Italy	7.8	8.6	24.0	24.1	36.5	37.2	8.3	10.1	25.9	27.5	45.6	48.2
Portugal	9.8	10.1	25.1	23.5	39.7	44.1	11.5	10.7	30.9	29.9	43.8	43.4

Notes: M = Men; W = Women; \* estimated; Low intensity: ]0.2–0.45], Medium intensity [0.45–0.55] and High intensity ]0.55–0.85]; \* For Ireland, there are no data available for 2012; the numbers in parentheses refer to 2011.

Source: EU-SILC.

**Table A6. Male/female at-risk-of-poverty or social exclusion rates, 2007, 2010 and 2012 (percentages)**

	2007		2010		2012	
	Men	Women	Men	Women	Men	Women
EU27	22.9	25.9	22.5	24.7	23.7	25.7*
Ireland	21.6	24.6	26.5	28.1	—	—
Italy	23.8	28.1	22.6	26.3	28	31.7
Portugal	24	26.0	24.8	25.8	24.6	25.9

\* estimated.

Source: EU-SILC.

PART IV

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**FROM UNPAID TO UNDERPAID:  
THE CARE-WORK CONTINUUM**

## Care workers in Argentina: At the crossroads of labour market institutions and care services

Valeria ESQUIVEL\*

**Abstract.** *In Argentina, one-third of all employed women, but only 3 per cent of all employed men, are care workers. Their relative pay and working conditions depend not only on applicable labour market regulations (and enforcement) but also, crucially, on the organization of care service provision, including the degree of public-sector engagement in the provision of particular services, the different care providers, and the locus of care provision (institutional vs other contexts, e.g. households). Comparing two childcare-related occupations (early-education teaching and domestic service), the author argues that those two – possibly mutually reinforcing – dimensions intersect to explain differences between care workers’ labour market positions.*

In the past 15 years, the feminist economics literature has seen the emergence of a new concept, the “care economy”, as a result of the shift “from labour to care” (Himmelweit, 2000). The old emphasis on women’s and households’ unpaid care work<sup>1</sup> gave way to a new framework, defined “more specifically, focusing on the labor process rather than the relationship to the site of production (home versus market) or the production boundary (in the SNA or not)” (Folbre, 2006a, p. 186).<sup>2</sup> In the process, the care-economy framework has expanded the analysis of unpaid care work by including also the study of care work performed in the paid economy – the work of care workers.

Following England, Budig and Folbre, this article defines care workers as wage workers whose occupations involve providing a “face-to-face service that develops the human capabilities of the recipient” (2002, p. 455). This typically

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<sup>1</sup> Unpaid care work corresponds with “extendedSNA” (System of National Accounts) activities, i.e. care of persons, housework, and voluntary work.

<sup>2</sup> In much of the “Northern” literature at least, that emphasis implied a narrower focus on the “direct” care-of-persons component of unpaid care work, excluding most instrumental housework tasks, like cleaning or cooking. For an alternative approach in a development context, see Razavi (2007).

includes the work of doctors and nurses, early-education, primary and secondary school teachers and aides, university-level professors, therapists and nannies. It also includes domestic workers, whose work content is more loosely defined but cannot be excluded from the analysis of care occupations in Argentina. Domestic workers are expected to cook, clean and do the ironing, but they also mind children and take care of elderly or infirm household members if required – the work content of their jobs accommodates the needs of the employer’s household.

The sex-typing of unpaid care work – which, at least in Buenos Aires, is still overwhelmingly women’s work (Esquivel, 2010) – extends to domestic workers, who are almost invariably women. The association of unpaid care work with “natural” female characteristics – and not with skills acquired through formal education or training – also implies that most domestic workers have low formal educational credentials. Conceptually, the inclusion of domestic workers in the analysis of care work is based on the idea that care – particularly that performed within households – encompasses both direct care of persons and indirect care, in the form of housework that is a prerequisite for the former to be performed on an unpaid basis (Folbre, 2006a, p. 188; Razavi, 2007, p. 6).

Previous research on paid care work has found that care workers are, in some contexts, relatively low paid and their working conditions deficient as compared to other groups of workers.<sup>3</sup> Some explanations for this have focused on the work content of care occupations, associated with women and mothering and therefore socially undervalued, which might affect “people’s sense of how much the [care] job should be paid” (England, Budig and Folbre, 2002, p. 457). A related argument justifies care workers’ lower pay on the grounds that “care has its own reward”, i.e. “care-prone” workers accept lower wages because they “like” doing their work and derive intrinsic fulfilment from it (for a critique, see Folbre and Nelson, 2000). Other explanations have focused on the particular characteristics of care services, whose productivity might lag behind that of other industries. Mounting competitive pressures might thus translate into lagging relative wages, falling care standards (particularly in the public sector) and/or higher relative costs of care services (Himmelweit, 2007; Folbre, 2006b).<sup>4</sup> Yet other explanations have focused on specific labour market contexts and the characteristics of care workers’ employment. For example, the growing supply of migrant care workers (mostly women) might keep care-service wages relatively low (Pérez Orozco, 2009). In labour markets with wide earnings inequality and/or high unemployment, care workers might be placed at the bottom of the pay hierarchy, “crowding” these sectors and putting downward pressure on wages (Folbre, 2006b).

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<sup>3</sup> On care workers’ pay, see the article by Michelle Budig and Joya Misra (“How care-work employment shapes earnings in cross-national perspective”) in this special issue of the *International Labour Review*; on working conditions, see Folbre (2006b).

<sup>4</sup> It should be noted that the “cost disease” argument (lagging productivity of care services) is strictly valid only in conditions of full employment. Before full employment, there is indeed room for care services to expand without pressure on care workers’ wages, since the productivity of these services does not necessarily lag behind.

This article analyses the relative wages and working conditions of care workers in Argentina. It argues that beyond similarities in the work content of care occupations, two – possibly mutually reinforcing – dimensions intersect to explain differences in care workers’ labour market position. The first relates to labour regulations and their enforcement (i.e. whether workers are effectively protected by labour law), which shape the employment of care workers (and workers in other occupations). The second dimension stems from the ways in which the provision of care services is organized in Argentina. Given the multiplicity of care providers, prices (including free provision in some segments) and quality levels of different services, this article also argues that the working conditions and relative pay of care workers in Argentina are crucially dependent on the degree of public-sector engagement in particular services, on the “rules of the game” for other care-service providers, and on the locus of care provision (institutions or households).

In order to contextualize this analysis, the first of the remaining sections of this article reviews the provision of care services in Argentina, focusing on the health and education sectors. The second investigates the working conditions and pay of care workers in the particular context of the Argentine labour market. The third section offers an in-depth comparison of two selected care occupations, namely, early-education teaching and domestic work. A final section concludes.

## The provision of care services in Argentina

In Argentina, the State plays a major role in both regulating and providing care services (usually at no cost to users) at the national, provincial and municipal levels. It is therefore a major employer in the health sector, and the main employer in education.<sup>5</sup>

The health sector in Argentina is stratified into three tiers: public-sector provision coexists with the “social security sector” (administered by unions and therefore directed to unionized, formal wage workers) and the private sector, whose services are restricted to users with relatively high incomes. In this system, the public sector has long been understood to cover the poorest segments of the population, particularly those with no access to formal employment (Anlló and Cetrángolo, 2007). During the 1980s, public hospitals, the main public-sector health institution, became increasingly short of financial resources as the public sector experienced fiscal constraints. Decentralization – a heritage of the dictatorship – exacerbated existing local and regional disparities. In this context, the market-friendly reforms of the 1990s brought deregulation of the social security sector (after which workers could choose between different union-based health services) and a wave of management reforms in public hospitals. The latter put downward pressure on costs and emphasized revenue generation, authorizing service fees to be charged to those

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<sup>5</sup> This section relies heavily on Faur (2008).

who could pay. These trends, which continued into the following decade, have had a profound impact on the working conditions and wages of health workers. Indeed, jobs became more precarious and “flexible”; incomes more variable, and the health-sector labour force increasingly professionalized and feminized (Pautassi, 2006).

Education, by contrast, is provided free of charge in state-run institutions, which employ over three-quarters of all teachers and professors. Private schools do exist, but most are heavily subsidized by the State, which typically pays for teachers’ salaries, while other costs are covered by fees. Primary education is a constitutional right and therefore nearly universal. And in 2006, the National Education Act (Law 26.206, of 28 December 2006) extended mandatory schooling up to the completion of secondary education.

During the 1990s, when early, primary and secondary education services were decentralized, long-standing disparities in service quality worsened in the absence of a concomitant resource transfer from the national administration. Indeed, responsibility for infrastructure development, management and administration, and teachers’ pay was transferred to the provincial level, putting extra pressure on the budgets of poorer jurisdictions. The reform implied a profound change in the educational paradigm, leaving behind previous aspirations of equality. It triggered acute fragmentation along socio-economic lines as well as a breakdown of coordination between educational levels at a time when other social inequalities – most notably income inequality – were also worsening. In this context, teachers’ working conditions and pay deteriorated in parallel with widening inequalities in the quality of the schools accessible to children from different socio-economic backgrounds (Dirié and Oiberman, 2001).

In sum, the market-friendly reforms of the 1990s diminished public-sector coverage and increased disparities in service quality, leaving it up to families to find “private” solutions to fill the resulting gaps in public provision. While gaps were indeed filled, the solutions have often reproduced existing income and gender inequalities. Poor households’ access to health and education services depends on the capacity of the local government administration to provide care services (inversely proportional to the size of the vulnerable population in the jurisdiction) and their own ability to compensate for the lack of services by resorting to the unpaid care work of family members, particularly women (Esquivel, 2010). The “market solutions” available to middle- and upper-class households, by contrast, include an array of privatized health and education services, as well as the hiring of domestic workers. Although not all domestic workers perform care work themselves or work for households with dependants, they clearly ease the burden of unpaid housework, thus helping make room for the provision of care by non-dependent household members, or making it possible for women in these households to “reconcile” paid employment and unpaid care work.<sup>6</sup>

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<sup>6</sup> Significant in itself is the fact that “conciliation” is naturalized as a (middle-class) women’s issue: men “do” paid work, but typically do not have to “reconcile” spheres (Faur, 2006).

## Care workers in the Argentine labour market

Argentina's labour market is highly segmented along gender and income lines (Cortés, 2000). Women's labour force participation and average monthly earnings are lower, and their unemployment rate is higher, even though their average educational credentials are slightly higher than men's (table 1). Women in the lowest household income quintile participate less in the labour force than the female average – a historical trend that was reinforced by the improvement of men's employment prospects during the period of rapid economic recovery (2003–07). At the same time, the unemployment rate of women in the bottom quintile is 10 percentage points higher than the female average. Women in the highest income quintile, by contrast, show the highest rates of labour force participation and have better employment prospects, which translate into unemployment rates 10 percentage points *below* the female average (Cortés, 2009).

The proportion of wage workers is greater among women than men, reaching almost 80 per cent. In what represents the main feature of the Argentine labour market, however, fully half of female wage workers (and 40 per cent of male wage workers) are in unregistered or “informal” employment (Beccaria, Esquivel and Maurizio, 2005).<sup>7</sup>

Argentina's labour market is also segregated by sex: women are over-represented in the least skilled occupations and in social and communal services (including public employment programmes), but they remain under-represented in manufacturing, construction and trade. Women are also over-represented in the public sector, which has traditionally offered registered, stable but low-paid jobs (table 1). Quantitative and qualitative evidence suggests that women require better educational credentials than men (all other things being equal) to access protected jobs (Esquivel, 2007). Moreover, they generally suffer from both subtle and overt discriminatory practices (Novick, Rojo and Castillo, 2008).

This article's focus on the broadly defined category of care workers allows a new reading of these findings, which reflect long-standing features of the Argentine labour market. It can also shed light on the processes that might underpin them. Yet it must be remembered that the averages presented in table 2 result from markedly different situations on account of the widely divergent types of care occupations held by women.

No less than one-third of all employed women in Argentina are wage workers in care occupations.<sup>8</sup> Roughly half of them are teachers, professors, doctors, nurses and related aides – occupations that require relatively high educational credentials and skills (see figure 1). That these occupations are

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<sup>7</sup> Workers are considered as “unregistered” when employers do not pay their social security contributions. In such cases, workers are often also deprived of unemployment insurance, health care, annual bonuses, family allowances, etc.

<sup>8</sup> Care occupations, as defined above on the basis of England, Budig and Folbre (2002), do not include managerial or administrative positions.

## Women, gender and work

**Table 1. Labour market indicators by sex (percentages of urban total in the second quarter of 2006)**

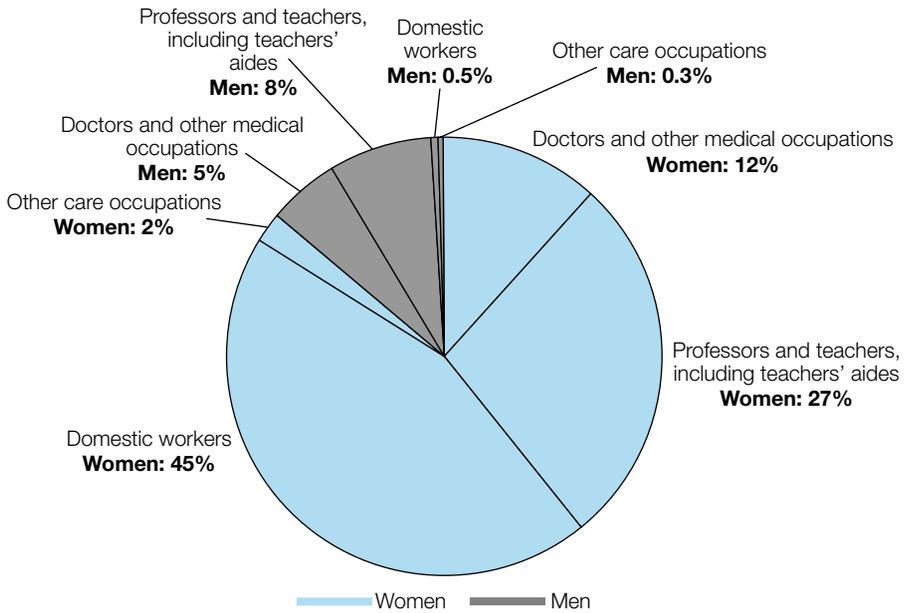
	Women	Men
Labour force participation rate	38.8	55.3
Employment rate	33.7	50.7
Unemployment rate	13.0	8.4
Employer	2.3	5.4
Own-account workers	16.0	21.7
Public-sector wage workers	18.2	12.1
Registered private-sector wage workers	23.1	32.3
Unregistered private-sector wage workers	16.1	26.3
Domestic workers	17.0	0.2
Employment programmes	5.6	1.3
Family workers	1.8	0.7
<b>Total</b>	<b>100</b>	<b>100</b>
Rate of wage employment	79.9	72.2
Registered wage workers (percentage of total wage employment)	50.8	59.9
Average years of schooling	11.4	10.5
Average hours worked	26	38
Monthly earnings (AR\$, 2006)	709	1,066
Hourly wage (AR\$, 2006)	5.65	5.95

Note: In 2006, AR\$100 was worth approximately US\$32.  
Source: Author's calculations based on the "Permanent Household Survey" (EPH) of the National Institute of Statistics and Censuses.

typically performed in state-run health and educational institutions might partly explain the slight over-representation of women in the public sector. The other half of female care workers are in domestic service. They have low educational credentials and are usually "unskilled", performing their jobs in the secluded sphere of the employer's home. Virtually all domestic workers are unregistered, accounting for almost 40 per cent of all unregistered female wage workers (see below). Indeed, unregistered female wage employment cannot be understood without analysing domestic work.

In contrast, care occupations account for just over 3 per cent of all male employment, and 5 per cent of male wage employment. Men in care occupations are mainly teachers, professors and doctors. It is therefore not surprising that over 80 per cent of these men have complete or partial tertiary education; 29 per cent perform professional work and 56 per cent are engaged in technically skilled work. The major role of public employment in the areas of education and health care accounts for the fact that half of the male care workers perform their jobs in state-run institutions, with above-average levels of employment protection. These factors all contribute to men's average hourly wages being 50 per cent higher than those of women in care occupations (table 2).

Figure 1. Care workers in Argentina



The tiny proportion of male care workers indicates that care occupations are highly feminized: on average, 86 per cent of all care workers are women. The proportions are practically 100 per cent among domestic workers, 77 per cent among teachers and professors, and 69 per cent among doctors, nurses and nursing aides. In Argentina, care occupations are female occupations – a fact that could in itself influence care workers' working conditions and relative pay. However, previous findings suggest that a high proportion of women in any (broadly defined) occupation does not per se produce downward pressure on hourly earnings, as sex segregation theory would predict (Esquivel, 2007).

Care workers in Argentina are therefore a heterogeneous group – in terms of educational levels, registration, type of employer, type of care occupation and degree of feminization. It is possible, however, that even when these differences are statistically controlled for, care workers may constitute a distinct pool of workers, equally penalized by the care content of their occupations, as England, Budig and Folbre (2002) suggest for the United States. In order to test this hypothesis in Argentina, a series of Ordinary Least Squares (OLS) regressions on the natural logarithm of hourly wages were performed for female and for male wage workers. A care occupation dummy variable was included in some of the regressions, while other regressions disaggregated occupations into broad groups – doctors and other medical occupations; professors and teachers, including teachers' aides; domestic workers; other care occupations,

Women, gender and work

Table 2. Selected characteristics of care workers by sex (percentages of urban total in the second quarter of 2006)

	Women	Men
Registered	43	70
Working in a state-run institution	27	56
Partial or no primary schooling	8	1
Completed primary school	23	4
Incomplete secondary schooling	14	4
Completed secondary school	13	10
Partial or complete tertiary education	42	81
Professional	6	29
Technical	34	56
Semi-skilled	7	11
Unskilled	53	4
Monthly earnings (AR\$, 2006)	554	1,057
Hourly wage (AR\$, 2006)	6	9
Hours per week	26	32

Source: Author's calculations based on the "Permanent Household Survey" (EPH) of the National Institute of Statistics and Censuses.

including therapists, nannies, etc. (table 3). Although this exercise could arguably be seen as a highly artificial construct – not exempt of technicalities<sup>9</sup> – it is valuable because it might indicate some avenues for change.

The results indicate that women working in care occupations are not necessarily penalized as a group – the care occupation dummy gets a positive sign but is not statistically significant when included in the regression, yet its value becomes negative (–6 per cent) and significant after controlling for sex composition (FEM) of occupations. In the case of men, the care occupation dummy is statistically significant (though weakly) and negative (–5 per cent) irrespective of the chosen specification. However, these are the results of highly heterogeneous situations. When care occupations are disaggregated, a wage penalty of approximately –10 per cent among doctors and other medical occupations emerges as remarkably robust for both women and men. This result is consistent with the deterioration of working conditions in health-care occupations in the past 15 years. Wage differentials in other care occupations are not statistically significant, and are therefore explained by factors other than the care

<sup>9</sup> As some groups of care workers are highly homogeneous (most domestic workers, for example, are unregistered, have low education, and work for households in a highly feminized occupation), issues of colinearity may arise when controlling for these various characteristics. OLS regressions were performed checking for variance inflation factors (VIFs). All values are reasonable (always <10 and mostly <5), pointing to the validity of chosen variables and of the regressions as a whole (table 3).

Table 3. Hourly wage effects of care occupation, registration, public-sector employment, and feminization, by sex, net of human capital, demographic and other job characteristics

	Model 1				Model 2			
	Men		Women		Men		Women	
	Coefficient	VIF	Coefficient	VIF	Coefficient	VIF	Coefficient	VIF
Registered	0.49***	1.42	0.60***	1.84	0.49***	1.44	0.60***	1.85
Public-sector employee	-0.06***	1.37	0.03	1.46	-0.06***	1.38	0.03	1.46
Care occupations	-0.05*	1.24	0.02	1.53	-0.05	1.44	-0.06**	4.55
FEM					-0.004	1.5	0.22***	4.74
	Model 3				Model 4			
	Men		Women		Men		Women	
	Coefficient	VIF	Coefficient	VIF	Coefficient	VIF	Coefficient	VIF
Registered	0.48***	1.42	0.60***	1.88	0.48***	1.45	0.60***	1.90
Public-sector employee	-0.06***	1.37	0.04	1.52	-0.06***	1.39	0.04**	1.53
Doctors and other medical occupations	-0.10**	1.16	-0.11***	1.29	-0.10***	1.23	-0.13***	1.54
Professors and teachers, including teachers' aides	0.01	1.21	-0.03	2.07	0.01	1.32	-0.05	3.24
Domestic workers	-0.24*	1.01	0.09***	2.16	-0.24	1.03	0.05	6.65
Other care occupations	-0.16	1	-0.01	1.04	-0.16	1.02	-0.03	1.13
FEM					-0.002	1.51	0.09	

\* Statistically significant at the 10 per cent level. \*\* Statistically significant at the 5 per cent level. \*\*\* Statistically significant at the 1 per cent level.

Note: Control variables include education, experience, job qualification, enterprise size, region, presence of children and hours worked. The variable FEM is calculated as the percentage of women in occupations (see Esquivel, 2007, for details).

content of the work they involve.<sup>10</sup> Indeed, after controlling for human capital, demographic characteristics and other job characteristics, the main determinant of hourly wages is the level of employment registration (table 3). Thus, registered female wage workers earn 60 per cent more than their unregistered counterparts. Among men, the registration premium is 49 per cent. While men are penalized if they work for the public sector (–6 per cent), women get a premium of +4 per cent if they do (Model 4 in table 3).

These results show that aside from medical occupations, working conditions and pay in care occupations cannot be separated from the overall labour market features identified above. In Argentina, improving care workers' relative wages will thus require substantial progress in registration levels – as is the case with other wage workers. The results also point to the relative wage advantage of female workers in the public sector (*vis-à-vis* other women in wage employment), which might explain their above-average employment levels in public institutions. Importantly, these results do not indicate that domestic workers are penalized *per se*, maybe because their low qualifications (–50 per cent) and lack of registration (–60 per cent) fully account for their disadvantages.

## A comparison of two “polar” care occupations: Early-education teaching and domestic service

The finding that care workers' wages depend on the regulation and overall structure of the labour market – along with the aggregate nature of the statistical exercise performed in the previous section – called for in-depth analysis of two care occupations: early-education teachers and domestic workers.<sup>11</sup> These care occupations are both related to the provision of care for a particular group of dependants (children). Their work contents therefore overlap. At the same time, these occupations are sufficiently different (“polar”) in terms of their employment characteristics – regulatory framework and actual labour protection, working conditions – which are themselves dependent on general conditions in the care sector and the “locus” of care provision. Clearly, this in-depth analysis does not “correct” for human capital, demographic and other job characteristics, as the previous one did.<sup>12</sup> Rather, it characterizes the selected occupations in order to find elements that could help enhance the position of care workers.

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<sup>10</sup> Domestic work gets a positive and significant value in specifications not controlling for sex composition.

<sup>11</sup> The study of female domestic workers is based on Cortés (2009), who processed data from the “Permanent Household Survey” (EPH). The study of female early-education teachers is based on Cerrutti (2008), who processed data from the 2004 National Census of Teachers (Ministry of Education, Science and Technology).

<sup>12</sup> I will therefore not analyse relative earnings, which are heavily influenced by these characteristics. A comparison of means shows that female primary teachers' monthly income was AR\$826, and hourly wages AR\$9.4, in the second quarter of 2006 (these figures are the best available proxy for female early-education teachers' earnings). The corresponding figures for domestic workers were AR\$304 and AR\$3.3.

### *Demographic and job-related characteristics*

Both early-education teaching and domestic work are highly feminized occupations, deeply charged with particular gender meanings (see below). This, however, is where the similarities end, for the women working in these two occupations come from different social backgrounds, have very different work experiences and employment prospects, and present enormous differences in terms of educational attainment.

Early-education teaching is a highly professionalized and regulated occupation. Work as an early-education teacher requires a tertiary-level degree: 97 per cent of all early-education teachers hold one.<sup>13</sup> Teaching takes place in crèches for children under the age of three and in kindergartens for children aged between three and five years, which are run and/or regulated by the State.

The daily organization of the teachers' work is clearly defined on the basis of the number of hours pupils attend the institution, the size of the classes, parents' and teachers' responsibilities, etc. Furthermore, particularly in the public sector, early-education teaching is organized as a "closed internal labour market" in which entry is possible only at the base of the pyramid and opportunities for development and promotion are associated with seniority and, to a lesser extent, continuous training.

Female early-education teachers<sup>14</sup> – i.e. 95 per cent of all early-education teachers and 99 per cent of classroom teachers – are younger than the average age of employed women, as might be expected given that early education has been expanding (Faur, 2008). Their below-average age might also be related to the fact that teacher training takes three years – making it possible to graduate and start teaching at the age of 21. Female early-education teachers are also more educated and better paid, on an hourly basis, than are female wage workers overall; as a group, they also receive higher monthly wages than the average for female care workers.

At the other extreme, domestic work is a care occupation without "barriers to entry" – one of the few employment options open to women from poor households, who alternate between domestic work, public employment programmes, unregistered work in trade, and unemployment. Indeed, 30 per cent of the employed women in households with incomes in the first quintile are domestic workers, while the proportion is close to zero in households in the fifth quintile. The demand for domestic services is also highly responsive to changes in middle- and upper-class incomes: it contracted sharply in the immediate aftermath of the 2002 macroeconomic crisis and recovered only in 2006, when public employment programmes started to shrink (Cortés, 2009).

Although many female domestic workers are young, a substantial number of them are middle-aged, being mostly heads of households (35 per cent)

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<sup>13</sup> These tertiary-level degrees are awarded by specialized institutions, usually after shorter courses than those required for university degrees.

<sup>14</sup> Eleven per cent of early-education teachers are directors or hold administrative positions, 76 per cent are classroom teachers, and 13 per cent are teachers' aides.

or spouses (39 per cent). A high proportion of domestic workers are internal migrants (37 per cent) or migrants from bordering countries and Peru (20 per cent). Domestic workers' levels of educational attainment are the lowest among female workers (although the increasing proportion of migrants from neighbouring countries, with higher educational levels, is raising the average educational level); 16 per cent of female domestic workers have not completed primary school, and 61 per cent have not completed secondary school. Their average monthly earnings are not only lower than those of female wage workers overall, but also lower than the statutory "minimum wage?"

### *Regulatory framework and actual labour protection*

Labour regulation is a key factor in explaining the different levels of registration of the workers in the two occupations examined here.

Early-education teachers in public establishments have rights and obligations defined by the "Teachers' Statute",<sup>15</sup> depending on whether they are in a tenured position (permanent teachers) or not (interim and substitute teachers). Permanent teachers enjoy the fullest range of workers' rights, including employment security. The rights of interim and substitute teachers are more limited: though registered, they are not tenured,<sup>16</sup> and therefore not fully covered by the provisions of the Teachers' Statute. Teachers in private establishments are subject to the Employment Contracts Act,<sup>17</sup> which gives them the same rights and obligations as other registered wage workers but less than those granted by the Teachers' Statute.<sup>18</sup> Virtually all early-education teachers are registered workers.

As is the case at other educational levels, early-education teachers in the public sector (in contrast to the private sector) are highly unionized. Teachers' unions take part in collective bargaining, on a centralized basis, with educational authorities.<sup>19</sup>

While the Teachers' Statute provides teachers in early-education establishments with rights beyond those set forth in the Employment Contracts Act, the latter explicitly excludes domestic workers. Domestic work is regulated by the 1956 Domestic Service Regulations (made under Legislative Decree 326/56), which covers employees working for a period of one month or more, at least four hours per day and no less than four days per week for the same employer. Workers below this threshold are not considered wage workers but

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<sup>15</sup> Act No. 14473, of 12 September 1958, to approve the Statute governing the teaching staff of the Ministry of Education and Justice (in *Boletín Oficial*, 27 November 1958).

<sup>16</sup> In the public sector, the right to be considered for tenure is neither automatic nor decided by the educational institution, but depends on political decisions.

<sup>17</sup> Act No. 20744, of 11 September 1974, to approve the rules governing contracts of employment (in *Boletín Oficial*, 27 September 1974, No. 23003, p. 2). For an English translation, see *Legislative Series*, 1974 – Arg. 2, Geneva, ILO.

<sup>18</sup> Remuneration is an exception to this rule, since the wages in public establishments set minimum wages in privately run schools.

<sup>19</sup> Early-education teachers' wages are negotiated along with primary school teachers' wages.

own-account workers, and their employers are not required to register them.<sup>20</sup> The labour rights granted to domestic workers within this legal framework are not on a par with those enjoyed by other wage workers. At best, their rights partially replicate those granted to formal wage workers, as in the case of severance pay, sick leave, and annual vacations. However, domestic workers are completely deprived of some important rights, including the right to state-funded maternity leave and entitlement to family allowances.<sup>21</sup> This makes them particularly vulnerable when they become pregnant or have children (ELA, 2009).

Beyond the weakness of this legal framework, domestic work has traditionally been (and continues to be) characterized by high levels of unregistered employment. In the second half of 2006, only 8.6 per cent of female domestic workers were registered – i.e. their employers paid their social security contributions – and another 2.2 per cent contributed as own-account workers. These figures, however, do not reflect the positive impact of the registration initiative on domestic work that started in early 2006. This initiative involved deducting domestic workers' wages and social security payments from employers' income tax, together with simplified procedures for registration and payment of contributions, and an intense advertising campaign. According to administrative registries, as much as one-third of domestic workers were registered by the end of 2008 – a huge improvement from the situation in 2006 (Estévez and Esper, 2009).<sup>22</sup>

Unlike in business, the employment relationship in domestic service is between an employee and a household. This highly personalized context explains the weak bargaining position of domestic workers, which is compounded by extremely low levels of registration, the absence of unionization and collective bargaining, and high turnover rates, as unregistered domestic workers can be fired without notice or severance pay (Cortés, 2009).

### *Working conditions*

Working conditions (including tasks, schedules, workloads and job stability) are also associated with the characteristics of the employment relationship, the care sector, and the locus or “site” of care provision. While most early-education teachers work in public (66 per cent) or private establishments subject to supervision by educational authorities, female domestic workers are employed by households. In other words, employers' visibility and the degree to which they comply (or can be compelled to comply) with labour regulations differ widely.

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<sup>20</sup> This differentiation has in fact contributed to discourage registration – it could be very difficult to prove whether a domestic worker was above or below this threshold in court.

<sup>21</sup> Registered female wage workers have the right to three months of maternity leave. Family allowances are regular or lump-sum subsidies to help workers cover the costs associated with childbirth and adoption, children and children's schooling, marriage, etc.

<sup>22</sup> Although this improvement may imply some cost to the state budget, the tax allowance has an upper limit, roughly equivalent to six to nine monthly minimum wages, which means that registered domestic workers are only partly subsidized by the State. In the short term, however, registration increases tax collection when compared with non registration.

The high proportion of tenured teachers (78 per cent) and their consequent job stability are reflected in the average seniority of this group: 55 per cent of early-education teachers have at least ten years of seniority, with the proportion rising to 87 per cent for principals and assistant principals. These percentages are even higher in state-run establishments – 72 per cent of teachers and 89 per cent of principals and assistant principals – translating into greater job stability (less turnover) and better career opportunities for teachers in the public system. Seniority in teaching is associated not only with opportunities for promotion, but also with higher pay.<sup>23</sup>

In terms of teaching hours, 61 per cent of early-education teachers have workloads of 13 to 24 “classroom hours” (i.e. 45-minute periods) per week – approximately equivalent to a half-time workload. By contrast, 40 per cent of domestic workers work up to 15 hours weekly (i.e. under the threshold for coverage by Legislative Decree 326/56), 33 per cent of them work between 16 and 34 hours, and 27 per cent of them work 36 hours or more. Half of the latter group work 45 hours or more (i.e. they are “over-employed”). Such heavy workloads are not exclusively associated with live-in arrangements, as only 4 per cent of domestic workers live in their employer’s home.

Over one-third (36 per cent) of domestic workers have been in their jobs for no more than a year, while 26 per cent of them have been engaged between one and five years. A great majority of female domestic workers (78 per cent) work in a single home (i.e. they have only one employer), while 13 per cent of them work in two homes. Thus, the opportunity to increase hours of work (and monthly income) is associated more with the needs of a single employer than with the possibility of working for multiple employers. Indeed, 36 per cent of domestic workers seek to work more hours and are thus under-employed; and 23 per cent of them hold additional jobs, even when domestic work is reported as their “primary occupation.” This shows the severe limitations of earnings derived from domestic work.

### *Gender images*

The foregoing examination of early-education teaching and domestic work does not explain the fact that both occupations are almost completely feminized. Questioning the complex and evolving meanings that these occupations hold for the workers who perform them – and for society at large – might help to explain this.

As a working hypothesis, it could be argued that the work contents of both occupations are perceived as extensions of two romanticized ideals: that of the “good mother” in the case of early-education teachers, and that of the “good wife” for domestic workers. Neither of these “ideals” is innocent, as they both symbolically deprive these women of their labour status – i.e. their care occupation is not considered a “proper” job. As Fischman puts it regarding the

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<sup>23</sup> Early-education teachers with ten years of seniority earn 50 per cent more than their junior colleagues, while those with 20 years of seniority earn 100 per cent more.

teaching profession, “the lack of recognition of the specific characteristics of women who work at schools [...] and their replacement by romanticized ways of naming them associated to domesticity supports ‘domestication’ and child-like social treatment of teachers” (2005, p. 8). As for domestic work, these social meanings are highlighted in the definition of its content simply as comprising the tasks that are “part of domestic life” (Legislative Decree 326/56) and, therefore, women’s work.

The gendered meanings of early-education teaching are forcefully contested by teachers themselves, and might conflict with families’ demands. As explained by former pre-school director Patricia Redondo, early-education teachers “are not grandmothers, [they] do not ‘hold’ babies; [crèches and kindergartens] are public institutions.”<sup>24</sup> Early-education teachers rightly claim recognition of their role as educators – as opposed to “mere” carers – on the basis of their professionalization (as opposed to “natural” knowledge) and institutionalization, i.e. work in the public sphere as distinct from the household and family.

In a characterization of the views that households hold on domestic workers, the National Tax Collection Office (AFIP) found that “homeowners” view themselves as “providers of work opportunities”, emphasizing the refuge role of this occupation in times of crisis.<sup>25</sup> Moreover, “employers do not feel responsible for the short-term (health) and long-term (retirement) needs of domestic workers. This is partly due to the fact that this relationship takes place in the domestic sphere”<sup>26</sup> which is difficult to reach and control by public authorities. Some of these ideas were challenged in the advertising campaign that AFIP launched in support of its registration initiative, emphasizing employers’ “responsibilities” towards domestic workers, even though other gender images were not questioned (e.g. the employer is always another woman, as if housework were only a woman’s issue). However, the campaign helped to recast domestic work as a formal employment relationship.

## Conclusions

Based on a broad definition of care work derived from England, Budig and Folbre (2002), this article has shown that care workers in Argentina are not a homogenous group, even though most of them are women and their occupations display some similarity in terms of job content. Differences in their socio-economic characteristics and skills, as well as the types of care work they engage in, all contribute to this heterogeneity. However, two factors have

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<sup>24</sup> See María Rosa Mayer’s interview of Patricia Redondo: “Nosotros no recibimos bebés, no somos abuelas, somos instituciones públicas”, in *Redacción y Editorial – Entrevistas*, No. 86 (1 Aug. 2008), at: <http://redaccionyeditorial-entrevistas.blogspot.com/2008/08/educacin-patricia-redondo.html> [accessed 12 Oct. 2010].

<sup>25</sup> This view also permeates the language of Legislative Decree 326/56, which reflects a patriarchal model of the family and the strong prerogatives of male “homeowners”

<sup>26</sup> Verbatim responses of an AFIP official quoted by Estévez and Esper (2009, p. 19).

proved crucial in explaining the working conditions and pay of care workers: the particular ways in which the provision of care services is organized, and the degree of employment protection care workers enjoy.

The analysis suggests some avenues for enhancing the position of care workers in Argentina. The case of early-education teachers demonstrates that even in a care occupation clearly identified with motherhood, working conditions and pay can improve with professionalization and registration, the latter being guaranteed by both public-sector provision and a strong legal framework. Conversely, occupations related to health care might have experienced downward pressure on wages as a result of the expansion and deregulation of the market for health-care services.

The scale of female domestic employment as well as wages and working conditions in this occupation are directly related to the wide income inequalities in Argentine society, and to the fact that domestic workers are at the bottom of the pay hierarchy. Improving their relative pay through “indicative wages”, as it is currently done, might improve their position. Yet, efforts to promote the registration of domestic workers should be continued, along with improvements in the legal framework that regulates their occupation. Indeed, the situation of domestic workers will not improve until they are treated on a par with other registered wage workers.

### Post scriptum

On 8 March 2010, the Executive submitted to the National Congress a new legal framework for domestic workers, which has yet to be considered by the country’s lawmakers. If passed without amendment, it will equalize most of domestic workers’ rights with those of other wage workers.

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## Underpaid and overworked: A cross-national perspective on care workers

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**Abstract.** *This article defines paid care work and explains why it has become an important arena for research and policy. Drawing on cross-national and country-level analyses of selected occupations, it highlights three findings: first, the employment situation of care workers often mirrors broader, country-specific labour market conditions and problems; second, the State's role as an employer of care workers is changing as governments increasingly outsource such work; and third, social policy regimes also shape opportunities for and conditions of care employment. It concludes that both care workers and care recipients are likely to benefit from improved employment conditions of care work.*

Care is commonly thought of as comprising those unpaid activities and relations involved in meeting the physical and emotional needs of children and adults (whether able-bodied, ill or frail), which are structured by relationships of family, kinship and community. This is indeed a central component of the care economy, frequently referred to as unpaid care work. As cross-country analysis of time-use data shows, it is a highly feminized domain: the bulk of this work is carried out by women, even as they increase the time they allocate to paid work (Budlender, 2008). It is also an “invisible” domain, not counted as part of GDP, and often undervalued despite the important contribution it makes to well-being, social development and the (re)production of the labour force (Folbre, 2001).

However, many of the intimate tasks associated with care slip out of the unpaid domain of family and “go public” (Hernes, 1987), whether through the market, the community or the State. These activities then take place in the part of the care economy that overlaps with the market economy, very often involving paid employment – the focus of the selection of articles published in this special issue of the *International Labour Review*.

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Why the present focus on paid care work? A number of trends have contributed to the importance of this topic for both research and policy. Over the past decades, changes in economic, social and demographic structures have accelerated the growth of care employment across countries. Women's increasing labour force participation – a near-global trend – has squeezed the time hitherto available for unpaid caregiving and translated into growing demand for paid care services. Other factors that have concomitantly contributed to the growth in demand include changes in demographic structures (e.g. population ageing), in the public-health environment (particularly care-related needs associated with the HIV/AIDS pandemic), and in social norms (e.g. the need for pre-school education and care as a critical component of a “social investment” strategy).

As a result, care workers now comprise a large and growing segment of the labour force in developed and developing countries alike. In the United States, for example, the employment share of professional and domestic care services grew from 13.3 per cent in 1900 to 22.6 per cent in 1998. By then, care services had become as important as the manufacturing sector in terms of employment (Folbre and Nelson, 2000, p. 127). However, the most significant impetus for much of the research and policy work in this area stems from concern about the labour market disadvantages of particular segments of the care workforce (such as migrant domestic workers, those who care for the elderly, and nursing aides). Although the issue of care work and its vulnerability is a global one, the present collection of articles pays particular attention to developing-country contexts where issues of worker insecurity and exploitation are the most glaring, and where research has been sparse and data challenges are often significant.

This special issue looks at who these care workers are, whether they are recognized as workers, how their wages compare to those of other workers with similar levels of education and skill, their conditions of work and employment, and how their interests could be better secured. The remainder of this introductory article consists of four sections. The first addresses definitional and conceptual issues, and the second provides a justification for looking at this particular segment of the labour force. The third section teases out three major findings that emerge from the various contributions, and the final section offers some concluding remarks.

## Definitions, trends and country selection

We locate care work at the crossroads of three sets of structures and policies. First, *broader labour market structures* play a decisive part in the shaping of care work, its conditions and rewards. Second, *the role of the State* – as an employer, funder and regulator of care services – is undergoing profound changes which, in turn, affect the organization of paid care. Third, *social policies* create, destroy, change and shape care employment. These include *sector-specific policies*, such as “task shifting”, which is changing the nature of care work in the health sector.

### Defining “care work”

In their research on the United States labour market, England, Budig and Folbre define care work as:

occupations in which workers are supposed to provide a face-to-face service that develops the human capabilities of the recipient. By “human capabilities” we refer to health, skills, or proclivities that are useful to oneself or others. These include physical and mental health, physical skills, cognitive skills, and emotional skills, such as self-discipline, empathy, and care. Examples of caring labor include the work of teachers, nurses, childcare workers, and therapists (2002, p. 455).

In other words, care work constitutes a subset of service work, characterized by interpersonal relations that contribute to the development of the human capabilities of the care recipient (“nurturance”). While not explicitly listed in the definition quoted above, the authors’ article considered a very wide range of workers (in terms of education, sector, pay, and so on), including university professors, physicians and dentists, at one end of the spectrum, and childcare workers, health aides and religious workers, at the other. It may be argued that such a category is too broad to serve any useful purpose: what can possibly be gained from comparing health aides with university professors? However, the important point here is that the broad definition of care work adopted by these authors was linked to the central hypothesis they were testing, namely, that regardless of the level of skill and educational content of the work, there is a pay penalty attached to work that involves person-to-person care. And the United States data they used largely supported their hypothesis of a “care penalty”: despite all their differences (of education, sector of employment, income), university professors and health aides did in fact share an earnings penalty.

The purpose of this special issue of the *International Labour Review*, however, is to examine the labour market conditions of the large numbers of workers in domestic service or caring for children, the elderly and the sick in developing countries (rather than to test the existence of a wage penalty for care work per se). Accordingly, we focus on categories of care work that constitute a narrower spectrum in terms of skills and levels of educational attainment. While excluding university professors, secondary school teachers, doctors and dentists, we thus focus on nurses, early education teachers, childcare workers, elder-care workers, social workers, home-based care workers – and domestic workers.

Indeed, a different set of concerns raised about the definition of care used by England, Budig and Folbre (2002) is that it focuses too narrowly on the relational and “nurturance” aspects of care, and therefore excludes other kinds of reproductive work, such as cleaning, cooking and other non-relational work (Duffy, 2005). This point was also made by the UNRISD research project on care: while “person care” constitutes an important component of the paid and unpaid care work carried out in any society, this should not be seen as separate from the other necessary activities that fulfil the preconditions for personal caregiving, such as preparing meals, cleaning and so on (Razavi, 2007;

Budlender, 2008). The exclusion of such work disregards the employment experiences “of the very-low wage workers doing the back-room work of social reproduction” (Duffy, 2005, p. 79); and, as a result, it introduces implicit class-based and, very often, racial biases as well.

We have therefore adopted a different definition of care work that includes non-relational reproductive work (e.g. cleaning, cooking, etc.), hence the inclusion of domestic workers – an important category of employment that continues to account for a significant share of the female labour force in many developing countries, often from disadvantaged regional, ethnic/racial or caste backgrounds. Our hunch is that domestic workers who are hired to do household chores in the countries represented in our selection of case studies also carry out in practice at least some relational care work (or “person care”) for children and other members of the households that employ them. Francie Lund, for example, suggests that the tasks of the 1 million domestic workers in South Africa are probably expanding to include more “person care” in response to the care deficit caused by the spread of HIV/AIDS.<sup>1</sup>

### *Trends and country selection*

At least three factors can be identified which have contributed to the growth of paid care-sector employment. First, women have increased their labour force participation across the world, while continuing to be the main providers of *unpaid* care; second, care demands have intensified because of population ageing in some parts of the world, health crises such as HIV/AIDS in others, and emphasis on pre-school education and care; and, third, family and household structures are changing with nuclearization, migration and the emergence of new marital and conjugal patterns. As a result, a significant, and probably growing, share of caregiving is shifted out of the household and family. But while paid care workers are taking on at least some of this work, paid care work is carried out within variously configured institutional and policy frameworks, shaped by different labour market structures and policies, and different social policies.

In order to capture some of these trends, the selection of articles presented here offers an analysis of care work in countries with different labour market regimes: the more formalized labour markets of the countries covered by the Luxembourg Income Survey (analysed by Michelle Budig and Joya Misra); the labour market of the Republic of Korea, where the shift from manufacturing to services has been accompanied by a rise in non-standard employment; the dualistic labour markets of Argentina and South Africa; and, finally, the extensively informal labour markets of India and the United Republic of Tanzania.

In terms of social policy, we have included countries with a more institutionalized welfare infrastructure (Argentina, the Republic of Korea and South Africa) and lower-income countries where social policies – and policies

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<sup>1</sup> See Francie Lund: “Hierarchies of care work in South Africa: Nurses, social workers and home-based care workers”; in this issue of the *International Labour Review*.

vis-à-vis care in particular – are less developed (India and Tanzania). Our selection of country studies also offers a nice mix of the care needs in response to which programmes and policies have been developed, including HIV/AIDS (South Africa, Tanzania), elder-care (Republic of Korea) and childcare (India, Republic of Korea, South Africa). Finally, to capture the transnational dimensions of care in the context of migration, the first article in the selection (by Nicola Yeates) is specifically devoted to the care/migration nexus, with a focus on nurses.

## Why should we care about care workers?

The fact that the number of care workers is growing and that the nature and conditions of their work are changing makes them an important subject of inquiry. Two concerns are of particular importance here.

### *Workers' rights and equity*

The first of those two concerns relates to workers' rights and equity for those whose job consists of caring for others. A number of studies document these workers' significant wage disadvantages vis-à-vis workers with comparable skill levels in non-care-related occupations, including the contribution to this special issue by Michelle Budig and Joya Misra (see also England and Folbre, 1999; England, Budig and Folbre, 2002).

Several explanations have been put forth to account for the wage and other penalties incurred by those engaged in “commodified” care work.<sup>2</sup> The first is grounded in competitive pressures. Good-quality care, whether paid or unpaid, is labour-intensive. Unlike in manufacturing, for example, productivity growth is difficult to achieve through mechanization or technological innovation because of the strong interpersonal character of care work. At the same time, there is a limit to the number of people one worker can care for without jeopardizing the quality of the care that is provided (Donath, 2000; Himmelweit, 2005). This makes care a comparatively costly endeavour, with both care workers and recipients paying the price in terms of low wages and high prices and/or low-quality care (Folbre, 2006).

A second explanation uses normative assumptions to justify the low pay and status that afflict many care workers. In particular, the notion of “compensating differentials” for occupations involving a significant degree of intrinsic motivation is often put forward by neoclassical economists to explain wage differentials between workers of comparable skill levels. Their argument is that workers who are attracted by the non-pecuniary rewards of an occupation (e.g. satisfaction derived from “helping people”) will accept a lower wage. Within this framing, “caring labour” is assumed to be its own reward and is not (only) performed “for the money”. Some even argue that “money drives out love” and that raising the pay of care workers “may attract the ‘wrong sort’ of

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<sup>2</sup> See England, Budig and Folbre (2002) for an overview.

person” (Heyes, 2005, p. 568).<sup>3</sup> Reflecting strong gender and social biases, this view suggests that “anyone could live somehow above the financial struggles of this world” (Nelson, 1999, p. 49). But this is certainly not the case for many of the care occupations studied in this issue.

The extremely low remuneration of domestic workers, for example, often exposes them (and their households) to poverty. In South Africa, domestic workers’ hourly earnings are less than 30 per cent of average hourly wages – and almost two-thirds of these workers live in poor households (Heintz, 2008). In addition to low wages, many workers at the low-skill end of the care labour market have poor access to social protection and few opportunities – if any – for training, skill accumulation and job mobility.

A third explanation derives from theories of gender segregation that stress the general devaluation of female-dominated occupations (England, 1992). Historically, care occupations such as domestic service and midwifery – and, more recently, nursing and teaching – have been women’s entry points into the labour force because they were “socially appropriate” professions. Today, women remain over-represented in paid care services. However, as several studies have shown, the wage penalty for care work remains even after controlling for sex composition, pointing to symbolic meanings attached to care and its equation with “women’s work.” The assumption that this work somehow flows naturally from women’s genetic endowments rather than knowledge and skills acquired through education, training or experience lurks behind the low recognition and rewards it commands.

Last but not least, a fourth explanation is that people’s care needs are usually most intense when they are least able to pay the costs (England, Budig and Folbre, 2002). This means that children and elderly or sick people often have to depend on the care or financial resources of others, the availability of which depends on household- and country-level income and on the redistributive mechanisms in place to cover the needs of those whose incomes are constrained. Redistributive mechanisms, in turn, depend at least in part on taxpayers’ willingness to pay for the needs of others, which is not always easy to secure. This poses a challenge to financing the costs of care, which may well translate into downward pressure on wages.

### *Quality of care*

The second concern at stake in the conditions of care work is the quality of care and, therewith, the well-being and safety of care recipients. The question of how good care relationships can be sustained “between strangers who are systematically thrown into intimate contact with each other” (Meagher, 2006, p. 34) has elicited contentious debates.

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<sup>3</sup> Nelson and Folbre (2006) succinctly rebut Heyes’ (2005) claim that “a badly paid nurse” is “a good nurse”.

Some bemoan the marketization of care on the a priori assumption that markets must degrade care work by replacing motivations of love/altruism with self-interest.<sup>4</sup> The opposite view, from neoclassical economics, sees all social behaviour, including intra-household relations, as a matter of choice and exchange (Becker, 1981). From this perspective, the marketization of care should not entail any qualitative change. If anything, the new market-based arrangements would lead to greater economic efficiency since allocative market mechanisms are assumed to optimize outcomes.

Both views are problematic, however. The first ignores the compulsory side of “altruism” in unpaid caring, the social pressures on women to provide unpaid care, and the risks of self-exploitation and economic insecurity to which unpaid care providers are frequently exposed. The possibility of shifting some part of care provision out of the household and into the paid economy can be liberating for unpaid providers, allowing them to seek work, pursue education/training, engage in cultural or political activities, or simply have some rest from what can be a very demanding task. Moreover, it is misleading to equate marketization with inevitable commodification. This simplistic equation disregards “how real-world markets are often domains of rich and complex social relationships, aspects of reward, appreciation, reparation, gift and so on” (Folbre and Nelson, 2000, pp. 133–134). The remuneration of care work need not displace a strong sense of responsibility, empathy and even love for those being cared for – much depends on the organizational characteristics, public policies and societal norms that shape such work.

The second, neoclassical view, in turn, ignores all that is known about market failures, imperfect information and the difficulties of monitoring effort and quality of care – problems that are particularly rife in care markets. Not only children and elderly people, but also working-age adults find it difficult to monitor the quality of care, which undermines arguments about consumer sovereignty. Furthermore, the existence of positive externalities beyond the individual care recipient may lead consumers to choose socially suboptimal care arrangements (given their budget constraints), or pay a suboptimal price that does not reflect the marginal value of care workers’ contribution beyond the individual care recipient. For all these reasons, paid care services are particularly susceptible to competitive pressures – and the brunt of cost-cutting strategies is often borne by care workers (in the form of stagnant wages and pressures to “speed up” their work).

In the absence of adequate regulation, however, care markets also tend to generate low-quality outcomes for care recipients. When per-patient time is trimmed down to increase “output”; when care is reduced to a task list that leaves little room for personalized interaction – as is often the case with the services covered by health or long-term care insurance; when care workers’

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<sup>4</sup> As Folbre and Nelson (2000) rightly point out, this scepticism toward markets originates from opposite ends of the political spectrum: from the Left there comes the fear that monetization of care will inevitably lead to its commodification, and from the conservative Right, an ideological attachment to a particular model of the family where “proper care” should be provided.

dissatisfaction with wages and working conditions leads to low staff morale and high turnover; when care workers lack proper qualifications because of sub-standard training and licensing requirements – care recipients' interests and preferences are unlikely to be met.

In a nutshell, respect for care workers' rights and equal pay and the assurance of quality outcomes constitute important challenges that public policy needs to confront. Nancy Folbre suggests a link between these challenges, arguing that care workers and consumers of paid care services “share a common interest in maintaining quality of care and should try to develop stronger coalitions to prevent market forces from lowering it” (2006, p. 2). Similarly, Meagher (2007) argues that in order to protect the interests of both paid care workers and care service users, social policy-makers and social service providers need to understand the dynamics of the paid-care economy and to attend to the labour market conditions of its workers.

## Overarching findings

The collection of articles in this issue of the *International Labour Review* fills an important gap in current scholarship on care work. By providing new empirical evidence on the working conditions and wages of workers engaged in health-, child- and elder-care in countries of the “Global South”; it shows how the emergence of new challenges – HIV/AIDS in South Africa and Tanzania, child nutrition and early education in Argentina, India and the Republic of Korea and population ageing in the Republic of Korea – plays out with regard to the working conditions and wages of those who are in charge of children, the elderly and people living with HIV/AIDS. The following subsections flesh out some of the overarching themes and findings.

### *The importance of labour market trends and structures*

The employment situation of care workers often mirrors broader, country-specific labour market conditions and problems. In this respect, the article by Michelle Budig and Joya Misra in this issue of the *International Labour Review* makes an important contribution to the debate on wage penalties for care work. While previous studies have focused mainly on the United States, their research points to variations in the incidence and severity of care penalties across advanced industrialized countries: as a general rule, wage penalties tend to be higher in countries with greater income inequality, less centralized collective bargaining, and a smaller public sector. Where overall income inequality is low and the public sector is large, those in caring occupations may even enjoy wage premiums as compared to non-care workers with similar characteristics.

Other comparative work on advanced industrialized economies seems to support the argument that weakly regulated labour markets are more likely to breed reliance on low-wage labour in private care services (Morgan, 2005). Liberal market economies like the United States are indeed characterized by larger numbers of private service providers who draw on low-wage labour

rather than public subsidies. Additionally, much poorly paid care takes place in informal markets that are neither captured by government statistics nor recognized or regulated by labour contracts, contributing to the vulnerability of care workers in terms of wages and working conditions. In Western Europe, by contrast, entry barriers to commercial care provision (such as high educational requirements for care workers) make families rely more heavily on (formal) public services.

The country case studies in this issue of the *Review* zoom in on specific care occupations, mostly in labour markets with low levels of regulation. In each case, however, the wages and working conditions of care workers are influenced by a specific labour market environment. The situation of care workers in the Republic of Korea, for example, partly reflects the rapid growth of non-standard forms of employment in the post-1997 context of labour market restructuring. Other influential labour market characteristics include increasing levels of informal employment (Argentina), extensive informality (India and Tanzania) and high levels of structural unemployment (South Africa). Disparity between different categories of care workers is particularly stark in Argentina and South Africa, the two countries with dualistic labour markets. While pre-school teachers in Argentina are in comparatively well-regulated and well-organized employment, many domestic workers lack even the most basic labour rights. In South Africa, nurses constitute a relatively well-protected category, while home-based care workers are not even recognized as such (an issue that we will return to below).

In the context of economic crisis and extensive informalization of labour markets, as has been the case in Tanzania, some of the hitherto well-paid and protected care workers (e.g. nurses) have seen their wages stagnate, along with highly adverse working conditions, as a result of deteriorating health-sector infrastructure. In India, civil servants may constitute a small island of privilege in a sea of informality, but frontline care workers in public social programmes are kept at arm's length by the State and denied the usual array of protections and privileges that come with public-sector employment.

Finally, global inequalities in pay and working conditions across countries have triggered international migration of care workers – domestic workers, nannies, nurses – along what have been described as “global care chains” (Hochschild, 2000; Yeates, 2009). Nursing shortages in advanced industrialized countries, for example, have led to recruitment from the developing world, where systemic problems make it even more attractive for nurses to leave their jobs and countries behind (Kingma, 2007). This topic is taken up in this special issue of the *International Labour Review* by Nicola Yeates, who explores how global inequalities have encouraged the cross-border migration of nurses in ways that reinforce those very inequalities.

At the bottom end of the occupational scale, the past decades have also witnessed large numbers of women migrating from developing countries to the world's most developed countries, where they perform care work and domestic chores in the homes of privileged families, thereby facilitating the

participation of “First-World” women in professional employment and helping to contain gender conflicts over the division of unpaid care work (see, for example, Hondagneu-Sotelo, 1997; Anderson, 2000; Chang, 2000; Parreñas Salazar, 2001). Despite predictions that paid domestic service would disappear with economic development, rising income inequality seems to be acting as a major driving force behind its growth (Milkman, Reese and Roth, 1998).

Paid domestic service thus remains an important source of employment for poor women in parts of the world characterized by extreme inequality, such as Latin America and South Africa, where domestic workers account for averages of 15 and 16 per cent of female employment, respectively (ECLAC, 2007; Department of Labour, 2005). In India as well, the recent period of economic growth has witnessed an increase in the number of women employed in domestic service, with the rise of an urban “servant-employing” middle class as the pull factor, and the agrarian crisis and shrinking employment opportunities in rural areas as the push factors.

Hovering at the most informal fringe of the labour market, most of these workers are excluded from regulations on minimum wages, maximum working hours, or mandatory employer contributions. However, domestic workers can benefit from efforts to extend social protection to groups considered “difficult to cover”. According to analysis carried out one year after the coming into effect of new regulations on domestic employment in South Africa, labour market interventions can be effective: the introduction of statutory minimum wages was found to have raised hourly earnings by more than 20 per cent within one year, without apparent negative effects on employment. Other statutory requirements seem to have had similarly positive effects, e.g. the right to a written contract, paid leave, severance pay and dismissal notice, and the employers’ obligation to register workers with the Unemployment Insurance Fund (Hertz, 2004).

### *The changing role of the State*

Compared to markets and the non-profit sector, the State plays a qualitatively different role in the provision of care, because it is not only a provider of care services – hence an important employer of care workers – but also a significant decision-maker when it comes to the responsibilities of the other two institutions. Whether and how the State makes use of its role as a provider, funder and regulator of remunerated forms of care are fundamental to the employment conditions of care workers.

In some countries, the public sector has been a significant employer and provider in certain areas of care. Early education teaching in Argentina is a case in point. Nearly all early education teachers are formal-sector workers, many of them public-sector employees whose rights and obligations are clearly defined by the “Teachers’ Statute”. Furthermore, these workers tend to be highly organized in trade unions that take part in collective bargaining on a centralized basis. Although the Labour Contract Law governing early edu-

cation teachers in private establishments provides less advantageous terms, salaries in private establishments are set at the same level as those in public establishments (if not higher). All of these structural conditions make early education teaching in Argentina a relatively well-paid – compared to other care work – and protected occupation with access to health services, pensions, unemployment insurance, and other benefits such as a mandatory annual bonus, paid vacations and paid sick leave.

Much the same can be said about nursing in South Africa, which is highly formalized and closely regulated by professional councils. The majority of nurses are employed in the public sector, although better private-sector pay has prompted some to move from the public to the private sector. Differences in pay notwithstanding, nurses in both sectors are well covered for health insurance and have access to retirement schemes as well as unemployment insurance. Until recently, the salaries of professional nurses and social workers have been low compared to those of other professions, but a protracted civil service strike in 2007 led to a significant increase in their annual pay.

The finding that care workers tend to be better off in contexts featuring more regulated labour markets and larger public sectors<sup>5</sup> is difficult to square with the fact that the past three decades have globally brought increasing deregulation, widespread state retrenchment and devolution of previously public services to (subsidized) market or not-for-profit providers. Indeed, the contributions to this special issue of the *International Labour Review* point to two major trends affecting care workers in this respect, both of which are closely associated with the changing role of the State.

First, there is evidence that the State has become a much less reliable, secure and protected source of care employment in many developed and emerging economies. Neoliberal critique of the State has heightened political pressures to make the public sector behave more like a profit-making entity, by raising user charges and/or “rationalizing” staff time – mechanisms that were first promoted as part of the “New Public Management” agenda in New Zealand and the United Kingdom in the early 1980s.

In many developing countries, the commercialization of public social services was imposed as a cost-cutting measure within the framework of structural adjustment, often with deleterious outcomes in terms of employment and service quality as well as access (Mackintosh and Koivusalo, 2005). In Tanzania, for example, the liberalization of private practice coupled with the severe deterioration of public health funding has led to stagnation of the already low wages of nurses and lower-level health personnel, while widening the gap in wages and working conditions between nurses and doctors (Mackintosh and Tibandebage, 2006). Other problems behind the shortage of nurses and midwives currently afflicting public health services in this country include long hours of work, heavy workloads, lack of basic supplies for infection control –

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<sup>5</sup> See the contributions by Valeria Esquivel and Francie Lund on working conditions in Argentina and South Africa, respectively; and by Michelle Budig and Joya Misra, on wages globally.

hence occupational health risks, and lack of financial incentives linked to performance. Similar conditions obtain for public-sector nurses in South Africa.

Furthermore, many countries' public social services have come to rely heavily on "voluntary" or "community" work – very often a euphemism for unpaid or underpaid work. For example, this is the case of the Anganwadi workers and "helpers" who staff India's Integrated Child Development Scheme, which is probably the world's largest early childhood nutrition scheme. (See the article by Rajni Palriwala and N. Neetha, in this issue.) While employed by the State, they are not classified as workers, but as "volunteers" who receive stipends instead of wages and lack the leave entitlements and social security benefits available to regular public employees. Similarly, the employment status of care workers in South Africa's Expanded Public Works Programme (EPWP) is often "ambiguous and disguised" (see the article by Francie Lund, in this issue). While home-based and community-based care for children and people living with HIV/AIDS has been included within the scope of "public works" – usually heavily biased towards infrastructure – there is evidence that care workers within the EPWP receive lower pay than workers hired for infrastructure, environmental and cultural projects.

Thus, contrary to the findings that the State is a "good employer"; these programmes show a State which deliberately sidesteps its own labour regulations by "employing" workers who are not even counted as part of the labour force.

Second, there is a trend towards "outsourcing" of some of the functions hitherto carried out by the State to non-state entities, whether private firms or non-profit organizations. Indeed, in a number of developing countries, many of the social programmes attending to care needs would not function without the participation of these and other community-based organizations. In South Africa, for example, government reliance on the non-profit sector for the delivery even of statutory services is firmly built into the welfare regime, as Francie Lund's analysis of social work shows (see also Patel, 2009). Labour costs are thus absorbed by frontline care workers who may, for a variety of reasons, perform the work for less pay than in the public sector.

To cash-strapped governments, the attractiveness of partnering with non-profit organizations is understandable because public subsidies frequently make up only a fraction of the full cost of the care that these organizations provide. More often than not this implies reliance on the unpaid or underpaid work of women who are themselves likely to be among the poor. But there is a limit to care workers' capacity to absorb the costs (through self-exploitation) without negative implications for their own health and well-being, and for the quality of the care they provide. This is particularly true in contexts where families, especially women, already face multiple demands on their time (see the article by Ruth Meena, in this issue). The meaning of "voluntarism" in a context of extensive poverty and structurally high unemployment is also far from clear. While "volunteers" may join care programmes in the hope of acquiring skills that will help them into paid employment, the evidence that "voluntary" work acts as a "stepping stone" is still thin.

### *The impact of social policy and sectoral reforms*

The opportunities for and conditions of care employment are shaped by social policy frameworks generally and by sector-specific policies in particular. Indeed, social policies destroy some and create other particular kinds of care work, whether it is through the introduction of social insurance programmes for elder-care (e.g. in the Republic of Korea), childcare and child nutrition programmes (in Argentina and India), programmes for people with AIDS (in South Africa and Tanzania) or “task shifting” in the health sector (see the articles by Francie Lund and Nicola Yeates on South Africa and nursing, respectively). The absence of explicit care-service provisioning by the State can also create the conditions for the growth of unregulated forms of care work, with (migrant) domestic workers often taking on such work when middle-class households cannot access formal care services.

It has even been argued that social and care-sector reforms have been deliberately used to render previously “rigid” labour markets more flexible and increase the availability of cheap labour (Morel, 2007). Rather than creating “decent” jobs in the public sector, as in the social democratic welfare states, countries such as Germany, France and the Netherlands are responding to the need for care services mainly by turning families into private employers of low-skilled, low-wage care workers through the provision of tax cuts or subsidies (*ibid.*, p. 627).

A similar trend seems to be taking hold in the Republic of Korea, where increasing state support for elder-care and childcare has been used to create new employment opportunities (mostly for women). As Ito Peng argues in her contribution to this special issue, however, this has also increased the marginalization of care workers in the social services sector: the introduction of home-care services covered by the Long-Term Care Insurance System has resulted in the downgrading of care workers’ wages and status within the system of elder-care. “New” occupational categories with lower skills and status, such as home-care workers, are displacing social workers in more secure jobs who hitherto provided care in institutional settings.<sup>6</sup> During her fieldwork, Peng even found cases where higher-skilled care workers had been obliged to “retrain” and certify in the newly created care occupations only to find themselves in a lower-status, lower-pay situation.

Peng’s comparison of elder-care workers with childcare workers provides interesting insights into government strategies and priorities with regard to different recipient groups. Both sectors have seen significant expansion under recent welfare reforms. But while the “developmental” approach to welfare emphasizes investment in children as the “citizen-workers of the future” (Lister, 2003) and the strengthening of their capabilities through professionalized early education and care services, elder-care seems to be concerned with ensuring a minimum of care for the frail and elderly, for which less educated

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<sup>6</sup> Meagher (2007) analyses a comparable development in Australia, namely, the deprofessionalization of care work in community services for both children and the elderly.

(female) workers are deemed sufficient. This plays out in the working conditions and wages of the two groups of care workers.

Health-sector reforms, in turn, can have huge impacts on the working conditions of staff, as Francie Lund's discussion of "task shifting" in South Africa shows. While previous task-shifting experiences in the primary health-care system empowered nurses through access to training and resources, current attempts to disburden nurses by passing on tasks to workers in temporary placements under public works programmes do not work in the same way. Rather, they seem to create "quasi-commodified" forms of employment without providing the kinds of training, resources and skilled supervision that are needed to build up the capacities of this new category of care workers.

## Conclusions and policy implications

Pervasive labour market informality and cost-cutting measures within the public sector, along with the devaluation of both women's work and care work contribute to the vulnerability and exploitation of particular categories of care workers that have grown in recent decades. This makes care labour a key focus for activists and policy-makers committed to advancing workers' rights and gender and ethnic/racial equality. However, the undervaluation of paid care has major implications beyond the situation of specific categories of care workers. Care work – whether paid or unpaid – has important features of a public good. It generates benefits that extend beyond the immediate care recipient to society as a whole. These positive spillovers (or externalities) are rarely captured or accounted for by markets – they can be internalized only by stronger state regulation and/or additional financing, failing which problems of supply and quality of care are likely to be exacerbated.

Policy-makers must lead the shift from a strategy that relies on market-based and voluntary care provision of the most informal and exploitative kind, to one that nurtures professional, decently paid and compassionate forms of care. Such a shift, which will benefit both care workers and recipients, requires effective regulation and monitoring by States. But organizations of care workers and care users also need to be involved in order to build public confidence in such services and sustain their financing through general taxation. Since non-profit organizations and civil society associations play an increasingly important role in the delivery of care services, it is the duty of the State to establish clear standards on the rights of volunteers (health and safety at work, regular stipends), and to recognize them as workers given their growing numbers in the care workforce.

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## How care-work employment shapes earnings in cross-national perspective

Michelle J. BUDIG\* and Joya MISRA\*\*

**Abstract.** *This article investigates the wage effects of employment in care work – conceptualized as work providing face-to-face client services that strengthen the health, skills or safety of recipients – in 12 countries representing a range of economic and policy contexts. While previous research has found an earnings penalty for care work, this article finds remarkable cross-national variation in that effect. The authors find that worker characteristics and job characteristics shape the effect of care employment on earnings. They also consider how country-level factors – earnings inequality, size of public sector, and trade union strength – impact upon cross-national variation in the effect of care employment on earnings.*

As more women across the globe have entered the labour market in recent decades, the care economy has witnessed tremendous growth. For example, the proportion of paid care workers in the United States doubled between 1900 and 1998 (Folbre and Nelson, 2000). Yet, care-work employment is often undervalued and underpaid (Cancian, 2000; Abel and Nelson, 1990), even though care work clearly deserves both “public recognition and reward” (Folbre, 2001a, p. 232). Research using data for the United States indicates that care work pays less than would be predicted based on the workers’ qualifications, skill demands and other characteristics of their jobs (England, 1992; England, Budig and Folbre, 2002). But does this wage penalty for care-work employment exist across countries, particularly those with different economic and social policy profiles? If not, what differences among workers and country policies can explain variation in the effects of such employment on earnings?

In order to understand how care work is recognized and rewarded across different national contexts, this article examines the wage effects of employment in care work – conceptualized as work providing face-to-face services that strengthen the physical health and safety or the physical, cognitive or emotional skills of those they serve (England, Budig and Folbre, 2002). Examining care work also allows us to consider the larger issues of gender, inequality and the value of care to society (Daly, 2001a; Razavi, 2007). Comparing

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12 countries, we investigate whether wage differentials between care and non-care workers can be explained by differences in worker or job characteristics, including occupational and industry-level segregation by sex and the public-sector affiliation of care work. We situate our findings within a broader framework of cross-national differences in inequality, unionization and the socialization of care work, by considering a wide range of countries – from wealthy welfare states to post-socialist and developing countries.

## Effect of care-work employment on earnings

Previous research has documented wage penalties for care work in the United States. In their longitudinal study, England, Budig and Folbre (2002) found that workers in the United States generally experience a wage decline when they enter a care occupation and an increase when they leave. These authors estimate a 5–6 per cent pay penalty for doing care work,<sup>1</sup> controlling for education, workers' background and job characteristics. What we do not know, however, is whether this penalty persists across varying labour market and social policy contexts.

Care workers might incur wage penalties on account of their own characteristics, job characteristics, or the profit-limiting nature of care services. First, care workers may be negatively selected into care work based on their human capital endowments, such as education. Second, they may have other characteristics that are devalued in the labour market. For example, care workers may be more likely to be women or immigrants – two groups that tend to be paid less than others. And third, there may be certain characteristics of care work itself that lead to lower pay, e.g. care-work jobs being disproportionately non-professional, part-time, female-dominated, or located in the unsubsidized private sector. The association of care work with “women's work” through job segregation by sex may lead to the devaluation of care work and lower wages even when care work is performed by men (England, 1992; Cancian, 2000; Folbre, 2001a and 2001b).<sup>2</sup>

Beyond worker or job characteristics, care work may be less profitable, or even less economically sustainable, due to its intensive labour demands. Baumol (1967) noted that service provision has slower productivity growth and faster-rising labour costs than manufacturing, where labour can be replaced more easily by technology. Although some types of services have benefited from information technology advances, “productivity growth has been and is likely to continue to be slowest in care services requiring personal and emotional contact” (Folbre, 2001b, p. 180). The 24-hour daily demands of care provision for the young, sick, disabled or elderly create trade-offs between cost containment and the quality of care services. The challenge of raising product-

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<sup>1</sup> Nurses, who experienced an 8 per cent wage bonus, were the exception.

<sup>2</sup> The notion that care work should be provided out of love, is its own reward, and/or should not be commodified may normatively justify lower pay for care work (Folbre and Nelson, 2000).

ivity without reducing quality of services is indeed a hallmark of care services (Razavi, 2007; Himmelweit, 2005).

Care recipients or providers (often both) may absorb the high costs of care through higher fees and lower wages, respectively (Harrington Meyer, 2000; Daly, 2001a). Employers may attempt to contain costs by speeding up care work<sup>3</sup> and/or by employing workers who are disadvantaged in the labour market on the basis of ascribed attributes (gender or race) and achieved attributes (human capital). The vulnerability of most care recipients hampers their ability to pay ever higher amounts for care services, creating a market imperfection based on an externality whereby care recipients garner benefits of care that exceed the level of care-provider compensation. In addition, the limited paying capacity of care recipients also limits the profitability or unsubsidized sustainability of care work (Harrington Meyer, 2000; England, Budig and Folbre, 2002). As a result, care workers may face lowered wages compared to non-care workers, particularly relative to the human-capital and skill-level requirements of their jobs.

Macro-level factors may mitigate care-work wage penalties. National context – specifically government support and regulation, overall levels of income inequality and the degree of care-worker unionization – may reduce penalties or even create wage bonuses for the performance of care work. For example, governments may alleviate the economic pressures on care workers' wages by subsidizing or providing care. Public sector care-work employment may be one indicator of how governments address these pressures.<sup>4</sup> Governments are less likely to pay very low wages because of their greater exposure to legal and public scrutiny, compared to the private sector (Kearney and Carnevale, 2001). Gornick and Jacobs (1998) argue that both the skill requirements and the pay policies of governments help equalize the wages of women and men. These effects may also extend to the wages of care workers relative to those of workers not in care work.

Social policies vary in the extent to which they support care provision through the family, the market, the public sector or the not-for-profit sector (Razavi, 2007). Care-work wage penalties might be reduced if the State “socializes” the costs of care by providing and subsidizing care through the public sector (Morgan, 2005).<sup>5</sup> Conversely, where policies encourage care provision through (unregulated) markets, market forces are expected to result in reduced wages for care workers (ibid.; Daly, 2001b). We will therefore examine whether wages for care work are better – relative to wages for non-care

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<sup>3</sup> Requiring workers to perform faster or increasing the ratio of care recipients per worker leads to higher levels of worker turnover and lower levels of care quality (Folbre, 2006; Harrington Meyer, 2000).

<sup>4</sup> Below, we examine the impact of state provision of care to test whether public provision leads to higher wages for caregivers or strengthens gender equity, as argued in past research (Daly, 2001b; Razavi, 2007).

<sup>5</sup> State subsidies are not a panacea; American elder-care workers in Medicaid-financed nursing homes earn very low wages (England and Folbre, 2002).

employment – where levels of public provision of care are higher (as measured by the proportion of care work taking place in the public sector).

Labour market contexts may also have an influence on the relative wages of care workers. For example, some countries' labour-market policies effectively limit wage dispersion and produce more equitable earnings. Indeed, Blau and Kahn (2003) show that cross-national gender wage gaps are positively correlated with the degree of inequality in wage distributions. Accordingly, we will examine cross-national correlations between levels of income inequality and the net effect of care-work employment on earnings. Similarly, since collective agreements may also limit wage differentials between care workers and other workers, we examine the association between trade union density and the net effect of care-work employment on earnings across countries.<sup>6</sup>

## Data and methods

We use micro-level data from the Luxembourg Income Survey (LIS) for the years 1999–2002. We selected countries that offer a variety of policy strategies for care work, represent different levels of market development (post-industrial capitalist, post-socialist capitalist, and developing market economies), and provide sufficient data to construct detailed occupational and industry variables for the identification of care workers. The countries are:

- *Nordic*: Finland and Sweden;
- *Continental European*: Belgium, France, Germany and the Netherlands;
- *Post-socialist*: Hungary and the Russian Federation;
- *Liberal*: Canada and the United States;
- *Developing*: Mexico and Taiwan (China).

We limit our sample to civilian employed adults (aged 18–59) with valid earnings data. We exclude the unemployed, students, retirees and all others not in the labour force.

Our dependent variable is the natural log of annual earnings, a transformation that normalizes the earnings distribution. We recode extreme earnings values to the 1 per cent and 90 per cent values of within-country earnings distributions. Using logged earnings allows us to interpret regression coefficients (multiplied by 100) as approximate percentage changes in earnings for a one-unit change in the independent variable. Thus, the coefficient on, say, “care work”, multiplied by 100, tells us in approximate percentage terms how much less (or more) care workers earn, compared to those not employed in care work. These percentage differences also allow us to compare the gap between care workers and non-care workers across countries with different currencies.

Our primary independent variable is care-work employment. We conceptualize care work using the framework developed by England, Budig and

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<sup>6</sup> While collective bargaining coverage of care workers would have been the preferred measure, data limitations have forced us to rely on the broader measure of union density.

Folbre (2002). Specifically, care work involves (1) face-to-face human interaction between provider and recipient that (2) develops or maintains the capabilities (cognitive, physical, emotional) of the recipient. We distinguish this from a broader category of interpersonal services, where the focus is not on increasing the capabilities of the recipient, in order to avoid slipping into an analysis of the service sector broadly. Our care-work variable is identified by the respondent's occupation and industry affiliation. While detailed classifications of occupations and industries vary across countries, occupations and industries are cross-classified at the finest possible level in order to identify care workers.<sup>7</sup> Examples of occupational categories that embody care work are teachers, nurses, personal service workers, religious workers, and physicians. We also include some traditionally male occupations that involve community care and protection through police work and personal protection.<sup>8</sup>

We also use industry affiliation to exclude persons in care occupations who are not effectively performing care work. For example, we exclude those professionals in health and nursing occupations who work in the financial/insurance industry (where they may advise insurance companies about the legitimacy of particular health-care requests). Industries indicating care-work employment include education, health and social work, recreational and cultural services, private household employees, and public administration. To be coded as a care worker, the respondent was required to be both in a care occupation *and* in a care industry.

We include control variables for demographic, human-capital and job characteristics that could potentially render the relationship between care work and earnings spurious. Demographic variables include age and dichotomous indicators coded 1 if the following conditions apply and 0 if not: female, immigrant, disabled, married, cohabiting, parent, and parent of a child under five years of age. Cultural and economic arguments have suggested that women are more likely to perform most kinds of care work because of gendered socialization. According to this logic, if men are not socialized to value care work, then factors other than tastes or socialized preferences should push men into care work – such as human-capital deficiencies precluding higher-paying jobs. Moreover, all else being equal, women earn less than men in most countries. Immigrants may also be more likely to work in low-level care jobs and to command lower wages as a result of their marginalized position in the labour market and the difficulty of transferring educational and professional credentials into foreign labour markets. Data on immigrant status were available for all countries except Hungary, Mexico, the Netherlands and Taiwan (China).<sup>9</sup> In addition, we include a measure of severe/employment-limiting disability where available. As

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<sup>7</sup> A table of the specific occupational and industry titles coded as “care work” in each country is available upon request.

<sup>8</sup> We estimated all models excluding these kinds of security and protection workers from the care employment measure. All results were robust.

<sup>9</sup> The LIS data do not include consistent measures of respondents' race/ethnicity, prohibiting analyses by race/ethnicity.

well as lowering wages due to work restrictions and/or employer discrimination, disability and receipt of care services might draw disabled workers into care employment. Disability indicators were available for all countries except France, the Russian Federation and Taiwan (China). Household composition impacts upon wages and may influence participation in care work – particularly among women – if these jobs are considered more amenable to women’s family responsibilities (Budig and England, 2001).

Human-capital measures include educational attainment. We measure educational attainment with categorical variables based on UNESCO’s International Standard Classification of Education (ISCED). The LIS has harmonized this variable across countries to create three educational categories: low (through lower secondary education), medium (upper secondary education through vocational post-secondary education), and high (university/college education and above). Low education is our reference category.

Job characteristics include full-time/part-time status and weeks worked annually. We use an indicator for part-time employment (=1) if weekly hours are 30 or less (Gornick and Meyers, 2003). Annual weeks worked could be calculated for all countries except France, Mexico, Sweden and Taiwan (China). For Sweden, we were limited to a measure that indicated either part-time *or* part-year employment (combining the two statuses), and thus include only this one measure for Sweden. Additional job characteristics include dichotomous indicators for professional and managerial status, self-employment, and agricultural-sector employment. We also calculate occupational and industry measures indicating the percentages of workers who are female and who are employed in the public sector.<sup>10</sup> The percentage of female employment in a given occupation/industry allowed us to test arguments about the devaluation of care work due to its association with women workers. The percentage of public-sector employment in a given occupation allowed us to examine whether the extent of state provision of care impacts upon wages for care work.

We use weighted Ordinary Least Squares (OLS) regressions to analyse the impact of care-sector employment on logged earnings.<sup>11</sup> We estimate the effect of care employment on earnings for each country with nested models that include successive sets of theoretically relevant control variables.<sup>12</sup> This allows us to examine how these sets of control variables either explain or suppress the effect of care-work employment on earnings. In separate analyses, we test for interactions between care-work employment and other job char-

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<sup>10</sup> “Industry percent female” was not available for France and the Russian Federation, nor was “percent in public sector” available for Finland.

<sup>11</sup> Because women’s labour force participation is selective (based on family responsibilities and supports for unpaid care) and because care workers are disproportionately female, country variation in the effect of care work on earnings may be due to differential selection of women into employment across countries. To test for selectivity, we estimated two-stage Heckman selection models with transfer income, other family income, and presence of a preschooler as selection criteria. These factors influence women’s selection into employment, but not women’s selection into care versus non-care jobs. We therefore present weighted OLS estimates.

<sup>12</sup> The equations used to estimate the regression models are available upon request.

acteristics. Finally, we examine associations between the effects of care work and country-level differences in social inequality, trade union strength, and public-sector size.

## Results

### *Comparisons of care workers across and within countries*

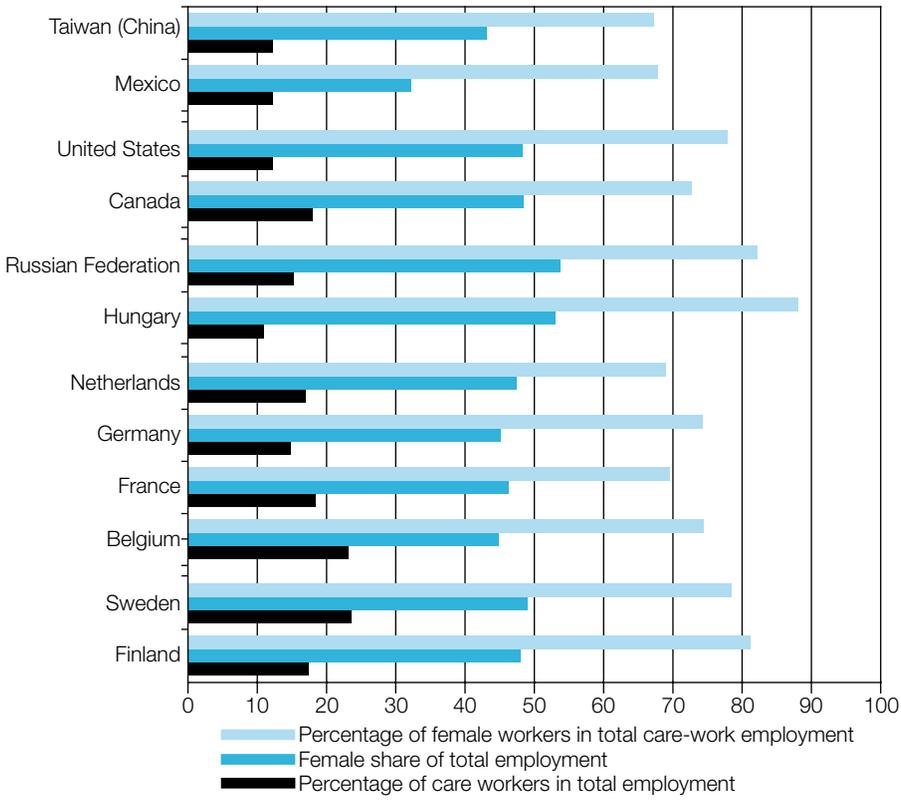
Figure 1 shows the female share of total employment and the total and female shares of care employment for all countries. The dark bar indicates the relative size of care-sector employment within each country. The care sector in Hungary, Mexico, Taiwan (China) and the United States accounts for half the employment share it has in Belgium and Sweden, which have the highest percentages (24 per cent) of the workforce in care employment. The intermediate bar shows the proportion of all employed workers who are women. In the post-socialist countries, women account for a slight majority of the workforce, while their share is a little less than 50 per cent in the Nordic and North American countries. Women are under-represented in the developing countries. The light bar shows the percentage of care workers who are female; it indicates that women are greatly over-represented among care workers, accounting for between 67 and 88 per cent of the total. The post-socialist and Nordic countries and the United States show the greatest sex segregation in paid care work. However, there is no strong correlation between the size of the female workforce and the size of the workforce in care employment. Countries where women account for smaller shares of total employment – Belgium, Germany, Mexico and Taiwan (China) – do not have consistently smaller proportions of care workers. Conversely, Hungary, which has the smallest proportion of care workers, has one of the highest proportions of female employment.

In results not shown here, we disaggregated male and female care workers and non-care workers separately for each country.<sup>13</sup> Across countries, care workers are more educated and more likely to be professionals than non-care workers (except in Hungary and the Russian Federation where the pattern is reversed). Among care workers, men are more qualified, but women hold higher qualifications among non-care workers. This suggests greater positive selectivity into care employment among men. Given the low participation of men in care employment, this prompted us to consider whether male care workers tend to hold better jobs than female care workers. In the majority of countries, men in care employment are more likely than women to be professionals. However, female care workers are more likely to hold professional jobs in the post-socialist countries and, albeit to a lesser extent, in Canada. Despite higher levels of male professionalization, part-time work is more common than full-time work in care employment in nine of the 12 countries for men, and in six of the 12 countries for women.

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<sup>13</sup> Results available upon request.

Figure 1. Care-work employment and female participation in 12 countries (percentages)



All countries display a striking difference between the proportions of care workers and non-care workers who are employed in the public sector, with significant variation by sex. Male care workers are more likely than male non-care workers to work in the public sector. In Taiwan (China), for example, 13 per cent of male non-care workers are in the public sector as against 37 per cent of male care workers, and the figures for the Russian Federation are 36 and 88 per cent, respectively. Similarly, female care workers are employed in the public sector at higher rates than female non-care workers, with proportions ranging from 30 per cent in Taiwan (China) to fully 93 per cent in the Russian Federation (the figures for female non-care workers employed in the public sector are 11 and 42 per cent, respectively).

Overall, care workers are thus comparatively more educated and more likely to be in professional jobs and in public-sector employment. Based on these characteristics, one would expect care workers to earn more than non-care workers. Yet, the unadjusted earnings of care workers in most countries roughly equal those of non-care workers, despite their higher skills. Care work-

ers may earn less because they are more likely to be in occupations and industries dominated by women. Next, therefore, we analyse sex segregation and other factors that may affect the earnings of care workers.

### *Wage effects of care-work employment net of worker and job characteristics*

We first estimated pooled models and included an interaction between sex and care employment to test whether the net effects of care-work employment differed by sex. The effects differed significantly by sex in seven countries. Accordingly, we estimate and present separate models for men and women to examine the effects of care-work employment on earnings.

Table 1 shows the wage effects of care employment by sex for a series of nested models. The first model includes all worker characteristics (family and demographic variables) except human capital. We anticipated finding wage penalties for care work, or perhaps no effect of care employment on earnings. Surprisingly, we find care bonuses in Model 1 for both men and women in Canada, Finland, Hungary, Taiwan (China) and the United States, and for either men or women in other countries. But when we introduce education, in Model 2, the wage effects of care-work employment become more negative (or less positive) in every country. In other words, the greater human capital of care workers mitigates the negative effects of care employment on earnings. These findings contradict the argument that care workers earn less because they are negatively selected into care employment based on their human capital characteristics. In Model 3, we add job characteristics (part-time status, annual weeks worked, self-employment, professional worker, and agricultural sector). Among women, the addition of these controls again makes the effect of care employment more negative (or less positive) in all countries except Belgium, the Russian Federation and Sweden. Thus, if care work did not have more positive job characteristics, the wage penalty would be greater among women, and the wage bonus would be entirely eliminated, except in the case of the Netherlands. This lends some support to the compensating differentials argument for women, implying that women may trade more positive job characteristics associated with care work for earnings. In the three outlying countries, however, adding job characteristics measures either reduced the negative effects of care employment on earnings (in Belgium and the Russian Federation) or increased the positive effect on earnings (in Sweden). Care workers in these three countries hold jobs with more negative characteristics, and this evidence contradicts the compensating differentials argument. Similarly, this argument receives mixed support from the findings for men: controlling for their job characteristics exacerbates the care-employment wage penalties in seven countries, and reduces the penalties in five, namely Sweden (where the care-employment penalty was eliminated), and Belgium, Germany, the Netherlands and the Russian Federation (where the care penalty was reduced). Thus, for men as well as for women, the compensating differentials argument fails to receive consistent support.

Women, gender and work

Table 1. Wage effects of care-work employment by sex, modelled with additive sets of control variables\* (percentages)

	Model 1	Model 2	Model 3	Model 4	Model 5
<b>Panel A: Men</b>					
<b>Nordic</b>					
Finland	<b>18.0</b>	4.9	<b>-11.2</b>	-2.6	NA
Sweden	-3.8	<b>-12.3</b>	1.1	<b>7.1</b>	<b>8.3</b>
<b>Continental European</b>					
Belgium	-3.4	<b>-13.0</b>	-5.0	-2.0	-2.0
France	3.9	-5.0	<b>-10.5</b>	<b>-8.3</b>	<b>-10.6</b>
Germany	-7.5	<b>-20.3</b>	-7.1	-3.9	-6.4
Netherlands	-3.5	<b>-15.0</b>	<b>-10.5</b>	<b>-9.7</b>	<b>-15.6</b>
<b>Post-socialist</b>					
Hungary	12.6	-11.3	-14.2	-12.5	-11.9
Russian Federation	0.9	<b>-15.3</b>	-8.4	-4.9	-2.6
<b>Liberal</b>					
Canada	3.1	<b>-5.4</b>	<b>-7.1</b>	3.9	-2.8
United States	<b>6.0</b>	<b>-16.5</b>	<b>-16.8</b>	<b>-8.8</b>	<b>-9.7</b>
<b>Developing</b>					
Mexico	<b>46.9</b>	-1.7	<b>-9.2</b>	<b>-15.6</b>	<b>-21.2</b>
Taiwan (China)	<b>21.5</b>	<b>4.9</b>	<b>-6.6</b>	<b>-6.9</b>	<b>-7.4</b>
<b>Panel B: Women</b>					
<b>Nordic</b>					
Finland	<b>8.9</b>	1.7	<b>-4.1</b>	2.5	NA
Sweden	<b>8.1</b>	<b>2.5</b>	<b>19.4</b>	<b>23.8</b>	<b>30.0</b>
<b>Continental European</b>					
Belgium	5.4	<b>-7.1</b>	<b>-5.0</b>	-3.9	-2.4
France	<b>-20.4</b>	<b>-32.0</b>	<b>-32.9</b>	<b>-29.0</b>	<b>-29.0</b>
Germany	<b>21.5</b>	<b>8.1</b>	1.0	<b>16.1</b>	<b>9.3</b>
Netherlands	<b>31.5</b>	<b>14.4</b>	<b>10.5</b>	<b>15.9</b>	<b>11.8</b>
<b>Post-socialist</b>					
Hungary	9.3	<b>-16.9</b>	<b>-24.9</b>	<b>-20.9</b>	<b>-21.2</b>
Russian Federation	<b>-18.3</b>	<b>-30.2</b>	<b>-19.3</b>	<b>-14.8</b>	-11.0
<b>Liberal</b>					
Canada	<b>23.3</b>	<b>11.3</b>	-1.0	1.9	<b>-15.0</b>
United States	<b>12.0</b>	<b>-8.0</b>	<b>-9.3</b>	-1.2	0.9
<b>Developing</b>					
Mexico	-7.1	<b>-36.5</b>	<b>-38.6</b>	<b>-48.2</b>	<b>-43.7</b>
Taiwan (China)	<b>18.3</b>	<b>4.8</b>	<b>-12.0</b>	<b>-14.6</b>	<b>-15.8</b>

\* Model 1 includes family structure and demographic characteristics; Model 2 adds human capital; Model 3 adds all job characteristics except for per cent female in occupation/industry and per cent public sector; Model 4 adds per cent female in occupation/industry; and Model 5 adds per cent public sector in occupation.

NA = Not applicable.

Note: Significant effects ( $p < .05$ , two-tailed tests) are **bolded**.

To test the argument that care work pays less because it is largely performed by women, in Model 4 we add measures of sex segregation: the percentage of female employment in the given occupation and industry.<sup>14</sup> Controlling for sex segregation reduces the wage penalties – or increases the wage bonuses – associated with care employment except in the developing economies of Mexico and Taiwan (China). It is indeed a stylized finding that jobs dominated by women pay less – all else being equal – than jobs dominated by men (England, 1992). Thus, care work pays less partly because it is feminized. Yet even after controlling for occupational segregation by sex, care-work wage penalties remained in most countries for both men and women.

Finally, Model 5 adds a measure of care-work occupational segmentation into public and private sectors. Adding this measure slightly increases the strength of the effects for men in most countries, compared to Model 4 – both in terms of wage penalties and wage bonuses. For women, controlling for public/private-sector segmentation slightly changes the magnitude of effects in most countries. For example, it mildly lowers the wage bonuses in the Netherlands and Germany (suggesting that wages for care work would be lower without the public-sector segment) and slightly increases the bonus in Sweden (suggesting that the public-sector nature of care work may lower wages in Sweden). For Canada, however, controlling for the effect of public-sector employment substantially changes the findings. Whereas the prior models found a wage bonus or no care-work effect on earnings among women in Canada, Model 5 shows a wage penalty for care work among Canadian women. In other words, if care work were not disproportionately located in the public sector in Canada, pay would be far worse among both women and men.

It could be that while the additive effect of public-sector employment does little to account for the care-work penalty, performing care work in the public versus the private sector may have differential effects. Table 2 reports the results of tests for statistical interactions between care work and public-sector employment (in results not shown here, we also examined differences in the care-work wage penalty by hours of work and professional status). We expected to find that care work performed in the public sector would pay better than in the private sector because of government subsidization.

Table 2 shows the net effects of working in a care job in the private versus the public sector separately for men and women.<sup>15</sup> Among men, care work in the private sector almost always carries a wage penalty, except in Sweden where it increases earnings. The penalty amounts to 50 per cent of annual earnings in the Russian Federation and 44 per cent in Germany – possibly a reflection of the fact that health care is mostly provided in the public sector in these countries. These penalties are striking given the model's control variables for educational attainment and job characteristics. Among the countries showing care-work wage penalties for men in the private sector, public-sector

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<sup>14</sup> The variance inflation factor was < 2.0 in all models, indicating no multicollinearity.

<sup>15</sup> All models in table 2 include the controls from Model 4 of table 1.

Women, gender and work

Table 2. Wage effects of care-work employment by sex and sector, net of demographic, human-capital and job characteristics (percentages)

	Men		Women	
	Private sector	Public sector	Private sector	Public sector
<b>Nordic</b>				
Finland	—	—	—	—
Sweden	<b>7.1</b>	<b>7.1</b>	<b>9.0</b>	<b>28.9</b>
<b>Continental European</b>				
Belgium	-2.0	-2.0	-2.4	-2.4
France	<b>-18.0</b>	<b>-3.2</b>	<b>-37.8</b>	<b>-17.4</b>
Germany	<b>-43.6</b>	<b>7.4</b>	<b>9.3</b>	<b>9.3</b>
Netherlands	<b>-22.1</b>	-1.0	<b>15.9</b>	<b>15.9</b>
<b>Post-socialist</b>				
Hungary	-11.9	-11.9	<b>-21.2</b>	<b>-21.2</b>
Russian Federation	<b>-49.6</b>	2.1	<b>-47.3</b>	<b>-10.9</b>
<b>Liberal</b>				
Canada	-6.1	<b>13.2</b>	<b>-15.0</b>	<b>-15.0</b>
United States	<b>-9.7</b>	<b>-9.7</b>	1.7	<b>-7.6</b>
<b>Developing</b>				
Mexico	<b>-6.9</b>	<b>-6.9</b>	<b>-66.9</b>	<b>-30.7</b>
Taiwan (China)	-2.0	<b>-17.1</b>	<b>-15.8</b>	<b>-15.8</b>

Notes: Significant effects ( $p < .05$ , two-tailed tests) are **bolded**. The coefficients presented are calculated from models with interaction terms.

employment completely eliminates or significantly diminishes these penalties in Canada, France, Germany, the Netherlands and the Russian Federation. In the United States and Mexico, the care-work wage penalty does not differ by public/private sector for men. Finally, in Taiwan (China), there is no wage penalty for private-sector care work, but men experience a penalty of 17 per cent in the public sector. Generally, however, male care workers in the public sector are less penalized than their private-sector counterparts.

Similar differences between the public and private sectors are observed for women, with private-sector care work dampening earnings. Women performing care work in the public sector fare better than those in the private sector in France, Mexico, the Russian Federation and Sweden. In Canada, France, Hungary, Mexico, the Russian Federation and Taiwan (China), the significant care-work wage penalties found in the private sector – ranging from -16 to -67 per cent – are reduced almost by half in the public sector. In Sweden, women’s care-work bonus jumps from 9 per cent in the private sector to 29 per cent in the public sector. Only in the United States does care work in the public sector pay significantly less than in the private sector: the wage penalty for women increases from non-significance in the private sector to -8 per cent in the public sector. This reflects the poor pay of public-sector care work-

ers in the United States, such as those employed in Medicaid facilities or as pre-school teachers in the Head Start Programme (England and Folbre, 2002).

In addition to considering how the wage effects of care-work employment may differ between workers in the public and private sectors, we investigated the effect of care-work employment on earnings by occupational status. In results not shown here, we found that care work frequently lowers wages more among professionals than among non-professionals. Indeed, we found care-work bonuses for non-professionals in three countries for men and in five countries for women. We also compared the effect of care-work employment on earnings for full-time and part-time workers. In most countries, full-time workers incur a higher penalty (or receive a smaller benefit).

We conclude that care employment often entails wage penalties. Care employment more consistently has negative effects on earnings among men, except in the Nordic countries. For women, employment in care work has mixed wage effects, but where we do find negative effects, the penalty is larger for women than for men. Worker characteristics do not account for these effects of care-work employment on earnings. Indeed, education and age appear to have a protective effect vis-à-vis care employment by mitigating wage penalties and increasing bonuses. The fact that care employment is more female-dominated than non-care employment accounts for some but not all of the wage penalties incurred by care workers. The fact that care workers are disproportionately located in the public sector generally improves the effect of care-work employment on earnings. Overall, the care-work wage penalties tend to be larger where returns to experience are high – among professional workers, among full-time workers, and among those working in the private sector. Conversely, wage bonuses are often associated with care work in the public sector or performed by part-time or non-professional workers. These bonuses are most consistently found in Sweden, Germany, the Netherlands (men only) and Canada (women only).

## Policy contexts

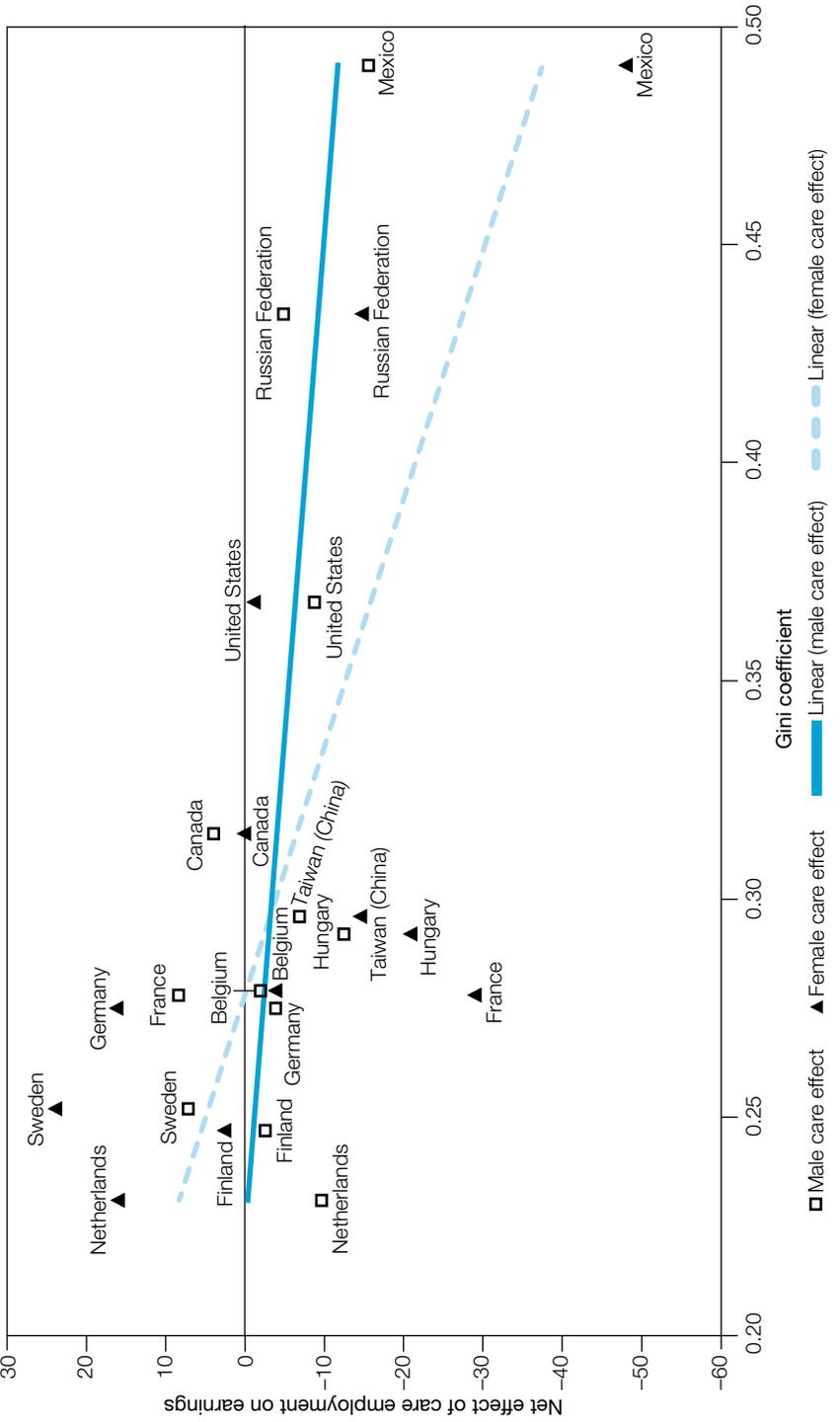
Labour market and social policy context may limit wage penalties in countries whose policies lower levels of income inequality, promote higher levels of collective bargaining, or socialize the costs of care via the public sector. Accordingly, we first examine whether cross-national variation in the care-work wage penalty may be explained by differences in income distribution: figure 2 juxtaposes the Gini coefficient<sup>16</sup> against the net “care effect” on wages for our sample of countries.<sup>17</sup> Separate data points and trend lines are reported by

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<sup>16</sup> This is a LIS Key Figure. A Gini coefficient of 0.0 indicates perfect equality (each person in the country receives the same percentage of total income) while a value of 1.0 indicates perfect inequality (a single person in a country receives 100 per cent of the total income, while everyone else receives zero per cent).

<sup>17</sup> We use Model 4 of table 1 for these measures, since Model 5 could not be applied to Finland due to data limitations. The effects are similar, although model 4 underestimates the wage penalty for care work in Canada.

Figure 2. Net effect of care employment on earnings in relation to the Gini coefficient, by sex (percentages)



sex. Generally, the slope is negative: countries with high levels of inequality (Mexico, the Russian Federation and the United States) are also associated with higher penalties for care work, and the relationship is clearly stronger for women than for men. Yet, the pattern is imperfect: some countries have similar levels of inequality but different penalties/bonuses for care work (e.g. France and Germany).<sup>18</sup>

Second, we predicted that countries with stronger collective bargaining institutions would show smaller penalties for care work. Figure 3 maps the relationship between union density (the percentage of workers belonging to unions) and the effect of care-work employment on wages for men and women (Visser, 2006).<sup>19</sup> While the relationship is only slightly positive for men, women in countries with higher levels of union density are more likely to receive wage bonuses for doing care work. This finding is particularly striking in that we are using a broad measure of union density – for workers in general, rather than care workers.

Third, another way of addressing wage penalties for care work is through government support, which can be measured by the percentage of care-work employment in the public sector. As our regression results have shown, public-sector employment has significant positive effects on care-work wages for both men and women. Where care services are more privatized, relative wages for care work are, generally, lower.<sup>20</sup> State provision of care can thus mitigate care-work wage penalties or even produce wage bonuses by addressing the externality caused by the incapacity of care recipients to compensate care providers fully for the benefits of the care they receive. Figure 4 relates the size of the public sector to the effects of care-work employment on earnings. Unlike the other figures, this one shows the correlation to be similar for both women and men, namely, moderate and positive. Except for the Russian Federation (with its large public sector and heavy care-work wage penalties), the figure supports the idea that countries with stronger public support for care are more likely to have better-paid care workers.<sup>21</sup> Conversely, as figure 4 most clearly shows too, countries with less care work occurring in the public sector tend to display greater care-work wage penalties (particularly for men). Yet there remain complex inconsistencies that are not adequately explained. For example, the Netherlands and France have similar-sized public sectors, yet French

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<sup>18</sup> The care bonus French men receive is more in keeping with the general level of inequality, while French women's remarkably strong care penalty puts their earnings below what France's general income inequality would predict.

<sup>19</sup> Mexico, the Russian Federation and Taiwan (China) are not included in figure 3 because we did not have adequate measures of union density for these countries that were comparable with those used for the other countries in the analysis.

<sup>20</sup> Of course, this may not hold for all workers; public-sector doctors may earn less, while public-sector childcare workers earn more.

<sup>21</sup> The exception of the Russian Federation could be due to enterprises partly owned by the State being coded as "public-sector." When we remove this case, the regression lines for both men and women become much steeper. In other words, the Russian Federation may be inappropriately minimizing the positive effect of public-sector employment on wages for care work.

Figure 3. Net effect of care employment on earnings in relation to union density, by sex (percentages)

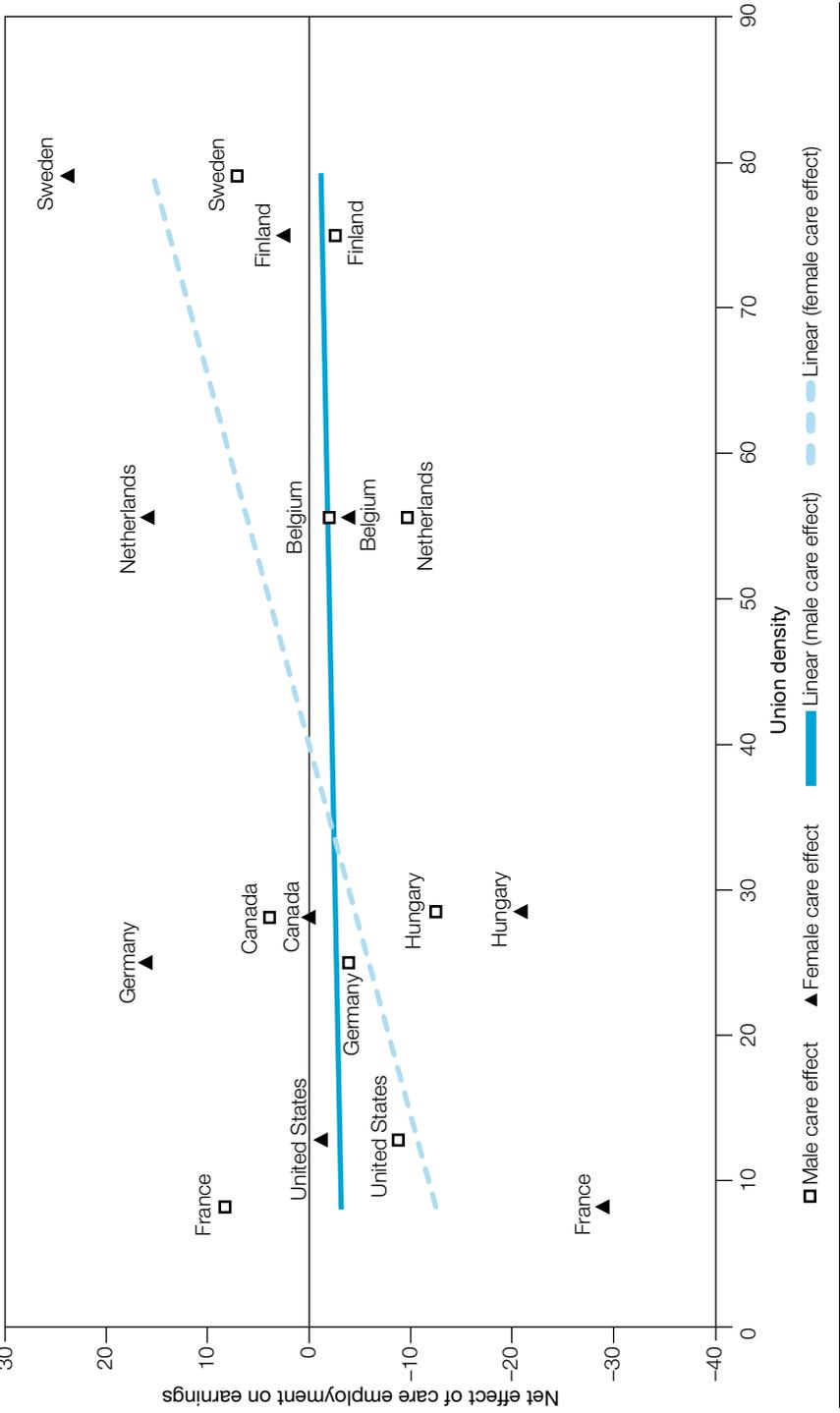
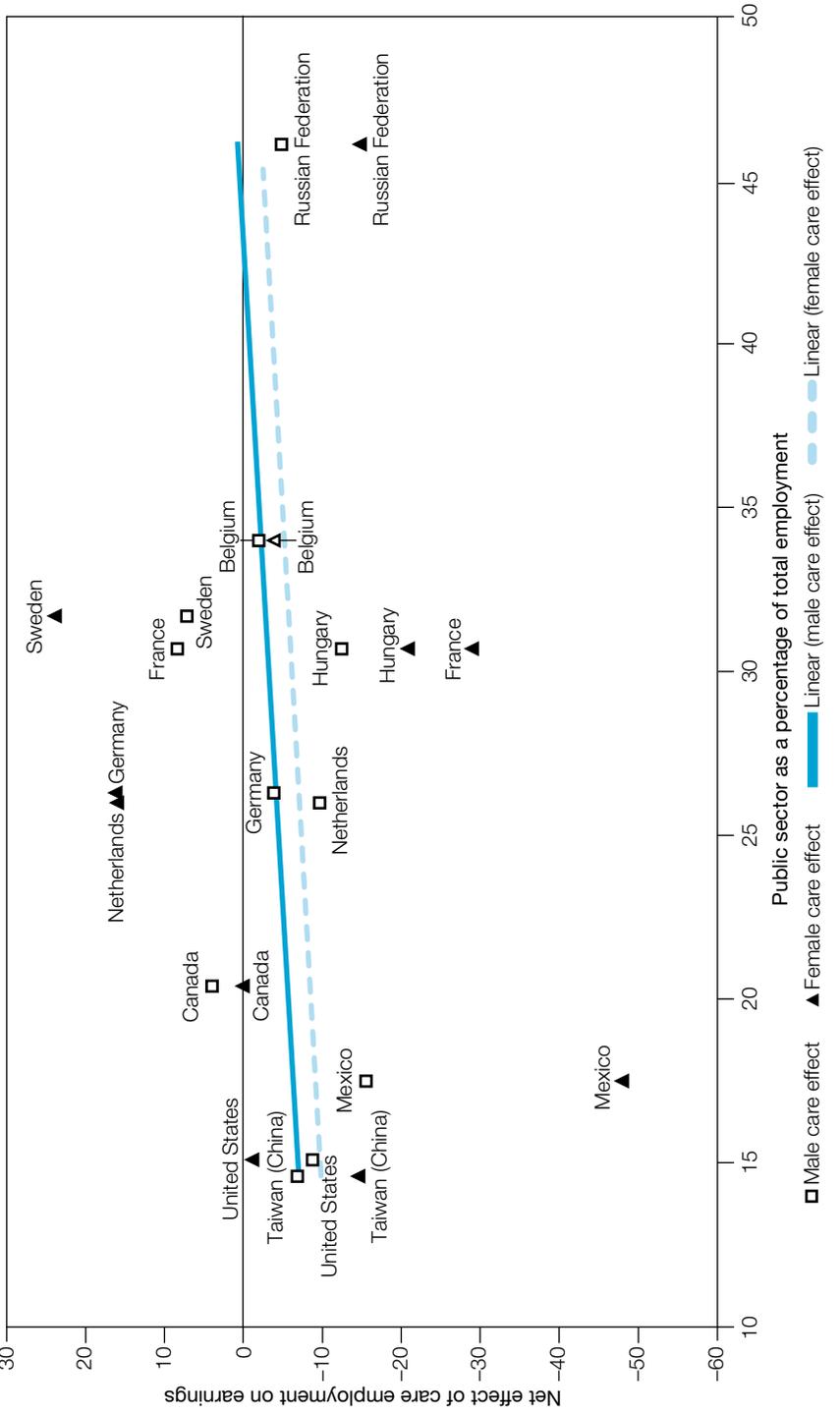


Figure 4. Net effect of care employment on earnings in relation to public-sector size, by sex (percentages)



men and Dutch women in care work receive wage premiums, whereas French women and Dutch men in care work incur wage penalties.

We theorized that a variety of social and labour-market policies might mitigate the wage penalties for care work. Income inequality, union density and the size of the public sector seem to help explain some of the wage penalties, though not all.<sup>22</sup> In part, this appears due to gendered processes that lead to stronger devaluation of care occupations. Our best answer to the question of whether policy context matters is that labour-market policy matters a great deal. Clearly, where income inequality is greater and where the public sector is smaller, the wage penalties are higher. Where income inequality is low, the public sector is large, and public spending on care is high, workers in care occupations may even earn bonuses.

## Discussion

This article has considered whether the effect of care-work employment on wages varies across national and policy contexts and, if so, what mechanisms could explain the variation. We found significant variation in the care-work effect on wages across countries, and also that this effect varies between women and men, by worker characteristics, and by national and policy context. In most cases, care-work employment does entail wage penalties, but some countries are exceptions: in Sweden both men and women earn bonuses for engaging in care work, and female care workers in the Netherlands and Germany also earn bonuses. Male care workers suffer from wage penalties in more countries than do their female counterparts, but the care-work wage penalties incurred by women are more severe. These penalties are not simply a “women’s issue” because both men and women in these jobs are economically disadvantaged for performing this work. These findings make an important contribution to research, since many studies of care employment have excluded men.

Care work does not pay less because it is less skilled. Indeed, the comparatively higher human capital of care workers appears to protect them from the full lowering effects of care employment on earnings. Moreover, care work is not paid less because workers trade more amenable job characteristics for earnings, as the compensating differentials argument predicts. Although care-work employment is frequently associated with more positive job characteristics (such as public-sector location and professional positions) than non-care

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<sup>22</sup> Care penalties/bonuses might possibly be linked to country differences in support for family care provision (vs socialized care provision) or to the level of women’s labour force participation, both of which could shape the degree of “competition” from non-employed family caregivers. However, the care-work penalties/bonuses we find do not align with the female shares of total employment shown in figure 1, nor with the degree of “familialization” of care work found in our past research (Misra, Budig and Moller, 2007). For example, Sweden and Germany both show net care-work bonuses (particularly for non-professional care workers), but they are widely divergent as to whether care services are provisioned directly through government services or subsidized for provisioning within the family (Anttonen and Sipilä, 1996). Thus, it is unlikely that wages in the care sector respond only to the levels of socialized vs familialized care provision.

employment, in a non-negligible number of countries this is not the case. Moreover, wage penalties for care work tend to be larger among professional workers and full-time workers. Working in the public sector largely benefits care workers, while working in the private sector leads to greater wage penalties or smaller wage bonuses.

Care work appears to be devalued as “feminized work”: controlling for occupational segregation by sex lessens the wage penalties to care.<sup>23</sup> Care work is substantially more likely to be performed in occupations staffed primarily by women, and jobs with a disproportionate share of women pay less well than those staffed primarily by men. Care-work penalties are due, in part, to sex segregation – but penalties remain even after we control for occupational segregation by sex.

One of the most interesting contributions of this study stems from our attempt to identify labour-market policy impacts on wages for care-work employment by looking across different countries. Our findings do suggest that *context matters*. Workers in care-work employment are more likely to earn care bonuses in contexts where income inequality is low, union density is high, the public sector is large, and public spending on care is high. Conversely, wage penalties are more likely to be incurred where the labour market context is less egalitarian and features less public-sector employment and low public spending on care. Since these findings are based on correlations between different types of contexts and care penalties, we believe that the correlations warrant further explication. For example, multi-level regression models might identify which measures of labour-market context predict wage effects for care employment.

Institutional factors must indeed be considered if wage gaps for care work are to be identified and addressed. Very importantly, care work is not systematically associated with wage penalties. Exceptions such as Sweden and, to a lesser extent, Germany not only show no evidence of care-work wage penalties, but they also appear to feature wage premiums for care work. These exceptions are critical for understanding how the social and institutional conditions of care work might be altered so that those who perform care services which are essential to the welfare of society are neither economically harmed in doing so, nor pushed out of this form of work altogether. Supporting the wages of care workers helps to ensure that dedicated and skilled personnel continue to provide the services that are critical for the maintenance of healthy societies.

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<sup>23</sup> The causality may be reciprocal: lower wages for care work may cause workers with more job opportunities (men) to avoid care work, thus increasing sex segregation.

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## Discounted labour? Disaggregating care work in comparative perspective

Naomi LIGHTMAN\*

***Abstract.** This article contrasts the earnings of high- and low-status care workers in Canada, the United States, Japan, the Republic of Korea and Taiwan (China) using the micro-data files of the Luxembourg Income Study. By disaggregating existing definitions of care work, the author identifies occupations with lower and higher degrees of “social closure”; revealing the associated care penalties and care bonuses cross-nationally. She also empirically measures the extent of similarities (and differences) between and within care economies in “liberal” and “productivist developmental” welfare regimes, offering support for the argument that globalization has fostered substantial convergence within the international care market.*

Care work, often associated with “women’s work”, is frequently found to be undervalued and underpaid (e.g. England, Budig and Folbre, 2002; Peng, 2012). Three main explanations are provided for this phenomenon. First, the characteristics of care workers themselves, including sex, race and nativity status (along with their intersections), lead to labour market disadvantages (Duffy, 2005; Duffy, Albelda and Hammonds, 2013). Second, individuals are negatively selected into care work based on low levels of education and other human capital, resulting in lower wages (England, 2005; Isaksen, Devi and Hochschild, 2008). And third, the nature of care work itself devalues earnings, as it is often disproportionately precarious and part time, female-dominated, and/or located in the unsubsidized private sector (Budig and Misra, 2010; Folbre, 2008; Lewis and West, 2014).

The majority of existing care-work studies are theoretical, qualitative, or focused on a single national context (e.g. Mason, 2003; Geisen and Parreñas, 2013). Increasingly, however, care work is being conceptualized within a globalized (or transnational) labour market (Boyd and Pikkov, 2013; Hochschild, 2000), suggesting a need for international comparative analyses, such as that provided by Budig and Misra (2010). In their seminal article contrasting

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earnings in care work cross-nationally, these authors document significant variation across 12 countries, including wealthy welfare states, and post-socialist and developing economies. They find that sex, other worker characteristics, and national and policy contexts are each influential in determining care wages; while they identify a “care penalty” in the majority of countries, they demonstrate that there is a “care bonus” for women in Sweden, the Netherlands and Germany.

Notwithstanding the importance of Budig and Misra’s (2010) findings, two pertinent issues are less well captured by their analysis. First, the authors’ definition of care work is very general, conceptualized in terms of face-to-face human interactions between providers and recipients that develop or maintain the capabilities of the recipient (England, Budig and Folbre, 2002). By combining occupations with very low status (and salaries) and those with very high status (and, often, matching professional qualifications), Budig and Misra (2010) run the risk of masking important variation within care work. Second, they focus primarily on North America and Europe, relying on Mexico and Taiwan (China) to represent “developing” economies despite their disparate welfare traditions. This leaves space for further examination of whether and how care provisioning and outcomes are unique within the wealthy “productivist developmental” countries of East Asia, as suggested by welfare regime scholars (e.g. Kilkey, Lutz and Palenga-Möllenberg, 2010; Powell and Kim, 2014).

Accordingly, this article builds on the intersection of care work and welfare regime theory, providing a quantitative analysis of paid care employment within an international comparative perspective. Specifically, I use the micro-data files of the Luxembourg Income Study to compare the earnings of high- and low-status care workers in Canada, the United States, Japan, the Republic of Korea (hereinafter Korea), and Taiwan (China) in order to answer the following key questions:

- Does distinguishing between care-work occupations with higher and lower degrees of “social closure” allow for a more nuanced analysis of any associated “care bonus” or “care penalty” cross-nationally?
- To what extent are care economies similar (or different) between and within “liberal” North American and “productivist developmental” East Asian welfare regimes or, in other words, have the forces of globalization fostered substantial convergence within the international care economy?

Ultimately, this article demonstrates a significant care penalty within low-status care work and a significant care bonus for professionals in the fields of education and health cross-nationally, even while controlling for a host of factors known to influence earnings. Its findings thus reinforce the need to specify further what is meant by “care” (and consider who is providing which type of care and where) and suggest that resources and policy ought to be directed towards those workers in lower-status caring occupations, particularly in Canada and the United States. Also, while the data show a major divide between liberal and productivist developmental welfare regimes in the relative care

penalty experienced by low-status care workers, they also point to the need to examine differences within care regimes, taking into account the wage effects of national differences in welfare provisioning.

## Comparing care economies

### *Disaggregating care work: High- and low-status occupations*

Qualitative analyses of care work provide rich descriptions of the downward trajectories of highly feminized and racialized populations (who are also disproportionately migrants), often serving elderly, sick, or preschool-aged clients (e.g. Anderson and Hughes, 2010; Geisen and Parreñas, 2013). These women work in hospitals, in the post-acute health-care sector, in daycares or in private homes, and the negative repercussions of their employment conditions are often felt across families and communities. Equivalent quantitative studies, for their part, typically provide evidence of statistically lower wages in care work than in non-care occupations, most often examining a single country in North America or Western Europe (e.g. Barron and West, 2013; Dwyer, 2013). As a prominent example, England, Budig and Folbre (2002), using the 1982–1993 waves of the National Longitudinal Survey of Youth, find a wage penalty of 5–10 per cent for working in a caring occupation in the United States (with nursing as a notable exception).

Yet, within the relevant scholarly literature, care work is differentiated in several ways. One divide concerns how to best define care work. Some researchers, including Budig and Misra (2010), rely on a very broad definition of care; their analysis combines individuals working in childcare, all levels of teaching (from preschool to university), all types of health-care providers (from nursing aides to registered nurses to doctors), and workers in the “helping professions” (e.g. therapists, social workers, and clergy). Duffy, Albelda and Hammonds (2013) also include indirect caring occupations in their sample of care workers, such as administrative assistants, managers, janitors and cafeteria cooks in schools and nursing homes. With such broad definitions, care work encompasses a very wide range of occupations and aggregates diverse occupational incomes.

Other scholars, however, focus on examining wage differentials within care work. Weeden (2002) notes the importance of identifying caring occupations that have achieved a higher degree of “social closure” (Weber, 1956) through the use of various bodies to control access to the profession and negotiate employment conditions and benefits. Medicine, in particular, is notable for having strong closure mechanisms in the form of bodies that strictly control access to the profession and negotiate on behalf of doctors or nurses. Other occupations in the caring industry that are also strongly unionized, such as teaching, enjoy similarly high social closure. Yet, Weeden (2002) finds that occupations that are predominantly female suffer not only because of the associated skill set and their demographic composition, but also because they seem to benefit less from social closure than do other occupations.

Barron and West (2013) extend Weeden's (2002) analysis of the United States to the United Kingdom. They demonstrate a statistically significant wage penalty associated with working in certain caring occupations, specifically those requiring lower levels of educational qualification, such as nursing assistants and auxiliaries. However, for other occupations such as medicine and teaching, they find wages to be higher than in comparable non-care occupations. These authors conclude that, "although previous research in this area has suggested that the majority of the caring occupations face a wage penalty, the results reported here show that a more nuanced understanding of the status of care work is needed. We have shown that doctors, nurses and school teachers all do better than employees in comparable occupations" (Barron and West, 2013, p. 118).

Yet, regardless of how care work is defined, social policies differ cross-nationally in the extent to which they support care provisioning through the family, the market, the public sector or the not-for-profit sector (An and Peng, 2015; Razavi et al., 2012). Thus, wage penalties (or bonuses) for care work are influenced by the welfare regime within which they operate. This leads to a second crucial point of contention within the care-work literature: how best to conceptualize cross-national variations in care? This question is addressed in the following section.

### *Connecting care and welfare regime theory*

Cross-national analyses of care work often utilize welfare regime typologies, suggesting that countries can be grouped into "clusters" based on the quality of social rights, the extent of social stratification, and the relation between state, market and family (e.g. Esping-Anderson, 1990; Mahon et al., 2012; Michel and Peng, 2012). Yet, while such categorizations provide a convenient means to compare care economies, some scholars suggest that welfare regimes are outdated (and Eurocentric), and that differences within care regime categories can be more important than the differences between them (Brennenstuhl, Quesnel-Vallée and McDonough, 2012; Reibling, 2010).

The countries analysed in this article were selected for two reasons. First, they are similar in that each of them faces the dilemma of reconciling a familialistic ideal of care with significant increases in female labour force participation and a rapidly expanding paid care economy (Michel and Peng, 2012). Second, the care economy in East Asia is far less well known than in North America, Europe or the Middle East. Thus, similarities or differences between and within East Asian care regimes are still largely indeterminate. Below, I briefly outline some key elements of the welfare regimes associated with the countries studied here – namely, Canada, the United States, Japan, Korea and Taiwan (China) – and discuss a major critique of this classification scheme.

Under welfare regime theory, Canada and the United States are considered prototypical "liberal" states, and are thought to assign "key roles to labour markets and families, with the state's role largely limited to providing assistance targeted at those least well-off" (Mahon et al., 2012, p. 421). Liberal regimes

are characterized by a preference for market solutions to welfare problems, leading to relatively low levels of social spending, limited regulation of labour markets, and high levels of overall inequality. Individuals in liberal welfare regimes are conceived of as discrete market actors and are encouraged to seek their welfare in the market, often through subsidies for privately provided benefits. Basic security schemes are likely to be means-tested and social insurance benefits modest (Michel and Peng, 2012; Myles, 1998).

By contrast, East Asian welfare regimes are the focus of considerable debate about their classification and distinctiveness (Li, 2013; Powell and Kim, 2014). Most commonly, they are labelled “productivist developmental” regimes and are thought to subordinate social welfare to policies which foster economic development, often neglecting policies that target women (Midgley, 1986). This classification suggests that caring for family members is primarily a familial responsibility, though governments take an active role in managing and co-ordinating industrial and economic development (Aspalter, 2006; Kwon and Holliday, 2007). Rapid economic growth is encouraged via low taxes and wages and a flexible workforce, rather than through large-scale social welfare spending. Yet, social policies are supported in so far as they serve the commodification of a healthy and efficient labour force, heavily weighting investment towards education or human capital (Holliday, 2000; Hong, 2014).

While some research makes much of these regime differentiations, other scholars suggest that any such schema of categorization is approximate only (e.g. Kasza, 2002; Scruggs and Allan, 2008). In both North America and East Asia, concerns about pressures on public finances have led governments to focus on market-oriented systems of education and health-care provisioning, and there has been a widening socio-economic divide between those who rely on paid care work and those who provide such services. Thus, it is suggested that due to a growing focus on competition and choice internationally, governments worldwide are increasingly emphasizing for-profit provision and privatization in welfare service delivery. This convergence is thought to nullify the extent of differences between welfare regimes and perhaps call into question the utility of the entire typology (Brennan et al., 2012; Scruggs and Allan, 2008).

### *Care provisioning in North America and East Asia*

Despite differences of opinion on the efficacy of welfare regime theory, there is general consensus that the processes and structures driving the global care market differ cross-nationally in terms of their model of provision (e.g. public/private, for-profit/not-for-profit, regulated/unregulated) and the care workforce, e.g. in terms of sex composition, ethnicity, nationality, education and skill levels (Brennan et al., 2012; Budig, Misra and Boeckmann, 2012; Hong, 2014). This section builds on the above analysis of welfare regime theory, contrasting details of the current state of care provisioning within each of the case study countries. The analysis supports the assertion of Michel and Peng (2012) that in Canada and the United States the framing of a “crisis of care” has centred

largely on the absence of national policies and state provisioning, while in East Asia, concerns have focused primarily on the misfit between the supply of, and demand for, government-provided services.

At present, neither Canada nor the United States offers universal, state-supported childcare services, although there is considerable variation at the state or provincial level. In both countries, the cost of childcare usually exceeds any government subsidies, except in the case of very poor families. Like childcare, long-term eldercare is provided through a patchwork of arrangements with financing tied to socio-economic status. National health insurance covers most medical and hospital-related costs for the elderly, as well as some (usually small) portion of the cost of medically related care either in private homes or in institutions. However, in both countries the cost of non-medical care (e.g. assistance with the activities of daily living) is covered by subsidies at the subnational level, private insurance, personal savings, and voluntary services (Boris and Klein, 2006; Michel and Peng, 2012). In addition, the quality of care accessed by those at higher and lower income levels is often widely divergent (Lightman and Lightman, forthcoming).

Similar to North America, wealthy countries in East Asia struggle with a demand for childcare and eldercare that often exceeds supply. However, recent changes in these countries have led to more supportive policies for families due to an expansion of the role of the State in the provisioning of care. Japan has strengthened its policy to support the family's use of care services, whereas Korea has focused much of its effort on financial support for families in order to help them provide better care for their own children. Taiwan (China) provides financial support primarily in the form of leave from work. In 2010, total enrolment rates for children up to the age of five in early childcare and education services were 58.1 per cent in Japan, 66.8 per cent in Korea and 35.6 per cent in Taiwan (China), higher than the equivalent rates in either the United States or Canada (An and Peng, 2015).

In Japan, in particular, there have been widespread expansions to care services since the turn of the century, much of this spurred by the rapidly ageing population. Compared to Korea and Taiwan (China), there is greater reliance on public or non-profit provision. In 2000, Japan instituted the world's largest programme of universal, mandatory long-term care insurance, with expenditures nearly doubling between 2000 and 2007 (Campbell and Ikegami, 2000; Lin and Bélanger, 2012). In 2010, the Government vowed to reduce the number of children on childcare waiting lists, with costs geared to income on a sliding scale (An and Peng, 2015).

In Korea, under the Infant Care Act passed in 1991, more than 90 per cent of childcare services are provided on a for-profit basis. The Government provides subsidies for low- and middle-income families, so access is not predicated on the ability to pay (*ibid.*). Korea also provides community-based home care services to people aged 65 or older who experience physical disability and/or cognitive disorders. In 2008, the Government implemented a system

of long-term care insurance similar to Japan's, with financing provided from a new social insurance contribution (Campbell, Ikegami and Kwon, 2009; Kwon and Holliday, 2007).

Finally, welfare state development in Taiwan (China) has largely been driven by political concerns, leading to a more *laissez-faire* coordination of services (Wong, 2004). New policy reforms aim to subsidize the cost of childcare and incentivize the use of licensed facilities. Under the Universal Infant and Child Care System Plan instituted in 2008, the amount of financial support is tied to family income and employment status. At present, Taiwan (China) does not have a comprehensive system of eldercare, and families favouring home-based services increasingly turn to the foreign live-in caregiver programme (introduced in 1992). Government subsidies for home-based care of the elderly are largely targeted to low-income individuals, and the majority of care is provided privately as demand for the public system exceeds supply by far (F. Wang, 2010; Wang and Lin, 2012).

Thus, all of the East Asian countries examined here have shifted towards a “defamilializing” of the workforce, due, in part, to demographic factors and a demand for paid care that greatly exceeds supply (An, 2013; Shin, 2013). Comparatively, North America has seen minimal advances towards augmenting family or public provisioning of care in the past few decades, despite expanding demand (Lightman and Lightman, forthcoming). In the context of recent reforms in the productivist developmental states examined here, it is hypothesized that care workers within the lower-paid segments of the workforce may fare worse in the relatively unregulated and privatized markets of Canada and the United States, than in Japan, Korea or Taiwan (China).

## Research design

As noted by Hong, a “lack of comparable data ... seems to be a major methodological limit in understanding welfare commitment in East Asia” (2014, p. 649). Most quantitative analyses of care work in this region largely rely on descriptive statistics, and small sample sizes are often a major limitation (Ferragina and Seeleib-Kaiser, 2011). In order to address these concerns, I use micro data from the Luxembourg Income Study (LIS), for 2005–08.<sup>1</sup> The LIS gathers these data from household-based national surveys and harmonizes them to ensure comparability. The samples are limited to employed individuals aged 18–64 who are neither enrolled in education nor serving in the military. Sample sizes vary widely across countries, from 5,780 in Japan to approximately 19,000 in each of Korea and Taiwan (China), about 27,000 in Canada, and 90,526 in the United States.

In order to apply the ideas developed by Weeden (2002) and Barron and West (2013) within an international comparative context, my classification

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<sup>1</sup> Luxembourg Income Study (LIS) database, <http://www.lisdatacenter.org> (multiple countries; 1 Oct. 2015–25 Dec. 2015).

scheme distinguishes between high- and low-status care work. I focus on individuals working in the health, childcare and education industries only (i.e. direct care), and I differentiate between “professionals” and “service workers,” as proxies for jobs with higher and lower status, and more or less social closure. Following Budig and Misra (2010), I identify care workers based on both occupation and industry: an individual must be identified as being in a caring occupation and in a caring industry to be coded as having a care-work job.

As the LIS contains harmonized data from a variety of country-specific data sets, different variables are available to identify care industries and care occupations. Variables are selected to ensure congruence at the finest possible level. (Appendix A provides further details on the specific variables selected in each data set.) As shown in table 1, examples of high-status care workers include doctors, university professors, primary and secondary school teachers, nurses, and social workers. Examples of low-status care workers include child-care workers and teachers’ aides, health-care assistants, visiting homemakers and housekeepers.

Following Weeden (2002), I hypothesize that caring occupations featuring lower levels of social closure (low-status care workers) are more likely to comprise disproportionate numbers of women and workers in non-standard employment, and that this will on the whole result in lower earnings than in non-care occupations. Conversely, for those individuals in high-status care work, I expect to see a care bonus across the case study countries, partly because of the higher level of social closure within these occupations. As previously noted, I also anticipate that low-status care workers in liberal welfare regimes will fare worse, due to their relatively unregulated labour market contexts.

Table 1. Care-work classification scheme

Country, sample size, data set	Care industry variables	Care occupation variables
Canada (N = 27,326) <i>Survey of Labour and Income Dynamics</i>	Education/Educational services	<i>High-status care</i> Professionals/Professionals in health, nurse supervisors and registered nurses; Teachers and professors/Professionals or technological workers
Japan (N = 5,780) <i>Japan Household Panel Survey Data</i>	and	
Republic of Korea (N = 18,946) <i>Household Income and Expenditure Survey and Farm Household Income and Expenditure Survey</i>	Health and social work/ Health care and social assistance	
Taiwan, China (N = 19,172) <i>Survey of Family Income and Expenditure, Taiwan Area</i>		
United States (N = 90,526) <i>Current Population Survey – Annual Social and Economic Supplement</i>		<i>Low-status care</i> Service workers/Childcare and home support workers

Source: Luxembourg Income Study, 2005–08.

## Variables of interest

In order to capture wage variations in care employment, the dependent variable is the natural log of annual earnings (including wages and self-employment income) with extreme earnings recoded to the 1 per cent and 90 per cent values of within-country earnings distributions. Logged earnings have the benefit of normalizing the earnings distribution as well as allowing the transformed regression coefficients to be interpreted as approximate percentage changes in earnings for a one-unit change in the independent variable (Budig and Misra, 2010).<sup>2</sup> Thus, the transformed coefficient on, say, “low-status care work” tells us in approximate percentage terms how much less (or more) these care workers earn, compared to workers who are not employed in care work.

The main independent variables compare low-status and high-status care workers to individuals who are not employed in a caring occupation. In order to specify any particular care penalty or care bonus, the final model also includes as many conceptually relevant control variables as are available across the data sets. To account for the highly feminized nature of care work, a control for sex is included. Variables for family structure and demographic characteristics include a control for age, one for being married or cohabiting, and one for living with one’s child aged 0–5 years. The potentially mediating effect of human capital is captured using educational attainment, by means of a categorical variable harmonized across countries into three categories, namely: low (lower secondary education or less), intermediate (upper secondary through vocational post-secondary education), and high (university/college education and above). Low educational attainment is the reference category.

To capture the effects of job characteristics on earnings, three variables are included in the final model: a control for part-time work status (as opposed to full-time), one for employment in the public/non-profit sector (as opposed to the private sector), and one for being self-employed (as opposed to being an employee), each of which is coded as 1. The Korean data set does not have variables for part-time or public-sector employment, but otherwise all variables are available for all data sets. Here again, Budig and Misra’s (2010) analysis, using LIS data, proved highly instructive as a baseline for the research design.

The point of including the above variables is both to ensure that the relationship between low or high earnings and care work is not attributable to these factors, and to explore whether and how each of these variables is influential, and also whether the effect varies across welfare regimes and/or national contexts. It should be noted that the LIS data do not include consistent measures of respondents’ race/ethnicity or immigration status across each data set, both of which would further enhance this analysis. Thus, for the final model,

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<sup>2</sup> The transformation of coefficients into percentages was done using the equation suggested by Kennedy (1981), i.e.  $100*(\exp(b)-1)$ .

log earnings are measured as a function of sex, age, marital/cohabitation status, the presence of young children in the household, education attainment, and job characteristics, including part-time status, public/non-profit sector employment, and self-employment.

## Results

### *Descriptive analysis*

Descriptive statistics allow for a profile of the high- and low-status care workforce in each of the case study countries. In the East Asian countries, females make up roughly 43 per cent of the total workforce, while the percentages are slightly higher in Canada (46 per cent) and the United States (47 per cent). The proportions of the samples working in high-status care work range from 9 per cent in the United States to 7 per cent in Japan, 6 per cent in Canada, 4 per cent in Taiwan (China), and only 3 per cent in Korea. In all cases, these are much larger percentages than those of low-status care work. Yet, here, the pattern is similar across countries, with the United States featuring the greatest share of low-status care workers at roughly 3 per cent of the workforce, followed by Japan, Canada and Korea at approximately 1 per cent, and Taiwan (China) with only 0.5 per cent. Thus, both high- and low-status care work comprise only very small segments of the paid labour force in all cases, albeit with considerable variation across countries.

Table 2 provides a descriptive profile of the high-status care workforce across the five countries. In all cases, these health and education professionals are disproportionately female, married or cohabiting, and highly educated, and – except in Japan – their mean earnings are substantially higher than those of the overall workforce. In Japan, their mean earnings are roughly the same as those of the overall workforce (likely due in part to high levels of part-time work), but in Korea and Taiwan (China) they fare much better, with earnings that are at least 50 per cent higher than those of the average worker. While still very well-off financially, the corresponding advantage for high-status care workers in the United States and Canada is only roughly half as big as in Korea or Taiwan (China), at approximately 25 per cent more than the average worker's earnings in these countries.

Examining the other statistics in table 2, many similarities can be identified across the case study countries. Canada and the United States have a higher percentage of females working as high-status care workers (at roughly 72 per cent), but in the East Asian countries these occupations are also at least 60 per cent female. This confirms the pattern of care-work feminization identified in prior research (e.g. England, Budig and Folbre, 2002; Weeden, 2002). The mean age of high-status care workers is roughly similar across the two welfare regimes.

Taiwan (China) has the highest percentage of single individuals working as high-status care workers (at 31 per cent), while Japan has the lowest percent-

## Disaggregating care work in comparative perspective

**Table 2. High-status care work: Professionals in health and education (percentages)**

	Productivist developmental states			Liberal welfare states	
	Japan (2008)	Republic of Korea (2006)	Taiwan, China (2005)	Canada (2007)	United States (2007)
Female	66.0	60.4	68.7	71.5	71.9
Family structure and demographic characteristics					
Mean age (in years)	43.3	39.2	36.9	42.5	42.5
Single	17.1	21.2	31.2	22.7	27.6
Married or cohabiting	82.9	78.8	66.2	76.6	72.7
Living with own child, aged 0–5 years	21.0	27.1	22.1	21.7	18.2
Human capital					
Low education	0.6	0.0	0.0	0.9	0.2
Intermediate education	16.1	1.7	6.3	4.4	9
High education	83.3	98.3	93.7	94.7	90.8
Job characteristics					
Public/non-profit sector	69.3	N/A	56.4	81.3	66.2
Part-time employment	26.3	N/A	3.4	17.6	15.2
Self-employed	7.7	10.5	0.7	6.4	4.7
Non-permanent employment	15.9	N/A	N/A	3.2	N/A
Ratio: High-status care mean earnings/Total mean earnings*	0.99	1.50	1.52	1.28	1.25

\* For people with earnings > \$0.

Note: The sample is limited to employed individuals aged 18–64, who are neither enrolled in education nor serving in the military.

Source: Luxembourg Income Study, 2005–08.

age (17 per cent). In terms of the proportion of individuals living with their own young children (0–5 years), Korea has the highest percentage, at 27 per cent, and the United States, the lowest, at 18 per cent. Across all five countries, over 80 per cent of these professionals have a high level of education, with Japan featuring the lowest percentage (83 per cent) and Korea, the highest (98 per cent), reflecting a clear difference in attainment levels between welfare regimes.

Finally, in terms of job characteristics, the data show major differences between countries. Taiwan (China) has a substantially lower percentage of high-status care workers in the public or non-profit sector, reflecting the relative fragmentation of its welfare state (Wang and Lin, 2012; L. Wang, 2013). Japan and the United States have roughly similar proportions of high-status public or non-profit sector care workers, while Canada has the highest proportion (81 per cent), likely on account of its high rates of unionization (Lightman and Lightman, forthcoming). Taiwan (China) also stands out for having the lowest percentage of part-time professionals in health and education (at 3.4 per cent), with Canada and the United States again at roughly similar levels, and Japan exhibiting by far the highest percentage (26 per

cent). Taiwan (China) has the lowest percentage of self-employed workers in these occupations (at 0.7 per cent), while Korea has the highest (at 10.5 per cent). Japan's proportion of non-permanent high-status care workers is five times higher than Canada's (the only two countries where data are available). Japan's high rates of non-standard employment and weak protective legislation for temporary workers help explain its relatively lower mean wages in high-status care work as compared to the other countries examined (Lee, 2013). Overall, table 2 thus shows that high-status care workers are primarily in the public/non-profit sector, with minimal proportions of part-time or self-employed workers, thereby fitting the "standard employment" model (see Vosko, Zukewich and Cranford, 2003).

Table 3 reports the characteristics of the low-status care workforce cross-nationally (i.e. service workers in health and education). As anticipated, the data show that these workers do substantially worse than the overall workforce in terms of average earnings across the case study countries. Here again, Taiwan (China) stands out as a slight outlier when compared to the other countries. In Japan, Korea, Canada and the United States, low-status care workers average mean earnings that are only 45–47 per cent of those of the overall workforce, whereas workers in these occupations appear to be doing better in Taiwan (China), at almost 70 per cent of overall mean earnings. Taiwan (China) also has the lowest proportion of women in low-status care work, at 80 per cent, as against 84–86 per cent in Japan and the United States, and at least 95 per cent in Korea and Canada. This supports Weeden's (2002) earlier finding that, discounting the degree of social closure, the extent of feminization negatively impacts average earnings in an occupation. The data also support findings of relative wage compression in the Taiwanese labour market (Baek and Lee, 2014).

Except in the United States, low-status care workers in these countries are slightly older, on average, than high-status care workers. They are also more likely to be single (except in Korea), and they are less likely to live with their young child (except in the United States). In all five countries, a large proportion of these workers have an intermediate level of education, with Canada again displaying the highest levels of attainment on average.

In terms of job characteristics, low-status care workers are less likely than high-status care workers to be employed in the public/non-profit sector. Except in Taiwan (China), low-status care workers are also substantially more likely to be in part-time employment than high-status care workers. Regarding self-employment, however, there is no consistent pattern across the countries. In the United States and Taiwan (China), low-status care workers are more likely to be self-employed than high-status care workers, while the opposite holds true of the other three countries. Rates of non-permanent employment are also higher among lower paid workers in both countries where these data are available (i.e. Japan and Canada).

Overall, the descriptive statistics thus support the hypothesis that there are substantial differences between high- and low-status care workers in terms

Table 3. Low-status care work: Service workers in health and education (percentages)

	Productivist developmental states			Liberal welfare states	
	Japan (2008)	Republic of Korea (2006)	Taiwan, China (2005)	Canada (2007)	United States (2007)
Female	84.3	96.3	79.9	95.0	86.4
Family structure and demographic characteristics					
Mean age (in years)	47.1	44.4	39.6	45.0	40.0
Single	24.3	17.1	33.8	24.5	44.0
Married or cohabiting	75.7	82.9	69.0	75.4	55.8
Living with own child, aged 0–5 years	10.0	9.5	7.7	8.3	18.8
Human capital					
Low education	4.7	29.7	23.2	5.5	14.4
Intermediate education	60.9	54.9	47.3	26.4	66.6
High education	34.4	15.4	29.5	68.1	19.1
Job characteristics					
Public/non-profit sector	54.3	N/A	16.9	75.7	32.1
Part-time employment	45.7	N/A	1.7	31.7	28.0
Self-employed	4.3	1.8	3.6	1.5	12.7
Non-permanent employment	30.8	N/A	N/A	5.1	N/A
Ratio: Low-status care mean earnings/Total mean earnings*	0.45	0.46	0.69	0.47	0.47

\* For people with earnings > \$0.  
Note: The sample is limited to employed individuals aged 18–64, who are neither enrolled in education nor serving in the military.  
Source: Luxembourg Income Study, 2005–08.

of both demographics and job characteristics. Without controlling for any other factors, there is a care bonus for high-status care work, except in Japan, and a substantial care penalty for low-status care work in all five countries. In addition, the low-status care workforce is more feminized, older, less educated and more likely to be in some type of precarious employment than the high-status care workforce. Significantly, the data do not reveal any consistent patterns or differences between the East Asian productivist developmental states and the North American liberal welfare states in terms of the characteristics of high- and low-status care workers.

### Multivariate analyses

Building on the above descriptive findings, Ordinary Least Squares regressions were run to analyse the impact of high- and low-status care employment on logged earnings.<sup>3</sup> Table 4 presents the estimated effects on earnings

<sup>3</sup> All results are presented using the appropriate rescaled sample weightings.

Table 4. Percentage point differences in annual earnings for high- and low-status care workers (relative to non-care workers), by country

	High-status care work				Low-status care work			
	Model 1(a)	Model 2(b)	Model 3(c)	Model 4(d)	Model 1(a)	Model 2(b)	Model 3(c)	Model 4(d)
Liberal welfare states								
Canada	67	65	45	26	-33	-35	-37	-41
United States	48	40	5	8	-43	-42	-34	-29
Productivist developmental states								
Japan	40	42	28	07	-14	-14	-14	-21
Republic of Korea	95	90	43	43	-13	-12	-11	-10
Taiwan (China)	77	75	32	21	-11	-12	-14	-16

Notes: The sample is limited to employed individuals aged 18–64, who are neither enrolled in education nor serving in the military, and who have earnings greater than \$0. Model 1 controls for gender only; Model 2 controls for sex, family structure and demographic characteristics (age, marital status/cohabitation, and the presence of young children in the household); Model 3 controls for all variables in Model 2 and adds human capital (educational level); Model 4 controls for all variables in Model 3 and adds job characteristics (part-time employment, public-sector employment, and self-employment). The Korean data set does not include variables for public-sector or part-time employment. Significant effects ( $p < .05$ ) are bolded.

Source: Luxembourg Income Study, 2005–08.

(converted into percentage point differences) for each country, using four models. Following Budig and Misra (2010, p. 20), I include successive sets of theoretically relevant control variables in order to examine how they either explain or suppress the effect of care-work employment on earnings. (Appendix B provides the complete results of the four regression models for each of the five countries examined.)

In table 4, Model 1 controls for sex only, to account for the strongly feminized nature of both high- and low-status care work. Here, the data show that health and education professionals enjoy a very significant care bonus in all countries, albeit with wide variation cross-nationally. High-status care workers do best in Korea, with a 95 per cent care bonus as compared to workers outside of the care workforce (meaning that their wages are, on average, almost twice those of workers outside the care economy). In Japan, by contrast, the bonus is less than half as large, at 40 per cent. There is thus no consistent differentiating pattern between the two welfare regimes. Among low-status care workers, Model 1 finds a significant care penalty as compared to non-care workers in all countries except Japan,<sup>4</sup> with a divide between the United States and Canada – where service workers in health and education make 43 per cent and 33 per cent less, respectively – and Korea and Taiwan (China), where the penalties are “only” 13 per cent and 11 per cent, respectively. In all cases, the model shows a significant wage penalty for being female.

<sup>4</sup> This finding may be due, in part, to the smaller sample size for Japan, but also to the high levels of non-standard employment in the Japanese labour market (Lee, 2013).

In Model 2, family structure and demographic characteristics (including age, marital status/cohabitation, and the presence of young children in the household) are added and controlled for. For high-status care work, the wage bonus increases minimally in the case of Japan and becomes slightly less positive elsewhere (by a range of 2–8 percentage points), as compared to Model 1. However, the results generally remain consistent, with a divide between the United States and Japan (where there is a care bonus of approximately 40 percentage points as compared to non-care occupations) and the other three countries, where the bonus is 65 points or more. In Model 2, Japan continues to have a non-significant coefficient for low-status care work. In Canada, the care penalty increases slightly in this model, but in the other three countries the wage differential decreases minimally. These results suggest that only a small amount of the variation in earnings differentials between care work and non-care work is due to demographic and family structure factors.

By adding a control for education, Model 3 has a greater influence on care work earnings differentials. In all five countries, the effects of higher levels of education on earnings are significant and positive. For high-status care work, the effect of education is greatest in the United States, reducing the care bonus by a factor of eight, to only 5 percentage points. This suggests that much of the care bonus in the United States is attributable to the higher levels of education among health and education professionals, as compared to workers not employed in care work. In the other countries, however, there remains a substantial care bonus, even when controlling for education. Indeed, the bonus still ranges from 28 percentage points in Japan to 45 points in Canada. For low-status care workers, the pattern is similar. In the United States and Canada, there remains a substantial care penalty for low-status care workers, greater than 30 points, meaning that this difference in earnings is not attributable to lower levels of education. In Japan, Korea and Taiwan (China), by contrast, the penalties are much smaller and stay relatively constant at 14, 11 and 14 points, respectively.<sup>5</sup> Thus, in Model 3, for low-status care work, the divide between welfare regimes remains notable even after controlling for education.

Finally, in Model 4, controls are added (where available) for job characteristics, namely: part-time employment, public or non-profit sector employment, and self-employment. In every country except the United States, public-sector employment has a positive and significant effect on earnings; part-time employment has a negative and significant effect on earnings except in Taiwan (China). Self-employment has a significant and negative effect in all countries where the data are available.

For high-status care work, there remains a significant care bonus in all countries except Japan, even when controlling for job characteristics. This suggests that the higher earnings of high-status care workers in Japan are at least

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<sup>5</sup> It should be noted that the Korean data set does not include foreigner households or the large percentage of workers in the informal labour market. These factors likely account for some of Korea's lesser care penalty for low-status care work (Kalleberg and Hewison, 2013).

partially attributable to the job characteristics of these occupations (e.g. rates of full-time and permanent employment). In the other countries, however, there remains a significant care bonus, ranging from 8 percentage points in the United States, to 43 in Korea, 26 in Canada and 21 in Taiwan (China). Thus, there is still strong evidence of a care bonus in Model 4, with little or no difference between welfare regimes.

For low-status care work, the effect of the additional controls introduced in Model 4 increases the care penalty in some cases and diminishes it in others. Nonetheless, there remains a significant care penalty in all countries. Here, the divide between liberal welfare regimes and productivist developmental states remains consistent, with Canada featuring the largest care penalty: its low-status care workers earn over 40 percentage points less than workers in non-care occupations. The penalty is 29 points in the United States, 21 in Japan, 16 in Taiwan (China) and 10 in Korea. Thus, even after controlling for job characteristics, low-status care workers are less disadvantaged in the East Asian countries than in the North American countries, as previously hypothesized.

## Conclusions

This article has moved beyond highly aggregated measures of care work, which often combine high- and low-status occupations. Rather than assuming that all care work is highly feminized, poorly paid, and precarious, it has developed and applied a classification scheme based on the LIS data set that empirically measures differences not only between care workers and others, but also within care employment in cross-national perspective, suggesting that all care work is not equal or equally valued (Barron and West, 2013; Weeden, 2002). In addition, the article has attempted empirically to test the validity of welfare regime theory, measuring the extent of similarities (and differences) across care economies in two “liberal” and three “productivist developmental” welfare regimes.

The descriptive statistics support the hypothesis that there are substantial differences between the high- and low-status care workforce, distinguished here in terms of the degree of “social closure” (Weber, 1956). Without controlling for other factors, all countries except Japan exhibit a substantial care bonus for high-status care work, while all five of the case study countries display a substantial care penalty for low-status care work. Also, the low-status care workforce is more feminized, older, less educated and more likely to be engaged in non-standard employment than the high-status care workforce. However, there is no consistent difference between the East Asian productivist developmental states and the North American liberal welfare states in the descriptive data. This suggests that under conditions of globalization there has been substantial convergence across the international care economy and hints at possible gaps in welfare regime theory. Indeed, the data show that differences within each of the two care regimes are just as significant as the differences between them.

The subsequent multivariate analyses allow for examination of care-work earnings with the addition of conceptually relevant control variables. Here, the

data continue to exhibit a significant earnings penalty for low-status care work and a significant earnings bonus for high-status care work (as compared to all non-care occupations), with variation across countries. However, the data also show a consistent divide in low-status care work between the United States and Canada (where the care penalty is greater), on the one hand, and Japan, Korea and Taiwan (China) where there is less of an earnings disadvantage, on the other. This supports the hypothesis that in the former countries the relatively less regulated labour market leads to amplified earnings disadvantages among lower-status occupations.

These findings are meaningful in the current policy context. In a report to the General Assembly on 23 October 2013, the United Nations Special Rapporteur on Extreme Poverty and Human Rights, Magdalena Sepúlveda Carmona, recognized a need for public policies to position care as a social and collective responsibility rather than as an individual problem (2013, p. 4). While this report focuses only on the unpaid care economy, the findings here suggest that low-status paid care workers are also a critical public policy concern in North America and East Asia. Across welfare regimes, the data indicate a need to disaggregate high- and low-status care work, and focus on providing protections and supporting employment for the overwhelmingly female workforce in low-status caring occupations, with a particular focus on liberal welfare regimes.

Overall, this article demonstrates that the way forward for wealthy countries in the Asia-Pacific region is not necessarily to follow the North American model, but, instead, to continue to chart a course of providing more support to low-status care workers than what is available to them in Canada and the United States. Further research is needed to examine whether and how the dynamics of gender intersect with race and nativity status in care work cross-nationally and to find out whether these ascriptive characteristics lead to further earnings differentials between and within welfare regimes.

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## Appendix A

### Details of care work classification scheme

Country and data set	Care industry variables (From ISCO 10 category recode)	Care occupation variables	
		High status	Low status
Canada ( <i>Survey of Labour and Income Dynamics</i> )	Educational services; and Health care and Social Assistant	Professionals in health, Nurse supervisors and Registered nurses; and teachers and professors	Childcare and home support workers
Japan ( <i>Japan Household Panel Survey Data</i> )	Education; and Health and social work	Professional or technological worker	Service worker
Republic of Korea ( <i>Household Income and Expenditure Survey and Farm Household Income and Expenditure Survey</i> )	Education; and Health and social work	Professionals	Service and sales workers
Taiwan (China) ( <i>Survey of Family Income and Expenditure, Taiwan Area</i> )	Education; and Health and social work	Professionals	Service and sales workers
United States ( <i>Current Population Survey – Annual Social and Economic Supplement</i> )	Education; and Health and social work	Professionals	Service and sales workers

Source: Luxembourg Income Study, 2005–08.

## Appendix B

### Individual models by country

**Table B1. Canada, 2007: Logged total earnings, modelled with additive sets of control variables (N = 27,326)**

	Model 1	Model 2	Model 3	Model 4
Constant	10.56***	10.23***	10.39***	10.30***
High-status care work	0.51***	0.50***	0.37***	0.23***
Low-status care work	-0.40***	-0.43***	-0.47***	-0.53***
Other employment	(ref.)	(ref.)	(ref.)	(ref.)
Female	-0.46***	-0.46***	-0.47***	-0.40***
Age and family structure dummies				
Age		0.01***	0.01***	0.01***
Married or cohabiting		0.17**	0.15**	0.16***
Living with child 0–5 years		-0.07***	-0.10***	-0.06***
Education level (human capital)				
Low			-0.55***	-0.48***
Intermediate			-0.29***	-0.25***
High			(ref.)	(ref.)
Job characteristic dummies				
Part-time				-0.92***
Public/Non-profit sector				0.30***
Self-employed				-0.58***
Adjusted R Square	0.07	0.08	0.12	0.26

Notes: Extreme earnings values windsorized to the 1 per cent and 90 per cent values of within-country earnings distributions; Model 1 includes sex only; Model 2 also includes family structure and demographic characteristics (age, marital status, cohabitation, and presence of young children in the household); Model 3 adds human capital (education level); Model 4 adds job characteristics (part-time employment, public-sector employment, and self-employment). \*, \*\* and \*\*\* indicate statistical significance at the 10, 5 and 1 per cent levels, respectively.

Source: Luxembourg Income Study.

**Table B2. United States, 2007: Logged total earnings, modelled with additive sets of control variables (N = 90,526)**

	Model 1	Model 2	Model 3	Model 4
Constant	10.50***	9.62***	10.08***	10.24***
High-status care work	0.39***	0.34***	0.05***	0.08***
Low-status care work	-0.56***	-0.54***	-0.41***	-0.34***
Other employment	(ref.)	(ref.)	(ref.)	(ref.)
Female	-0.39***	-0.38***	-0.41***	-0.29***
Age and family structure dummies				
Age		0.02***	0.02***	0.01***
Married or cohabiting		0.25***	0.22***	0.19***
Living with child 0–5 years		0.11***	0.10***	0.10***

## Disaggregating care work in comparative perspective

**Table B2. United States, 2007: Logged total earnings, modelled with additive sets of control variables (N = 90,526) (concl.)**

	Model 1	Model 2	Model 3	Model 4
Education level (human capital)				
Low			-0.92***	-0.85***
Intermediate			-0.49***	-0.46***
High			(ref.)	(ref.)
Job characteristic dummies				
Part-time				-0.93***
Public/Non-profit sector				-0.05***
Self-employed				-0.08***
Adjusted R Square	0.07	0.15	0.24	0.35

Notes: Extreme earnings values winsorized to the 1 per cent and 90 per cent values of within-country earnings distributions; Model 1 includes sex only; Model 2 also includes family structure and demographic characteristics (age, marital status, cohabitation, and presence of young children in the household); Model 3 adds human capital (education level); Model 4 adds job characteristics (part-time employment, public-sector employment, and self-employment). \*, \*\* and \*\*\* indicate statistical significance at the 10, 5 and 1 per cent levels, respectively.

Source: Luxembourg Income Study.

**Table B3. Japan, 2008: Logged total earnings, modelled with additive sets of control variables (N = 5,780)**

	Model 1	Model 2	Model 3	Model 4
Constant	15.24***	15.07***	15.09***	15.05***
High-status care work	0.34***	0.35***	0.25***	0.07 ns
Low-status care work	-0.15 ns	-0.15 ns	-0.15 ns	-0.23*
Other employment	(ref.)	(ref.)	(ref.)	(ref.)
Female	-1.15***	-1.15***	-1.13***	-0.85***
Age and family structure dummies				
Age		0.002 ns	0.01**	0.01***
Married or cohabiting		0.10*	0.09*	0.14***
Living with child 0-5 years		0.07 ns	-0.07 ns	-0.06 ns
Education level (human capital)				
Low			-0.44***	-0.36***
Intermediate			-0.22***	-0.18***
High			(ref.)	(ref.)
Job characteristic dummies				
Part-time				-0.84***
Public/Non-profit sector				0.22***
Self-employed				-0.15***
Adjusted R Square	0.32	0.32	0.34	0.46

Notes: Extreme earnings values winsorized to the 1 per cent and 90 per cent values of within-country earnings distributions; Model 1 includes sex only; Model 2 also includes family structure and demographic characteristics (age, marital status, cohabitation, and presence of young children in the household); Model 3 adds human capital (education level); Model 4 adds job characteristics (part-time employment, public-sector employment, and self-employment). ns = not significant. \*, \*\* and \*\*\* indicate statistical significance at the 10, 5 and 1 per cent levels, respectively.

Source: Luxembourg Income Study.

Women, gender and work

Table B4. Republic of Korea, 2006: Logged total earnings, modelled with additive sets of control variables (N = 18,946)

	Model 1	Model 2	Model 3	Model 4
Constant	16.96***	17.37***	17.20***	17.20***
High-status care work	0.67***	0.64***	0.36***	0.36***
Low-status care work	-0.14*	-0.13*	-0.12*	-0.11*
Other employment	(ref.)	(ref.)	(ref.)	(ref.)
Female	-0.84***	-0.84***	-0.75***	-0.75***
Age and family structure dummies				
Age		-0.01***	0.001 ns	0.001 ns
Married or cohabiting		0.03***	-0.001 ns	-0.004 ns
Living with child 0–5 years		-0.03 ns	-0.05**	-0.05**
Education level (human capital)				
Low			-0.65***	-0.65***
Intermediate			-0.35***	-0.35***
High			(ref.)	(ref.)
Job characteristic dummies				
Part-time				
Public/Non-profit sector				
Self-employed				0.05***
Adjusted R Square	0.24	0.25	0.31	0.31

Notes: Extreme earnings values winsorized to the 1 per cent and 90 per cent values of within-country earnings distributions; Model 1 includes sex only; Model 2 also includes family structure and demographic characteristics (age, marital status, cohabitation, and presence of young children in the household); Model 3 adds human capital (education level); Model 4 adds job characteristics (only self-employment available in this data set). ns = not significant. \*, \*\* and \*\*\* indicate statistical significance at the 10, 5 and 1 per cent levels, respectively.

Source: Luxembourg Income Study.

Table B5. Taiwan (China), 2005: Logged total earnings, modelled with additive sets of control variables (N = 19,172)

	Model 1	Model 2	Model 3	Model 4
Constant	13.12***	12.94***	12.97***	12.96***
High-status care work	0.57***	0.56***	0.28***	0.19***
Low-status care work	-0.12*	-0.13*	-0.15**	-0.18***
Other employment	(ref.)	(ref.)	(ref.)	(ref.)
Female	-0.37***	-0.34***	-0.34***	-0.35***
Age and family structure dummies				
Age		-0.001 ns	0.01***	0.01***
Married or cohabiting		0.20***	0.19***	0.18***
Living with child 0–5 years		0.10***	0.06**	0.06***
Education level (human capital)				
Low			-0.63***	-0.59***
Intermediate			-0.34***	-0.31***
High			(ref.)	(ref.)

## Disaggregating care work in comparative perspective

**Table B5. Taiwan (China), 2005: Logged total earnings, modelled with additive sets of control variables (N = 19,172) (concl.)**

	Model 1	Model 2	Model 3	Model 4
Job characteristic dummies				
Part-time				-0.08 ns
Public/Non-profit sector				0.23***
Self-employed				-0.08***
Adjusted R Square	0.12	0.15	0.30	0.32

Notes: Extreme earnings values windsorized to the 1 per cent and 90 per cent values of within-country earnings distributions; Model 1 includes sex only; Model 2 also includes family structure and demographic characteristics (age, marital status, cohabitation, and presence of young children in the household); Model 3 adds human capital (education level); Model 4 adds job characteristics (part-time employment, public-sector employment, and self-employment. ns = not significant. \*, \*\* and \*\*\* indicate statistical significance at the 10, 5 and 1 per cent levels, respectively.

Source: Luxembourg Income Study.

## Hierarchies of care work in South Africa: Nurses, social workers and home-based care workers

Francie LUND\*

***Abstract.** This article examines care-worker hierarchies in South Africa, notably since the HIV/AIDS pandemic and the structural changes it has brought. The nurses, social workers, home-based care workers and volunteers are mostly women, of varying racial, socio-economic, demographic and educational backgrounds; they work in the public, private, and not-for-profit sectors. Recent changes in care provision have brought improved earnings for some, but the “care penalty” remains, and task-shifting because of the epidemic has been mostly downwards, increasing the burden on the lowest paid – or even unpaid – in the worst working conditions, thus increasing inequality between women.*

An overarching concern in the welfare regime analysis pioneered by Esping-Andersen (1990) is the extent to which social provision moulds class formation in society as a whole. Subsequent analysis by others has tended to focus on the recipients of welfare benefits and services, especially in health, education and the social services, all of which influence care. Esping-Andersen (ibid.) further held that welfare regimes also mould class formation through policy decisions about, and fiscal allocations to, the providers of benefits and services.

To take a simple example, if a policy reform results in the growth of tertiary-level health care, that has consequences for the types and levels of nursing and other staff who will need to be trained. Since nurses are typically female, the policy decision will in turn have an impact on the potential for women’s career mobility. Similarly, differences in the working conditions in the public, the private, and the private not-for-profit sectors will lead to consequences for inequality of treatment between different groups of women in paid work, and also between those in paid care work and those in unpaid care work.

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Korpi argued in favour of focusing on the impact of care provision on the labour force: “behind the distinctions between paid and unpaid care work, between the public and the private spheres, looms the fact that the labor force is the arena for the major socioeconomic stratification processes in modern societies, processes where agency is crucial” (2000, p. 139). He also stressed the importance of a combined gender and class analysis. Pascall and Lewis (2004) analysed gendered trends and differences within countries in the newly expanded European Union, looking at household composition and at which household members are earners, i.e. the change from the “male breadwinner” to the “dual earner” model and other models. Ungerson (2003) pursued a different theme with her “routed wages” concept, exploring how policy reforms in different European countries have involved a shift from a model where the State directly provides services, to one where money is given directly to the person cared for, who can then buy support from carers. In these important feminist critiques of welfare regime analysis, little attention is given to the social stratification dynamics between female care providers, and between occupational groups. Pascall and Lewis (2004) examine class (and age) differences in the ability of households to buy in care (wealthier households can buy private care, for example), but their overall analysis considers women as a whole, and men as a whole.

This article focuses on relationships between different groups of care providers – or care workers – most of whom are women from a variety of social classes. It uses the lens of HIV/AIDS to explore the changing dynamics of care work. The context is South Africa, 15 years after the country’s transition to democracy in 1994.

The following section provides a brief background to the racially and spatially discriminatory patterns of settlement and access to land, and to social services in South Africa. The third section then presents a profile of the selected groups of care providers: nurses, social workers and home-based care workers (HBCs – non-professional, non-family members who visit a person who needs care, mostly in his/her own home, but sometimes in a community-based facility or clinic). Then each group, its tasks, earnings, racial and gender characteristics are described, as well as the regulation of the work of the different groups, and whether the carers’ access to formal social security is secured or denied. The fourth section explores the dynamics between and within different provider groups. It shows nurses moving from the public to the private sector; social workers in not-for-profit organizations (NPOs) being subsidized by the State (but on disadvantageous terms) to do statutory work, train new cadres of workers, and mobilize and manage volunteers; HBCs and volunteers gaining a point of entry into the labour market through the new HIV/AIDS-related programmes, while working under exploitative conditions; and task-shifting in nursing, which may simultaneously present HBCs with opportunities for work and a threat to work safety. The conclusion draws out some of the implications of these trends, in terms of secure and improved employment conditions for

some care professions, by contrast with the lower-paid, insecure and sometimes “quasi-commodified work” done in the guise of “community care” or policies and programmes reliant on “volunteers”?

## The South African context

With the Nationalists’ victory in the general election in 1948, Dutch and then British colonialism in South Africa was replaced by a formal system of apartheid, whereby every aspect of economic, political, spatial and social life was segregated and racialized. White privilege was protected at the expense of black (African, Indian and coloured) people, the great majority of whom had already been structurally impoverished and dispossessed of land and other assets under colonial rule.

Under apartheid, there was a mixed system of public and private provision in most social sectors. In health, welfare and education, high-quality private services were available for those who could afford them (predominantly white people), as well as racially separate government facilities for white people and, to a lesser extent, for wealthier black people living in urban areas. The latter services were far superior to those available to poorer people, especially those living in rural areas. At the same time, the “helping professions” – teaching, nursing and, later, social work – were among the few avenues enabling black women to obtain secure employment with the possibility of career advancement.

At the heart of the apartheid project was the creation of separate residential spaces for different “race groups”. As far as possible, African people were to be moved out into peripheral “homeland” areas; those living in cities were to be there under strict regulation, mostly in order to work in industry as migrant labourers or as domestic workers or, in rural areas, on white-owned farms. It was assumed that the reproduction of labour in the homelands would be taken care of by the women left behind; few women qualified to go to the cities. So long as the migrant labour system effectively perpetuated the disruption of family life (Budlender and Lund, 2009), social services in the rural homelands and non-homeland rural areas were slow to develop. The few mission schools and hospitals were closed by the Nationalist Government, and replaced by newly extended state education and health services – though these were generally of poorer quality. The health services coped with diseases that were readily preventable and largely associated with poverty. School curricula taught that black children were fit only for work in the service of the white minority. In extended families, women provided much of the care. As state pensions for elderly people increased in value and spread to rural areas, their role in enabling and supporting within-household care grew (Lund, 2002).

In 1994, the ANC Government was democratically elected and introduced a number of social policy reforms that had a direct impact on care work. Free primary health care focused especially on women and young children, access to abortion became legally available, and there are now more

affordable generic drugs and, more recently, a rapid implementation of the programme of antiretroviral therapy (ART) for those with HIV/AIDS. Free education was promised initially, then reduced to free education only for the very poor, through a school-fee exemption policy for individual children, followed by an exemption policy for all children whose parents' income levels were low, provided the children attended specific schools. Nevertheless school enrolment rates are high, including those of girls. The school nutrition programme is patchy, but provides some food in thousands of schools, especially to younger children. For the first time, many poor households, as well as women in their own right, have access to a housing subsidy as homeowners.

There has been an expansion of social assistance in the form of pensions and grants to poorer people in specified categories, in particular to elderly people and those with disabilities. These forms of social assistance, which predated the ANC Government, were made racially uniform in 1993 and, since 1994, have been made more accessible. By 2010, the Child Support Grant, introduced in 1998, reached some 10 million poor young children through their (mostly female) primary caregivers. Within the social welfare services, a policy shift towards "developmental social welfare" has led to a reduction in institutional care for elderly people, people with disabilities and children, which increases the care responsibilities of their household members. Two social components of the expanded public works programme (EPWP) directly affect care provision – one on early childhood education, the other on home-based care.

The recent social programmes are a partial response to the crisis in the care of children and adults associated with the HIV/AIDS pandemic. In 2007, the HIV/AIDS prevalence rate among people aged 15 to 49 years was estimated at 11.4 per cent, and higher for women (21.6 per cent) than men (15.4 per cent). With the HIV/AIDS pandemic, there are many more sick people to be cared for. The pandemic also fundamentally changes the balance between those who need care and those who provide it: there are more orphaned children and, with the death of women during their reproductive years, more elderly people (especially elderly women) have seen their care responsibilities increase (although Chazan (2008) points out that South Africa's specific history meant that older women were caring for grandchildren before HIV/AIDS). The epidemic is not a narrow "health problem": it changes who works and how, and what people and households spend their money on, with far more going on health services and funerals. It places an immense strain on paid health providers, and contributes to (but did not alone cause) the shortage of health personnel: in 2008, 36 per cent of professional posts in the public health sector were vacant.

## The providers: Nurses, social workers, and home-based care workers

Here the focus is on three groups of care worker: nurses, social workers, and home-based care workers (HBCs). This selection allows insight into a number of labour market trends. First, it shows the horizontal linkages and the move-

ment of care workers between the private and the public paid care sectors, and the linkages with unpaid care work. Second, it sheds light on the vertical movement between workers having different employment statuses, and between formal, higher-status and better-paid jobs and precarious and lower-paid jobs. Finally, it shows how paid home-based care overlaps with the “voluntary” work done by non-household members (the HBCs) and with care provided inside the home by other household members.

### *Profile of the care providers*

Nursing involves attending to all the physical, mental and emotional needs of the patient, including curative, preventive and “promotive” care. In reality, the work of the average nurse involves attending to the curative needs of ill people, including some basic care tasks such as feeding and cleaning. Specialized fields of care (such as midwifery and geriatric nursing) require further training and, in general, the higher a nurse is in the professional hierarchy, the less bodily contact with patients is required.

Of all health professionals in South Africa, nurses are the most numerous. Professional nurses (PNs) and assistant professional nurses (APNs) together comprise just over 160,000 people, compared with the next largest category, the 45,000 medical practitioners.

Social workers engage in three main work methods: one-to-one case work or counselling, group work, and community work. One particular aspect of their work is mobilizing volunteers and other carers and support networks. There are specialist fields of care (such as childcare, disability care, rehabilitation of offenders). In South Africa social workers are a much smaller group than nurses, standing at slightly more than 11,000 registered in 2005 (Earle, 2008).

The term HBC covers the many new types of community-based worker who have emerged in response to the growing need for care associated with HIV/ AIDS (see Patel, 2009, pp. 38–45 for a rich description of the variety of organizations involved). Tasks vary between programmes, but typically they include training household members in health-related tasks, such as preventing bed sores and administering medication; relational tasks such as offering emotional and spiritual counselling and support; as well as ordinary household chores such as cleaning and cooking (Lund and Budlender, 2009). Many HBCs are themselves not properly trained (Hunter, 2005; Parezee and Budlender, 2007). It is not possible accurately to estimate the numbers of HBCs (*ibid.*), though it is clear that they are a significant new cadre of carers.

Women predominate in all three occupational groups. The majority of nurses are African, though there are substantial numbers of white and coloured nurses, and a few Indian ones, too. More than half (54 per cent) of the PNs (the most skilled group) are African; whites, however, who constitute just under 10 per cent of the general population, constitute 23 per cent of all PNs. Social workers have a different racial profile, with only half of those registered being African, whereas 35.6 per cent are white (Earle, 2008, p. 47). Though

there has been no large survey of HBCs, a number of sources consistently show them to be mostly female, African, and with far less education than the nurses and social workers.

Both nursing and social work are highly formalized professions, and closely regulated by professional councils. Both require a four-year university degree for entry into and registration of professional status. For HBCs, the boundary between “worker” and “volunteer” is fuzzy and, among “volunteers”, it is unclear whether and, if so, how much they are paid. Though their work is promoted by the Government as a central plank in the new community care policy, the volunteer’s employment status is ambiguous and precarious. As Samson found, the rights of HBCs doing the same work vary considerably, and the laws, regulations and codes applying to these workers vary, too. Often, officials responsible for engaging HBCs on the programmes were unaware of the regulations governing their work (Samson, 2008).

The three groups of worker have differential access to work-related support and protection against risk. As citizens, in principle they all have access to free health care, including reproductive health services, though the low quality of public services means that many better-off people opt for access to the private health system. Nurses are well covered as regards health insurance, with two-thirds of PNs and three-quarters of APNs belonging to contributory schemes. Many social workers are likely to have health insurance coverage as well. Nurses and social workers employed in both the public and the private sector have access to contributory retirement schemes. Self-employed nurses and social workers in private practice would have to pay to belong to private schemes (and some are covered by their spouse’s formal employment benefits). Nurses and social workers in the private sector are covered by the formal contributory Unemployment Insurance Fund; those in the civil service have separate unemployment coverage.

It is unlikely that many HBCs have access to the private health insurance or pension schemes. They do have access to free health care and, for those eligible, to the pension for elderly people, a non-contributory, means-tested benefit. In any case, they are likely to have to rely heavily on their families for support. At the same time, and as with social workers and nurses, the very fact that they are care workers means they are likely to shoulder additional care responsibilities, outside their work-related activities, in the families and communities in which they live.

### *Earnings and the care penalty*

Until recently, salary levels for professional nurses, social workers and teachers were low compared with those of other professions. After a protracted civil service strike in 2007, both nursing and social work were recognized as occupations of which there is a country-wide skill shortage, and in which measures were needed to “recruit, train and retain”, with improved salaries, recognition of prior service in the private nursing sector, and improved career paths.

The entry-level salary in the public sector for a nurse, requiring four years of university training and one of community service, increased from an annual R86,000 to R106,000.

In many countries, care workers earn less than workers with comparable levels of skill and education in occupations that are not care-related – a phenomenon known as the “care penalty” (England, Budig and Folbre, 2002). Budlender investigated whether this care penalty pertained to South Africa, comparing professional and associated nurses with professional and associated engineers (Lund and Budlender, 2009). In each case the professionals had the same requirement for years of university study; in each case the associated category was pegged at the same skills level in the official categorization of occupational status. Ninety-one per cent of the professional nurses were female, while 92 per cent of the professional engineers were male. Of the associate professional nurses, 89 per cent were female, while 68 per cent of the associate engineers were male.

Budlender’s comparison of earnings suggested there is a care penalty. More than a third of the engineering professionals and 8 per cent of the associate engineers earned more than R16,000 a month, whereas only 1 per cent of professional and associate nurses did so. Nearly two-thirds (65 per cent) of the professional engineers earned more than R6,000 a month, compared with 54 per cent of the professional nurses (Lund and Budlender, 2009).

At the other end of the continuum of paid care,<sup>1</sup> there is great variation in the pay of HBCs or other categories of “volunteer” care workers, depending on the programmes for which they work, the norms applicable in different departments, and the levels of funding set by donors (Patel, 2009, p. 35). For HBCs, Samson (2008) reported incomes ranging between R500 and R1,500 a month; Mitchell (cited by Budlender, 2009) found that those in care-related HBC programmes within the public works initiatives received between R9 and R80 a day – far less than the low wages of those in the more “male-dominated” infrastructure programmes (R30–R120). It would appear that the care penalty applies even in these public works programmes.

## Public- and private-sector dynamics, and movement within occupational sectors

The flows of staff within and between different care providers are complex and fluid. Here we look first at the movement of nurses from the public to the private sector. Second, we show how social workers move in the opposite

<sup>1</sup> The concept of the “care continuum” was originally introduced in the mid-1990s as part of the WHO’s health-policy framework for addressing the care needs of people living with HIV/AIDS. Generally viewed as an important advance towards a more holistic policy approach, the basic idea was to strengthen linkages between the various (formal) health-care levels and actors that follow up after voluntary counselling and testing (i.e. the entry point to the continuum). However, this framework has been criticized for neglecting the crucial role of “unlinked” (and often unpaid) forms of care, such as “peer support”, home-based care and community care (for a discussion, see Oden, Esim and Grown, 2006).

direction, from the private to the public sector, and how the subsidized non-profit sector carries out the work of the State. A third trend is the movement of HBCs from informal to formal work, and between the public and the private sector, as exemplified in a small informal hospice run by “volunteers”. Finally, we examine the phenomenon of task-shifting, the process whereby within the health sector specific care tasks are reassigned from one set of care workers to another, and ultimately to the HBCs and “the community”.

### *Choices in nursing: From the public to the private sector, and to other countries*

Most nurses – 66 per cent of PNs and 71 per cent of APNs – work in the public sector. A quarter of both categories work for units called “private business or household”. It is not possible to distinguish between those employed in private health facilities, such as clinics and hospitals, and those employed by a private individual, such as an elderly person in need of care. However, it is likely that most work in private health facilities.

Various factors determine the movement of nurses from the public to the private sector. Pay has increased appreciably in the private sector and, following the civil service pay increases after the 2007 strike, a major private health provider (Netcare) announced its intention to increase salaries to keep ahead of the public sector. Facilities and standards of care are also generally better in the private sector. In both sectors, the HIV/AIDS epidemic has brought high levels of emotional stress for those caring for the very ill and dying, and a constant exposure to disease, especially to tuberculosis and viral infections. Much is written about the vulnerability of health personnel to needle-stick injuries as a contributory factor in stress and burnout. However, Schneider, Oyedele and Dlamini (2005, p. 16) hold that: “[...] HIV is by no means the only factor linked to burnout. Workloads in general, resource shortages, perceived self-efficacy, and quality of team work and management all combine with HIV to produce burnout.”

Other studies (Zelnick and O'Donnell, 2005; Henwood, 2005) confirm that HIV/AIDS work is just one among many causes of stress in an overall stressed work situation. The nurses' experience of managing in difficult conditions is ignored. The working environment could be improved by including nursing staff in policy and resource discussions.

The constant drain of skilled nurses from the public health system weakens the sector that serves the majority of the population. This, in turn, has a negative impact on the health of those relying on public-sector care. Nurses have some degree of choice in being able first to move from the public to the private sector, and second to go to work in other countries. In turn, South Africa benefits from the immigration of health professionals from the rest of Africa and from other parts of the world. For example, a recruiting manager in one of the largest private hospital groups described the recruitment from India of highly skilled nurses who were fluent in English and eager to earn South African rands (*Health Link Bulletin*, 11 July 2008).

### *Doing the Government's work: Social workers in the not-for-profit sector*

Social workers are employed in government agencies, the non-profit sector or industry; a few are in private practice. Unlike nursing pay, the full remuneration package for a government-employed social worker is much larger than for those working in the private and non-profit sectors.

Many formal non-profit organizations (NPOs) receive a state subsidy to support the work they do. In some fields (especially childcare, mental health, substance abuse and the rehabilitation of offenders) the subsidy is subject to the NPO carrying out statutory services on behalf of the State – services that in terms of the law have to be provided in order for a critical stage in a welfare service to be reached. This work concerns people who are in the care of the State, but on whose cases a social worker's intervention is legally required. Good examples are assessment visits to the home of a couple applying to foster a child, or court reports on the home circumstances of a person in a psychiatric institution ready to be discharged back to their family.

In these situations, social workers in NPOs operate precisely at the interface between government support and unpaid care by family members. Official reports acknowledge that, compared with social workers in government service, social workers in NPOs carry out a disproportionately large share of the statutory work required. However, the subsidies from the State do not fully cover the costs of the NPOs, whose skilled senior professional staff therefore spend time on public fund-raising. These same NPOs are also responsible for training new social work auxiliaries, in an attempt to augment their own staff. However, many of these trainees rapidly move on into government employment. The same NPOs also recruit and train volunteers, such as HBCs.

### *Opportunities and traps for HBCs: Between voluntary work and employment, between the private and the public sectors*

The HIV/AIDS epidemic has placed a great strain on health services, and precipitated a move towards “home-based and community care”, including calls for more volunteer workers (Hunter, 2005). As noted earlier, in this charged context the terminology has changed, and the new terms are used differently: “volunteers” are often paid “stipends” or “honoraria”, although they are expected to work fairly regular hours, with specific tasks to perform, such that their work has the characteristics of a real job that should be properly paid; more formally engaged grassroots community-based and home-based workers are recruited on widely varying pay and working conditions, even within the same programme. Samson (2008) describes the case of an NGO which had been contracted by the health department to employ Community-Based Workers (the term the health department uses for the more generic term HBCs used in this article). The health department paid the NGO the stipulated wage, plus

an amount for contributions to the Unemployment Insurance Fund (UIF), a condition usually granted only to formally employed workers. Thus the State was paying the UIF contribution on behalf of the NGO, while insisting that the beneficiary was not “employed”!

The related growing care crisis has led to informal facilities developing to meet the need, and existing formal hospices have extended their work into communities. In provinces such as KwaZulu-Natal, where the epidemic is especially severe, it has become accepted hospital practice for terminally ill patients to be sent home to die. The widespread and rapid implementation of the anti-retroviral therapy (ART) programme means that the care needed and given is itself changing; however, thousands who need ART cannot yet receive it, and there are high rates of patient non-compliance with this complicated intervention, necessitating skilled support and attention from caregivers.

A small eight-bed hospice facility in Durban provides an interesting set of care work flows, with volunteers becoming formalized, and patients being moved between formal public and informal private facilities (Lund and Budlender, 2009). The suburban cottage which housed the facility was donated by a local businessperson to the Catholic Church, and the care initially provided by nuns. Management was gradually taken over by someone who had volunteered her services in gratitude for the high standard of care her own daughter had received there while dying of AIDS. She became “house mother” (essentially, the matron/manager), supporting the women working there who were called volunteers but who worked regular hours at exceedingly low pay. Volunteers used the networks available to this facility to access locum work in more formal health facilities in the private health sector. All of them hoped that this occasional work would lead to more permanent employment, and in some cases it did.

This informal facility was not registered with the provincial health department, but it was known to provide a high standard of care. From about 2005 onwards, from a true hospice for the dying, it had turned into a place of hope for extended life because of the ART rollout. Public health patients routinely die while waiting for ART because of the time-consuming process of application, proof of compliance and counselling required. In this small private health facility, informal relationships operate in which the house mother uses her local networks to gain access to ART in three days, rather than the three months it can often take through the public sector. Once the patients’ condition has stabilized, they are transferred back to the public hospital, where they can obtain free ART on a longer-term basis.

No register of health services will pick up this virtually invisible help and the complexity of movement between private informal and public formal service. Very little is yet known or understood of the manner and extent to which such care work opens up somewhat improved career opportunities for the “volunteers” at the facility, rather than simply trapping them in low-paid voluntary work. Given the high unemployment rates in South Africa, it might well be a point of entry to the labour market for women, rather than men, albeit in the traditional and low-paid care sector.

*Task-shifting:  
Tasks cascade from nurses to “the community”*

In its health and welfare sectors, South Africa has adopted a policy of community care. Under the auspices of the World Health Organization (WHO), South Africa is also participating in the global initiative on task-shifting. Task-shifting is the process whereby tasks defined as the preserve of those possessing a certain level of skill are delegated to those with another level of skill. In the context of scarce resources and a health sector under pressure, this delegation is usually to a lower level, allowing those less formally skilled to undertake a broader range of activities. The WHO explicitly states that this is to provide more room for “community workers [who] can potentially deliver a wider range of HIV services, thus freeing the time of qualified nurses,” as well as “creat[ing] local jobs and new opportunities for people living with HIV” (WHO, 2007, p. 3) – through the inclusion of people living with HIV and with AIDS as community workers.

Task-shifting is not new, though the term is. A hallmark of primary health care was allowing nurses to take on doctors’ tasks, and nursing assistants to take on those formerly exclusively done by formal nurses. Within South Africa, the greater access to legal abortion in the 1990s gave rise to what became international best practice in task-shifting (Marion Stevens, personal communication). Previous legislation had allowed abortion in the narrowest of circumstances (for example, when the pregnancy resulted from rape) and only by medical doctors. The new legislation allowed access to abortion on demand, and its performance by nurses.

Training of and funding for thousands of nurses and facilities were key to the successful implementation of the new policy (Stevens, Frayn and Nombulelo, 2008). In the HIV/AIDS crisis, task-shifting is being introduced precisely to solve a resource problem, though the policy states that it also seeks to provide a more appropriate form of quality care. Without training, funding, and ongoing supervision and support, task-shifting will place new responsibilities on poorer-paid workers, and on volunteers in temporary placements in public works programmes. This is best described as “quasi-commodified” work. If underfunded over a period, the care tasks will finally fall on household members who will effectively provide unpaid care.

Some of the South Africans involved within the country and in the global initiative include experienced health activists who played leadership roles in the struggle for health rights for all South Africans. There is no public evidence that the (largely female) professionals promoting the practice have seriously considered the gendered implications of the new policy for other female care workers. Likewise the WHO’s widely disseminated official booklet on task-shifting in response to HIV/AIDS makes no mention whatsoever of the potential gendered impact of task-shifting ([http://www.who.int/healthsystems/task\\_shifting/en/](http://www.who.int/healthsystems/task_shifting/en/)).

## Conclusion

The HIV/AIDS crisis has resulted in new care needs and a crisis in the health services. This crisis arose from the legacy of disrupted family life left by the HIV/AIDS crisis, combined with very high rates of unemployment. Lund and Budlender (2009) noted the absence of demands by unpaid carers for more public support for care. They suggested that a possible reason was the presence of unemployed adult women in the households of those needing AIDS-related care. This article has explored other dynamics that may be shaping the lives and work of paid and volunteer care providers.

The care providers examined here work in a range of jobs. Some are formal-sector, secure, strictly regulated and highly unionized jobs (77 per cent of PNs and 74 per cent of APNs are unionized) and collective labour action has led to better salaries and career mobility for nurses and social workers, with the private health sector subsequently committing itself to increase its own salaries for nurses (*ibid.*). Nurses move from the public to the private sector in search of better conditions of work, whereas social workers move from the private sector (where conditions are worse) to the better-paid public sector. Some of the most skilled women in the nursing profession emigrate from South Africa and (some of) their places are taken by women immigrating from poorer African and Asian countries.

The HBCs are a new cadre of workers but their employment status is very ambiguous. Their work inside private homes, usually in poor communities, means that they are largely invisible, and they are paid very badly, if at all. Some of them accept to do their work in exploitative conditions because they perceive this work as a potential avenue to a better job; they are not likely to complain loudly or to organize assertively. However, Samson (2008) points out that though they are not in a position to bargain for better wages, other things could be done in the immediate term. The organizations in which they work and the nurses and social workers under whom they work could put pressure on the Government to ensure that all who are entitled to stipends do actually receive them, for more timely payment of the stipends, and for better work-related equipment (*ibid.*). Samson also suggests that the NPOs supervising the HBCs have a role to play in actually applying the labour laws, and building up the capacity of the HBCs.

It has long been known that state support to the social services underpins and thus enables provision by other public and private agencies. In South Africa, the Government subsidizes NPOs, which in turn employ social work auxiliaries and volunteers. However, compared with social workers in government services, the social workers in NPOs do a disproportionately large amount of work and are paid less. The same NPOs provide the training ground for new social workers who obtain their first round of training and supervision while working there, and then leave for better-paid and more secure civil service jobs.

This investigation of care providers yields some pointers for further analysis of care work. First, some comparative analyses of welfare regimes select

a sector (such as health or education) from which to draw up the characteristics of welfare regimes, and hence to establish appropriate classifications. This study suggests the need to look closely at how both the health and the welfare sectors differentiate between women and men, between women, and between different groups of care providers. Much is missed by choosing one group as representative; at the same time much would be missed by simply aggregating all the different groups.

Second, alongside the health and welfare sectors exist a range of complementary programmes that influence and support care work. In the South African context, these include nutrition programmes for children, housing subsidies, and infrastructure provision such as domestic electricity, water and sanitation, all of which make a significant material difference to the lives of those doing the care work, including provision in the homes of carers and of those cared for. Greater understanding is needed of how separate care provision by the Government and the private sector drives access by poorer people to such services.

Third, though many people aspire to a sense of community, there is danger in the abstract notion of “community” (Hunter, 2005; Lund, 2006). The WHO publication on task-shifting cited earlier goes so far as to advocate “community-led care” as a response to care needs in the context of HIV/AIDS. In the context of already scarce resources for coping with the pandemic, what can this possibly mean except further responsibilities for the women doing unpaid and low-paid care work, many of whom are already poor and overburdened? The first South African Time Use Study was undertaken in 2001, a little too early to capture the effects of HIV/AIDS on care work. A new Time Use Study, planned for 2011, will go some way to filling this gap.

Fourth, in the South African context, greater understanding is needed about the future impact of ART on care needs and on what carers will need to do. There is early evidence that ART may improve the morale of formal and informal carers, though current regulations governing access to ART (a CD4 count below 200) mean that an applicant has to be very sick indeed before becoming eligible – with negative consequences for the health services and for carers. As is now widely accepted, the availability of ART means that HIV/AIDS must be managed as a longer-term chronic condition, rather than as a terminal illness. Some carers will have to learn to cope with the difficulties faced by their patients in sustaining the management of long-term ART use; other carers will have to continue coping with the harrowing terminal stages of this illness.

Fifth, it would be interesting to examine whether the tasks of domestic workers are increasing in response to the care work deficit. South Africa’s million domestic workers are largely African women who work mostly in better-off households, but also in many poor households. In practice, are they taking on more care tasks as the HIV/AIDS epidemic spreads? If so, do they receive any training and support, let alone increased compensation, for this increase in their tasks? Or is this another realm in which women’s care responsibilities expand in quiet and unacknowledged ways – in a sense, task-shifting upwards?

Finally, the professions under focus here are dominated by educated women, but neither the social workers nor the nurses appear to publicly articulate a gendered analysis of their occupations and their places in society, the links between their own paid care work and the unpaid care work of other women, or the tension between their own paid work and the unpaid care work they carry out in their personal lives. This coincides with a complete absence of awareness in the new community- and home-based care policies of the impact these policies may have on women's overall well-being, including their access to the labour market.

Some of the new programmes clearly create points of entry to the labour market through voluntary or quasi-voluntary work; one could say, through an interim stage of “quasi-commodified” care work. However, if HBCs are to represent a central plank in the overall HIV/AIDS strategy or if grassroots community workers are to represent a plank in other non-AIDS-related social programmes then, as Samson (2008) rightly holds, the Government must develop a clear policy on the employment status of these new care workers. At present, new forms of de facto employment are being disguised through the process of contracting to NPOs. If their employment status is not clarified, the responsibility for care will continue to be displaced on to female HBCs, unpaid or partly paid volunteers, and unpaid female workers in poor households – all of whom suffer from an ambiguous employment status.

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## The expansion of social care and reform: Implications for care workers in the Republic of Korea

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**Abstract.** *A falling fertility rate, increasing longevity, government “social investment” strategies to achieve the transformation from industrial to post-industrial economy, and increased state support to help women balance family and work responsibilities – all these influences have produced mixed results for the poorly paid female care workers in low-status jobs in the Republic of Korea. The author summarizes policy changes and reports on interviews with childcare and elder-care workers, policy experts and researchers, showing that though increased regulation and expansion of public childcare have led to some improvements, the deregulation and marketization of elder-care have resulted in worsening conditions for elder-care workers.*

Since 2000 the Government of the Republic of Korea has significantly expanded childcare and elder-care programmes. Several interrelated factors lie behind this expansion, the main one being demographic imperatives. There has been such a drastic decline in the total fertility rate (TFR) that the Republic of Korea now features among the OECD countries with the lowest TFR. The sharp drop in TFR combined with increased longevity (hence rapid population ageing) prompted policy-makers to consider ways of slowing down, if not reversing, fertility decline. At the same time, demand for elder-care services rose and is expected to rise further.<sup>1</sup> The provision of childcare and elder-care to help women reconcile work and family responsibilities is now considered an effective way of raising the TFR. Thus the Long-term Care Insurance (LTCI) programme was introduced in 2008 to relieve women of family care responsibilities and to help meet the fiscal cost associated with the growing care needs of the elderly.

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<sup>1</sup> The TFR in the Republic of Korea fell from 1.57 in 1990 to 1.15 in 2009, while between 1990 and 2008 the life expectancy of Korean women rose from 75.5 to 83.3 years, and of men from 67.3 to 76.5 years (KWDI, 2010).

The expansion of social care in the Republic of Korea is a result of global policy learning. In the case of elder-care, policy-makers followed the lead set by Germany and Japan and introduced a long-term care insurance scheme. In the case of childcare, Korea applied the OECD and the UNESCO early childcare and education policy models (OECD, *Babies and Bosses* series; interview with Dr Mookyeong Moon, Director, KICCE, 16 Aug. 2008).

Finally, the emphasis placed on active labour market strategies arising from the notion of “social investment” developed under the Governments of Kim Dae-Jung (1998–2003) and of Roh Moo-Hyun (2003–08) also positively influenced the expansion of social care. Within the social investment framework, social care and education are considered important not only for their contribution to human capital, but also because they promise broader economic benefits: job creation and the development of a new, service-sector economy (i.e. a potential engine for economic growth). In sum, the Government has promoted social care policies not only because of socio-demographic pressures, but also as a new strategy to help the transformation from an industrial to a post-industrial economy.

Though social care has received significant policy attention in the Republic of Korea, very little is known about the people who actually provide the care or the evolving nature of care work in relation to changes in the social policy regime. To improve understanding of these neglected questions at a time of changing policy, in-depth interviews were conducted with 23 childcare workers and 30 elder-care workers in the Republic of Korea. Interviews were also conducted with policy experts, researchers and other stakeholders, and site visits were made to elder-care institutions and to childcare centres to observe care work.

Three findings from this study may be highlighted. First, the two groups of care workers differ significantly in their demographic and socio-economic characteristics. While elder-care workers (ECWs) are mainly older women from a wide range of socio-economic backgrounds, childcare workers (CCWs) are mostly young, well-educated women. These differences underscore the segmentation of the labour market in the care sector, as well as the limited employment opportunities available to both categories of worker (see below). Second, both groups of care workers are poorly paid, and have a low occupational status, despite the differences mentioned above. This can be partly (but not completely) explained by the devaluation perspective (England, 2005), as will be argued below. Third, recent social policy reforms had a significant impact on the conditions in which care work is done in the Republic of Korea. While marketization of elder-care seems to have generated some negative effects for ECWs, increased regulation of childcare seems to have had the opposite effect, resulting in improved wages for CCWs. Together, these processes show that government policies influence the setting and regulation of the parameters of care work.

The first section of this article describes the childcare and elder-care systems in the Republic of Korea, the second section focuses on the study’s findings, and the last section considers the implications of these findings.

## Childcare and elder-care systems and care workers

The welfare regime of the Republic of Korea has two key characteristics: familialism<sup>2</sup> and a social insurance-based welfare system. In the past, by providing almost no alternatives to family care the Government effectively devolved individual welfare and care responsibilities to households and families. Thus, there was a severe shortage of both public and private market sources of care in the Republic of Korea, unlike social-democratic welfare regimes, where public care services are available for children, the elderly and the disabled, and unlike liberal welfare regimes, where market-based personal-care services are available to middle- and higher-income households. Rather than providing a universal form of social welfare, the Government traditionally focused its policy efforts on occupational social insurance schemes providing mainly for male workers in key industries, thus enabling economic and industrial development. Both pension and health insurance, the two central pillars of social security in the Republic of Korea, were modelled on Bismarckian social insurance. Although both schemes were subsequently extended to include more workers and their families and were eventually made universal during and after the political democratization that occurred in 1987 (Peng and Wong, 2008), the welfare regime's predilection for a social insurance model remains in place, as illustrated by the LTCI.

### *The elder-care system and ECWs*

Non-familial care of frail or disabled elderly people is provided in residential homes, nursing homes, and in the home. Until the introduction of the LTCI, these services were provided free of charge to the elderly receiving public assistance, or at a subsidized rate to those on low incomes. The rest of the population in need of care had to pay full user charges. As elder-care becomes universally available through the LTCI, demand for home-based care services is expected to rise. In theory, entitlement to elder-care services is now based solely on the level of disability, not on income. For elderly persons receiving public assistance and for persons on low incomes, the insurance premium is met by the State and the service is free; other elderly persons have to pay insurance premiums and a co-payment fee of about 20 per cent. In 2008/09, a total of 230,000 elderly people (5.3 per cent of the population aged 65+) received care. This figure is expected to reach 320,000 by 2013 (MOHWFA, 2009a).

The aims of LTCI are: to make elder-care services universally available; to achieve some measure of social and economic redistribution among the elderly; to reduce service costs by shifting care from institutional facilities to home-care settings; and to shift the cost of elder-care from the country's

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<sup>2</sup> Familialism refers to the policy tendency to assign a maximum of welfare responsibilities to the family, particularly in its caring function. This may be done by default (when the State does not fund or provide care services for children, for example) or by design (when social policy actively enforces the caring function of families through parental leave or family allowances, for example).

national health insurance to its long-term care insurance. An additional (though unstated) objective is to stimulate the economy and create jobs through the expansion of social care. The LTCI, which is modelled on the Japanese LTCI scheme, is financed through compulsory insurance premiums, tax subsidies, and co-payment fees. The programme covers the long-term care needs of people aged over 65, and the age-related long-term care – e.g. for dementia – of those aged under 65.

Individual care needs are assessed by standard procedures, and the amount of care provided by LTCI is determined by the degree of disability. LTCI covers both institutional and home-based care. LTCI clients may “purchase” care from any registered service provider, which is then reimbursed by the National Health Insurance Corporation for the unit(s) of care it provides. Providers may be public or privately owned, for-profit or not-for-profit organizations, although the vast majority are private. In short, the LTCI scheme in the Republic of Korea is a publicly funded and privately delivered elder-care system, financed from mixed sources of funding. The Government regulates the quantity and quality of care through care assessment and the training, certification and licensing of various types of ECWs and service-delivery agencies.

There are three main categories of care worker in the LTCI system.

*Yoyangbohosa*, or certified ECWs, who provide care to LTCI beneficiaries either at home or in institutional settings. All LTCI care service providers are now required to hire certified *yoyangbohosa* only. Care workers already employed in July 2008 were given two years to obtain the *yoyangbohosa* certificate, of which there are two levels: the first involving a total of 240 hours of training, and the second 120 hours of training. Since April 2009, *yoyangbohosa* certificates have been issued to 456,633 people, but only 114,367 of them have been employed as *yoyangbohosa*. In 2009,<sup>3</sup> the average monthly wage of *yoyangbohosa* ranged from 1 million to 1.3 million KRW (Hankyoreh, 2009).

*Ganbyeongin*, or hospital-based care workers, who provide care to hospitalized elderly persons who need extra support. Although no specific training is required, many have obtained *ganbyeongin* training provided by NGOs. The Korea Patient Helper Society, for example, runs free 40-hour training programmes for women aged over 30 having attained at least middle-school education. *Ganbyeongin* are paid 55,000–60,000 KRW for 24-hour work, and 38,000–40,000 KRW for 12-hour work (<http://www.help114.or.kr/>).<sup>4</sup>

*Noin-dolbomi*, *Mooryo Ganbyeongin*, and *Gasaganbyeong-doumi*. These are certified ECWs working under various government-funded care programmes for elderly persons on lower incomes. *Noin-dolbomi* are home-care workers holding a second-level *yoyangbohosa* certificate and working in a government-run job creation project for women from low-income households. They provide free home care to elderly persons on low incomes who need support with

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<sup>3</sup> In 2009, 1000 KRW was approximately US\$0.86.

<sup>4</sup> Wages for 12-hour and 24-hour work refer to wages paid for continuous work shifts of 12 and 24 hours, respectively.

daily activities. In 2009, the Government budgeted 19,900 billion KRW to hire 2,897 *noin-dolbomi* to care for 10,140 elderly people. Service users pay 18,000 to 48,000 KRW for 212,400 to 307,200 KRW worth of service vouchers per month. *Mooryo Ganbyeongin* are nursing care workers participating in a workfare programme for women receiving public assistance. They provide free, hospital-based nursing care to elderly persons on low incomes and to persons receiving public assistance. They are given training and one month of practice. They work for eight hours a day, five days a week, and receive 28,000 to 31,000 KRW per day. *Gasaganbyeong-doumi*, employed in another government-run job creation project for women holding a first- or second-level *yoyangbohosa* certificate and coming from low-income households, provide home-based care to elderly persons receiving public assistance. They work for eight hours a day, five days per week, and are paid 31,000 KRW per day. Service users are given monthly service vouchers worth 248,400 KRW (equivalent to 27 hours of service) for free or of 322,920 KRW (36 hours of service) for 8,280 KRW.

### The childcare system and CCWs

Between 2000 and 2008, the total number of children of pre-school age enrolled in childcare centres rose from 686,000 to 1,135,502, an increase from 17.3 per cent to 41.4 per cent in the proportion of children aged 0–5 years in childcare centres. The number of childcare staff in the Republic of Korea went from 82,231 in 2001 to 191,103 in 2008 (KWDI, 2010). A 2002 survey found that 16.6 per cent of CCWs had four years of university education, 59.2 per cent had two years of college education, and 24.2 per cent had high school education or less (Na and Moon, 2003).<sup>5</sup> CCWs with four years of university education were more likely to work in public or workplace childcare centres, whereas those with high school education or less were more likely to work in home daycares<sup>6</sup> or in private childcare centres. The survey found a higher turnover rate among CCWs in private childcare centres than among those in public childcare centres.

According to a survey by the Korea Institute of Child Care and Education, CCWs worked on average 10.6 hours during the week and 6.3 hours on Saturdays (KCWU, 2004). Those working in public and workplace childcare centres earned on average 900,000 KRW per month, while those in private establishments earned 700,000 KRW. Some CCWs were paid starting salaries as low as 400,000–500,000 KRW per month for the first few months of their employment. Employers often disregard the Labor Standards Act, expecting workers to put in long hours and to work on statutory holidays. Only 17.4 per

<sup>5</sup> In the Republic of Korea, colleges normally provide more technical, skill-specific education and training, while universities tend to provide more academically oriented liberal education.

<sup>6</sup> *Home daycares* are small childcare units often based in the care provider's home, and catering to children aged under two. Home daycares must be certified and licensed by the Government. They normally accommodate fewer than 20 children. All the home daycares are private, for-profit or not-for-profit childcare centres.

cent of the CCWs surveyed received overtime pay, and only 41.4 per cent actually took some of their annual holiday entitlement. Many CCWs surveyed reported difficulties in taking time off even when sick. Many also reported problems taking their full entitlement to maternity and/or parental leave. The average length of maternity leave taken by CCWs was 58.4 days, compared to the 90 days stipulated by the Labor Code. Pressure was sometimes put on pregnant workers to quit work or to work for a lower wage. Finally, those working in public and workplace childcare centres had much higher rates of enrolment (70–95 per cent) in the four national social insurance programmes (retirement, health, unemployment and industrial accident insurance), compared with those who worked in private childcare and home daycares (14–92 per cent).

## Research method

During July and August 2008, interviews were conducted with 30 ECWs from eight facilities and 23 CCWs from nine childcare centres operating in Metropolitan Seoul. Contact was made with local social welfare offices for introduction to the facilities, and the convenience sampling technique was then used to recruit interviewees. Semi-structured interviews lasting one to two hours were conducted in Korean, mostly on a one-to-one basis. All the interviews took place in the workplace, where researchers were also able to visit the site and to observe. All the interviews were recorded, transcribed and translated from Korean into English, and were analysed using N-Vivo qualitative analysis software.

The 30 ECWs interviewed included: six *yoyangbohosa*, six *ganbyeongin*, five *gasaganbyeong-doumi*, eight social workers, one director of a welfare centre, three nurses, and one physiotherapist. In our analysis, the ECWs were divided into direct and indirect elder-care worker groups because the job content and professional status of these groups were noticeably different. *Indirect elder-care workers* (indirect ECWs) are defined as those with professional status, e.g. social workers, physiotherapists, nurses, and directors, and whose primary tasks do not involve the physical handling of bodies and bodily fluids. *Direct elder-care workers* (direct ECWs) are defined as those whose primary tasks involve direct body-to-body contact and the handling of fluids and waste; they include *yoyangbohosa*, *ganbyeongin*, and *gasaganbyeong-doumi*.

All of the 13 indirect ECWs worked in institutional settings; the 17 direct ECWs worked in both institutional and home-based care settings. Except for the director of the welfare centre and one of the social workers, all the workers were women aged between 36 and 60. Twelve of the 17 direct ECWs had worked in their current workplace for under two years. All six *yoyangbohosa* were previously housewives, while the five *gasaganbyeong-doumi* had varied work histories. We highlight the *yoyangbohosa* because this is a new occupational category created by the LTCI. Thirteen of the 17 direct ECWs interviewed had high school or less education, whereas all the indirect ECWs had

a college or university education. Indirect ECWs were all full-time standard employees earning 1.5–2 million KRW per month; all the direct ECWs were contract workers earning between 700,000 and 1.5 million KRW per month. As a reference, the average monthly earnings of female and male workers in all occupations in 2008 were 1,949,000 KRW and 3,082,000 KRW, respectively; whereas the average monthly earnings of female workers in health and social work and community, social, and personal services were 2,006,000 KRW and 1,621,000 KRW, respectively (KWDI, 2010).

The 23 CCWs consisted of 17 CCWs and six directors of childcare centres, from two private, four public, one home, and one workplace daycares. They were all women aged between 25 and 55; their current job tenure ranged from two weeks to 14 years, and most had worked in their current workplaces for over three years. Nineteen had previous childcare-related work experience; only one had work experience outside the childcare sector. All CCWs had at least a college-level education, and most had four years of university education. The CCWs earned 1.15 to 1.6 million KRW per month, plus special government allowances of 145,000 KRW, or 280,000 KRW in the case of those working in home daycares. In total, their monthly income ranged from 1.4 to 2 million KRW per month.

In view of the survey's sample size (about 60), this study does not claim to draw generalizable conclusions for all care workers in the Republic of Korea; rather, the main aim of the study was to gain a valid picture of the labour market situation and experience of ECWs and CCWs, on the basis of individual and expert interviews and visits to institutions, and of other available government and research data.

## Findings

### *Labour market segmentation and limited employment opportunities for women*

There is substantial and persistent occupational sex segregation in the labour market of the Republic of Korea (Koo, 2001; Turner and Monk-Turner, 2007). We found that occupational segregation along demographic and educational lines was also present within the care sector – a finding that resonates with several other contributions to this special issue of the *International Labour Review* (notably those by Esquivel; Lund; and Palriwala and Neetha). ECWs were generally older women from a fairly broad range of educational and socio-economic backgrounds, whereas CCWs were young and well-educated. These socio-demographic differences are probably the result of individual selection and occupational streaming, whereby younger women select and are, at the same time, encouraged and preferentially hired for childcare work, while older women both select and are channelled into elder-care work. ECWs often cited their experience of caring for their own ageing parents or relatives to explain their decision to become ECWs. Similarly, many CCWs related their work

to their own current or future child-rearing. This gendered life-cycle perspective to occupational choice is strongly reinforced by employer discrimination.

When directors at elder-care institutions were asked about their recruitment criteria, many explained that older women were more “suitable” for elder-care work because of their experiences of life and their “natural affinities” with older people. Similarly, childcare directors claimed that younger women were more “in tune with” children. It appears that in much the same way as women are streamed into feminized occupations, within care work older women are streamed into elder-care and younger women are streamed into childcare.

The presence of occupational segregation in the care sector emphasizes the narrow job niche available to women, and underscores the lack of other employment opportunities, particularly for older women. One *ganbyeongin* stated:

When I tried to apply for a job after I closed my business, [I realized that] every place hires people under 45 years old. So, I gave up [looking for] work in an office.

Employer discrimination against women remains pervasive despite the Equal Employment Act of 1987. Of the seven CCWs who had children, three had had to quit their previous jobs when they became pregnant. One woman had left her job as a private kindergarten teacher after six years of employment because she was made to feel that taking her maternity and parental leave would be a burden on her employer. In another case, the employer simply refused to grant parental leave:

[They said] no. They didn't allow me to take parental leave, only maternity leave – three months. I asked for parental leave, but they said no because if they allow me this time, they have to grant parental leave to all their employees in the future. So, I quit there in order to raise my child. I took six months off and then I got the job here.<sup>7</sup>

Such comments are not surprising. Several studies show that employers in the Republic of Korea still hire young female workers on relatively low wages, expecting them to stop working after marriage or childbirth (Cho and Chang, 1994; Lee and Cho, 2005). The employment pattern of Korean women (sharply M-shaped) suggests significant labour market exit during their child-bearing years. Older married women re-entering the labour market invariably cluster into different types of non-standard employment. In 2006, they made up 74 per cent of all female employees not on standard contracts (Grubb, Lee and Tergeist, 2007). The turnover rate among female workers in the Republic of Korea is 40 per cent higher than that of their male counterparts (MOL, 2008); the gender gap in median earnings of full-time employees is 38 per cent, the largest in the OECD (OECD, 2009). Being married carries a significant occupational status penalty for women, but not for men (Turner and

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<sup>7</sup> The Labor Standards Act of the Republic of Korea stipulates 90 days of fully paid maternity leave for all workers, and nine additional months of parental leave at 500,000 KRW per month for all regular employees.

Monk-Turner, 2007); the existence of an internal labour market supported by occupational sex segregation means that Korean women face higher barriers to high-skilled and technical occupations than do Korean men (Sandefur and Park, 2007). Our study suggests that this is not limited to highly skilled and technical occupations.

### Low wages and low occupational status

All the care workers interviewed complained that their wages were low by comparison with their cognate professions and in relation to their education and training. As a reference, the average monthly wages of male and female kindergarten teachers in the Republic of Korea in 2006 were approximately 3,170,000 KRW and 1,960,000 KRW, respectively, and those of auxiliary nurses (the closest equivalent to *ganbyeongin*) were 4,140,000 KRW and 1,800,000 KRW, respectively (ILO, 2009). A *gasaganbyeong-doumi* in her late 50s, on a monthly wage of 700,000 KRW, stated:

I would be so happy if [my wage] went up to 1,000,000 KRW (laugh). Since our working hours are okay, it would be hard to get more than that. It's not good to work longer. I have to do some housework, too. A million KRW is a lot of money.

A chief *ganbyeongin* at a hospital, who is in her mid-30s, explained why she was unable to recruit younger *ganbyeongin*:

If it were about 1.5 million KRW, I think young people would be willing to work here. A million KRW is not enough money to attract young people.

In addition to their low wages, ECWs felt undervalued because of their employers' disregard of their work experience and the lack of career advancement. The LTCI led to the reorganization of elder-care work. Before the LTCI, ECWs (who were often social workers) received automatic, seniority-based wage increases. Under the new system, however, this no longer applies to *yoyangbohosa*. A *yoyangbohosa* in her late 30s with over three years of experience working at the same nursing home explained:

Frankly speaking, it was difficult before, but there was some respect for my work experience or my ability. Now my salary has been reduced to 700,000 KRW. It's because my work experience is no longer taken into account and the base salary itself got reduced. There is no such thing as a salary scale now. There would be no such thing even if we had worked for ten years.

However, the elimination of salary scales for *yoyangbohosas* is not due simply to the reorganization of elder-care work through the LTCI. It also reflects the effects of the much broader labour market restructuring processes that were prompted by the 1997 economic crisis. The 1998 employment legislation reform loosened restrictions on lay-offs and allowed employers to hire workers on nonstandard contracts more easily. Today approximately half of all employees in the country are non-standard workers. This situation was compounded by the LTCI's decidedly pro-market approach: it imposed a market-based care delivery system. Employers therefore now follow a common labour market practice: the informalization of employment. None of the 17 direct ECWs and none of the 23 CCWs interviewed enjoyed standard employment

conditions; instead, they all worked on contract, many of them on permanent fixed-term contracts, despite the labour legislation stipulating the employers' obligation to convert these contracts into standard employment conditions after a certain period on a fixed contract. Because of these workers' non-standard employment status, employers are not bound to grant the seniority-based wage increases. Furthermore, reclassifying *yoyangbohosa*, who receive less education and training than social workers, as the only direct ECWs allowed to work within the framework of LTCI also allowed the new elder-care system to reset care workers' wages.

Many of the ECWs interviewed also felt strongly that people look down on them and on the work they do. This is partly because the boundaries between care work and domestic work are often blurred. Many *yoyanbohosa*s and *gasanganbyeong-doumi* complained that they were treated like housekeepers or maids (*pachoolboo*), even though they had received over 200 hours of education and training:

When we were in training, our instructors told us that we are *yoyangbohosa*, so we should be proud of ourselves. But that self-esteem evaporates as soon as we go into our clients' homes. We are no longer *yoyangbohosa*; we are just cleaning ladies (a *gasanganbyeong-doumi* in her early 50s).

Similar kinds of frustration over low wages and low status were expressed by CCWs. Many complained that they were paid much less than social workers or kindergarten teachers, and that they were not treated with respect. A CCW in her late 30s said:

Although work experience is reflected [in the wage scale], the pay gap between my salary, based on 14 to 15 years' experience, and that of a social worker is huge... Even though [as a CCW] I get the rate for 14–15 years on the salary scale, that amounts to less than 2 million KRW per month. People are very surprised [when I tell them my salary].

She earned 1.55 million KRW per month, including the special allowance, which was more than the earnings of most direct ECWs, but significantly less than the salary of kindergarten teachers with similar work experience (see above). Another CCW also in her 30s said:

My salary is about 1.6 million KRW, and I get a special allowance of 150,000 KRW. Given that I've worked for ten years, isn't it too low? I can't talk about my salary with my friends. I graduated from university after four years of study. I have skills and a qualification, but my salary is too low.

Like the direct ECWs, the CCWs also felt that their work was undervalued by the parents of the children for whom they were caring. Many found their relationships with the children's mothers particularly stressful.

When parents interact with us, they do not treat me as a teacher, but as someone who cares for their children. There are of course some parents who treat us very well, but there are also parents who think that we are people who just spend time with their children when they can't (CCW in her late 20s).

Many CCWs were also sensitive to the general public's attitude towards CCWs:

Being respected by others is not the only reason why I chose this job, but when you choose your career, you want your work to be recognized and respected by others,

right? ... A common notion [in our society] is that a CCW just provides childcare services, literally, not education. You're not a teacher, but just a person providing services (27-year-old CCW).

By contrast with elder-care work, in childcare the boundary between education and care is quite arbitrary, and it is often based simply on the child's age. Unfortunately, the evaluation of childcare work as either "professional" or simply another "service job" is based precisely on this arbitrary boundary.

I think people think that there's less to teach when children are younger. So, when they ask me which class, what ages of children I am in charge of, and I say I'm in charge of younger children, they ask me again, "so what do you actually teach these young children?" Because people think that there is nothing to teach children aged under two, they say that I only look after them (CCW in her mid-20s).

The care workers' low wages and low occupational status confirm the devaluation perspective, the process whereby female-dominated jobs are often devalued because of societal and cultural biases that devalue all work done by women. England (2005) notes that out of the many female-dominated occupations care work is especially devalued because it is regarded as quintessentially women's work. This is underscored by studies showing a strong wage penalty associated with care work (Cancian and Oliker, 2000; England and Folbre, 1999; England, Budig and Folbre, 2002). In the United States, care occupations (except nursing) are associated with a net pay penalty of 5–10 per cent, and out of all the care-related occupations childcare carries the greatest pay penalty (England, Budig and Folhe, 2002). However, not all researchers agree with the devaluation perspective. Hakim (1998) argues that in the United Kingdom sales assistant, the largest female-dominated occupation, is low paid not because it is "women's work," but because it often involves low-skill, gender-neutral tasks. Magnusson (2009) contends that in Sweden care work is neither low-status work nor badly paid. Budig and Misra (in this issue) also find that in Sweden care work is associated with a pay bonus, not a pay penalty.

The case of the Republic of Korea suggests that numerous factors influence the value assigned to paid care work. While both ECWs and CCWs are largely non-standard employees and their wages are low compared with those of auxiliary nurses and kindergarten teachers, in fact they face quite different employment situations. Whereas the marketization of elder-care under the LTCI has led to deskilling (by shifting the direct care work from social workers to *yoyangbohasa*) and to the downgrading of elder-care work, the re-regulation of childcare work by standardizing wages and certification and introducing wage scales seems to have had the opposite effect. Thus, social policies applied to these two care sectors seem to play an important role in shaping care workers' working conditions and wages.

So how to explain the differences in social policy approaches to childcare and elder-care? One explanation might be the different value and importance attached to the two kinds of social care. Childcare is portrayed as a profitable "investment" in the human capital of future workers. This, however, is a more

difficult argument to sustain in the case of elder-care: there is an assumption that investing in the care of ill and frail elderly persons will not lead to significant positive human-capital returns in the future. This, in turn, justifies hiring older women with limited employment options as elder-care workers and paying them low wages. Another explanation might be linked to the model used to formulate specific care policies: LTCI was closely modelled on the Japanese LTCI scheme, whose main aim was to relieve public budgets by rationalizing health-care delivery achieved by mobilizing the non-profit and the voluntary sectors. Direct elder-care services were therefore conceived mainly as a cost-saving measure. This logic is reflected in the policy of targeting older and low-income women (many of whom were housewives) to be trained as ECWs. By contrast, the childcare policy followed the OECD and the EU social investment models, which are premised on the notions of greater state involvement and investment in early childhood education and care. Finally, it may be that well-educated young women are simply less willing to accept lower wages, whereas older married women may have fewer options and hence a lower “reservation wage”. The fact that the Government has to provide special allowances to top up childcare workers’ wages suggests that a recruitment and retention problem may be associated with childcare.

## The impact of recent social care reforms on care workers and their work

### *Mixed results*

Since 2003, over 100,000 new jobs have been created in the care sector (MOHWFA, 2009b). This has opened up employment opportunities for women, particularly for older married women and single mothers, who face the greatest challenges in the labour market. This is most evident in the case of elder-care employment created under the Government’s various job creation programmes. However, these new jobs are mainly low-paid and involve atypical work, and are unlikely to ensure women’s economic security. Moreover, as we have seen, they lack social status and provide limited career prospects.

As discussed above, the implications of recent care reforms have not been the same for elder-care work and for childcare work. While there has been an improvement in the CCWs’ wages, partly because of policy efforts to raise the quantity and quality of childcare through increased regulation of CCW qualifications and wage standardization, the reorganization of the elder-care delivery system under LTCI has had a negative impact on ECWs’ wages. With the expansion of home-based care, many institutions have begun to replace social workers with *yoyangbohosa*. The number of private-sector elder-care agencies providing on-call care services has also increased markedly since 2007. LTCI is transforming the elder-care system from institution-based care for a small proportion of elderly people with severe disabilities into home-based care for

a larger proportion of elderly people with a broader range of disabilities. As many ECWs point out, de-medicalization and de-institutionalization may also lead to the de-professionalization of elder-care work. A social worker at a nursing home expressed her views as follows:

In the past, social workers used to provide personal care to elderly people [in institutions] just as *yoyangbohosa* do these days. While providing direct care in nursing homes or hospitals, social workers could see their salary increase on the basis of their experience. However, since the law changed, only *yoyangbohosa* are allowed to work as direct care workers, and social workers who want to continue working in direct care have to accept a reduced salary, at the same level as that of *yoyangbohosa*. They also have to get the *yoyangbohosa* certificate. Although social workers' educational level is higher, [under this system] the social workers' certificate is treated lower than the *yoyangbohosa* certificate. As a result, many social workers have moved into other sectors.

England (2005) argues that biases against certain jobs may have their strongest effect when new jobs are being instituted in the economy and that once the relative wage scale is set, disparities can be perpetuated through organizational inertia. If this is true, under the LTCI system *yoyangbohosa* may not only fall prey to the devaluation perspective but, in the process, also contribute to the general decline in status of elder-care work as they replace other professional care workers. Thus, reflecting the pervasive socio-cultural biases against women's work, the way in which care work is being reformulated within LTCI – as a niche for older women and single mothers re-entering the labour market or as part of a public works programme – may, through cognitive association, reinforce the view that these jobs are inferior and contingent and therefore deserve low status. Put simply, the way in which elder-care is being reconceptualized may therefore institutionalize the devaluation of elder-care work and reinforce the economic insecurity of those who take it on.

### *The marketization of social care*

The care workers interviewed raised serious concerns about the increasing marketization of care. As pointed out, the expansion of social care in the Republic of Korea occurred as part of a strategy emphasizing social and economic returns. Crucial to this strategy is the role of the market in service delivery. The expansion of elder-care and childcare is premised on fostering a social market through incentives to private for-profit and not-for-profit establishments to provide care services. The Lee Myeong-bak Government which came to power in 2008 has reinforced its commitment to marketizing social services. To this end, a voucher system was introduced into the LTCI to give consumers of elder-care greater choice, and to introduce market discipline through competition. The Government proposed extending the voucher system to childcare if it proved effective with LTCI. Care workers were worried that this would throw them out of their jobs. A social worker working for a *gasaganbyeong* programme was critical of the Government's new policies:

The Lee Myeong-bak Government has no social work mind. It is said that the *gasaganbyeong* programme will be also subjected to a market-competition model

starting in 2009. The current programme provides secure jobs for workfare participants with lower levels of work ability or education compared with other workers. If they are pushed out to the market, I don't know what will happen when they lose their jobs in the future. Most *gasaganbyeong* programme participants (80 per cent) are single mothers. ... They need a safety net. It is necessary for the Government to provide such a safety net or social security, but the current Government just wants to shift everything to the market.

A director of a workplace childcare centre was equally critical:

Workplace childcare facilities were encouraged by the Roh Moo-hyun Government. It's not the same with the Lee Myeong-bak Government, though. It rather changed the concept of childcare into privatization. For example, the electronic voucher system, I think it should be introduced when the quality of childcare facilities has become more equalized. ... [The current Government] isn't saying that it's going to reduce its funding for childcare facilities. However, they are trying to move toward a market-competition model by introducing new policies, such as the voucher system. When the voucher system is introduced, the Government will give vouchers to parents and parents will be able to choose the facilities they want to send their children to. Then, popular facilities will have more and more subsidies, and unpopular ones will have to close down. I don't think that's how it should be.

## Conclusion

This study aimed to understand the position of care workers on the Korean labour market and how their work may be changing as a result of social policy reforms introduced since 2000.

The study found, first, that the overwhelming majority of ECWs and CCWs are women, although the two groups of women differed in socio-demographic terms.

Second, despite these differences, both groups of workers felt they were underpaid and that their work was undervalued. The devaluation perspective offers a compelling explanation for this, but the reasons may be more complex than the simple socio-cultural devaluation of women and women's work. The cognitive association between care work and domestic work, particularly in the case of elder-care, immediately devalues work done by ECWs. This is then reflected in government policies framing elder-care work as a workfare/job creation project for low-income women. At the same time, the cognitive dissociation of "childcare" from "education" also undermines social valuation of CCWs' work. Hence the two groups of care workers are undervalued in the labour market, not only by comparison with each other but also, for CCWs, in relation to cognate professions such as kindergarten teaching. Finally, the ways in which elder-care work is being developed as a new labour market niche for older women and single mothers have also contributed to the devaluation of elder-care work.

Third, recent social care policy reforms have spurred important changes in care work in the Republic of Korea. Though many new jobs have been created, most of them are poorly paid and have low status. However, comparisons of the respective situations of CCWs and ECWs suggest that government policies can

affect their wages and status by actively regulating or de-regulating the respective occupational profiles. Put simply: policy matters for the social and monetary value assigned to care work and the conditions in which it is carried out.

At a theoretical level, this study contributes to the existing scholarship on care work in two ways. First, while acknowledging the value of the devaluation perspective, I highlight the importance of more carefully examining devaluation processes related to care work by separating occupational status (a measure of social valuation) and wages (a measure of market valuation); and by considering the numerous variables that may affect the social valuation of work. The Korean case suggests that social valuation of care work may require people's understanding of care work to be altered. This would necessitate the regulation and standardization of care workers' wages and work conditions, as well as educating the public on the value of care work. Second, the study underscores how consistently problems associated with gender and care work occur across different cultural settings. Whereas most research on care penalties focuses on developed countries, this study shows that they also occur in a developing context. This, in turn, suggests a universality to gender work issues going beyond the cultural divide. More comprehensive research on gender, care, and care work in developmental contexts is needed for the validity of this proposition to be fully tested.

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## Care arrangements and bargains: Anganwadi and paid domestic workers in India

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***Abstract.** This article explores state and social understandings of care work in India by examining two categories of non-family care workers – hired domestic workers and Anganwadi Workers/Helpers under the Integrated Child Development Scheme. Classified as “volunteers” in a government programme, the Anganwadi Workers/Helpers enjoy some social standing and relatively extensive unionization compared with domestic workers. Also, domestic workers have to make much harder trade-offs between their family’s livelihood and daily care needs. The economic undervaluation of the care work they perform, however, is common to both categories of workers.*

Macro data do not capture paid care providers in India, and micro studies are few. The reasons are similar to those that obscure familial care work within households, i.e. definitions of “work” and the categories used to measure it, informality or the absence of a contract of employment, “invisibility” due to the location of the work, embeddedness in personal relations, the social status and sex of the worker, and the socio-cultural valuation of different activities, particularly those in which women predominate. This has implications for our understanding of care work and workers, of care itself, and of gender relations – and for ensuing policy.

Although they account for a small share of the overall economy, low-paid service activities, including care services, are among the few in which feminization of the labour force is currently taking place in India. In contrast to the country’s GDP, which grew by over 6 per cent annually in the period 1991–2005 (Jha and Negre, 2007), the growth rate in employment has not been impressive. Women’s labour force participation has been largely stagnant and low – under 29 per cent in 2004–05 – though it bears reiteration that much of women’s labour remains uncounted. The share of the informal economy has been growing, however, and despite rising per capita income, inequality

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has been increasing between and within rural and urban areas.<sup>1</sup> Female employment in India is characterized by several gender-based inequalities. Women, more than men, are concentrated in informal work, in agriculture and in casual, manual work. Self-employment is on the rise and accounted for 61 per cent of female employment in 2004–05 (largely consisting of unpaid family labour). Though there has been an increase in the numbers of skilled and decently paid jobs outside the agricultural sector, the strongest growth has occurred in occupations with long working hours, adverse terms of employment, minimal or zero social protection, and little job security, e.g. trade, hotels and restaurants, education, and personal and community services.

In an attempt to understand how care is constructed and valued socially and in state ideology and policy, this article looks at two categories of non-familial, paid care workers: Anganwadi Workers/Helpers<sup>2</sup> employed in the Integrated Child Development Scheme and hired domestic workers. Anganwadi Workers/Helpers work for a predominantly rural, government programme, and they are officially paid a “stipend” rather than a wage; domestic workers, by contrast, are employees in private, mostly urban, households. The first are entirely female and the second mostly so, with the work of both involving aspects of childcare. Domestic workers, even when not formally hired for childcare, may be engaged in indirect childcare because of the location of their work and as a result of their informal work contracts. Anganwadi Workers/Helpers are officially part of the world’s largest early childhood nutrition scheme. Paradoxically though, the very functioning of the programme detracts from the time spent on childcare. These two categories form the largest groups of care workers outside the medical and educational fields.

This article examines the emergence and growth of each of these two categories of workers, their socio-economic characteristics, their pay, working conditions and benefits, and the nature of relations with employers/clients. Their own care arrangements illustrate the trade-offs female workers must make between livelihood needs and the daily care needs of their own family members – an outcome of the political and social economy of care in India. An attempt is also made to understand the factors that account for the two categories’ vastly different levels of unionization and social status, despite the commonality of poor wages and low valuation of their care work.

## Anganwadi Workers and Helpers

India’s Integrated Child Development Scheme (ICDS) has expanded dramatically since 2000, with 1,010,912 centres (Anganwadis) spread across the coun-

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<sup>1</sup> After declining in the late 1980s, the Gini coefficient increased through the 1990s. Largely because of methodological divergence, however, analysts differ and findings are contradictory (Pal and Ghosh, 2007).

<sup>2</sup> Throughout this article the terms Anganwadi Workers and Helpers are capitalized where they refer to the official job titles of these workers.

try in 2008.<sup>3</sup> Its core activity is to operate supplementary nutritional programmes for children up to six years of age and pregnant or lactating mothers. A decline in infant mortality and a rise in school enrolment have been linked to the ICDS (Chandrasekhar and Ghosh, 2005; Kaul, 2002, p. 28). Despite a policy decision that these centres would be transformed to expand the country's scanty network of crèches and pre-school facilities, most areas have witnessed no change in this respect. Anganwadi Workers and Helpers are the direct caregivers in the centres, numbering 961,975 and 953,483 respectively in February 2008; thus, a large number of centres have vacant posts. Though they are part of the organized, government sector, Anganwadi Workers and Helpers are not classified as employees, but as social workers/volunteers<sup>4</sup> receiving a stipend. They are not entitled to the leave and social security benefits enjoyed by permanent, full-time, government employees. This can be seen as an illustration of the State's ability to violate its own labour regulatory framework, particularly in an arena such as care, where women are predominant.

### *Social background and recruitment*

Since systematic macro data on Anganwadi Workers and Helpers are not available, this discussion is based on interviews with 75 of them,<sup>5</sup> reports and surveys by a trade union – the All India Federation of Anganwadi Workers and Helpers (AIFAWH), commentaries on the ICDS programme, the website of the Ministry of Women and Child Development, and a study it commissioned in 2006.

At recruitment, the age of Anganwadi employees varies quite widely in any given state and between states and over time. One survey found a more or less even distribution over the age groups of 45 years and over, 35–45 years, and 25–35 years (NIPCCD, 2006).<sup>6</sup> As recruitment grew and was formalized, the average age at recruitment went up. A large proportion of Anganwadi employees consists of deserted, single, divorced or widowed women, for whom the stipend is the only source of income (AIFAWH, 2002 and 2005).

In the early years of the programme, recruitment was influenced by two contradictory features. On the one hand, local women were to be inducted from the numerically predominant communities, especially if these

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<sup>3</sup> In their Sixth Report (October 2005), the Commissioners appointed to the Supreme Court of India in 2002–03 to monitor the implementation of orders relating to the right to food (*PUCL vs Union of India and Others*, Civil Writ Petition 196 of 2001) recommended that about 1.7 million centres were required country-wide (Supreme Court Commissioners, 2005, pp. 12–13).

<sup>4</sup> These terms are taken as synonyms in public discourse in India, including at times in official circles. “Social worker” refers not to a paid professional trained in social work, but to voluntary or charity or NGO workers.

<sup>5</sup> These interviews took place at the Anganwadi centres in nine villages of one block in Rohtak District in the state of Haryana in October–November 2007. In addition, some workers were interviewed in a village in Tamil Nadu.

<sup>6</sup> There are variations in patterns and recruitment between projects supported by the World Bank (restructured in eight states), NGO-operated centres and the regular ICDS. While the NIPCCD study was biased towards NGO-run projects, the regular ICDS is the dominant structure.

were Scheduled Castes,<sup>7</sup> and from religious minorities. Within these criteria, there was a further specification: female heads of household – assumed to be widowed, deserted, separated or divorced women – were to be given preference. On the other hand, few people knew about these opportunities: eligible women did not apply for the posts and, caste equations being such, rather than seek them out, recruiters appointed women from other villages and castes. Educational requirements have since been raised, knowledge and desirability of these jobs have spread, and applications have increased, but the preference given to widows and divorcees has declined, resulting in their numbers being lower among the newer recruits. By the mid-2000s, only around 1 per cent of Anganwadi workers were illiterate; over 66 per cent had completed secondary school, and about 10 per cent were graduates (NIPCCD, 2006). Even the Anganwadi Workers and Helpers from Scheduled Castes, Scheduled Tribes, and poor peasant or agricultural labourer backgrounds are “the educated” in their community.

Given women’s domestic responsibilities and the social restrictions on their mobility, the prospect of employment in the village or ward where the worker lives (80 per cent in the NIPCCD survey) makes these positions highly sought after. The dearth of “respectable” paid work for rural women makes the job of Anganwadi Worker attractive even to post-graduates, notwithstanding the low pay. The identity that the workers aspire to is that of health workers and teachers – people of standing who command respect (Sundararaman, 2006). This is reinforced by public perceptions that Anganwadi Workers are close to the knowledgeable and powerful (through regular contact).<sup>8</sup> Many join in the hope that they will become formal government employees or with the feeling that they are achieving “something”.

### *Pay and benefits*

Following collective struggles, monthly stipends have increased from a low of Rs 35 for Anganwadi Helpers and Rs 100 for Workers when the scheme started in 1975.<sup>9</sup> The stipend currently consists of two parts, one paid by the central Government and the other by the state governments (for Haryana and Tamil Nadu, see table 1).

In July 2008, the Government reiterated that Anganwadi Workers and Helpers were “volunteers” who are paid an “honorarium.” The total honorarium remains lower than the official minimum wage. It is also below the pay of private primary school teachers, who are paid less than government teachers, but who represent a roughly comparable occupational category in terms of

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<sup>7</sup> Scheduled Castes have suffered severe discrimination and deprivation as “Untouchables” in the traditional Hindu hierarchy and continue to suffer it to a greater or lesser extent. They can avail themselves of specific Constitutional provisions for positive discrimination.

<sup>8</sup> Interview with the General Secretary of the AIFAWH on 3 April 2009.

<sup>9</sup> On 8 December 2010, US\$1 was equivalent to Rs 45.07.

Table 1. Monthly honorarium of Anganwadi workers and helpers in Haryana and Tamil Nadu (Rupees)

	1998			2008		
	Government of India	State government	Total	Government of India	State government	Total
Haryana						
Workers	500	200	700	1,500	400	1,900
Helpers	260	100	360	750	300	1,050
Tamil Nadu						
Workers	500	428	928	1,500	1,853	3,353
Helpers	260	230	490	750	860	1,610

Source: AIFAWH (2008).

working hours, job profile, and educational levels. It is even below the earnings of many domestic workers in large cities.

Some state governments have instituted additional benefits. These include paid maternity leave, a group insurance scheme covering death and disability, and scholarships for the workers' children. However, it is unclear whether the Central Government's 2001 directive on paid maternity leave for Anganwadi Workers/Helpers is applied. The AIFAWH has reported many complaints regarding the implementation of cash benefits. Its demand for retirement benefits has been conceded only in a few states, such as Tamil Nadu. Some states provide special "festival grants" and advances on compassionate grounds, while reserving a percentage of higher posts for Anganwadi workers. Rather than acceding to the demand for regularization of the employment status of Anganwadi workers, the Government is moving in the direction of handing over the scheme to NGOs so as to divest itself of responsibility for this category of care workers.

### *Hours and nature of work*

The hours and workload of the Anganwadi Workers/Helpers have been expanding over the years, albeit with variation by state. In most states, they are viewed as part-timers: their official hours are 4.5 hours daily, although they can actually work up to seven hours a day. Tamil Nadu's pre-school programme is among the most developed: the official working day is six hours and there is a second Helper to prepare the midday meal and escort children to and from the centre. The Workers put in a five-day week, and the Helpers a six-day week. The duties of the Anganwadi Workers include surveying the local community for possible beneficiaries, enrolling children in the centre, running the centre, supervising meals, ensuring supplementary nutrition and immunization shots (in coordination with the auxiliary nurse midwife), growth promotion, home visits, referral services, meetings with the community and, now, pre-school education. The Anganwadi Helper cleans the centre and cooks. Anganwadi

Workers maintain around 12 different types of records,<sup>10</sup> and many view record-keeping as their key function (Ramachandran, Jandhyala and Saihjee, 2003). Since they work within the community, they are a cheap conduit for a range of government programmes (Gragnotati et al., 2006), the latest being the formation of Self-Help Groups. Their time is constantly being diverted away from care or pre-school education – for which their training is in any case insufficient – into community information and monitoring work.

### *Relations with officials and the community*

Anganwadi Workers/Helpers are held accountable for any shortfall or deficit in the quality of ICDS services. They are vulnerable to the whims and pressures of their managers – bureaucrats at the district and state levels – most particularly in regard to funds and supplies, which are recurrently received late. The budget allocation for renting accommodation for the centre is often insufficient. In addition, bureaucrats and village council leaders may take “commissions” – forcing the Anganwadi Workers to make do with less than the amount recorded or required. In the circumstances, they may not remain immune to the temptation to take cuts themselves.

As a result, tensions can develop between the Anganwadi Workers/Helpers and local residents. The workers are blamed for their inability to fulfil tasks (for which they have not been trained nor have the time), their insistence on inconvenient measures and records, the lack of facilities, and pilferage and corruption. Residents assume that the Anganwadi Workers/Helpers enjoy the pay and power of government officials. In response to such hostility, Anganwadi employees may, in turn, come to resent vocal residents. Local power and caste politics also affect their working conditions, and since many of them are women of poor and lower-status groups, they are all the more vulnerable (Palliwala and Neetha, 2009a). Moreover, these frictions are exacerbated by their responsibility for implementing government social programmes that go against local social practices and beliefs (AIFAWH, 2005).

Moves to privatize the ICDS and hand over the responsibility for centres to NGOs, village councils, mothers’ councils, etc. are being resisted by workers. The policy rationale is that responsibility and management of the centres should devolve to the community. Anganwadi workers fear that in the name of accountability, they will be more vulnerable to the rich, upper-caste village elites as well as local resentments, and that they will have to make good any shortfalls in community contributions. They point to incidents of arbitrary dismissal from service, increased corruption in appointments, pressures for “commissions”, and cases of sexual harassment by village council heads (AIFAWH, 2005). Their trade union argues that the State is again trying to evade its social responsibilities, not least by denying the workers’ status as public employees. This last point is critical in distinguishing them from domestic workers.

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<sup>10</sup> Record-keeping is said to have increased, particularly in those states where the ICDS has been restructured under World Bank sponsorship.

## Paid domestic workers

### *Growth trends in paid domestic service*

Domestic service has a long history in India, though both historical and contemporary data are scarce. National Sample Survey Organization (NSSO) surveys give a rough picture, restricted to two points in time, namely, 1999–2000 and 2004–05.

As with Anganwadi Workers/Helpers, India witnessed a phenomenal increase in the number of domestic workers in that short span of five years – by about 2.1 million (table 2). The share of domestic service in the total service-sector employment of women more than doubled during that period, from 12 to 27 per cent. Increased attention to categorization and enumeration<sup>11</sup> does not fully explain the recent surge in numbers, which is also documented in micro studies (see Neetha, 2003; Moghe, 2005). The tasks assigned to paid domestic workers include various activities associated with the regular functioning of a household (e.g. cleaning, cooking, shopping)<sup>12</sup> and direct care responsibilities for the elderly and children. The low proportion of those in the “governess/babysitter” category in the NSSO data suggests that domestic workers were rarely hired exclusively for child minding. Over 83 per cent of paid domestic workers were urban-based in 1999–2000, with a slight decline in this proportion by 2004–05.

The socio-economic profile of domestic workers is outlined here using the available macro data – with all its limitations<sup>13</sup> – combined with micro studies. Large proportions of domestic workers are married, aged 21–40, and illiterate (in contrast to Anganwadi workers); and 33 per cent of them are from Scheduled Castes. Many Hindu, upper-caste households have started to ignore the social rules that prohibit lower-caste persons or Muslims from entering their kitchen. This is facilitated by migration, which can mask caste identity. Thus, those who would not be hired as domestic workers in their place of origin may be so employed in their place of migration (Raghuram, 2001). Furthermore, people whose caste and status concerns prevented them from entering paid domestic work at home are prepared to do so far from home (Kasturi, 1990).

India’s growing numbers of paid domestic workers are attributable to a combination of economic and cultural factors. The agrarian crisis and shrinking rural employment opportunities have intensified the migration of women (AIDWA, 2004). After moving to an overpopulated city slum, domestic work is one activity in which they easily find employment (Moghe, 2005). The loss of male jobs in the organized industrial sector also pushed women into the labour market and paid domestic work.

The above supply-side, distress-related explanations are compounded by growth in demand, largely on account of transformations in the urban economy and the new styles and patterns of living associated with the expansion of an

<sup>11</sup> Reflected in the drastic decline of workers in the “other service” category for the same period.

<sup>12</sup> These are indirect care tasks, without which direct person-to-person care is not possible.

<sup>13</sup> In the disaggregated data, some cells are very small.

Table 2. Distribution of domestic workers across sub-categories

	1999–2000			2004–05		
	Number of workers	Female share (%)	Percentage of total female employment	Number of workers	Female share (%)	Percentage of total female employment
Housemaid/servant	438,200	80.4	0.4	2,381,100	87.4	1.6
Cook	6,400	72.6	0.0	96,600	73.9	0.1
Governess/babysitter	2,600	76.4	0.0	69,600	74.2	0.0
<b>Total</b>	<b>447,100</b>	<b>63.4</b>	<b>0.4</b>	<b>2,547,400</b>	<b>71.6</b>	<b>1.8</b>

Source: Unit level NSSO Employment and Unemployment Data.

urban middle class that can afford to hire cheap domestic workers. The absolute numbers of middle-class women employed in jobs that require them to leave their home for long hours have been growing (Palriwala and Neetha, 2008). An increasingly male-biased child sex ratio and the rising proportion of adolescent girls in formal education have further reduced the availability of familial female labour. This has been exacerbated by temporary or long-term nuclearization of urban households. Despite this last trend, an ageing senior generation requiring care is present in a significant proportion of households from which adult women are absent throughout the day. Finally, the paucity and poor quality of institutional care facilities, a consequent preference for home-based care, and the low wages of domestic workers have contributed to the demand for these workers.

Among the middle and upper classes in India, domestic tasks are shaped by a number of paradoxes that affect the hiring of domestic workers. Two of them are akin to patterns noted elsewhere. First, domestic technologies, though increasingly available and affordable, have not reduced the total time spent on housework. In India, these technologies tend to be “additions” or fall-backs when workers are not available, rather than reducing domestic work and/or replacing domestic workers. Second, changing aspirations and pedagogies for children have intensified the demands of childcare. A third feature, specific to the Indian context, is the continuing demand for labour-intensive, “traditional” home-cooked food and other domestic/familial events and services. Last but not least, low-paid domestic workers can replace or supplement the labour of the women in the family without disturbing gendered divisions of labour or the patriarchal construction of work. The low value of domestic work, its characterization as feminine, the “low status” of hired domestic workers and their low wages are all factors that reinforce each other in maintaining that order.

### *Wages, working conditions and employment relations*

Much of the growth in domestic work in the past two decades has taken the form of live-out or part-time arrangements. This system is typically associated with urban, middle-class, nuclear households whose dwellings cannot accom-

moderate a live-in domestic worker. Part-timers, who are predominantly female, perform a variety of tasks in different households. The same woman may thus be the cook in one house, the cleaner in another, and do the laundry in a third. She works part time from the point of view of each individual employer, but not in terms of her overall working time, which may in fact exceed that of a full-time worker. Such work is characterized by both flexibility and instability of employment. These “part-timers” shift in and out of domestic employment and change employers in response to demand and supply factors (relocation of employer or employee, marriage, availability of other work, etc.) and daily frictions with employers.

Though limited and contentious, the data from NSSO employment and unemployment surveys suggest that domestic work pays better wages than other informal-sector occupations, especially for women (Palriwala and Neetha, 2009a). Nevertheless, the wages of domestic workers are below the National Floor Level Minimum Wage of Rs 80 per day.<sup>14</sup> Variations by sex and category of domestic work<sup>15</sup> are broadly in accordance with the view that cooking is the most skilled and labour-intensive task, and childcare the least skilled; they also reflect the general female–male differential in wages, even for the same task (see figure 1).

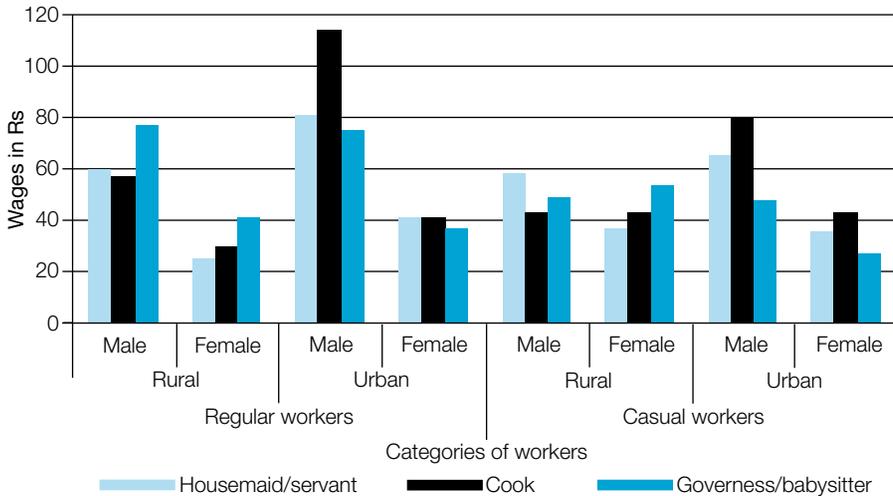
Micro studies show that workers often straddle the broad divisions of cook, cleaner, and babysitter. The wages of part-time workers in Delhi depend on the exact task they were engaged for. Their monthly pay ranges from Rs 100 to 400 for cleaning tasks – washing clothes or utensils, or sweeping and mopping floors (Neetha, 2003). For childcare, in which hours are much longer, it is between Rs 500 and 1,000; and for cooking – the best-paid job – it is between Rs 500 and 1,500. Elderly care commands a wage between childcare and cooking. Wages for some activities are based on the size of the dwelling (e.g. sweeping, mopping floors) or the number of individuals in the family being served (e.g. washing clothes and utensils, cooking). A festival bonus in cash and kind is expected. Wages and benefits – both in cash and in kind – vary across regions and even by locality within the same town, according to the employer’s class/paying capacity and the personal relationship between the employer and the employee. One study found differences in wages and working conditions by state of origin of the worker, linked to “common sense” valuations of the skill and diligence of different ethnic groups (Mehrotra, 2008).

The working conditions of domestic workers are not governed by any legal norms at the national level. Nor is there any official minimum wage for their occupation except in a few states (outlined below). There is no uniformity in their hours of work and other conditions of work, but most of them work a seven-day week with no annual vacation or sick-leave entitlements (Neetha, 2003; Kaur, 2006). In a situation of extreme hierarchy and informality, terms of employment are usually biased against the domestic workers. They have no security of employment, health insurance or pension. Occupational health

<sup>14</sup> State governments are supposed to fix minimum wages equal to or above this level.

<sup>15</sup> To be read with caution due to possibilities of sampling errors and small cell sizes.

Figure 1. Average daily wages of domestic workers



Note: The NSSO defines regular workers as persons working in others' farm or non-farm enterprises (both household and non-household) and receiving in return a salary or wages on a regular basis. Casual workers include persons who are periodically engaged in others' farm or non-farm enterprises (both household and non-household) and receive wages according to the terms of a daily or periodic work contract.

Source: Unit level NSSO Employment and Unemployment Data.

problems are prevalent, and the low status of domestic workers, compounded by lack of social confidence and a low level of unionization, makes them vulnerable to sexual and other forms of harassment.

In large cities, there has been a recent proliferation of placement agencies managed by private entrepreneurs and NGOs that provide live-in workers (Neetha, 2003). According to some estimates, in the capital city of Delhi alone there are between 800 and 1,000 placement agencies, with their networks of recruitment agents. These agencies mobilize large numbers of women (especially unmarried girls) from the tribal areas of different states – female migrants who then depend on the agents because they are strangers to the city, often illiterate, with scanty knowledge of the local language. There is considerable variation in the terms and conditions that agencies impose on employers and in the services they offer to workers, as well as in their objectives. Exploitation by placement agencies adds to the woes of many domestic workers. Particular concerns raised in the literature include non-payment of wages, features of forced/bonded labour, forms of social exclusion and discrimination, and the possibility of sexual exploitation (by the middlemen, agents and employers).

### Childcare arrangements of paid care workers

Studies have looked at the conditions of work of female workers, but little is known of their own intra-household relations, especially with regard to arrangements for care. This issue comes into sharp focus with female care work-

ers, who are paid carers in government programmes or private households and unpaid carers in their own households. The dilemmas they face are examined here through the care arrangements of “part-time” domestic workers, based on a survey in Rohtak,<sup>16</sup> and of Anganwadi Workers/Helpers, based on narratives from the surrounding rural areas.

### *Domestic workers*

Most of the women in domestic service worked as cleaners in two to four homes. Only one worker reported regular involvement in direct childcare or in cooking – the two tasks which, in local caste and patriarchal ideology, are the particular responsibility of women of the family. Cleaning activities are traditionally undertaken in the morning, though some workers did a second shift in the evening. Many poor women preferred part-time domestic employment because they would not be under the constant control of a single employer and their work was clearly defined. Furthermore, their workplace was usually near their own tenements, since urban development has seen pockets of slums spring up adjacent to the middle- and upper-class areas. This enabled them to return home at least for the afternoon hours (which they would have been unable to do if they had been in full-time or factory work). They could also add or subtract employer households to meet their own family’s changing care and income needs.

All of the domestic workers selected for the survey had at least one child of five years or less. They undertook the tasks of cooking, house cleaning, and feeding and washing of children in their own home before leaving for work, in the afternoons when they returned briefly, and in the evening. Their main problem was child minding during the day, including the feeding and washing of infants. The childcare arrangements they resorted to ranged from leaving the children at home unsupervised to taking them to their workplaces. Though one arrangement could be predominant, most households used a variety of options on a regular or occasional basis. For example, women could take their children to their workplaces, seek the help of neighbours, or not report to work in the event of any contingency.

Despite all the attendant safety and health worries, the most common practices were to leave children to their own “self-care” and to leave infants in the care of an older sibling, typically a daughter. The line between self-care and sibling care could be thin. Women spoke of this, especially the first, with a mixture of matter-of-factness and pathos. The main reason they gave for resorting to self-care or sibling care was the absence of any suitable and affordable alternative, whether institutional or informal. Our survey and other studies indicate that even without an explicit agreement, workers felt they could count on the presence of neighbours (Kaur, 2006). While not providing active

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<sup>16</sup> This town in Haryana, in north India, is a hub of educational, industrial and agricultural trading activities. The survey, using a structured open-ended questionnaire and discussions, covered 50 domestic workers from five residential localities.

childcare, neighbours kept a casual eye out and gave attention to the children of working mothers in case of need.

Another significant practice among domestic (and other) workers was to leave children to the care of their mother-in-law and/or a sister-in-law. Being mostly migrants, however, a large majority of our respondents lived in nuclear households with few, if any, kin in the vicinity. Interestingly, male kin, even if unemployed and at home, were not considered reliable child minders without the back-up of young siblings and neighbours.

Most employers did not like their domestic workers to bring their children to work. Although schooling reduced the hours in which the family was responsible for children, school hours and the working time of mothers did not always coincide, so that additional and regular child-minding arrangements were necessary. The inconvenient and short hours for which Anganwadi centres were open meant working women could rarely use them as crèche services.

### *Anganwadi employees*

The expanding hours of work of Anganwadi Workers/Helpers reduce the time available to them for household responsibilities. Their low honoraria mean that they cannot afford market-based options. They have two big advantages, however – they work in an environment where infants and young children are provided with care *and* they work close to their homes.

Anganwadi Workers/Helpers in rural areas have a range of options for meeting their care responsibilities. They lived with or near their mother or mother-in-law, who helped mind their grandchildren. Working at centres in their own villages, they could make quick trips home as needed. Commuting time and, consequently, hours of absence were minimized. Some brought their infant and/or young children to the Anganwadi, and most were motivated to place their children in schools and encourage them to remain in school. Anganwadi working hours allowed mothers to be at home until the start of the school day and after it ended. Some of them, however, had left their job since they could no longer manage their own care responsibilities on account of the repeated extension of working hours, or when they moved residence, often with marriage, and found the commute difficult and time-consuming.

## Organizing and contesting working conditions

### *Anganwadi employees*

Of the approximately 1.8 million Anganwadi Workers/Helpers, some 500,000 are members of unions affiliated to central trade union organizations. The membership of the AIFAWH, which is affiliated to the Centre of Indian Trade Unions (CITU), is around 0.3 million; and it has mobilized about double that number on recent issues. Other central trade union organizations, especially the largest, the Bharatiya Mazdoor Sangh, also had a large Anganwadi membership

but have seen a decline. This decline may be attributed to the restructuring of the ICDS – which brought about further dispersal of Anganwadi workers – and lack of interest on the part of the central union leadership.

The organizational features of the ICDS project structure have been significant in fostering unionization, as has the lived experience of Workers and Helpers. Although the centres are dispersed, a monthly project meeting used to bring together 100 or more workers for training and to receive their pay. These women initially joined in informal unions to demand timely payment of their stipends and allowances, and to negotiate reductions in the cuts and “gifts” demanded by their superiors.<sup>17</sup> Rather than external intervention, it was such immediate shared concerns that brought them together. Their similar socio-economic backgrounds and the confidence gained from formal schooling also helped to create a sense of a collectivity among them.<sup>18</sup> These features enabled women linked to the CITU to initiate adjunct meetings and build a more sustained union with a broader base.

These features also distinguish Anganwadi employees from the largely illiterate, isolated domestic workers whose jobs are embedded in personal relations with their employers. Anganwadi Workers/Helpers are more educated; they have a sense of self-respect and status in the community; and they relate to an institutional centre that is responsible for their work and pay. Their stipends are now paid by cheque, eliminating one source of corruption and hardship, but this has also made organized collective action more difficult. Without the institutional monthly project meetings, sustained unionization has been hampered by time and cost constraints on travel to gatherings.

Delayed reimbursements, arbitrary cuts, low pay, the ambiguous employment status, hours of work, and the management and status of the programme are the issues on which mobilization has been the strongest. The main gains can be divided into two categories, namely, those of a personal, individual nature and gains pertaining to the running of the ICDS. The former include the greater dignity and respect accorded to the Anganwadi workers by superior officers and respect from the general public. This respect is not accorded to them as care workers, but as social workers (in the Indian sense) and as people who are knowledgeable, who can deal with the powerful and stand up to them. The solidarity built through working together and the formation of their union has given many women the courage to raise gender equality issues and to question local hierarchies, occasionally challenging their own family members. A few have been elected to village and district councils. Where ICDS workers are not organized, there have been no such gains. Without their union and mobilizations, the improvements in their stipend and benefits, which may not add up to a real increase in income, would likely have been even less.

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<sup>17</sup> This explanation was given by Hemlata, the General Secretary of the AIFAWH, in an interview on 3 April 2009.

<sup>18</sup> They typically come from poor peasant/agricultural labourer families in the same region, but have about 8–10 years of schooling.

Partly as a result of the AIFAWH's pressure, the ICDS Review Committee, in its June 2008 report to the Central Government, recommended that Anganwadi Workers and Helpers should not be assigned work unrelated to their core functions or the development/welfare of women and children. The Committee also recommended that the centres should remain open an hour longer to extend the crèche function. However, little action has been taken on these recommendations.

### *Domestic workers*

Attempts to organize domestic workers began soon after India gained independence, but they were limited to a few pockets. Over the past two decades, attempts by organizations of varied perspective and approach have been renewed. Some of these are local associations, even when initiated by all-India organizations.<sup>19</sup> Others, such as the National Domestic Workers' Movement (NDWM),<sup>20</sup> active across the country, are networks "for" domestic workers (particularly child workers) rather than trade unions or associations. That they have set up their own placement agencies complicates the process of unionizing workers and their attempts to ensure regulation. Overall, in contrast to the Anganwadi Workers/Helpers, only a small fraction of domestic workers are unionized or even aware of this possibility.

Yet, the pressure from various domestic and international organizations has made the conditions of domestic workers – particularly those of child workers – into an issue of governance and legislation. Preliminary or final notifications to include domestic workers in the minimum wages schedule have been announced in Karnataka, Andhra Pradesh, Bihar, Kerala, Maharashtra, Rajasthan, and Tamil Nadu.<sup>21</sup> Some of these states have also amended laws to enable domestic workers to access limited welfare funds. As in the case of Anganwadi workers, however, countervailing pressures have resulted in the notified wage rates being below the national minimum wage, while statutory benefits have remained largely on paper. Domestic workers were brought within the scope of the recent Unorganized Workers' Social Security Act, 2008. However, since this legislation makes eligibility subject to an income below the very low poverty line, most urban domestic workers – along with most other informal workers – will be excluded. Thus, as with many other social protection provisions in India, rules limit the number of potential beneficiaries beyond what may appear to be the case from a reading of the stated objectives and design (Palriwala and Neetha, 2009b). Lastly, the proliferating placement

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<sup>19</sup> Such as the All India Democratic Women's Association. Other domestic workers' unions and NGOs include Gharelu Kamgar Sangh and Mahila Seva in Karnataka, the Domestic Workers' Forum in Mumbai, Nirmala Niketan in Delhi, and the Self Employed Women's Association (SEWA).

<sup>20</sup> This was established under the aegis of the Catholic Bishops' Conference of India.

<sup>21</sup> Such notifications are the means by which specified occupations may be included in the Schedule to the Minimum Wages Act, 1948. However, the time lapse between preliminary and final notifications can be considerable.

agencies remain unregulated, although legislation addressing some of the attendant concerns was proposed in 2008, with one initiative taken by the National Commission for Women and another by a coalition of civil society groups.

It has been suggested that the middle-class background of activists and their dependence on hired domestic workers have made them hesitant in advocacy in this area. Past experience, however, points to other significant factors. Some unionization initiatives broke down over the issue of wages (Menon, 2007). Also, sustainable unionization is particularly difficult to achieve on account of the characteristics of hired domestic work, as outlined above, including variability in wage structure and services, workers' isolated work environment, the lack of employment security, and the personalized relationship between the employer and the employee.

## Concluding remarks

Based on case studies of domestic workers and Anganwadi Workers/Helpers, this article has examined the significance and value that the State and various segments of society give to care and the parameters within which it is recognized. There are a number of possible reasons why Anganwadi Workers/Helpers are persistently denied the status of workers, including refusal to recognize the depth and roots of malnutrition and the neoliberal urge to reduce government expenditure. The latter is reflected in long-standing vacancies in government and civic bodies and the constant urgings to wind up the Anganwadis. However, the lens of gendered familialism through which care is understood by state institutions and vast sections of society is also critical.

The continuous and ad hoc additions to the workload of Anganwadi Workers/Helpers make this explicit. This pattern rests on three inter-related and occasionally conflicting assumptions. The first relates to the construction of the time and skill demands of their work – and that of domestic workers – as neither labour-intensive nor highly skilled and “easy and natural for women”. In sum, in spite of the constant presence that child minding requires, it is assumed that Anganwadi Workers/Helpers have time on their hands and can be given more work, just as employers tend to assume for full-time, paid domestic workers or nannies. The second assumption is that since even the small stipend or wage they receive is better than what they could earn from alternative employment (e.g. casual manual labour) and more than most women have, they should accept the additional demands placed on them. The third is a reiteration that the tasks they perform are in the nature of social work or charity work, for which the “higher” rewards of social and moral good and satisfaction make better measures than economic valuation. This is in the same vein as arguments to the effect that care for the family or teaching children defies economic valuation and that it is consequently pointless to attempt to price this labour.

For domestic workers, earning a livelihood is a precondition for living and the possibility of providing direct personal care. The nature and structure

of the paid work they opt for and their own childcare responsibilities influence each other, but they are compelled in the immediacy to deny care needs in their own families. Their low wages, however, enable not just the elite but also the middle classes to hire them and expand their own family time. It is therefore ironic that child welfare programmes implicitly take the care deficit in the families of poor care workers to be a result of carelessness and ignorance on the part of mothers rather than their poverty, lack of time and institutional facilities, and the open flouting of government regulations on wages and working conditions.

Despite the collective action of Anganwadi Workers/Helpers and other women's groups, there has been little change in state policy on care. We find only muted and partial recognition of the imperatives of care needs along with an imputation of moral value to caregiving. From this perspective, the realm of moral good and "natural" human feeling is degraded if it is brought into the realm of mundane economics. These ideas dovetail to suggest that women who are field staff in government care programmes can only be volunteers.<sup>22</sup> There is indeed little recognition of the various dimensions of caregiving and of its quantitative or qualitative demands in terms of time and labour. The lack of sustained unionization of domestic workers has reinforced this situation and the systematic exclusion of both domestic workers and Anganwadi Workers/Helpers from the key labour protections extended to other workers. The refusal to value care economically is also a refusal to take social responsibility for meeting care needs, especially to the extent that doing so would require the State, as an expression of the public will, to provide for its citizens.

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<sup>22</sup> The stipend and situation of the women engaged under the relatively new Rural Health Mission are another example.

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## Childcare and geographical mobility in southern Europe

Idefonso MÉNDEZ\*

**Abstract.** *This article investigates the association between the availability of childcare and low geographical mobility in southern Europe where, the author argues, couples that have or plan to have children live close to their parents in order to reconcile work and family life by taking advantage of their mothers' low labour force participation rate. He presents a behavioural model showing couples' fertility, female employment and mobility decisions, and tests the model's predictions using ECHP data. The deterrent effect of a woman working on the couple's mobility is found to be significant only for couples who have children and live in southern Europe.*

Internal geographical mobility is known to be lower in Europe than in the United States. Greece, Italy, Portugal and Spain stand out within Europe for the low mobility of their population and, in particular, for the small annual proportion of people that change their region of residence. According to the Organisation for Economic Co-operation and Development (OECD, 2005), inter-regional mobility rates in 2003 measuring the ratio of gross outflows to population were approximately 0.2 per cent in Greece and Spain and 0.5 per cent in Italy and Portugal, but were much higher in France (2.1 per cent), Germany (1.4 per cent) and the United Kingdom (2.3 per cent). Interestingly, there are almost no differences between countries when looking at intra-regional mobility rates; in 2001, these were approximately 2.5 per cent in Greece, Italy and Germany and around 4 per cent in Spain, the United Kingdom and France.<sup>1</sup>

This article investigates the determinants of low inter-regional mobility in southern Europe. This is a fundamental issue for southern European countries, given their pronounced regional disparities (*ibid.*) and the fact that, in a single currency area, other policy instruments such as exchange rate realignments are not available to adjust to regional shocks.

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<sup>1</sup> Author's calculations, using European Community Household Panel (ECHP) data.

Research on low geographical mobility has focused on institutional factors such as unemployment insurance schemes. Hassler et al. (2005) argue that differing levels of unemployment benefits account for the difference in mobility rates between the United States and Europe; Europe has more generous benefits and lower mobility. However, Tatsiramos (2009) finds that receiving benefits is not necessarily associated with lower mobility in Europe, since benefits might increase mobility by relaxing liquidity constraints in the presence of mobility and search costs.

Type of housing is also stressed in the literature as a determining factor in mobility. The common finding is that renters living in social housing, and owners, are more reluctant to move for job-related reasons, as described in, for example, Barceló (2003). Ownership rates in the United Kingdom and the United States, however, are close to those for Greece and Italy and, together with Sweden, are at the top of the OECD ranking when ownership and social renting are jointly considered.

The empirical literature has also shown that family ties and local social capital deter mobility (Spilimbergo and Ubeda, 2004; Munshi and Rosenzweig, 2009; David, Janiak and Wasmer, 2010). Alesina and Giuliano (2010) argue that culture, as expressed by the strength of family ties, affects mobility, and find that strong family ties result in greater reliance on the family as an economic unit, and lower spatial mobility, using data for over 70 countries. However, their hypothesis cannot explain the low levels of inter-regional mobility within developed countries, since they rank Italy, Spain and the United States together as countries with strong family ties, while Greece is ranked close to Norway and characterized as a country with weaker family ties than France, Italy, Spain, the United Kingdom and the United States.

This article analyses the effect of childcare opportunities on the geographical mobility of couples who have, or are planning to have, children. I argue that in southern Europe, young adults living as part of a couple choose to live close to their parents in order to reconcile work and family life, once they have children, by taking advantage of the low labour force participation rate of their mothers. That is likely to be their optimal residential choice since, among developed countries, southern European countries have the highest intergenerational gap in female labour force participation rates, the greatest degree of “rationing” in the public provision of childcare services – i.e. the least number of places per 100 children – and the greatest time transfers from mothers to young adults in the form of grandparenting time.

A partial-equilibrium job search model is presented in which couples make decisions regarding fertility, female employment and inter-regional mobility, taking into account the availability of different childcare arrangements. Family caregivers – i.e. grandmothers – do not migrate with the couple, thus making couples that have children and access to grandparenting more reluctant to migrate. The model is used to simulate the effects of changes in the availability of family-provided childcare.

The predictions of the model are tested using European Community Household Panel (ECHP) data for the period 1994–2001. For couples living in southern Europe, the presence of children in the household deters mobility if the woman works and if mobility is of the inter-regional kind. Similarly, couples where the woman works are less likely to move – particularly an inter-regional move – if they have children. Not accounting for the endogeneity of the woman’s employment status results in considerable underestimation of the deterrent effect on inter-regional mobility of the woman working. Women in couples with children living in southern Europe are more likely to be employed, and employed women are more likely to have children, if they live in regions with greater access to family-provided childcare. For couples living in other European countries, the woman’s employment status and the presence of children in the household are not found to be correlated with geographical mobility or to the regional availability of family-provided childcare.

The remainder of this article is divided into four sections. The first describes current macroeconomic evidence on country differences in internal mobility, childcare opportunities and female labour force participation. The second section presents the behavioural model. The third section describes the data, methodology and results. The fourth and final section presents the conclusions.

## Macroeconomic evidence

There is significant variation in internal mobility within developed countries. As shown in table 1, inter-regional mobility rates are lower in Europe than in the United States. In Europe, however, the situation is not uniform across countries;

Table 1. Gross internal mobility flows as a percentage of the population aged 15–64

	Inter-regional flows <sup>a</sup>						Intra-regional flows <sup>b</sup>
	Total	Age groups		Educational attainment			
		15–24	25–64	Less than upper secondary	Upper secondary	Tertiary	
Greece	0.21	0.56	0.13	0.12	0.25	0.44	2.38
Italy	0.58	n.a.	n.a.	n.a.	n.a.	n.a.	2.48
Portugal	0.54	n.a.	n.a.	n.a.	n.a.	n.a.	3.33
Spain	0.20	0.23	0.19	0.13	0.23	0.33	3.90
France	2.11	3.79	1.70	1.16	1.98	4.13	4.21
Germany	1.36	2.27	1.18	0.97	1.35	1.97	2.58
Sweden	1.79	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
United Kingdom	2.28	3.80	1.94	1.16	1.93	3.90	4.08
Australia	2.01	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Canada	0.95	1.55	0.8	n.a.	n.a.	n.a.	n.a.
Japan	2.21	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
United States	3.05	4.09	2.77	2.34	3.00	3.53	n.a.

<sup>a</sup> Gross outflows as a percentage of the population aged 15–64, 2003 (2001 for Greece, Japan and Sweden, 2002 for France and Italy). <sup>b</sup> Author’s calculations using ECHP data for 2001.

Source: OECD (2005).

while the United Kingdom has particularly high rates, southern European countries – Greece, Italy, Portugal and Spain – stand out for their low rates.

Young people aged 15–24 and the highly educated are the most mobile groups, for all countries. However, inter-regional mobility rates for the young and the highly educated in Greece and Spain are lower than those for the old and the least educated, respectively, in France, Germany, the United Kingdom and the United States. Conversely, intra-regional mobility rates in southern Europe are close to those for other large European countries.

### *Internal mobility and grandparenting time*

The Survey of Health, Ageing and Retirement in Europe (SHARE) is a cross-national survey of the population of individuals aged over 50 in a number of European countries.<sup>2</sup> Respondents provide detailed information on their and their children's sociodemographic characteristics and labour status, on the residential location of their children and the frequency of contact with them. Data from the first wave of SHARE data for 2004 (Wave 1, Release 3) are analysed for France, Germany, Greece, Italy, Spain and Sweden, instead of the 2006 Wave 2 data, because the data are closer in time to the years used for the estimation, i.e. 1994–2001 (the statistics in table 2 remain almost unchanged when using Wave 2 data). The Health and Retirement Study (HRS)<sup>3</sup> is used to obtain comparable indicators for the United States.<sup>4</sup> Respondents aged over 70 are excluded since, in view of their increasing health difficulties, net time transfers may flow from young adults to their parents instead.

As seen in table 2, young adults aged 20–35 in a couple in southern Europe live closer to their mothers than in France, Germany, Sweden and the United States;<sup>5</sup> approximately three out of four live less than 25 km away from their mothers in southern Europe. That number is more than 20 percentage points higher than for France, Sweden and the United States, and more than 10 points higher than for Germany.

The singularity of southern Europe also emerges regarding the frequency of grandparenting. Close to 50 per cent of southern European grandmothers that take care of their grandchildren do so almost every day (“daily care” column). The corresponding numbers for their German, French and Swedish counterparts are 26, 12 and 4 per cent, respectively. These differences translate into differences in the number of weekly hours of grandparenting enjoyed by young adults in couples living close to their mothers. At the top of the distribution, the median time that Greek grandmothers devote to caring for grand-

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<sup>2</sup> <http://www.share-project.org>.

<sup>3</sup> <http://hrsonline.isr.umich.edu>.

<sup>4</sup> While the English Longitudinal Study of Ageing (ELSA) provides similar information for the United Kingdom, it does not inform on the residential location of young adults that have left home, and grandparenting time cannot be isolated from help flows to other family members, neighbours or friends.

<sup>5</sup> The picture remains largely unchanged if focusing on daughters. However, the sample size for some countries and population groups is too low to investigate this.

Table 2. Grandparenting time (hours) and where young adults in a couple live in relation to their mothers, 2004

Country	Live close (%) <sup>d</sup> Daily care (%) <sup>e</sup>		Grandparenting time						
			Median (mean) weekly hours <sup>a</sup>						
			Young adults in a couple living:		Woman in couple is: <sup>b</sup>		Grandchild <sup>b</sup> Age of youngest grandchild <sup>c</sup>		
		Close (hours)	Far (hours)	Employed (hours)	Non-employed (hours)	< 3	3–6	≥ 6	
Greece	73.4	46.1	35.1 (38.0)	4.0 (6.7)	42.1 (42.1)	14.5 (26.6)	48.0 (43.9)	22.8 (29.7)	32.0 (51.6)
Italy	74.4	54.4	21.1 (25.3)	12.0 (11.9)	28.1 (27.7)	14.0 (22.5)	21.1 (21.1)	24.6 (26.0)	42.1 (40.8)
Spain	75.6	47.8	28.1 (28.5)	11.0 (17.5)	28.1 (32.3)	15.0 (20.6)	28.1 (31.6)	35.5 (28.0)	28.1 (34.8)
France	52.0	12.0	7.5 (16.8)	5.4 (12.0)	7.0 (17.9)	5.5 (9.0)	7.5 (11.9)	8.0 (22.9)	5.0 (21.9)
Germany	61.6	25.6	7.0 (13.1)	6.7 (8.1)	7.0 (13.9)	7.0 (11.0)	7.5 (11.8)	9.0 (15.2)	6.8 (17.6)
Sweden	51.3	3.6	4.6 (7.9)	3.6 (5.7)	5.0 (8.4)	3.5 (6.0)	4.0 (4.7)	5.3 (9.2)	4.0 (7.0)
United States	46.0 <sup>f</sup>	n.a.	2.9 (9.7)	1.9 (7.3)	2.9 (10.5)	1.9 (3.7)	4.8 (13.9)	2.1 (8.3)	

<sup>a</sup> Respondents taking care of their grandchildren at least one hour a week. <sup>b</sup> Only applies to young adults living close to their mother. <sup>c</sup> The HRS only informs on whether the youngest grandchild is under two or not. <sup>d</sup> Young adults aged 20–35 living less than 25 km from their mothers. <sup>e</sup> Grandmothers taking care of their grandchildren on a daily basis, of those doing so for at least one hour a week. <sup>f</sup> Young adults living less than 10 miles (16 km) from their mothers.

Source: Author's calculations using SHARE Wave 1 Release 3 and HRS data.

children who live near them is 35 hours a week; close to the Greek record are Spanish and Italian grandmothers, with a median of 28 and 21 hours per week, respectively. Grandparenting time in other countries is much lower, particularly in Sweden and the United States.

The fact that country differences in grandparenting time substantially narrow when looking at young adults in couples living far from their mothers suggests that the opportunity cost of living far from the mother is highest for southern European couples. The median grandparenting time enjoyed by young adults in a couple living close to their mothers in Greece, Italy and Spain is 31, 9 and 17 hours higher than the corresponding median for those living far away, respectively. In other countries, the difference amounts to a maximum of two hours per week.<sup>6</sup>

<sup>6</sup> The opportunity cost is zero if young adults receive monetary transfers from their parents to compensate them for the childcare services they lose when living far from them. Author's calculations using SHARE data show that only 4 per cent of young adults living far from their mothers receive monetary transfers from them, with almost no variance across countries. Monetary transfers intended to help daughters to buy a house, meet legal obligations or finance further education are excluded, as are those that are unemployment-related.

Table 2 also shows that, for young adults in a couple living close to their mothers, grandparenting time is higher if the woman in the couple is employed, particularly so in Greece, where the median grandparenting time is slightly higher than the 40-hour standard working week. In Italy and Spain, working young adults living close to their mothers receive almost 30 hours of grandparenting time per week. Median grandparenting time is low in the remaining countries, regardless of the employment status of the woman in the couple. Grandparenting time remains at high levels in southern Europe even when the youngest grandchild is aged over 6, and therefore in formal education. Overall, the statistics in table 2 indicate that southern European grandmothers play a fundamental role in their children’s work–life balance strategy, even when their grandchildren are enrolled in formal education.

*Internal mobility and labour force participation*

Table 3 shows labour force participation rates by sex and age for a number of developed countries. While male participation rates are fairly similar across countries, female participation rates are more disparate. Furthermore, while the participation rate of southern European women aged 25–34 is close to the OECD average for that population group, that of women aged over 45 is, on

Table 3. Labour force participation rates by sex and age

	Women					Men				
	25–34	35–44	45–54	55–64	(3) over (1)	25–34	35–44	45–54	55–64	(7) over (5)
Greece	66.1	61.7	45.3	24.5	68.6	95.0	97.0	91.4	59.3	96.3
Italy	60.7	58.9	44.2	15.2	72.8	87.9	96.0	87.4	44.9	99.4
Portugal	81.1	78.7	65.8	38.1	81.1	92.7	95.1	90.8	63.2	97.9
Spain	69.6	59.6	42.3	20.8	60.8	92.4	95.2	90.7	57.5	98.2
Finland	77.6	87.8	87.3	41.5	112.5	90.9	92.7	87.3	45.4	96.0
France	78.0	79.2	75.6	31.6	96.9	94.1	96.4	93.4	42.0	99.2
Germany	74.3	77.1	72.8	32.8	97.9	91.1	96.0	92.7	54.2	101.7
Norway	80.2	84.4	81.6	59.5	101.8	90.8	93.3	91.0	73.8	100.2
Sweden	82.0	88.4	88.5	64.5	107.9	89.2	92.4	91.6	71.8	102.7
United Kingdom	73.2	76.6	75.4	40.8	102.9	93.7	93.1	88.8	63.2	94.7
OECD average	66.2	69.7	66.2	37.4	100.1	93.5	94.7	90.5	63.1	96.8
Std. Dev.	6.4	9.7	14.4	14.2		2.1	1.8	2.6	12.3	
Australia	68.3	70.9	68.4	31.3	100.1	92.8	92.2	87.9	60.9	94.7
Canada	77.7	79.0	73.2	38.0	94.2	91.4	92.4	88.8	59.4	97.1
Japan	62.1	65.8	69.8	49.2	112.3	97.0	97.9	97.4	84.9	100.5
United States	75.6	77.3	75.7	50.4	100.2	93.1	92.6	89.0	67.1	95.6

Note: The table reports average values for the period 1994–2000.

Source: OECD Labour Force Statistics database, available at: <http://stats.oecd.org>.

Table 4. Summary indicators of childcare arrangements in selected OECD countries

	Publicly provided slots per 100 preschool children	Proportion of preschool children using formal childcare (public or private)
Greece	3	3
Italy	6	6
Portugal	12	12
Spain	2	5
Finland	21	n.a.
France	23	29
Germany (western)	3	10
Germany (eastern)	36	36
Sweden	33	48
United Kingdom	2	34
Australia	2	15
Canada	5	45
Japan	n.a.	13
United States	1	54

Source: Wrohlich (2008) and The Family Policy Database, Version 2, 2003, available from the LIS Cross-National Data Center (formerly Luxembourg Income Study) at: <http://www.lisdatacenter.org/resources/other-databases>.

average, 40 per cent lower than the corresponding average. That is, southern European countries show the largest intergenerational gap in female participation rates. In fact, there is practically no intergenerational gap in any country outside southern Europe.<sup>7</sup>

This empirical evidence suggests that southern European countries are those with the highest stock of potential family caregivers – i.e. women aged over 45 not participating in the labour market – and are also those with the highest proportion of working women with non-participating mothers. The cross-country correlation between inter-regional mobility rates and female labour force participation rates are highest – close to 0.75 – when considering cross-country differences in the participation rate of women aged over 45.

### *Internal mobility and childcare services*

Access to family-provided childcare deters mobility when alternative services of similar cost and quality are scarce or unavailable. As seen in table 4, southern European countries are those with the lowest number of publicly provided childcare slots for children under three years old per 100 children, and also those with the lowest proportion of preschool children using formal (public or private) childcare services. As seen in Del Boca and Vuri (2007) for Italy, public provision of childcare in southern Europe is severely “rationed” both in the number of places available and in the number of hours of care offered; owing to strict regulations, private provision is also scarce.

<sup>7</sup> The same picture emerges when looking at differences in employment rates (see Méndez, 2008, table 5).

Childcare arrangements vary considerably across countries. While provision of these services is mainly public in the majority of central and northern European countries, in the United Kingdom and the United States private childcare is the most common arrangement outside the family network. The cross-country correlation between inter-regional mobility rates and the proportion of preschool children in formal childcare arrangements is 0.74.

Lastly, the low fertility rate now characterizing southern Europe has not translated into a high level of childlessness relative to other developed areas, as indicated in Bettio and Villa (1998). On the contrary, the proportion of southern European women who remain childless at the end of child-bearing age is well below that for other developed countries with a higher total fertility rate such as Finland, Sweden and the United States.<sup>8</sup> Thus, childcare arrangements are an equally or even more relevant issue in southern Europe than in other developed countries with a higher total fertility rate.

## Female employment, fertility and mobility – a behavioural model

The partial-equilibrium job-search model is intended to show how the availability of different childcare arrangements affects a couple's decisions regarding fertility, female employment and geographical mobility. The model is similar to that of Barceló (2003) but I analyse the effect of childcare on a couple's mobility instead of the effect of home ownership on individual mobility.

The unit of analysis is a heterosexual couple without children, married or unmarried,<sup>9</sup> deciding about three things: their region of residence, whether to have a child or not, and whether the woman should work – i.e. their residence, “children status” and “female employment status”. To keep the model simple it is assumed that there are two regions in the economy: A and B, two time periods: 0 and 1, and that the man is always employed. However, on-the-job search is allowed for. Let  $\lambda U$  and  $\lambda E$  be the probability of getting a job offer when the man or woman is unemployed and employed, respectively. The man or woman can receive at most one offer in each region in each period. The probability of an employed woman losing her job is  $\delta$ . Let  $T$  denote the “standard” number of hours associated with a job and  $w_{1,t}^j$  and  $w_{2,t}^j$  represent the man's and woman's wages if employed in region  $j$  in period  $t$ .<sup>10</sup>

In the model, only women devote time to childcare. Apart from maternal time, two additional inputs can be used in the production of childcare services: time transfers from close relatives in the form of unpaid childcare, represented by  $I$  and referred to as “free care”; and formal alternatives, which include public

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<sup>8</sup> See Méndez (2008), table 8.

<sup>9</sup> Throughout the article, the terms “man” and “woman” refer to one half of a couple.

<sup>10</sup> Wages are randomly drawn from the distribution function of each partner's wage offer  $F_1(w_1)$  and  $F_2(w_2)$ , respectively, which are assumed to be independent of each other. Wage offers are independent and identically distributed across individuals and across regions. The remaining parameters of the model are assumed to be the same in both regions and for both partners.

and private caregivers.<sup>11</sup> The woman cares for the child herself if she remains unemployed. If she becomes employed the couple consumes  $I$  and, if this is lower than  $T$ , the couple pays the hourly price of formal childcare services,  $\pi$ , over  $T - I$  hours. Unpaid childcare is only available if the couple and their relatives live in the same region, and never exceeds the woman's working hours. The couple has to live in the region where they work, and raising a child also requires a monetary cost,  $\varphi$ . Couples are assumed to have joint consumption and joint utility. The instantaneous utility function takes a constant relative risk aversion (CRRA) form, and couples' utility per period is as follows:

$$u(c_t) = u_0 \frac{c_t^\alpha}{\alpha} \tag{1}$$

where  $\alpha > 0$  and  $u_0$  indicate that, for a given level of consumption, couples derive higher utility if they have a child. That is,  $u_0 > 1$  if they have a child and  $u_0 = 1$  otherwise. In the first period,  $t = 0$ , couples and their relatives live in region A and do not move. They decide on the woman's employment status,  $L_2 = \{e_2, u_2\}$ , and on their children status,  $CH = \{ch, nch\}$ . The decision to be made in period  $t = 0$  is  $D_0 = \{(CH, e_1, e_2, w_{1,0}^A, w_{2,0}^A), (CH, e_1, u_2, w_{1,0}^A, b)\}$ , where  $b$  refers to non-wage income such as unemployment benefits. The decision problem is described by the following Bellman equation:

$$\begin{aligned} V_0 &= \max_{\{d_0, c_0\}} u(d_0, c_0) + \beta E [V_1(s_1, d_1^*)] / s_0, d_0 \\ \text{s.t. } c_0 &+ [h_0^A \pi (T - I) + \varphi] n_0 = y_0 \\ I &\leq T, d_0 \in D_0, s_0 = (nch, e_1, u_2) \end{aligned} \tag{2}$$

where  $h_t^j$  indicates that the couple live in region  $j$  in period  $t$  and that the woman works,  $n_0$  indicates that they have a child and  $y_0$  is the couple's total income. Couples take into account that the optimal decision in period  $t = 0$  will affect their utility in  $t = 1$  and discount it by the factor  $\beta$ . The budget constraint indicates that if they have a child and the woman remains unemployed ( $h_0^A = 0$ ), she cares for the child herself and the cost of raising the child resumes to the monetary cost  $\varphi$ . If she works, child-rearing costs include both the monetary cost and the cost of childcare services.<sup>12</sup>

<sup>11</sup> For simplicity, family-provided childcare is referred to as "free care". It is acknowledged, however, that childcare provided by close relatives requires, at least, a transportation cost. Additionally, childcare provided by public institutions can also be for free, as is the case in some European countries for low-income families living in communities that have an income-dependent fee scheme for childcare facilities.

<sup>12</sup> The assumption that couples only use formal childcare services if family-provided childcare is lower than  $T$  is not crucial to the results. The decision problem remains the same if one assumes that couples prefer formal over informal childcare but there is rationing in the provision of formal services. Let  $\rho$  be the couples' subjective probability of getting a full-time slot in a childcare centre. The budget constraint in the Bellman equation in  $t = 0$  can now be written as  $c_0 + [h_0^A \pi (T - (1 - \rho) I) + \varphi] n_0 = y_0, I = T, \rho \in [0, 1], d_0 \in D_0, s_0 = (nch, e_1, u_2)$ . This optimization problem is observationally equivalent to (2). Indeed, if the couple have a child, the woman works and they only use informal childcare, it cannot be known whether this is due to the fact that they were granted access to both formal and informal childcare services and they preferred family-provided childcare, or whether it is attributable to their choice set being restricted.

At the end of  $t = 0$ , employed women lose their jobs with probability  $\delta$ . In period  $t = 1$ , both spouses may receive offers from regions A and B and may continue living in region A or move to region B. If they stay in region A they can continue working in the same jobs, or quit and accept other better-paid jobs. The couple takes the decision that maximizes their utility:

$$\begin{aligned}
 V_1(s_1 = (ch, E_1, l_2)) &= \max_{\{d_1, c_1\}} u(d_1, c_1) \\
 \text{s.t. } c_1 + [h_1^A \pi (T - I) + h_1^B \pi T + \varphi] n_0 &= y_1 \\
 I \leq T, L = \{e, u\}, d_1 \in D_1(CH, e_1, L_2) &
 \end{aligned} \tag{3}$$

The new term in the budget constraint indicates that relatives do not migrate with the couple and, thus, unpaid childcare is no longer available if the couple move to region B. Following Eckstein and Wolpin (1989), I sequentially solve the Bellman equation backwards, given the finite horizon structure of the model. In period  $t = 1$ , childless couples choose the highest income option from their choice set, no matter what region that option comes from. Couples with a child choose the option providing the highest net income after child-rearing costs; they may refuse the highest income option when it comes from region B and involves a job for the woman, due to the trade-off between the higher income they would earn and the higher childcare costs they would face in that region. Mobility costs for couples with children are increasing in  $I$  and  $\pi$ . The higher the value of  $I$  the lower the childcare costs in region A, and the higher the value of  $\pi$  the higher the cost of replacing unpaid childcare in region A by formal services in region B.

Unemployed women without children would accept a job if they were paid more than  $b$ , regardless of the region the offer is from. The same holds for unemployed women with children, in terms of net income; their reservation wage increases with  $\pi$  in both regions, and the higher the value of  $I$  the lower the reservation wage for accepting a job in region A.

Moving backwards, the woman's reservation wage in period  $t = 0$  depends on her children status and on job offer arrival rates. If, for a given children status, employed workers can change jobs more easily than the unemployed can find a job ( $\lambda_1 > \lambda_0$ ), women will prefer to accept a job in period  $t = 0$  despite the fact that they are going to be paid less than  $b$ . As in  $t = 1$ , for women with children, the reservation wage increases with  $\pi$  and decreases with  $I$ .

Having a child permanently increases the couple's utility for a given level of consumption ( $u_0$ ) but also lowers consumption via child-rearing costs. Rearing costs depend on  $\varphi$  and, if the woman works, on  $\pi$  and  $I$ . Higher values of both  $\varphi$  and  $\pi$  increase the cost of having a child, and thus the probability that the couple remain childless. The effect of  $I$  is a priori ambiguous, since it increases disposable income but at the same time lowers the probability of moving to region B in response to better employment prospects.

We will now consider some simulation evidence regarding the effect of  $I$  and  $\pi$  on female employment, fertility and family mobility. I use data from the 1994–2001 European Community Household Panel (ECHP) for Spain to set the

values of  $\lambda_U, \lambda_E, b, \delta$  and characterize the distribution of wages. Spain is a southern European country for which all the parameters of the model can be calibrated. Wage offers are drawn from a log-normal distribution function with mean 1.5 and standard deviation 0.5. The hourly price of formal childcare services is taken from Borra and Palma (2009) and the value of  $\varphi$  is set using data from the Institute for Family Policies (2007) on the cost of raising a child in Spain.

Parameter  $I$  is calibrated using the median of weekly hours of grandparenting time enjoyed by young adults in a couple, living close to their mothers in Spain (table 2), and  $T$  is set to 2,080 hours per year. Finally,  $u_0$  is set to match the distribution of couples in terms of children and the woman's employment status at the end of  $t = 0$  to that of ECHP Spanish couples where the woman is aged 25–45. I create a data set of 250,000 random couples and use 10,000 random observations for each pair of wage offers that might be received in period  $t = 1$  to evaluate the expected term in the value of each alternative in  $t = 0$ .

Tables 5 and 6 show the parameter values of the “benchmark” economy, calibrated using the main parameters of the Spanish economy, and the simulation results – i.e. the elasticities of mobility, female employment and fertility rates. A reduction in  $I$  increases both the reservation wage and expected childcare costs for a woman with children in region A, and thus lowers fertility and female employment rates. The elasticity of the woman's employment status with respect to  $I$  for couples with children is 0.26 and the elasticity of fertility with respect to  $I$ , conditioned on the woman working, is 0.38. These compositional effects increase inter-regional mobility since, for a given children status, couples move less if the woman works than if she does not and, for a given employment status, couples with children move less than childless

Table 5. Parameter values of the “benchmark” economy

Parameter	Value	Parameter	Value
$u_0$	1.20	$\delta$	0.05
$\beta$	0.98	$\pi$	0.60
$\alpha$	0.50	$\varphi$	1 144
$\lambda_0$	0.25	$T$	2 080
$\lambda_1$	0.30	$b$	0.495

Table 6. Simulation results: Elasticities of mobility, female employment and fertility rates

Increase by 35 per cent	Elasticities				
	Mobility	Female employment	Fertility	Female employment <sup>a</sup>	Fertility <sup>b</sup>
$I$	-0.129	-0.066	0.176	0.258	0.376
$\pi$	-0.251	-0.047	-0.200	-0.272	-0.435

<sup>a</sup> Conditioned on the couple having children. <sup>b</sup> Conditioned on the woman working.

couples. The reduction in  $I$  also lowers mobility costs for couples with children, and thus increases their group-specific mobility rate. The elasticity of inter-regional mobility with respect to  $I$  is  $-0.13$ .

Finally, the elasticities of female employment, fertility and inter-regional mobility with respect to  $\pi$  are all negative. A reduction in  $\pi$  lowers both the reservation wage and expected childcare costs of a woman with children, and thus increases fertility rates and female employment rates. Additionally, it lowers mobility costs for couples with children, increasing their group-specific mobility rate. The latter effect totally offsets the compositional effect and the elasticity of the inter-regional mobility rate with respect to  $\pi$  is approximately  $-0.25$ .

## Data, methodology and results

Data from the 1994–2001 ECHP are used. The ECHP is a representative panel of households and individuals in 14 European countries,<sup>13</sup> which is particularly useful for the analysis of spatial mobility, since persons who move are followed up at their new location. It distinguishes between two types of residential move within a country: moves within the same region (intra-regional) and moves to a different region (inter-regional). Additionally, the ECHP informs on whether the move was for job-related, house-related or simply personal reasons. Analysis is restricted to job-related moves in large countries: four southern European countries (Greece, Italy, Portugal and Spain) plus Finland, France and the United Kingdom.<sup>14</sup>

The estimation sample comprises couples where the woman is aged 25–45, men are employed or looking for a job, and women are either employed, unemployed or “housewives.” Couples in which at least one person is self-employed, and couples that do not live together or that get divorced during the sample period, are dropped out of the sample. To distinguish between the causes and consequences of a move, the information for the covariates is obtained from the year preceding that of the move. Descriptive statistics of the estimation sample are provided in table 7.

The estimation is performed separately for southern countries and other European countries, since these two groups of countries may differ from each other in many other aspects apart from the availability of family-provided childcare. Each of these two groups of countries is split into four samples, according to whether the couple have children or not and whether the woman works or not. More than 80 per cent of the couples have at least one child, independently of whether they live in southern Europe. Southern countries stand out for their low female employment rates.

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<sup>13</sup> The total duration of the ECHP was eight years, running from 1994 to 2001 (eight waves). The Member States involved were Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom. For more information, see: <http://ec.europa.eu/eurostat/web/microdata/european-community-household-panel>.

<sup>14</sup> Germany is excluded from the analysis, since information on migration records is not provided for individuals living there.

Table 7. Descriptive statistics of the estimation sample

	Finland	France	United Kingdom	Greece	Italy	Portugal	Spain
Inter-regional moves <sup>a</sup>	1.7 (43)	1.5 (143)	2.3 (100)	0.4 (18)	0.4 (43)	0.3 (20)	0.5 (41)
Intra-regional moves <sup>a</sup>	5.1 (133)	6.5 (623)	3.5 (149)	5.3 (257)	4.2 (406)	6.6 (393)	6.7 (584)
Man employed	92.9	95.1	96.1	94.2	94.2	97.1	89.6
Woman employed	81.4	70.2	80.5	46.6	52.0	71.2	41.1
Children <sup>b</sup>	77.6	86.6	74.5	89.1	85.7	86.4	83.6
Homeowners	79.7	61.5	85.8	70.6	68.3	63.5	78.7
<i>Man's educational level</i>							
Tertiary	39.1	21.0	49.1	29.7	10.2	7.8	26.8
Upper secondary	43.8	41.1	13.4	35.3	41.2	13.7	19.4
<i>Woman's educational level</i>							
Tertiary	49.6	25.6	42.0	26.2	8.7	10.1	23.2
Upper secondary	37.3	35.7	14.3	34.6	42.9	12.9	19.7
<i>Live in same region since birth</i>							
Man	28.4	59.8	84.6	61.0	81.2	85.6	69.7
Woman	25.9	61.6	82.4	62.5	80.5	88.0	72.7
Man's age	38.3 (6.7)	38.3 (6.9)	37.9 (6.9)	40.4 (6.9)	39.6 (6.5)	38.4 (6.9)	38.1 (6.6)
Man in bad health <sup>c</sup>	1.4	2.9	5.9	0.8	2.8	3.7	2.0
Woman in bad health <sup>c</sup>	0.7	3.8	6.6	1.4	2.8	6.0	2.8
<i>Regional variables</i>							
Family care <sup>d</sup>	12.3	13.4	1.2	21.9	39.3	11.1	13.5
Abundant family care <sup>e</sup>	1.9	2.8	n.a.	10.0	18.6	5.4	7.1
Free care <sup>f</sup>	12.2	29.6	48.0	42.1	37.9	28.4	39.8
Sample size	2590	9577	4294	4812	9709	5990	8781

Notes: The table reports percentages for discrete variables, with mean and standard deviation in brackets for continuous variables. <sup>a</sup> Percentage of moves (number of moves in brackets). <sup>b</sup> Percentage of households with at least one child aged under 14. <sup>c</sup> Indicates whether respondents declare that, in general, their health is bad or very bad. <sup>d</sup> Regional share of women aged 50–70 who look after children on a daily, unpaid basis. <sup>e</sup> Regional share of women aged 50–70 who look after children more than 28 hours per week, unpaid (information not provided for individuals living in the United Kingdom). <sup>f</sup> Regional share of households with children looked after on a regular, unpaid basis by someone other than their parent or guardian.

Source: Author's calculations, based on ECHP data.

The goal of the estimation is to identify the effect of the presence of children in the household, and the woman's employment status, on family mobility. The effect of the woman working is identified by comparing couples that have the same children status but a different woman's employment status. The effect of the presence of children is identified by comparing couples with children to couples without, for a given woman's employment status. Thus, there are four effects of interest for each of the two groups of countries, for a given type of mobility (intra- or inter-regional).

For the sake of simplicity, the empirical model presented is that showing the effect that the woman working has on the inter-regional mobility of

couples with children. Let  $y_{1it}$  be an indicator variable that equals 1 if household  $i$  has moved to a different region within year  $t$ , and zero otherwise. There exists an underlying response variable  $y_{1it}^*$  that measures the expected net gains from moving to a different region, explained by the equation

$$y_{1it}^* = \gamma Z_{it-1} + \beta X_{it-1} + \varepsilon_{it} \tag{4}$$

where  $Z_{it-1}$  is a dummy variable that equals 1 if the woman works and zero otherwise,  $X_{it-1}$  includes the covariates,  $\gamma$  and  $\beta$  are unknown parameters to be estimated and  $\varepsilon_{it}$  is a time-varying normally distributed error term with variance normalized to 1. A family move is observed whenever the expected net gain from moving is positive, and thus the probability of moving conditional on the covariates is written as

$$prob(y_{1it} = 1) = prob(\gamma Z_{it-1} + \beta X_{it-1} + \varepsilon_{it} > 0) = F(\gamma Z_{it-1} + \beta X_{it-1}) \tag{5}$$

where  $F$  is the cumulative distribution function of  $-\varepsilon_{it}$ . The estimation sample includes couples with children living in the same group of countries. The other effects of interest are identified by using the appropriate samples and redefining variable  $Z_{it-1}$  to indicate the presence of children in the household, when necessary. The corresponding intra-regional effects are identified by replacing  $y_{1it}$  by  $y_{2it}$  where  $y_{2it}$  equals 1 if the family move to a different location within the same region within year  $t$ , and zero otherwise.

It is necessary to control for the endogeneity of both the presence of children in the household and the woman's employment status. As the behavioural model illustrates, when deciding whether to have a child, couples take into account that they will be less likely to move in response to better employment prospects. That is particularly the case if the woman works, if they live in a country where childcare is mainly family-provided – as is the case in southern Europe – and if mobility is of the inter-regional kind. Following Heckman (1978), I control for endogeneity by estimating equation (6) jointly with the auxiliary equation that accounts for how couples self-select into the category indicated by the dummy variable  $Z_{it-1}$

$$prob(Z_{it-1} = 1) = prob(\delta W_{it-1} + u_{it-1} > 0) = G(\delta W_{it-1}) \tag{6}$$

where  $W_{it-1}$  includes household and regional determinants of  $Z_{it-1}$ ,  $\delta$  is a vector of unknown parameters to be estimated,  $u_{it-1}$  is a normally distributed error term with variance normalized to 1 and  $G$  is the cumulative distribution of  $-u_{it-1}$ .

Equation (6) and the auxiliary equation are jointly estimated using a bivariate probit model.<sup>15</sup> Wilde (2000) shows that identification in recursive multiple equation probit models with endogenous dummy regressors requires no exclusion restriction in the exogenous variables if each equation contains at least one varying exogenous regressor. As exogenous regressors, I include regional

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<sup>15</sup> Sánchez-Mangas and Sánchez-Marcos (2008) and Manski et al. (1992) proceed in this way to evaluate the effect of a family policy on female labour force participation, and to examine the probability of high school graduation as a function of family structure, respectively.

variables such as the unemployment rate, the employment rate of women aged 25–45 and the share of households where the woman is aged 25–45 that have at least one child. The latter two variables are included when analysing the effect of the woman working and the effect of the presence of children, respectively. These variables capture regional-specific patterns of female employment and fertility that are exogenous to couples but likely to affect their choices.

I also include three variables that inform on the availability of unpaid childcare in the region where the couple live: the share of women aged 50–70 who look after children on a daily basis without pay, the share of women aged 50–70 who look after children for more than 28 hours per week without pay, and the share of households where children are looked after on a regular, unpaid basis by someone other than their parent or guardian. The latter variable controls for family-provided childcare, but also for public childcare for low-income families in some European countries. I introduce the various regional variables separately or together, since there could be some correlation across individuals in these variables. The regional variables are described in the lower part of table 7.

Finally, I present conditional fixed effects logit model estimates as a robustness check. The conditional fixed effects logit estimator provides unbiased and consistent estimates of the coefficients of the outcome equation (5), regardless of the form of dependence between the error term in that equation and the covariates. In this model, the estimation sample is restricted to those couples that move during the sample period, and the explanatory variables are the changes in  $Z$  and  $X$ ; the model therefore only identifies the effect of time-varying covariates.<sup>16</sup>

### *Empirical results*

Table 8 summarizes the estimates for the effect of the woman working for couples living in southern Europe. The bivariate probit estimates indicate that couples with children take decisions regarding mobility and the woman's employment simultaneously. The estimated correlation between the errors of the mobility and selection equations is significant and positive for both inter- and intra-regional moves; it is strongly significant, however, for inter-regional moves. According to these estimates, the probability of a couple with children moving to a different region almost vanishes if the woman works. That probability is 5.5 per cent for a couple with average sample characteristics if the woman is not employed, and 0.3 per cent if she works. The probability of a couple with children moving within the same region also decreases if the woman works, but the effect is lower than for an inter-regional move. In particular, the probability of an intra-regional move is 10.5 per cent for a couple with average characteristics if the woman is not employed and 4.5 per cent if she works. The univariate probit estimates that do not control for endogeneity underestimate the negative effect of the woman working on family mobility.

<sup>16</sup> See Chamberlain (1980) for further details of the conditional fixed effects estimator.

**Table 8. Woman working and geographical mobility – southern European countries**

	With children			No children	
	Univariate	Bivariate	CFE	Univariate	Bivariate
<b>A. Inter-regional moves</b>					
Woman works	-0.486** (0.104)	-1.434** (0.390)	-1.545~ (0.806)	0.069 (0.261)	-0.395 (1.963)
Abundant family care <sup>a</sup>	-0.020 (0.016)	-0.008 (0.017)	-0.026 (0.079)	0.002 (0.031)	0.004 (0.031)
Unemployment rate <sup>b</sup>	-0.013 (0.009)	-0.011 (0.008)	-0.065* (0.028)	-0.010 (0.007)	-0.010 (0.008)
Female employment rate <sup>c</sup>	-0.034 (0.032)	-0.020 (0.032)	-0.093* (0.036)	0.008 (0.014)	0.011 (0.019)
<i>Selection equation</i>					
Abundant family care	—	0.035** (0.006)	—	—	0.030* (0.015)
Unemployment rate	—	0.004 (0.003)	—	—	-0.003 (0.002)
Female employment rate	—	0.038** (0.005)	—	—	0.023** (0.004)
Correlation coefficient	—	0.533** (0.147)	—	—	0.258 (0.910)
Log likelihood	-303.4	-12 120.9	-58.8	-28.5	-808.8
Sample size	20 757	20 757	205	1 526	1 526
<b>B. Intra-regional moves</b>					
Woman works	0.056 (0.036)	-0.416~ (0.237)	-0.209 (0.197)	0.141 (0.133)	-0.364 (0.381)
Abundant family care	0.008~ (0.004)	0.018* (0.005)	0.032~ (0.019)	0.007 (0.010)	0.012 (0.010)
Unemployment rate	0.002 (0.002)	0.003** (0.001)	-0.002 (0.007)	-0.009 (0.008)	-0.010 (0.007)
Female employment rate	0.006 (0.008)	-0.008** (0.004)	0.006 (0.059)	-0.013** (0.005)	-0.006 (0.004)
<i>Selection equation</i>					
Abundant family care	—	0.035** (0.006)	—	—	0.030* (0.015)
Unemployment rate	—	0.004 (0.003)	—	—	-0.003 (0.002)
Female employment rate	—	0.038** (0.005)	—	—	0.023** (0.004)
Correlation coefficient	—	0.280* (0.142)	—	—	0.315 (0.296)
Log likelihood	-2889.7	-14 508.3	-944.0	-219.5	-999.1
Sample size	20 757	20 757	3 350	1 526	1 526

Notes: Standard errors adjusted for regional clustering are given in brackets. The above regressions control for the man's age and employment status, both partners' levels of education, health status and migration records, and whether they own their home or not.

Regional and time effects are captured by including region and year dummies: <sup>a</sup> the regional share of women aged 50–70 taking care of children at least 28 hours/week without pay; <sup>b</sup> the regional unemployment rate; <sup>c</sup> the regional employment rate of women aged 25–55 years. ~, \* and \*\* indicate significance at the 10, 5 and 1 per cent levels, respectively.

Source: Author's calculations, based on ECHP data.

The selection equation estimates show that women living in southern Europe are more likely to be employed if they live in regions with greater access to family-provided childcare (*Abundant family care*), particularly so if they have children. Marginal effects calculated for a couple with average sample characteristics indicate that the elasticity of the likelihood of a woman with children being employed with respect to the variable *Abundant family care* is about 0.23. The variable *Family care* – i.e. the regional share of women aged 50–70 who look after children on a daily basis without pay – is also positively correlated with the probability of women with children being employed, but the estimated coefficient and its significance are lower than those for *Abundant family care*. Conversely, no statistical association is found between the probability of women with children being employed and the regional share of households with children looked after on a regular, unpaid basis (*Free care*).<sup>17</sup>

The conditional fixed effects estimates confirm that couples with children in southern Europe are less likely to move to another region if the woman works. The estimated effect of the woman working is close in magnitude to the estimation obtained using the bivariate probit model. The conditional fixed effects estimates cannot be obtained for all the effects of interest because this estimator restricts the sample to couples that move and, given the low mobility rates, it would require a relatively large sample size.

For childless couples living in southern Europe, the estimates in table 8 reject both the endogeneity of the woman's employment status and the hypothesis that couples move less if the woman works. The estimates in table 9 suggest that couples with children living in southern Europe move less than childless couples only if the woman works and mobility is of the inter-regional type. However, the estimated effect is only slightly significant. This effect comes from the univariate probit estimates, since the bivariate estimates reject simultaneity. The selection equation estimates indicate that couples where the woman works are more likely to have children if they live in a southern region with access to abundant family-provided childcare and where there is a higher percentage of couples with children.

The estimates in tables 10 and 11 show that couples living in other European countries do not take mobility considerations into account when making decisions regarding female employment and fertility. Also, the variables that approximate family-provided childcare (*Family care* and *Abundant family care*) are not found to be statistically correlated with the probability of the woman working or the probability of the couple having children. Moreover, no evidence is found that either the woman's employment status or the presence of children deter the couple's mobility in these countries. Finally, additional estimates show that the probability of a family move is not lower if the man works, and that the regional availability of family-provided childcare

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<sup>17</sup> These estimates are available from the author upon request.

**Table 9. Children and geographical mobility – southern European countries**

	Woman works			Woman does not work	
	Univariate	Bivariate	CFE	Univariate	Bivariate
<b>A. Inter-regional moves</b>					
Children	-0.351~ (0.197)	-0.453 (0.405)	—	0.352 (0.339)	0.364 (0.577)
Abundant family care <sup>a</sup>	0.022 (0.016)	0.022 (0.016)	—	-0.024 (0.022)	-0.011 (0.016)
Unemployment rate <sup>b</sup>	-0.009 (0.009)	-0.009 (0.009)	—	-0.011 (0.008)	-0.008 (0.004)
Children, regional <sup>c</sup>	-0.008 (0.022)	-0.008 (0.022)	—	0.037 (0.051)	-0.033 (0.014)
<i>Selection equation</i>					
Abundant family care	—	0.011~ (0.006)	—	—	0.018~ (0.010)
Unemployment rate	—	0.003 (0.002)	—	—	0.002 (0.003)
Children, regional	—	0.011 (0.007)	—	—	0.017~ (0.010)
Correlation coefficient	—	0.058 (0.104)	—	—	0.386 (0.382)
Log likelihood	-110.3	-3293.5	—	-221.9	-1885.1
Sample size	11 440	11 440	—	10 843	10 843
<b>B. Intra-regional moves</b>					
Children	0.136 (0.093)	-0.451 (0.373)	0.181 (0.406)	0.159 (0.139)	0.567 (1.218)
Abundant family care	-0.003 (0.004)	-0.003 (0.002)	0.041~ (0.025)	0.004 (0.005)	-0.001 (0.006)
Unemployment rate	0.001 (0.002)	0.001 (0.002)	-0.003 (0.009)	0.003 (0.003)	-0.001 (0.002)
Children, regional	0.015* (0.007)	-0.015* (0.007)	0.028 (0.238)	-0.014 (0.014)	-0.003 (0.009)
<i>Selection equation</i>					
Abundant family care	—	0.011~ (0.006)	—	—	0.018~ (0.010)
Unemployment rate	—	0.003 (0.002)	—	—	0.002 (0.003)
Children, regional	—	0.011 (0.007)	—	—	0.017~ (0.010)
Correlation coefficient	—	0.312~ 0.176	—	—	-0.209 (0.620)
Log likelihood	-1694.6	-4876.8	-514.2	-1419.1	-3806.1
Sample size	11 440	11 440	1 891	10 843	10 843

Notes: Standard errors adjusted for regional clustering are given in brackets. The above regressions control for the man's age and employment status, both partners' levels of education, health status and migration records, and whether they own their home or not.

Regional and time effects are captured by including region and year dummies: <sup>a</sup> the regional share of women aged 50–70 taking care of children at least 28 hours/week without pay; <sup>b</sup> the regional unemployment rate; <sup>c</sup> the regional share of households with at least one child. ~ and \* indicate significance at the 10 and 5 per cent levels, respectively.

Source: Author's calculations, based on ECHP data.

**Table 10. Woman working and geographical mobility – Finland, France and the United Kingdom**

	With children			No children	
	Univariate	Bivariate	CFE	Univariate	Bivariate
<b>A. Inter-regional moves</b>					
Woman works	0.037 (0.026)	-0.232 (0.411)	0.320 (0.376)	0.124 (0.287)	0.587 (0.595)
Free care <sup>a</sup>	-0.005** (0.002)	-0.005* (0.002)	-0.040 (0.030)	-0.020** (0.005)	-0.020 (0.027)
Unemployment rate <sup>b</sup>	0.003 (0.006)	0.002 (0.006)	0.002 (0.013)	-0.009 (0.016)	-0.012 (0.010)
Female employment rate <sup>c</sup>	0.006** (0.002)	0.008* (0.004)	-0.043 (0.051)	-0.057** (0.008)	0.003 (0.035)
<i>Selection equation</i>					
Free care	—	-0.005** (0.001)	—	—	0.005 (0.010)
Unemployment rate	—	-0.002~ (0.001)	—	—	0.006 (0.011)
Female employment rate	—	0.045** (0.001)	—	—	0.038~ (0.020)
Correlation coefficient	—	0.157 (0.228)	—	—	-0.178 (0.383)
Log likelihood	-700.2	-6427.3	-203.2	-137.4	-622.6
Sample size	10928	10928	701	1365	1365
<b>B. Intra-regional moves</b>					
Woman works	0.091* (0.045)	0.449 (0.336)	0.293 (0.190)	0.349 (0.281)	1.009 (1.394)
Free care	0.007** (0.002)	0.007** (0.002)	0.048 (0.046)	0.015** (0.004)	0.014** (0.005)
Unemployment rate	-0.001 (0.006)	-0.001 (0.005)	0.010 (0.010)	-0.012 (0.009)	-0.012 (0.010)
Female employment rate	0.007~ (0.004)	0.002 (0.004)	-0.062 (0.080)	-0.012 (0.012)	-0.010 (0.014)
<i>Selection equation</i>					
Free care	—	-0.005** (0.001)	—	—	0.005 (0.010)
Unemployment rate	—	-0.002~ (0.001)	—	—	0.006 (0.011)
Female employment rate	—	0.045** (0.001)	—	—	0.038~ (0.020)
Correlation coefficient	—	-0.219 (0.212)	—	—	-0.401 (0.893)
Log likelihood	-1877.6	-7604.6	-671.0	-228.3	-622.6
Sample size	10928	10928	2354	1365	1365

Notes: Standard errors adjusted for regional clustering are given in brackets. The above regressions control for the man's age and employment status, both partners' levels of education, health status and migration records, and whether they own their home or not.

Regional and time effects are captured by including region and year dummies: <sup>a</sup> the regional share of women aged 25–45 that do not pay for childcare on a regular basis; <sup>b</sup> the regional unemployment rate; <sup>c</sup> the regional employment rate of women aged 25–55; ~, \* and \*\* indicate significance at the 10, 5 and 1 per cent levels, respectively.

Source: Author's calculations, based on ECHP data.

**Table 11. Children and geographical mobility – Finland, France and the United Kingdom**

	Woman works			Woman does not work		
	Univariate	Bivariate	CFE	Univariate	Bivariate	CFE
<b>A. Inter-regional moves</b>						
Children	0.028 (0.097)	0.235 (0.241)	-0.477 (0.480)	-0.082 (0.217)	0.806 (0.731)	—
Free care <sup>a</sup>	-0.002 (0.003)	-0.002 (0.003)	-0.036 (0.027)	-0.026** (0.004)	-0.010~ (0.006)	
Unemployment rate <sup>b</sup>	0.002 (0.005)	0.002 (0.005)	-0.008 (0.016)	-0.001 (0.008)	0.001 (0.015)	
Children, regional <sup>c</sup>	0.022 (0.003)	0.018** (0.005)	0.050 (0.073)	-0.063** (0.015)	-0.036 (0.040)	
<i>Selection equation</i>						
Free care	—	0.001 (0.002)	—	—	0.004 (0.005)	
Unemployment rate	—	0.002 (0.002)	—	—	0.007 (0.008)	
Children, regional	—	0.035** (0.007)	—	—	0.035** (0.012)	
Correlation coefficient	—	-0.201 (0.140)	—	—	-0.470 (0.451)	
Log likelihood	-374.1	-3788.8	-184.7	-205.8	-816.2	
Sample size	9 142	9 142	625	3 151	3 151	
<b>B. Intra-regional moves</b>						
Children	0.047 (0.065)	0.925 (1.385)	0.208 (0.396)	0.267 (0.250)	— <sup>d</sup>	0.415 (1.101)
Free care	0.010 (0.001)	0.004 (0.004)	0.039 (0.034)	0.011 (0.009)		0.065 (0.054)
Unemployment rate	-0.001 (0.007)	-0.002 (0.006)	-0.008 (0.014)	-0.006 (0.004)		0.012 (0.016)
Children, regional	-0.004~ (0.001)	-0.007 (0.025)	-0.180 (0.322)	-0.032 (0.038)		-0.101 (0.238)
<i>Selection equation</i>						
Free care	—	0.001 (0.002)	—	—		—
Unemployment rate	—	0.002 (0.002)	—	—		—
Children, regional	—	0.035** (0.007)	—	—		—
Correlation coefficient	—	-0.524 (0.890)	—	—		—
Log likelihood	-1517.2	-4677.2	-485.1	-591.2		-185.7
Sample size	9 142	9 142	1 771	3 151		604

Notes: Standard errors adjusted for regional clustering are given in brackets. The above regressions control for the man's age and employment status, both partners' levels of education, health status and migration records, and whether they own their home or not.

Regional and time effects are captured by including region and year dummies: <sup>a</sup> the regional share of women aged 25–45 that do not pay for childcare on a regular basis; <sup>b</sup> the regional unemployment rate; <sup>c</sup> the regional share of households with at least one child; <sup>d</sup> none of the specified models converges; ~, \* and \*\* indicate significance at the 10, 5 and 1 per cent levels, respectively.

Source: Author's calculations, based on ECHP data.

does not affect the man's employment status. These results are also obtained for couples living in southern Europe.<sup>18</sup>

These findings are in line with the predictions of the behavioural model: couples living in countries where childcare is mainly family-provided make decisions regarding the woman's employment taking mobility considerations into account. Family-provided childcare helps them to reconcile work and family life given the scarcity of formal alternatives of reasonable cost, but also lowers their likelihood of moving in response to employment shocks.

## Conclusions

This article investigates the low inter-regional mobility that makes southern European countries stand out among developed countries. I argue that this phenomenon is, at least partially, determined by the specificities of childcare opportunities in southern European countries, since these countries have the highest intergenerational gap in female labour force participation rates and also the highest degree of "rationing" in the public provision of childcare services. This combination means that the optimal choice for young adults living as part of a couple is to live close to their parents in order to take advantage of the low labour force participation rate of their own mothers in order to reconcile work and family life once they have children. This deters the mobility of the most mobile population group in any country: young adults who have left home.

I develop a partial-equilibrium job search model in which couples make decisions regarding fertility, female employment and inter-regional mobility, given the availability of different childcare arrangements. Family caregivers, i.e. grandmothers, do not move with the couple, thus making couples that have children and access to grandparenting more reluctant to move. The model is calibrated using data for Spain, and simulation results show that a reduction in the availability of family-provided childcare increases inter-regional mobility, and lowers fertility rates and female employment rates. A reduction in the price of childcare services is found to increase fertility, female employment and inter-regional mobility rates.

The predictions of the behavioural model are confirmed using 1994–2001 ECHP data. For couples living in southern Europe, the presence of children in the household deters inter-regional mobility only if the woman works. Similarly, couples where the woman works are less likely to move to another region only if they have children. I also find that women with children living in southern Europe are more likely to be employed, and employed women are more likely to have children, if they live in regions with greater access to family-provided childcare. I also find that not accounting for the endogeneity of the woman's employment status results in considerable underestimation of the deterrent effect on the couple's mobility of the woman working. None of these findings are obtained for couples living in other European countries.

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<sup>18</sup> These estimates are available from the author upon request.

These findings suggest that geographical mobility will increase in southern Europe following the narrowing of the intergenerational gap in female labour force participation rates. That reduction is expected, since the participation rate of young women in southern European countries is currently at the OECD level. In addition, the reduction in the availability of family-provided childcare services will lower fertility and female employment rates in these countries. However, our findings suggest that an increase in the provision of public childcare services would partially or totally offset the expected consequences of the reduced availability of family-provided childcare services in southern Europe, since it effectively increases fertility, female employment and geographical mobility rates. The increase in the number of immigrants in southern Europe in recent decades, willing to work below market rates, may further increase the internal mobility of native inhabitants of southern Europe by lowering the relative price of services such as childcare. This, in turn, may further contribute to increasing fertility and female employment in southern Europe.

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## The globalization of nurse migration: Policy issues and responses

Nicola YEATES\*

***Abstract.** Many countries are involved in the “production” and overseas recruitment of care workers in a major international response to the “care crisis” affecting advanced industrialized economies. But the distribution of gains and losses from care-labour migration is becoming increasingly unequal, and the pressure to develop alternative policies is intensifying. The author assesses the relevance of different policy approaches to nurse migration in promoting sustainability, social equity, the “care commons” and social development. She argues for sustained international cooperation and coordination to address the major global challenges that nurse migration currently poses for public health, social reproduction and social development.*

The drivers, dynamics and impacts of migration for the purposes of providing social and health care overseas have become a significant feature of scholarly and policy debates about the social dimensions and impacts of contemporary globalization. Care-labour migration is not without historical precedent, but it has increased in magnitude and significance over the past two decades. The “globalization” of household and family survival strategies is driven by uneven development globally and capitalist dynamism generally, and also by processes of health and welfare restructuring in developed and developing countries. In this context, a major policy response among developing countries has been the adoption of export-oriented “care-labour production” strategies, often as part of their economic development plans, while developed countries have responded with strategies of active recruitment of overseas care labour to address the “care crisis” unfolding in their economies.

This article reviews key problems and policy issues in global care-labour migration<sup>1</sup> and analyses the policy approaches being followed. Care-labour migration is a broad and complex phenomenon, covering diverse occupations, locations, settings and policy fields (Yeates, 2004 and 2009). The present analysis focuses on the health sector, which accounts for one in three international

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<sup>1</sup> This article focuses on paid care work, but the division between paid and unpaid work is not totally clear-cut. See Lan (2008) in relation to domestic work and Yeates (2009, especially ch. 7) in relation to nursing.

migrants (WHO, 2006), and on nurses in particular. Nurses are a significant group of migrant health-care providers and, more generally, of skilled female migrants; they illustrate the importance of socio-political and institutional factors in shaping the construction of the global care crisis and the pace, directions and impacts of care-labour migration. The “public good” nature of the care labour provided by nurses, together with the global interdependencies and inequalities that their migration entails, tangibly elucidate key policy issues regarding the regulation and governance of international trade in the wider public interest.

## Dynamics of global nurse migration

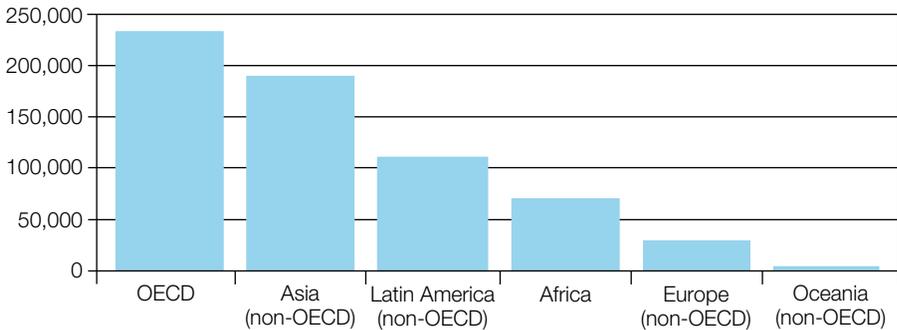
Over the past decade the migration of nurses has become a significant issue on national and global policy agendas. In part, this can be attributed to a global nursing shortage caused by diverse socio-demographic and institutional factors. There is increasing demand for health-care workers – especially in OECD countries – as a result of rising incomes, new medical technology, increased specialization of health services and population ageing (OECD/WHO, 2010). But the size of the nursing workforce has failed to keep pace with that growing demand. Policy decisions to contain public health-care costs have had a detrimental effect, bringing insecurity to existing nursing posts, recruitment freezes and redundancies, alongside limitations on training capacity and the numbers of nurses being trained (Simoens, Villeneuve and Hurst, 2005). In the United States, for example, where the nursing shortage exceeded 200,000 in 2005, 30,000 applicants were turned away from baccalaureate nursing programmes because of educational and training capacity limitations (Aiken and Cheung, 2008). Nurse shortages in other rich countries such as Australia, Canada, Ireland, New Zealand and the United Kingdom can also be attributed to the long-term effects of financial under-investment in nurse education and training (Simoens, Villeneuve and Hurst, 2005; WHO, 2006). Of those who qualify as nurses, many may find themselves underemployed or unemployed (WHO, 2006). Fewer women are choosing to enter nursing due to poor pay, working conditions and opportunities for professional advancement; many trained and qualified nurses are leaving the profession for another career offering better prospects.

Overseas migration has become an increasingly attractive option for individuals and government policy alike. Individual nurses seeking to improve their prospects are drawn to working overseas by higher wages, the desire for wider professional experience, better and more specialized training, increased promotional opportunities and a higher standard of living. The scarcity of people with nursing skills on the global market means that nurses can to a certain extent choose the country to which they wish to migrate.<sup>2</sup> Governments in

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<sup>2</sup> This is not to say that nurse migration is determined by economic or market factors. Migration also expresses a desire for travel, adventure, a better climate, greater personal autonomy and security. It may also be prompted by family or kinship obligations to gain socio-economic security and social advancement (Percot, 2005). The proximity of countries is also a factor. This partly relates to the ease and cost of travel, the existence of a culturally available set of options, and a common language (Buchan, Parkin and Sochalski, 2003).

Figure 1. Foreign-born nurses in OECD countries by main source regions, circa 2000



Source: OECD (2007).

the “Global North” are increasingly recruiting abroad to fill domestic nursing labour shortages. These strategies are supported by policies that variously relax regulatory and certification processes, fast-track visa or work permit applications and/or institute campaigns of active and targeted recruitment (Simoens, Villeneuve and Hurst, 2005). In 2000, foreign-born nurses represented 10.7 per cent of the OECD nursing workforce, and nurse migration has increased in many OECD countries since then. Two-thirds of the migrant nurses in OECD countries originate from non-OECD countries (OECD, 2007; OECD/WHO, 2010; and see figure 1).

The impetus for overseas recruitment stems in part from the length of time it takes to train a nurse – up to seven years from the commissioning of training places to the certification of trained staff. Overseas recruitment of qualified nurses has become an attractive response to “quick fix” labour gaps. But such recruitment also generates cost savings even after taking account of recruitment agency fees and the costs of adaptation of foreign-trained nurses. In the United Kingdom, for example, the costs of recruiting a foreign nurse are between 5 and 10 per cent of the cost of an experienced “home-grown” nurse (Padarath et al., 2003). Importing labour from abroad helps keep wages from rising, as they would in a situation of scarce labour supply. The health system is thus able to integrate cheaper and possibly more submissive labour without incurring the costs involved in educating and training that labour (though some adaptation costs can arise). At the same time, many governments across the Caribbean, Africa, Asia and the Middle East are responding to the global nurse shortage by “producing nurses for export” (Buchan, Kingma and Lorenzo, 2005; Hosein and Thomas, 2007; Thomas, Hosein and Yan, 2005; Yeates, 2009). This production often forms part of a wider economic development strategy to promote labour exports. Migrants’ remittances raise the sending State’s foreign exchange holdings, help governments pay off debt and obtain loans, and invigorate the economy by supporting consumption, investment and business (and profits) for educational institutes, recruiters and travel agents.

These overseas nursing strategies map onto institutional formations so facilitative of – and influential on – nurse migration that it is possible to speak of a global “nursing labour migration-industrial complex” (Yeates, 2009). This matrix is formed by the confluence of state, commercial, professional and labour interests, and it tethers national labour markets to regional and global divisions of labour, mobilizing nursing labour for export and channelling it into occupational fields overseas. The resulting patterns of nurse migration map onto global structures of power and inequality, essentially reflecting global inequalities in power and wealth, with migrants tending to move from poorer to richer countries. Countries at the top of the “global nursing care chain” (ibid.) are supplied by those lower down the chain. For example, the United States draws nurses from Canada; Canada draws nurses from the United Kingdom to make up for its losses to the United States; the United Kingdom draws nurses from South Africa to fill its own vacancies; and South Africa draws on Swaziland. Global nurse migration is also expressed regionally, with movements from weak core countries to strong core countries (e.g. central and eastern Europe to western Europe), and from weak peripheries to strong peripheries, e.g. from Bangladesh, Egypt, India and the Philippines to the Arab Gulf States (ibid.; Buchan, Kingma and Lorenzo, 2005).

To speak of a global nurse migration complex does not deny differentiation. Its underlying socio-institutional frameworks are made of historical (colonial, missionary, training) connections between particular countries and more recent migratory routes constructed by diverse trade, investment, development, labour, health and welfare policies and agreements adopted and implemented unilaterally, bilaterally and multilaterally. These shape the production of vacancies and determine those parts of the world from which they are to be filled and on what terms. State agreements, policies and practices regarding mutual recognition, licensing, accreditation and immigration influence conditions of access to a country, its health sector and the nursing profession, while state social entitlements and legal guarantees explain why nurses prefer certain countries over others. Many OECD countries grant nurses social protection rights and legal guarantees that make it possible for them to settle, buy a house, raise a family and obtain citizenship. None of these possibilities exist in the Gulf States, where migrants are confined to a narrow labour-supply role (Massey et al., 1998). Such guarantees also explain why Australia is increasingly preferred over other OECD countries, since it offers rights of permanent residence, permission to work after studies, family reunification, permission for the partner to work, and various child benefits (Yeates, 2011).

The meaning of nurse migration therefore varies according to where in the “global nursing care chain” a country, government, employer or individual migrant is situated (Yeates, 2009). The experiences, consequences and impacts of nurse migration thus need to be contextualized. For example, the significance of nurse emigration from a rich developed country where health and welfare provision is, by global standards, generous and secure, differs markedly from

emigration from a poorer country where such provision is lacking or non-existent. It is precisely these differences in meaning that inform the analysis of global nurse migration and policy.

## What's the problem with nurse migration?

A major concern about nurse migration relates to its adverse impacts on the quality of health-care provision and health outcomes. Although most countries simultaneously import and export nurses, poorer countries tend only to export nurses. The problem for these countries is that there are no countries lower down the supply chain from which to recruit to make up for the loss of their own nurses; they consequently experience nursing shortages. For example, both the Philippines and India – two major global nurse exporters – experience chronic nursing shortages (Tan, Sanchez and Balanon, 2005; Hawkes et al., 2009). Such problems are not confined to countries which only export nurses. Jamaica, for example, has been able to make up some of its nursing losses by recruiting from Burma, Cuba, Ghana, Guyana, India, Nigeria and the Russian Federation, but it still experiences serious nurse shortages (Salmon et al., 2007). Sub-Saharan Africa has been especially adversely affected by such shortages, with disadvantaged and rural areas being the worst affected (Adepoju, 2007; Dovlo, 2007; Awases et al., 2004) – to the extent that nurse emigration from such countries has been described as a “fatal flow” due to its adverse impacts on health outcomes (Chen and Boufford, 2005). In Malawi, for example, where 64 per cent of nursing posts are unfilled, the high maternal mortality rate and the inability to expand antiretroviral (ARV) therapy are attributed to the lack of trained midwives and nurses (Muula, Panulo and Masela, 2006). The lack of nursing staff is thus linked to higher rates of death, disability and morbidity, with this “widening of the population health gap [resulting] in reduced productivity, loss of national economic investment, and potential damage to economic development” (Ahmad, 2005, p. 43). Countries which have no other (i.e. poorer) countries from which to recruit tend to become reliant on medical charity, with nursing labour often provided by the same countries that have recruited their own nurses (Yeates, 2009). In Malawi, 25–30 per cent of medical staff come from overseas, whether as volunteers attached to the United Nations or the United Kingdom's Voluntary Services International, or under agreements with various European governments (Muula, Panulo and Masela, 2006).

For some countries, the loss of skilled qualified nurses thus represents a loss of public educational investment and human/intellectual capital, and of financial investment more generally. The savings in training achieved by the United Kingdom from recruiting 1,021 Ghanaian nurses to practise in the United Kingdom in 2003–04 were worth GBP 35 million (Mensah, Mackintosh and Henry, 2005), while for Malawi, the emigration of each enrolled nurse-midwife represented a loss of between US\$71,081 and US\$7.5 million; and for each certified nurse-midwife the lost investment ranged from US\$241,508 to

US\$25.6 million (Muula, Panulo and Masela, 2006).<sup>3</sup> With nearly one in eight Malawian nurses working in an OECD country, this represents not only a sizeable loss to Malawi but also a sizeable subsidy to rich countries. Such examples illustrate why international nurse migration is commonly likened to asset stripping and characterized as regressively redistributive. Indeed, it entails a *net* flow of benefits from poor to rich countries: the economic value of nurse migration from poorer to richer countries exceeds the value of international medical aid to developing countries. And although migrants' remittances provide a significant form of revenue for source countries, remittances are private transfers that neither flow directly into the public sector nor translate into funding for health system improvements (Chanda, 2003).

The strategies of international nurse recruitment developed by richer countries to solve their own (nursing) care crises thus export those very crises to poorer countries, exacerbating extant nurse shortages and health and social crises caused by restrictions on social investment resulting from the "Washington Consensus" policies. Not only is this global crisis of social reproduction causing a global public-health crisis, but since the majority of nurses are women, nurse emigration also contributes to the distortion and erosion of social solidarities and the "emotional commons" that these women would have otherwise sustained in their home countries (Isaksen, Devi and Hochschild, 2008). The "public good" nature of the care work that women perform in their paid work as nurses and in their unpaid work and informal capacities as members of families and communities means that nurse migration is inextricably bound up with the erosion of the "care commons".

Current gains and losses from nurse migration are unevenly distributed between the destination country, the nurse and the source country. Destination countries bear minimal costs and enjoy most of the economic benefits from overseas nurse recruitment (e.g. increased tax revenue, reduced education, training and staffing costs, support for the recruitment industry). Source countries' gains – e.g. from migrants' remittances, fees to the nurse export industry, and possible skills transfer and investment if the nurses return – are outweighed by the economic and social costs of depleted health-care services, poor health outcomes, eroded care commons and the postponement of economic and social development. Gains to the individual migrant (and her family) can be substantial but are mediated by racialized labour hierarchies which limit possible wage gains, and by other losses not amenable to monetary expression.

It is this unequal spread of costs and benefits at the individual, governmental and societal levels that has led to calls for reforming the system of global nurse migration governance. As global nurse migration is a multi-actored, multi-locational process, it follows that what is needed is a multi-

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<sup>3</sup> These losses take into account the expense to the Government of training a nurse or a midwife, including the costs of primary and secondary education, at interest rates ranging from 7 to 25 per cent over a period of 30 years.

faceted, international response that engages diverse stakeholders. Yet the diverse interests at stake in global nurse migration not only coalesce, but they also come into conflict. Questions arise as to how the competing interests – state, commercial, professional, labour and household – can be balanced and whether they can be reconciled. Is it possible, for example, to balance – let alone reconcile – the strategies of individual nurses in low-income countries with the need for nursing staff to fill vacancies in middle- and high-income countries and with its wider social development impacts? In other words, the need for nurses to take care of older people in developed countries has to be weighed against the need for nurses in developing countries to help care for people with HIV/AIDS. This goes to the heart of the problem: how to regulate nurse migration in the interests of public health, welfare, care and social development worldwide?

## Policy approaches for sustainable and equitable nurse migration

While the various gains from nurse migration cannot be denied, its current dynamics are, on balance, inequitable and unsustainable. But what strategies are consistent with socially sustainable and equitable nurse migration? Sustainability in this context means a level of migration that ensures all nations have adequate nursing labour, while equity means that gains and losses from nurse migration are shared more fairly between the nurse, the destination country and the source country. There is a synergy between sustainability and equity in so far as both are directed at ensuring that one country's public health and social development are not prioritized over those of another. Three main policy approaches that could contribute to the realization of these goals are outlined below.

### *Workforce planning, investment, retention and valorization*

The first approach addresses the underlying reasons for nursing shortages and why nurses migrate. Many studies have demonstrated that nurses would stay in nursing in their home country if their working conditions and prospects improved. Measures that improve wages, working conditions, training, promotional and career prospects, personal security, and the status of nursing in home countries would indeed make a very significant contribution to curbing the need to emigrate. Such measures are key elements of the workforce planning and investment frameworks that would be needed to ensure an adequate stock of nurses to meet service requirements. Such frameworks may involve increasing the production of domestic nurses where necessary but, crucially, they would also address retention, management and recruitment issues (Little and Buchan, 2007). This policy approach can be applied by all countries. It would reduce the need to recruit internationally, by greatly limiting or even eliminating reliance on foreign nurses.

### *Management of nurse migration*

The second approach advocates optimizing the mutuality of benefits involved in nurse migration. It attempts to reconcile the right to freedom of movement and the right to health services (World Bank, 2009). Possible measures include international cooperation and coordination on selection and recruitment, wages and working conditions – including duration of stay and the possibility of returning to the source country to jobs commensurate with experience – as well as labour rights and social protection entitlements for the individual migrant and social benefits for accompanying family members. Such measures may also embrace more robust regulation of recruitment agencies and employers to safeguard against exploitation and provide access to redress. The harmonization of educational, training and nursing standards would contribute to reducing risks currently borne by nurses. Unilateral action can be supported by international cooperation based on bilateral and/or multilateral agreements and partnerships.

### *Nurse migration dividends*

The third approach addresses the distribution of benefits of, and returns from, nurse migration. It integrates measures from the previous two policy approaches to improve the conditions under which nurse migration occurs, reduce risks and improve benefits. Measures that ease the process, and reduce the cost, of remitting would facilitate financial transfers and release savings for the benefit of health, welfare and education in the home country. Improving returns to individual nurses, however, needs to be balanced with obligations to the source country that financed the formation of their human capital. Consideration could be given to harnessing remittances in the wider public interest – i.e. the relationship between remittances and government health, education and training budgets – and to compensation for the source country's investment in producing each nurse that it loses through emigration. Compensation arrangements from the recruiting country to the source country may take the form of financial compensation to change the cost advantage to recruiters or to improve, say, educational and health support in donor aid. Compensation can also involve measures to improve return flows of trained and qualified staff, skills and technology transfers, and to provide technical assistance (Buchan and Sochalski, 2004).

The above approaches are not mutually exclusive; indeed, their efficacy would be enhanced through combination. The issue is not only a question of identifying what needs to be done, but also of the requisite political will to make available the necessary economic resources and to construct institutions that enable meaningful reform of global nurse migration governance and policy.

### *Current policy responses*

I now proceed to outline actual policy responses and initiatives that give expression to the goal of socially sustainable and equitable nurse migration. Since it is beyond the scope of this article to map and evaluate these initiatives com-

prehensively, I mention only a few of them by way of illustration and raise some issues for further consideration.

The principles of improving the attractiveness of nursing as a profession and of instituting adequate workforce planning and management systems have been widely accepted as key components of any strategy to tackle nurse shortages and to manage health-care labour more generally (European Commission, 2005; ILO, 2005; World Bank, 2009; WHO, 2006; Simoens, Villeneuve and Hurst, 2005). The activation of these principles into policy initiatives is more variable, however. In the OECD countries, where foreign-born nurses account for 10 per cent of the total number of practising nurses (OECD, 2007), an OECD review of nurse migration concluded that “policies designed to reduce flows of nurses out of the workforce appear to be relatively underdeveloped in many OECD countries” (Simoens, Villeneuve and Hurst, 2005, p. 49).

The OECD review urged member countries to implement measures aimed at maximizing the participation of qualified nurses in the nursing workforce. The measures it recommended on the basis of their previous success included strategies to increase retention rates, reduce the rate at which nurses take early retirement, delay nurse retirement, attract retired nurses back into the workforce, and increase wages. Its authors cite studies on Norway, the United Kingdom and the United States indicating that higher wages reduce the level of nurse turnover (*ibid.*, p. 47) and that significant increases in pay are an effective means of maintaining the nursing workforce more generally (*ibid.*, p. 50; see also Kingma, 2006). Aside from the effectiveness of increased wages, the OECD study also notes the importance of family-friendly policies, though wage equity is also a decisive issue (Kingma, 2006). Among successful non-wage measures is legislation setting minimum nurse–patient ratios: in the Australian state of Victoria, this prompted thousands of former nurses who had left the profession to rejoin the nursing workforce, while demand for nursing-school places increased by one-quarter; in the United States as well, the implementation of minimum staffing ratios has been successful in reducing nurse turnover (Simoens, Villeneuve and Hurst, 2005; Kingma, 2006).

Outside the OECD countries, measures to improve pay, working conditions and general welfare provision have proved similarly effective. Namibia pioneered incentives to become a nurse and remain in the profession, including subsidized car- and home-ownership, together with access to continuing and specialized vocational training (Padarath et al., 2003). In the Caribbean, measures to increase benefits for Caribbean nurses working in the region include low-interest loans for housing, training benefits, tax incentives and opportunities for staff mobility (Salmon et al., 2007). The importance of pay as a valorization measure is highlighted by the experience of Fiji, where the Government’s plan to evaluate public-sector jobs, reclassify nurses and improve their pay and working conditions significantly reduced the number of Fijian nurses emigrating (Kingma, 2006).

Some countries have responded by providing disincentives to emigrate. One method, the so-called bonding used by South Africa and Zimbabwe,

requires nurses to spend a certain number of years working in their national health services in return for the investment of public resources in their education and training. Another, introduced by Ghana and Lesotho, requires graduates to repay their training costs, either in cash or through public service, should they decide to emigrate (Padarath et al., 2003).

Although many examples of successful measures can be found, “policy responses that focus on one specific aspect of flows in or out of the workforce or retention [...] are unlikely to suffice” (Simoens, Villeneuve and Hurst, 2005, para. 5). Instead, these authors advocate “the introduction of mixed policies that initiate innovative approaches to nurse education and training, offer strong incentives to recruit domestic and foreign nurses, raise productivity and make pay and conditions of service attractive enough to retain nurses of all ages” (ibid.). The importance of combining wage and non-wage measures is also emphasized by recent reviews of measures taken by developing countries (Khaliq, Broyles and Mwachofi, 2009; Padarath et al., 2003). Malawi’s comprehensive Emergency Human Resources Programme is a tangible example of this approach. It combines gross-salary increases, stop-gap recruitment of physicians and nurses to fill critical posts while more Malawians are being trained, expanded domestic training capacity, enhanced workforce planning systems, a period of compulsory public-health service for nurses trained at public expense, and a commitment to address over the longer term non-financial factors affecting retention. The programme is reported to be effective in retaining existing nurses and enticing those that have left nursing to return to the profession (Little and Buchan, 2007, p. 7).

While some progress is being made to improve nurse workforce management in general, there is growing support for an explicit policy of self-sufficiency. A range of professional organizations such as the International Council of Nurses, the World Medical Association, the British Medical Association and (Canadian) HEAL all advocate this policy, as do the WHO (2006) and its World Health Assembly<sup>4</sup> (Little and Buchan, 2007). The most recent global policy expression of this agenda is the WHO’s Global Code of Practice on the International Recruitment of Health Personnel, Article 3.6 of which states that “Member States should strive, to the extent possible, to create a sustainable health workforce and work towards establishing effective health workforce planning, education and training, and retention strategies that will reduce their need to recruit migrant health personnel” (WHO, 2010).

This articulation of self-sufficiency builds upon previous codes of conduct on nurse recruitment developed by governments and nursing bodies over the past decade to regulate the recruitment of nurses from abroad. Often, these codes identified countries from which recruitment is not permitted. The United Kingdom’s code, for example, prohibits active recruitment and unsolicited applications from designated countries unless they are part of a Government-

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<sup>4</sup> See 59th World Health Assembly Resolution WHA59.23 – Agenda item 11.12: *Rapid scaling up of health workforce production*, Geneva, WHO, 2006.

approved programme. Among the problems with these codes are their restricted scope, their advisory status, and the lack of robust monitoring and implementation systems (Willettts and Martineau, 2004). The WHO's Code at least is global in coverage and more comprehensive in scope.<sup>5</sup> It also covers all health personnel, but it is weakened by its advisory – rather than mandatory – status.

In many ways, the WHO Code's statement on self-sustainability reflects policies already adopted in countries as diverse as Iran, Saudi Arabia, Oman, Australia and the Caribbean countries. Iran has been pursuing this policy since the 1980s with considerable success in increasing the domestic supply of health workers. The health authorities in Oman and Saudi Arabia also have introduced measures to develop a national nursing workforce, albeit more recently, in an attempt to reduce their very high levels of dependence on migrant nurses (Sarfati, 2003; El-Gilany and Al-Wehady, 2001). Australia adopted a policy of national self-sufficiency in 2004 but soon revised it to emphasize its intention to continue to rely on overseas nurses; nevertheless, it still aspires to the goal of sustainability (Little and Buchan, 2007, pp. 4–5). These examples reflect two main variants of self-sufficiency, namely, nationalization of the nursing workforce and regulation of nurse migration as part of managed migration.

Reducing reliance on overseas nurses may start with unilateral articulations of an intention to become self-sufficient, but it invariably needs to be developed and implemented through cooperation between destination and source countries:

Managing migrations requires reaching out to destination countries, the goal being to establish and agree on annual flows, cost-sharing arrangements for necessary investment in nurse training capacity and technical support. Such agreements would be in the best interests of both source and destination countries, as they make flows more transparent and predictable and facilitate workforce monitoring and planning on both ends. It would help destination countries that struggle to achieve self-sufficiency in reconciling immigration policies with foreign policies (World Bank, 2009, p. 5).

Arrangements to regulate nurse migration often take the form of bilateral agreements. For example, China and Cuba have implemented managed migration programmes in partnership with various African countries (Kingma, 2006). Norway, which also regulates nurse recruitment through inter-governmental agreements with source countries, has assigned responsibility to a single government agency for recruiting a given number of foreign nurses, thereby enabling the Government to balance its own need to recruit overseas nurses with concerns about the impact on source countries (Simoens, Villeneuve and Hurst, 2005). Bilateral agreements on nursing, like bilateral agreements more generally, are becoming increasingly common because they are relatively easy to negotiate, they offer flexibility, control and regulatory discretion, and they can be tailored to the particularities of each of the two partners' needs and

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<sup>5</sup> Besides recruitment practices, it also covers treatment of health personnel, mutuality of benefits, national health workforce sustainability, data gathering and research, information exchange, and implementation and monitoring issues.

resources. With flexibility, however, comes variability of content and standards. The terms of bilateral agreements also tend to be biased towards the interests of the richer and more powerful partner. They also cut across and potentially undermine attempts to develop multilateral solutions to the global nursing shortage (Yeates, Macovei and van Langenhove, 2009).

In the face of such problems, the emergence of regionalist self-sufficiency strategies is to be welcomed. Regional responses overcome the limitations of small-scale (bilateral) initiatives which do not sustain the interest of destination countries (World Bank, 2009, citing Dawson, 2006), but they remain on a scale that still provides ease of negotiation and flexibility while harnessing significant economies of scale (Yeates and Deacon, 2009). CARICOM's Managed Migration Programme is a notable case in point. It comprises a variety of policy approaches: training for export; the establishment of an "offshore" global nursing school in partnership with foreign investors; temporary nurse migration with frequent rotation between Jamaica and the United States; intra-regional sharing of nurse-training resources (between Grenada and Antigua); measures to encourage emigrant Caribbean nurses to return to nurse on a voluntary basis and share their nursing expertise; recruitment of nurses from destination countries to work in the Caribbean for a limited period; incentives for emigrant nurses to return to the Caribbean alongside disincentives to stay in the destination country (Salmon et al., 2007).

It needs to be emphasized that CARICOM has, unlike many other regional bodies, been the recipient of extensive and sustained international funding and technical assistance from the European Union, the United Nations and World Bank and from individual donor governments to build its capacity to function as a regional formation and respond to regional health issues (Yeates and Deacon, 2009). Equivalent investment would be needed for other regional groups of countries to respond likewise. In this regard, it should be noted that the CARICOM programme involves the participation of some 13 national, regional, bilateral and international public and private partners in addition to governments in the region (Salmon et al., 2007). The programme's overall success has yet to be evaluated, but its focus – initially on nurse recruitment, retention, deployment and succession planning throughout the Caribbean – is "turning to opportunities for the macro-management of migration through trade and multilateral agreements" (such as the WTO's General Agreement on Trade in Services) and "the integration of the programme into regional policy decisions and regional health programming" (ibid.). In some respects, this strategy of enhanced regionalization is sensible:

A regional effort to strengthen and scale-up nurse training is critical to success. The scarcity of tutors, the intra-regional distribution of health care capacity and the limited number of institutions offering higher degrees warrant regional coordination. Ideally, country initiatives would be collated into a single, regional strategy. Moreover, the implementation of the CSME [Caribbean Community Single Market and Economy] and associated increases in intra-regional migration requires a coordinated approach to govern the nurse education and labor markets (World Bank, 2009, p. 5).

The worry, however, is that managed migration will become increasingly dominated by the export-oriented training model, with this model shifting from being one diversification option (Thomas, Hosein and Yan, 2005) to being the prevailing one. Indeed, many more governments in the region are reported to be moving in this direction (Salmon et al., 2007). The allure of this model for governments and nursing professionals is understandable given the benefits it promises to deliver in terms of improved training infrastructures, greater numbers and quality of training staff, upgraded clinical facilities and resources for nursing education. But the risks are considerable too. Of particular concern in this respect is the active involvement of commercial nurse-migration interests – both within and outside the region – in shifting what started out as a self-sufficiency programme to a regionalized industrial nurse-export production model: “in some countries, private organizations or recruitment agencies have offered resources for governments to build larger and better health care facilities to support the clinical training of more nurses” (ibid., p. 1370).

It would be unfair to dismiss the CARICOM initiative on the basis of its support for this one (albeit increasingly resourced) model, for it represents a multilateral strategy to gain more benefits from global nurse migration for the region. Notable in this regard is the World Bank’s (2009) support for the principle that the costs of nurse training should “more fairly” fall on those that benefit from nurse migration, and this may open up policy space for models of nurse migration governance that increase benefits for source countries. One such approach involves facilitating temporary and return migration. Under the CARICOM scheme, Jamaican nurses can seek registration to practise in the United States for two weeks per month, returning to work in Jamaica for the remainder of the month. Facilitating temporary migration is expected to produce improved gains for nurses in the form of additional skills and higher wages while they remain part of the national nursing labour force (Salmon et al., 2007). Other schemes in the region promote exchanges of skills and knowledge gained from migration, notably by encouraging short-term paid work in the region by external nurses and voluntary work in the region by CARICOM-trained nurses (ibid.).

Another approach is compensation. This has long been advocated as a means of removing the cost advantage of poaching nurses from developing countries by forcing recruiters to pay the full cost of educating and training nurses to the source country (WONCA, 2002; Mensah, Mackintosh and Henry, 2005). The Philippines, for example, advocates bilateral agreements with importing countries involving compensation for each health-care professional recruited, together with partnership agreements whereby the importing hospitals provide funds to the exporting hospitals to improve training and working conditions there (Tan, Sanchez and Balanon, 2005). The Caribbean export model also features bilateral agreements such as that providing for US\$17,000 in compensation to be paid by United States health-care providers to the Government of St Vincent and the Grenadines for each Vincentian nurse they employ, with the funds received to be reinvested in nurse training (Salmon

et al., 2007). Even if this does not represent the full cost of producing a nurse, it provides an example of how compensation arrangements are being built into international nursing agreements.

An alternative form of compensation consists in using international social financing provided by recruiting countries to fund educational and training programmes for nurses in the source country. One example of this is the use of development aid to fund the development of local nursing capacity. In Malawi, “public healthcare workers received a 52 percent wage top-up in 2005 and a campaign funded by Britain’s international development agency (DFID) was mounted to entice nurses back from the private sector. Money from the Global Fund to Fight AIDS, Tuberculosis and Malaria is also being used to expand the capacity of Malawi’s training institutions and provide extra incentives for health workers in remote, rural areas” (IRIN, 2006). Ireland’s overseas development aid is similarly directed towards capacity building and training for health workers in Ethiopia, Lesotho, Uganda and Zambia (Yeates, 2009).

Kingma (2006) advocates designated global funds for health worker training, though Koivusalo and Ollila (2008) point to the critical difficulties of “vertical” measures, such as the Global Fund mechanism, which selectively target certain diseases and issues and contribute to inefficiencies and imbalances in national health systems. While the proposal of a global health workers fund would be directed at general nurse-labour capacity building, it essentially poses the same problem as development aid in that it is a form of medical charity, the nature and provision of which depends on the beneficence of philanthropic donors and their particular priorities and commitments. The proliferation of global funds selectively targeting “special issues” and the world’s poorest is no substitute for developing robust national and international financing and policy regimes supportive of comprehensive, democratic and equitable health and social care.

## Conclusions

The global dynamics of nurse migration are central to the objective of promoting “professional, decently paid and compassionate forms of care.”<sup>6</sup> Nurse migration embodies a coalescence of several kinds of “care crisis” – of public health, of the “care commons”, of social reproduction and of social development. It also reflects the translocational nature of these crises, with nurse migration tangibly embodying the circulation of globalizing forces and their concrete realization across social formations worldwide. These dynamics elucidate a direct relationship between the recruitment of overseas nurses by richer countries and the systematic depletion of health and other care resources in poorer countries. Far from simply responding to abstract global market laws of supply and demand, nurse migration is socio-politically and -institutionally

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<sup>6</sup> See Shahra Razavi and Silke Staab: “Underpaid and overworked: A cross-national perspective on care workers”, in this volume, pp. 403–418.

constructed by a global nursing-industry complex that is driving the production and recruitment of export nurse-labour on an unprecedented scale. While many countries have, encouragingly, instituted combinations of “downstream” and “upstream” measures in an effort to lessen the need to migrate and to mitigate the adverse consequences of the migration that does occur, these have yet to pose a serious challenge to the prevailing dynamic.

Policy-making processes need to engage with these dynamics. They need to produce robust and coherent policies that take account of both the “public good” nature of paid care work – its significance in the formation of social (and care) solidarities – and the multiple negative externalities entailed by the loss of skilled, qualified labour in this field. They also need to take account of the multi-locational, multi-actored and differentiated nature of the global nursing-industry complex, and the different positions of the countries and populations involved in global nurse migration. Concerted and coordinated international responses are needed to make tangible progress towards a sustainable and equitable global health-care economy, so that public health-care and wider social development needs come to shape global nursing migration.

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PART V

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REGULATION OF “WOMEN’S WORK”:  
A MIXED RECORD

## Night work of women in industry: Standards and sensibility

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In the course of the twentieth century, the ILO's Conventions concerning the prohibition of night work for women in industry were gradually relegated from the status of memorable achievements for the protection of female workers to being an embarrassment to the Organization's commitment to promote gender equality and non-discrimination at work. The instruments in question are the Night Work (Women) Convention, 1919 (No. 4), the Night Work (Women) Convention (Revised), 1934 (No. 41), the Night Work (Women) Convention (Revised), 1948 (No. 89), and the Protocol of 1990 to the Night Work (Women) Convention (Revised), 1948. Since their adoption, these four instruments have received a total of 165 ratifications, but also 72 denunciations – a clear sign that for numerous member States these instruments have fallen into obsolescence.

Against this background, the Governing Body of the ILO requested the Committee of Experts on the Application of Conventions and Recommendations to undertake the first General Survey on the application of the Conventions concerning women's night work in industry (ILO, 2001).<sup>1</sup> Specifically, the Committee was requested to take stock of ILO's standard-setting activities in this field over a span of 80 years and, also, to offer guidance on the unresolved question of whether the ILO instruments dealing with this matter are still relevant and suited to present needs, principles and values.

The purpose of this article is to present a synthesis of the Committee's findings. The article opens with a presentation of the general background to the current controversy over the legal prohibition of women's night work, including relevant aspects of women's labour force participation and selected findings on the effects of night work. This is followed by a short history of ILO standards on the night work of women in industry and, in a third section,

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<sup>1</sup> The General Survey draws principally on information provided by 109 member States in accordance with article 19 of the Constitution as well as on information contained in the regular reports submitted under articles 22 and 35 of the Constitution by those member States parties to one or more of the instruments in question. It also takes account of the observations and comments submitted by 18 employers' and workers' organizations.

a review of national law and practice in this field. The discussion then turns to the conflict between legal “protection” of female workers and the principles of non-discrimination and equal treatment. The article ends with the Committee of Experts’ main findings on this issue, followed by a recapitulatory concluding section and a “postscript” outlining the positions expressed by the ILO’s constituents during the discussion of the General Survey at the International Labour Conference in June 2001.

## Female labour, night work and sex equality

The rationale behind the first national measures on night-time work in factories, adopted during the last quarter of the nineteenth century, was that women together with children belonged to a specific category of factory workers needing special protection because they were physically weaker than men and more susceptible to exploitation.<sup>2</sup> The idea of protecting adult women and children against arduous working conditions also found expression in the Preamble to the ILO Constitution and later led to the adoption of several Conventions such as the Maternity Protection Convention, 1919 (No. 3), the Night Work of Young Persons (Industry) Convention, 1919 (No. 6), and the Night Work (Bakeries) Convention, 1925 (No. 20). The first ILO Convention on the night work of women thus embodied the convergence of two preoccupations – i.e. humanizing working conditions by limiting night work in general, while setting up women-specific protective rules principally on account of their reproductive role and traditional family responsibilities.

Nowadays, however, the basic premise underlying all three Conventions on women’s night work in industry appears critically flawed. Indeed, there seems to be little justification for legal rules that seek to restrict access to night-time employment on the basis of sex rather than the worker’s physical aptitude.<sup>3</sup> Particularly problematic is the compatibility of such rules with the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), or with the Workers with Family Responsibilities Convention, 1981 (No. 156),

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<sup>2</sup> Early legislation addressed the questions of women’s freedom to work underground in mines, working hours and conditions of work, especially women’s safety around moving machinery. Later came measures on maternity protection such as maternity leave and prohibitions on work with toxic substances. The United Kingdom was the first country to prohibit women from working underground in 1842 and, two years later, to restrict their work at night.

<sup>3</sup> Convention No. 4, adopted in 1919, provided for an outright prohibition of night work for women of any age in any public or private industrial undertaking other than an undertaking in which only members of the same family were employed, it being understood that “night” should cover a period of at least 11 consecutive hours including the interval from 10 p.m. to 5 a.m. Convention No. 41, adopted in 1934, excluded from the scope of the night-work prohibition women holding responsible positions of management and also provided for a possible variation in the seven-hour interval specified in the definition of the term “night”. Convention No. 89, adopted in 1948, laid down new exception and suspension possibilities and also made the definition of “night” more flexible. As for the Protocol to Convention No. 89, adopted in 1990, it allows for variations in the duration of the night period and exemptions from the prohibition of night work which may be introduced by governments after consulting the employers’ and workers’ organizations. It also provides for the protection of pregnant women and nursing mothers by prohibiting the application of such variations and exemptions during a period before and after childbirth of at least 16 weeks.

both of which seek to promote a completely different approach. The uneasy relationship between the current ILO standards on the night work of women in industry and such fundamental principles of non-discrimination and equality of opportunity and treatment between men and women is further confirmed by the 1979 United Nations Convention on the Elimination of All Forms of Discrimination Against Women, European Community laws and the jurisprudence of the European Court of Justice (see, for example, Heide, 1999; Ellis, 1998, pp. 190–260; ILO, 2000, pp. 6 and 78).

### *The ILO's delicate balancing act*

Over the past 15 years, the Organization has made considerable efforts to evaluate the effectiveness and relevance of standards on women's night work in industry and, on that basis, to assess the willingness of its constituents to abandon protective legislation applying to women in favour of night-work regulations applicable to all workers. Most of these efforts, however, have remained inconclusive, at best confirming the persistence of profoundly differing opinions about the benefits or negative effects of special protective legislation prohibiting women's work at night. In 1984, the Office gave a legal opinion advising member States that they were bound to review their protective legislation in accordance with the United Nations Convention on the Elimination of All Forms of Discrimination Against Women and that, following this review, member States might need to denounce the relevant ILO Conventions at the appropriate time. The text concluded, however, that "there need not be any contradiction between the obligations arising under the UN Convention and those assumed by a State having ratified ILO Conventions providing for special protection for women for reasons unconnected with maternity, namely Convention No. 45 and Conventions Nos 4, 41 and 89" (ILO, 1984, p. 6, para. 17).

In 1985, a resolution of the International Labour Conference on equal opportunities and equal treatment for men and women in employment called upon member States to "review all protective legislation applying to women in the light of up-to-date scientific knowledge and technological changes and to revise, supplement, extend, retain or repeal such legislation according to national circumstances" (ILO, 1985, p. 80). In 1989, the Meeting of Experts on Special Protective Measures for Women and Equality of Opportunity and Treatment came to the conclusion that "special protective measures for women alone in the case of dangerous, arduous and unhealthy work are incompatible with the principle of equality of opportunity and treatment unless they arise from women's biological condition"; the experts recommended that "there should be a periodic review of protective instruments in order to determine whether their provisions are still adequate in the light of experience acquired since their adoption and to keep them up to date in the light of scientific and technical knowledge and social progress" (ILO, 1990a, pp. 79–80). In its conclusions, however, the Meeting of Experts made it clear that special protective measures for women concerning night work were expressly excluded from the scope of their recommendations, probably because of the well-known sensitivity

of this issue and the upcoming Conference discussion of a draft instrument revising Convention No. 89.

In the framework of the ILO Governing Body's Working Party on Policy regarding the Revision of Standards, the Office put forward on two occasions the idea of shelving Conventions Nos 4 and 41 but the proposal met with the strong opposition of the worker members who called for a detailed examination of all three night-work Conventions and emphasized the need to promote the ratification of Convention No. 89 (ILO, 1996a, paras 47–49). It was finally agreed to promote the ratification of Convention No. 89 and its Protocol of 1990 or, where appropriate, of Convention No. 171, and to denounce, as appropriate, Conventions Nos 4 and 41. In approving the proposals of the Working Party, the Governing Body considered that Conventions Nos 4 and 41 “retain their value on an interim basis for States party” and that therefore the shelving of these instruments is not called for under present conditions (ILO, 1997, Appendix I, para. 21).

Apart from the evolving yet somewhat irresolute ILO position, the practice of member States in recent years is also of importance. Whereas the 1990 Protocol to Convention No. 89 has received only three ratifications since its adoption some 11 years ago, Convention No. 89 has been denounced in the same period by as many as 14 countries, thus confirming earlier evidence that the international labour Conventions on women's night work in industry have been among the most widely denounced ILO instruments (Widdows, 1984, p. 1062).

### *The hidden face of the “feminization” of labour*

Although women's participation in the labour market has been increasing steadily, the male–female gap in relation to conditions of work persists (United Nations, 2000, pp. 109–137). Employment opportunities may be expanding – due to factors such as the growth of the services sector and, more recently, information and communications technologies and globalization – but women often have to cope with a “double burden” in striving to reconcile family responsibilities with market work. Women remain concentrated in atypical employment and spend much of their working time doing unpaid work. They continue to receive less pay than men, and they are disproportionately affected by unemployment, financial crises and migration. Seen from the perspective of growing flexibilization and casualization of employment, the term “feminization” of labour thus really means that “female labour is still available when needed and dispensable when it is not” (United Nations, 1999, p. xvii).

Women's employment in export-oriented industries in developing countries offers a good example of poor working conditions, including extensive use of irregular hours, overtime and night work. In addition, female labour in such industries is often synonymous with low wages, long commuting times, minimal job security and denial of basic maternity protection (ILO, 1998; ILO/UNCTC, 1988; United States Department of Labor, 1989; ICFTU, 1998). Under the circumstances, some countries find it difficult to abide by ILO standards, includ-

ing those prohibiting night work for women, and decide either to denounce the relevant Conventions or to exclude export processing zones (EPZs) from the scope of restrictive labour legislation. In 1983, for instance, Sri Lanka denounced Convention No. 89 on the grounds that the prohibition against women's night work would discourage the establishment of foreign enterprises in its EPZ. In Mauritius, where night work is generally prohibited, EPZ workers are specifically exempted from the prohibition by virtue of the 1993 Industrial Expansion Act.

### *Night work and its effects*

The number of permanent night workers has quadrupled in the past 15 years with shift workers now accounting for 20–25 per cent of the working population in most industrialized countries. Spurred by globalization and the new economy, businesses and individuals are forging new working patterns, making increasing use of night hours and capitalizing on the economic potential of round-the-clock production and services. Today's information technology allows some workers to choose their hours and place of work. The growth of night work is thus the result of the 24-hour society and its unrelenting search for flexibility in working time. And as lifestyles change, there is growing acceptance of "night-time" as part of the working "day." Available figures for North America and Europe show that one in five people now works a non-traditional schedule, in which most of the working hours are outside the traditional "nine to five."

Although statistics are scarce, women appear to be particularly affected by the rising incidence of night work, especially in so far as it concerns lower-skilled jobs such as data processing and jobs in credit card billing centres or call centres. Moreover, the "flexibilization" of working time leads to the development of atypical and precarious forms of employment which are frequently characterized by inferior conditions. As pointed out in an earlier ILO study, "destandardizing" the duration and arrangement of working time could have detrimental effects on the safety, health and well-being of workers while flexibility in working time should not be equated with the dismantling of social protection (ILO, 1995, p. 24). The health implications of rotating shift systems or extensive night-work arrangements are known to include over-fatigue, sleep disturbances, increased gastrointestinal and cardiovascular problems and a weakened immune response because of the disruption of the body's circadian rhythms. Apart from such physical symptoms, studies have demonstrated that night work may also cause psychological disorders, such as stress and depression, and have adverse effects on family and social life.<sup>4</sup>

<sup>4</sup> See, for example, Harrington (1978), Maurice (1975), Taylor (1969, pp. 15–30), Härmä et al. (1998), *Ergonomics* (1993), Rosa and Tepas (1990), Helbig and Rohmert (1998), Kogi (1998), Knauth (1998) and Bunnage (1979). See also the following websites:

[www.matrices.com/Workplace/Research/shiftworkresearch.html](http://www.matrices.com/Workplace/Research/shiftworkresearch.html);  
[www.members.tripod.com/~shiftworker/swlinks.html](http://www.members.tripod.com/~shiftworker/swlinks.html);  
[www.sleepfoundation.org/publications.html](http://www.sleepfoundation.org/publications.html);  
[www.stmarys.ca/partners/iatur/index.htm](http://www.stmarys.ca/partners/iatur/index.htm);  
[www.workingnights.com/library.htm](http://www.workingnights.com/library.htm).

### *The antinomy between the ban on women's night work and gender equality advocacy*

The promotion of women's rights, equality and non-discrimination between the sexes has gained significant momentum in the past 20 years and is now central to international discourse on policy-making relating to human rights and social development. The 1979 United Nations Convention on the Elimination of All Forms of Discrimination Against Women, the European Social Charter, as last revised in 1996 (see Council of Europe, 1995 and 1999), or the European Council's Equal Treatment Directive of 1976,<sup>5</sup> all endorsed the principle that restrictions on the employment of women for night work are justifiable only in the case of maternity. This principle echoes long-established scientific evidence that there are no physiological differences between women and men as regards tolerance of shift work or adaptation to night work: "from the medical point of view there is no justification for protecting only women workers except insofar as their function of reproduction is concerned because of the risks to the children" (Carpentier and Cazamian, 1977, p. 41; see also Hakola, Härmä and Laitinen, 1996; Nachreiner, 1998; Ogńska, Pokorski and Ogński, 1993).

In the light of these developments and findings, the ILO has had a difficult time defending the continued relevance of standards which effectively perpetuate stereotypical assumptions about women's role in society and at the workplace. In the words of an ILO report, "the subject is complex. Its analysis involves conflicting values as well as competing legal doctrines and international labour standards on preventing discrimination in employment and ensuring the safety and health of workers. The ILO seeks to rationalize the various interests and doctrines into a coherent policy that ensures equal opportunity and at the same time prevents the deterioration of working conditions" (ILO, 1990a, p. 1). The crux of the matter comes down to an uncomfortable di-

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<sup>5</sup> In July 1991, the Court of Justice of the European Communities delivered its ruling in the *Stoeckel* case by which it affirmed that the Council Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions was "sufficiently precise to impose on the Member States the obligation not to lay down by legislation the principle that night work by women is prohibited, even if that obligation is subject to exceptions, where night work by men is not prohibited" (see case C-345/1989, *Ministère public v. Stoeckel*, ECR 1991, p. I-4047, judgment of 25 July 1991; see also cases C-197/1996, *Commission of the European Communities v. French Republic*, ECR 1997, p. I-1489, judgment of 13 March 1997, and C-207/1996, *Commission of the European Communities v. Italian Republic*, ECR 1997, p. I-6869, judgment of 4 December 1997). The same finding was confirmed and further elaborated in the infringement proceedings initiated by the European Commission against France and Italy in 1999. However, in its judgment in the *Levy* case, the Court found that a national jurisdiction could set aside its obligation to ensure full compliance with article 5 of the Equal Treatment Directive if the national provisions incompatible with Community legislation were intended to implement an international agreement to which the Member concerned had become a party prior to the entry into force of the EEC Treaty – in this case ILO Convention No. 89. Reference should also be made to the European Parliament's resolution on night working and the denunciation of ILO Convention No. 89, dated 9 April 1992, which "deplores the carelessness of the Commission in permitting a situation to arise in which no night working legislation exists at Community level, since Member States are no longer required to respect minimum international standards" (Kilpatrick, 1996, p. 188).

lemma: is it preferable, in certain cases, to maintain special protective laws for women workers at the risk of preserving gender stereotypes about the place of women in society and the labour market, or should one rather push for the repeal of all laws and regulations inconsistent with the principle of equality of opportunity and treatment between men and women even when such action would accentuate the de facto inequalities and gender discrimination suffered by women at home and at the workplace?

For example, women employed in the construction industry in India are reported to carry out work of the same physical difficulty as men, meaning 32 tonnes of concrete mixture a day, or up to 21 tonnes of mud from an excavation site (Ramakrishnan, 1996, p. 169). Can this be viewed solely from an “equal treatment” perspective or does it call for public intervention, protective measures and stricter enforcement? The same goes for those Chinese women reportedly working up to 16 hours a day, often without a single day of rest in a month, or those female workers in Viet Nam’s export processing zones who, according to some accounts, total 6,000 hours per year as compared to 2,000 stated by the law (Asia Monitor Resource Center, 1998, pp. 179 and 232). Here again, can one reason in terms of women’s “empowerment” rather than shocking exploitation?<sup>6</sup>

## Night work of women in industry: ILO standards in historical perspective

The origins of the first ILO Convention dealing with the night work of women in industrial undertakings can be traced to the pioneering work of the International Association for Labour Legislation (IALL) and to the 1906 Bern Convention on the prohibition of night work for women. The latter, together with the Convention on the prohibition of the use of white phosphorus in the manufacture of matches, were the first international legal instruments to focus on working conditions and human welfare.<sup>7</sup> The Bern Convention laid down a blanket prohibition of industrial night work for all women without exception. The prohibition applied to all industrial enterprises employing more than ten workers, while the notion of compulsory night rest for women referred to an 11-hour period, including the interval between 10 p.m. and 5 a.m. At the time of the Bern Conference the prohibition of night work for women was justified as a measure of public health designed to reduce the mortality of women and children, and to improve women’s physical and moral well-being through

<sup>6</sup> See also the following sources: [www.un.org/womenwatch](http://www.un.org/womenwatch); [www.unifem.undp.org](http://www.unifem.undp.org); [www1.umn.edu/humarts/links/women.html](http://www1.umn.edu/humarts/links/women.html); [www.library.yale.edu/wss/](http://www.library.yale.edu/wss/).

<sup>7</sup> On the work of the Bern Conference, see Caté (1911), Hopkins (1928, pp. 16–26), Lowe (1935, pp. 112–131) and Troclet (1952, pp. 218–244). For an interesting account of the first efforts to cope with the “social question” in the late nineteenth century – i.e. the deterioration of workers’ living standards and the lack of protective legislation for the working masses – as perceived by the women’s movement, see Wikander (1995, pp. 29–62) and Bauer (1903).

longer periods of night rest and more relaxed devotion to housekeeping tasks (IALL, 1904, p. 9; Collis and Greenwood, 1921, pp. 211–242).<sup>8</sup>

The provisions of the 1906 Bern Convention were left practically untouched at the First Session of the International Labour Conference, which was held in Washington in 1919. The only substantial changes were to give a more detailed definition of the term “industrial undertaking” and to delete the provision limiting the application of the Convention to industrial undertakings of more than ten employees. In adopting Convention No. 4, member States generally shared the view that the new Convention “would constitute a valuable advance in the protection of the health of women workers, and, through them, of their children, and that of the general population in each country, by making the prohibition of night work for women engaged in industry more complete and more effective than it has ever yet been” (ILO, 1919, p. 246).<sup>9</sup>

The first appeals for flexibility in the application of ILO Convention No. 4 were made in 1928 and concerned female engineers who were excluded from certain supervisory positions in electrical power undertakings. Beginning in 1931, the Office sought to amend Convention No. 4 by means of a clause to the effect that it “does not apply to persons holding positions of supervision or management”. But the revision failed because of conflicting interpretations of the scope of Article 3 of the Convention, which finally gave rise to a formal request to the Permanent Court of International Justice for an advisory opinion.<sup>10</sup>

In the event, Convention No. 41, which was adopted in 1934, partially revised Convention No. 4 to allow, first, the substitution in exceptional circumstances of the period 11 p.m. to 6 a.m. for the period 10 p.m. to 5 a.m. in the definition of the term “night” and, second, the exemption from the prohibition of night work of “women holding responsible positions of management who are not ordinarily engaged in manual work” (see ILO, 1934, pp. 650–654).

Further appeals for revision were voiced after the Second World War. What was most urgently needed, in the opinion of certain governments, was a more flexible definition of the term “night” in order to facilitate the operation of the double day-shift system (an important feature of the post-war economy). Attention was also drawn to the possibility of broadening the exception applying to women in managerial positions and adding a clause to provide for

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<sup>8</sup> The Bern Convention entered into force in 1912, and by 1919 had received 11 ratifications. But some countries objected to the discriminatory nature of the agreement: the Convention was rejected the first time it was presented to the Swedish Parliament, while Denmark, which had only signed with reservations, never ratified it (see Ravn, 1995, pp. 210–234; Karlsson, 1995, pp. 235–266; Hagemann, 1995, pp. 267–289).

<sup>9</sup> Nordic countries expressed their opposition to special protective measures for women except for pregnant women and nursing mothers and favoured the prohibition of absolutely unnecessary night work for all workers. Within ten years of its adoption, Convention No. 4 had been ratified by 36 countries and had met with almost universal application.

<sup>10</sup> The Court found that the wording of Article 3 of Convention No. 4 was unambiguous so that the prohibition applied to all women workers without exception and that if the intention was to exclude women holding positions of supervision or management from the operation of the Convention, a specific clause to that effect would have been inserted into the text (see PCIJ, 1932, p. 373).

the suspension of the prohibition in cases of serious national emergency. As finally adopted, Convention No. 89 provided for a night rest period of at least 11 consecutive hours, including an interval of at least seven consecutive hours falling between 10 p.m. and 7 a.m. The “competent authority” could prescribe different intervals for different areas, industries, undertakings or branches of industries but had to consult the employers’ and workers’ organizations concerned before prescribing an interval beginning after 11 p.m. The scope of the Convention was also revised to exclude from the prohibition of night work not only women holding responsible positions of management but also of a technical character, as well as “women employed in health and welfare services who are not ordinarily engaged in manual work.” Furthermore, a new article was inserted in the Convention to provide for the possibility of suspending the prohibition of night work for women “when in case of serious emergency the national interest demands it” (see ILO, 1948, pp. 494–499).

The idea of a critical appraisal of Convention No. 89 started to take shape in the early 1970s, the Swiss Government being the first to argue that the Convention was outdated and that the prohibition of night work in its current form could lead to discrimination against women. In subsequent years, the Organization sought without success to design a consensual policy on the revision of the 1948 Convention. Most of its initiatives ended in a helpless acknowledgment of the irreconcilable positions of its constituents as to the advisability of adopting new standards on night work. In his reports on the night work Conventions, submitted to the Governing Body in 1973 and 1975, the Director-General of the ILO confined himself to describing the different schools of thought and to confirming the persistence of diametrically opposed opinions as to the purpose and scope of a revision exercise or the scope of any new standards (ILO, 1973, p. 30, and 1975, p. 7). The Tripartite Advisory Meeting on Night Work, held in 1978, failed to formulate any recommendations on future ILO action because of the considerable diversity of views among participants and their apparent unwillingness to seek agreement on a middle-ground solution (ILO, 1978). In its 1986 General Report, the Committee of Experts on the Application of Conventions and Recommendations expressed concern over the application of the Convention in certain countries and drew the Governing Body’s attention to the importance of seeking a rapid solution.

By 1989, when the International Labour Conference held its first discussion on a draft Protocol revising Convention No. 89, the prohibition of night work for women had become such a divisive and polemical issue that no single instrument could possibly satisfy the conflicting expectations of governments, employers and workers. For the representatives of workers’ organizations, Convention No. 89 still had an important role to play because the problem which had prompted its adoption persisted. To the employers’ organizations, the Convention was inherently discriminatory and an impediment to economic and social progress. As for the government representatives, many of them expressed strong views to the effect that there was no reason for differential treatment between men and women, except in respect of maternity protection.

The compromise solution favoured at the time was a two-pronged approach that consisted in adopting, on the one hand, a Protocol to Convention No. 89 allowing for exemptions from the prohibition of night work and variations in the duration of the night period by agreement between employers and workers, and, on the other, a new Convention setting out protective standards for all night workers, irrespective of their sex, in all industries and occupations (ILO, 1989a, p. 69; Kogi and Thurman, 1993).<sup>11</sup> It was thus hoped that a generous dose of substantive flexibility (which under certain circumstances could practically mean a waiver of the prohibition) would accommodate the concerns of those countries seeking greater sensitivity to women's rights and consensual solutions to the problems of shift work organization, while allowing Convention No. 89 to remain open to further ratifications. The futility of the Office's efforts to "square the circle" is illustrated by yet another inconsistency: the draft Protocol and the new night work Convention were not designed as mutually exclusive instruments so that member States could, in theory at least, apply sex-specific prohibitions on night work and, at the same time, enforce regulations regarding the safety and health of *all* night workers, both men and women.<sup>12</sup>

Today, the approach taken in 1990 calls for some critical assessment. The fact that two of the three States (Czech Republic, Cyprus) which had accepted the Protocol have already proceeded to denounce it betrays an uncomfortable sense of failure.<sup>13</sup> Moreover, only two of the States parties to Convention No. 89 (Bangladesh, Slovenia) have indicated that they are favourably considering ratification of the Protocol. This would seem to contradict the Committee of Experts' finding that "Convention No. 89, as amended by the 1990 Protocol, remains the most pertinent legal instrument for those member States which would not yet be prepared to dismantle all protective regimes for women in the name of gender equality, while at the same time seeking flexibility in the application of such protective legislation and of course giving full consideration to the ratification of the Night Work Convention, 1990 (No. 171)" (ILO, 2001, p. 134, para. 179). Yet, there are still no signs of Convention No. 171 being widely accepted either. More than ten years after its adoption, the number of ratifications it has received remains surprisingly low. Some governments openly question its very ratifiability because of what they see as the excessively regulatory character of some of its provisions. So far, only Brazil has reported that the Bill ratifying Convention No. 171 is being processed by its parliamentary machinery. A further two countries have reaffirmed their inten-

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<sup>11</sup> For the Conference discussions, see also ILO (1989b, pp. 30/30–30/35; 1990b, pp. 26/21–26/26).

<sup>12</sup> In this respect, an analogy could be drawn between the evolution of ILO standards concerning night work and those concerning underground work in mines; much like the new Night Work Convention, 1990 (No. 171), reflects a new approach to the problems of night and shift work in that it is designed to protect the health and rights of all night workers without distinction, the Safety and Health in Mines Convention, 1995 (No. 176), shifts emphasis from the protection of women, as provided for in the Underground Work (Women) Convention, 1935 (No. 45), to the protection of mine workers irrespective of their sex.

<sup>13</sup> Even though these denunciations appear to be dictated by reasons of political expediency rather than by problems connected with the practical application of the Protocol.

tion to ratify the Convention, and four others have simply indicated that consultations with the social partners have been initiated without giving further details as to ratification.

In concluding the chapter of the General Survey tracing the history of ILO standards on women's night work in industry, the Committee of Experts states that "rarely have standards given rise to such prolonged controversy"; adding that the issue "epitomizes a century-long debate over sensitive questions which have divided policy-makers, trade unionists and even women's organizations themselves" (*ibid.*, p. 51, para. 85).

## Review of national law and practice

National laws and practice make up an extremely diversified picture, even though in most countries there would seem to exist some form of legislative or regulatory provision restricting the employment of women workers during the night. On the one hand, 50 countries effectively apply a general prohibition against the night work of women, without distinction of age, in all industrial undertakings. In contrast, two countries are in the process of introducing legislative amendments lifting all restrictions on women's night work; five countries have introduced such broad exceptions that they practically nullify the comprehensive prohibition which continues to apply only in theory; and in three countries the provisions proscribing women's night work are not legally enforced (see ILO, 2001, pp. 53–56). There are also some 18 countries which have ceased to apply the provisions of the relevant ILO Conventions even though they are still parties to one or more of those instruments. The Committee of Experts has expressed concern about the extent of this practice:

the significance and implications of the growing tendency among States parties to Conventions Nos 4, 41 and 89 to no longer give them effect cannot be underestimated; yet, the Committee considers it of critical importance to recall that it is not sufficient to invoke the principle of non-discrimination in employment and occupation or the principle of equality of treatment to nullify the obligations incumbent upon a member State by virtue of its formal acceptance of an international Convention (*ibid.*, p. 61, para. 93).

This wording may be seen as a tactful way of suggesting that national law should be brought into conformity with national practice and that, where the reintroduction of a prohibition on women's night work was not envisaged, the ILO Convention(s) on night work should be denounced in accordance with established procedures.

On the other hand, there are 36 countries whose legislation does not provide for any sex-specific regulations on night work in order to ensure respect for the principle of non-discrimination between men and women at work and in employment. Among these countries, five have enacted legislation providing for a general ban on night work for all workers, while the remaining 31 countries do not prohibit the employment of women at night either because their legislation does not distinguish between night work and day work or because it does not apply different standards to male and female workers.

Irrespective of where they stand on women's access to night employment in general, almost all of the countries whose legislation was reviewed in the General Survey apply specific regulatory regimes to night work for two categories of workers with special needs, namely expectant or breastfeeding mothers and minors. With respect to pregnant workers and nursing mothers, many countries apply a blanket prohibition on night work covering the entire period of pregnancy as well as a specified period after childbirth which may vary from three months to three years. In some countries the period during which night rest is compulsory does not exceed the duration of maternity leave, while in other cases the prohibition is not absolute and applies only at the worker's request. Finally, a few industrialized countries have adopted a new occupational safety and health approach to the protection of pregnant workers whereby new or expectant mothers are not, in principle, prohibited from working on night shifts, though the employer is under obligation to assess the possible hazards of night work in each individual case and take mandatory action as appropriate. Generally speaking, the special protection afforded to pregnant women and nursing mothers is not limited to those employed in industrial undertakings, but applies to all sectors of economic activity.

The review of national law and practice reveals that the term "night", used in connection with the employment of female workers, is construed to cover a period which may vary from six to 12-and-a-half hours, though most States opt for a compulsory night rest period between seven and nine hours. However, the legislation of most of the States parties to the Conventions under review provides for an 11-hour ban period including either the interval between 10 p.m. and 5 a.m. in accordance with the provisions of Conventions Nos 4 and 41, or a seven-hour interval between 10 p.m. and 7 a.m. pursuant to the terms of Convention No. 89.

There is also remarkable diversity in the legal prescriptions setting the grounds for exemptions from the prohibition of night work. In numerous countries the prohibition does not apply to family undertakings, undertakings processing perishable materials, or in case of *force majeure*; and women in managerial positions or employed in health services are also excluded from the scope of any prohibition or restriction on night work. In many cases, however, national laws and regulations provide for far-reaching exceptions bearing little relevance to the provisions of the Conventions. For example, the general ban on women's night work does not apply to economic sectors with "special needs" or to such work or occupations as may be designated by Ministerial decision, or yet to undertakings that meet certain requirements (typically in relation to health, security and transport). Further grounds for exemption include the attainment of production targets, compensation for an interruption of work due to a strike, the nature of certain work requiring dexterity, speed and attention, or the location of a factory within an export processing zone. Moreover, the notion of "national interest in case of serious emergency" – as a permissible ground for the suspension of the prohibition of night work for women under Convention No. 89 – is often construed broadly to cover situ-

ations of serious economic crisis, threats to national security, grave danger, or urgent interests of society, all of which have little in common with the relevant provision of the Convention.

## The stigma of discrimination: Night work and the principle of equal treatment

An omnipresent concern of ILO member States is the uneasy relationship between the ILO Conventions concerning the night work of women in industry and the fundamental principle of non-discrimination and equality of opportunity and treatment between men and women. For the great majority of governments which provided replies for the purposes of the General Survey, all Conventions on night work of women are synonymous with sex discrimination (ILO, 2001, p. 123, para. 156). Several States invoked principles enshrined in national constitutional law, while some referred to recent supreme court or constitutional court judgments explicitly declaring the unconstitutionality of any legislative provision prohibiting the access of women workers to night employment. Many governments also expressed the view that the mere intention to regulate women's employment during night hours differently from men's was evidently discriminatory and unjustifiable. Others, while qualifying the prohibition as an obstacle to equal employment opportunities, linked the problem to that of promoting full employment. Significantly, all of the 19 member States that have so far denounced Convention No. 89 have invariably invoked the principle of gender equality and non-discrimination as being the principal motive for their decision.

The analysis of the Committee of Experts offers a balanced mix of progressive interpretation and pragmatism. First, the Committee appears to be restating established rules while adapting them to contemporary conditions, in that it considers special protective measures to be justifiable only when they aim at restoring a balance, as part of a broader effort to eliminate inequalities. To quote from the General Survey:

differences in treatment between men and women can only be permitted on an exceptional basis, that is when they promote effective equality in society between the sexes, thereby correcting previous discriminatory practices, or where they are justified by the existence, and therefore the persistence, of overriding biological or physiological reasons, as in the case in particular of pregnancy and maternity. This requires a critical re-examination of provisions which are assumed to be "protective" towards women, but which in fact have the effect of hindering the achievement of effective equality by perpetuating or consolidating their disadvantaged employment situation (ibid., pp. 125–126, para. 161).

In this connection, the Committee of Experts recalls the conclusions of its 1996 *Special Survey on equality in employment and occupation in respect of Convention No. 111* (ILO, 1996b), which expressed the same idea, i.e. that practices which create advantages or disadvantages on the basis of sex are permissible only if they are designed to compensate for existing discrimination with the aim of ensuring equality of opportunity and treatment in practice. On

this criterion, any rule restricting or prohibiting night work for women would clearly fail to qualify as a justifiable special protective measure.<sup>14</sup>

But the Committee also recognizes the need for pragmatism and that, depending on the needs and priorities of each country, a phased approach may be called for:

the Committee is aware that, as a long-term goal, the full application of this principle will only be attained progressively through appropriate legal reforms and varying periods of adaptation, depending on the stage of economic and social development or the influence of cultural traditions in a given society. The Committee believes that, for some parts of the world, progress towards full implementation of the principle of non-discrimination will proceed at a more gradual pace. The Committee cannot be expected to identify at which stage a country or a particular part of a country will be able to determine the actual impact of any existing special protective measures prohibiting or restricting night work for women and to take appropriate action. Nor should it substitute its own view for the view of those best placed to decide this issue, not least the women themselves. The protections afforded by Convention No. 89 and its Protocol should therefore be available to those women who need them, but they should not be used as a basis for denying all women equal opportunity in the labour market (ILO, 2001, p. 128, paras 168–169).

Indeed, the Committee cautions against the risk of swift or premature action in conditions which might adversely affect women workers:

it would be unwise to believe that eliminating at a stroke all protective measures for women would accelerate the effective attainment of equality of opportunity and treatment in employment and occupation in countries at different stages of development. Before repealing existing protective legislation, therefore, member States should ensure that women workers will not be exposed to additional risks and dangers as a result of such repeal (*ibid.*, p. 126, para. 163).

The Committee of Experts concludes its discussion of the relationship between the prohibition of night work for women and the principle of equality of opportunity and treatment on an unequivocal note: “a blanket prohibition on women’s night work, such as that reflected in Conventions Nos 4 and 41, now appears objectionable and cannot be defended from the viewpoint of the principle of non-discrimination” (*ibid.*, p. 126, para. 162). As regards Convention No. 89, the Committee’s conclusion is somewhat more qualified:

in those countries where technological progress has removed or reduced the hazards involved in industrial occupations and where the evolution of ideas about women’s role in society has led to effective measures being put in place to eradicate discrimination and removed the need for special protective measures, Convention No. 89 may appear to be an anachronism (*ibid.*, p. 128, para. 169).

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<sup>14</sup> In contrast, the Committee of Experts makes no reference to the 1988 General Survey on Convention No. 111 (ILO, 1988), or to the comments made then about special protective measures, especially with regard to Article 5(1) of Convention No. 111. It will be recalled that the Committee in its 1988 General Survey (para. 140) expressly included Conventions Nos 4, 41 and 89 among the ILO instruments which provide for special measures of protection or assistance and whose application might result in distinction or preferences not deemed to be discriminatory in terms of Article 5 of the Convention. Moreover, the Committee clearly stated that “rules adopted in application of the principles established in international Conventions concerning the night work of women in industry come under the provisions contained in Article 5, paragraph 1, of the Convention” (*ibid.*, para. 142).

### *Ratification prospects and problems*

Based on the replies of member States, the Committee considers the ratification prospects<sup>15</sup> of Convention No. 89 and its Protocol to be thin (ILO, 2001, p. 131, para. 173). In fact, only one State (Papua New Guinea) indicated that there are good prospects of its ratifying Convention No. 89 and its Protocol in the context of a major review of labour laws, while two States parties to Convention No. 89 (Bangladesh, Slovenia) have reported that they are favourably considering the possibility of ratifying the 1990 Protocol. In contrast, eight countries<sup>16</sup> have announced their decision to denounce Convention No. 41 or Convention No. 89 and its Protocol, as the case may be, while another three Members (Brazil, Ghana, Malawi) have stated that Convention No. 89 had ceased to apply following the recent enactment of new legislation. In addition, more than 20 governments have indicated that they did not envisage ratifying any of the instruments under review. Most of these countries firmly objected to the idea of denying women access to night employment as a form of direct discrimination, while others expressed concern about the implications that prohibitions or restrictions on women's night work would have on unemployment.

The Committee concludes that the outlook for acceptance of the Protocol in the coming years appears uncertain: the fact that the 1990 Protocol cannot be ratified separately from Convention No. 89 seems to constitute a disincentive to ratification for those countries which, although interested in the flexibility afforded by the Protocol, still have serious objections to the basic premise of banning night work for women in general as set forth in Convention No. 89 (ibid., p. 134, para. 179).

With Convention No. 89 currently open to denunciation (27 February 2001–27 February 2002), it may be reasonably expected that it will be the subject of a large number of denunciations, probably as numerous as those registered in 1991–92 following the ruling of the Court of Justice of the European Communities in the *Stoeckel* case, according to which Convention No. 89 was found to contradict Community law.<sup>17</sup>

### *The Committee's findings: Where do we stand?*

In drawing its conclusions as to the continued relevance of the instruments on women's night work, the Committee of Experts was guided by two clear, yet conflicting indicators. On the one hand, there is ample evidence that the

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<sup>15</sup> By ratification prospects, reference is made only to Convention No. 89 because Convention No. 41 has been closed to ratification since the adoption of Convention No. 89, and the 1990 Protocol cannot be ratified on its own, while Convention No. 4, adopted some 82 years ago, is highly unlikely to attract any new ratifications.

<sup>16</sup> Austria, Cyprus, Czech Republic, Dominican Republic, Estonia, South Africa, Suriname and Zambia.

<sup>17</sup> As at 8 October 2001, four instruments of denunciation had been registered (Austria, Cyprus, Czech Republic, Zambia). Moreover, Convention No. 4 was denounced by Austria and Italy on 26 July and 6 August 2001 respectively.

impact of Conventions Nos 4, 41 and 89 on national law and practice is weakening. In fact, according to the replies of member States, no fewer than 19 countries formally bound by the Conventions have ceased to apply them. Many of these countries have legislation in conflict with their provisions, while others are in the process of introducing legislative amendments lifting all restrictions on women's night work; others still have announced their intention to proceed with their denunciation. On the other hand, 66 States are formally bound by the provisions of Convention No. 89 or Convention No. 41; a further 12 States enforce prohibitions or restrictions on women's night work without being parties to any of the relevant instruments, thus obliging the Committee to admit that the number of member States whose national legislation continues to conform to the provisions of Conventions Nos 4, 41 or 89 is still significant.

The Committee concludes that Convention No. 4 is "manifestly of historical importance only" and that it "no longer makes a useful current contribution to attaining the objectives of the Organization" (ILO, 2001, pp. 139–140, para. 193). The Committee therefore recommends that this instrument should be "shelved" and join those Conventions which will be eventually considered for abrogation. As regards Convention No. 41, the Committee notes that it is "poorly ratified and its relevance is diminishing" (*ibid.*, p. 140, para. 194) and suggests that it would be in the interest of the States parties to this Convention to ratify Convention No. 89 and its Protocol instead. Finally, with respect to Convention No. 89, as revised by the 1990 Protocol, the Committee considers that it "retains its relevance for some countries as a means of protecting those women who need protection from the harmful effects and risks of night work in certain industries, while acknowledging the need for flexible and consensual solutions to specific problems and for consistency with modern thinking and principles on maternity protection" (*ibid.*, p. 143, para. 201).

In sum, the Committee sees little reason for retaining protective standards for female workers only. At most, such standards should serve to respond to specific situations or sources of exploitation and abuse, they should be limited in time and scope, kept under regular review, and above all they should be maintained only for as long as the women workers themselves recognize their usefulness:

the Committee considers that international labour legislation should not be divested of all regulatory provisions on night work of women, on condition and to the extent that such regulation still serves a meaningful purpose in protecting women workers from abuse. In particular situations where women night workers are subject to severe exploitation and discrimination, the need for protective legislation may still prevail, especially where the women themselves are anxious to retain such protective measures. The Committee will therefore have to consider whether prohibitions on night work for women in certain situations serve to protect those women from abuses of their rights, in relation in particular to security and transport issues, quite apart from and in addition to health risks for pregnant women or nursing mothers caused by their working at night. In such situations the protective function of the night work standards may, for the time being and on a limited basis, subject to regular review, be legitimately considered by some constituents to be justified (*ibid.*, pp. 47–48, para. 75).

The General Survey ends by offering some guidance with respect to ILO's future action in matters of night work as well as a subtle word of caution addressed to member States. As regards the Organization's standards policy in the field of night work, the Committee advises that its aims should be to promote ratification of the Night Work Convention, 1990 (No. 171), and to assist those constituents still bound by Convention No. 89, but not yet ready to ratify Convention No. 171, in realizing the advantages of modernizing their legislation in line with the provisions of the Protocol. As a result of the low number of ratifications of Convention No. 171 thus far – coupled with the growing tendency among member States to denounce or no longer to give effect to Conventions Nos 4, 41 or 89 – “there is risk of a complete deregulation of night work through the removal of all protective measures for women and the failure to replace them with a legislation offering appropriate protection to all night workers” (ibid., p. 143, para. 202).

## Concluding remarks

The first General Survey on the night work of women in industry, conducted by the ILO Committee of Experts on the Application of Conventions and Recommendations, has been an opportunity for fresh inquiry and some expert advice on persistent questions concerning both the advisability of regulating night work in general and the acceptability of special protective measures for women having regard to the principles of non-discrimination and gender equality. The essence of the Committee's analysis may be captured in the following propositions.

The detrimental effects of night work on the health and on the social and family life of *all* workers are largely acknowledged. More generally, the introduction of new working-time patterns, flexible work schedules and complex rotating shift arrangements, which typically imply irregular hours of work, calls for increased occupational health awareness and protective measures adapted to new needs. The factors affecting tolerance of night work are unrelated to sex. Yet, biological conditions such as pregnancy or deep-rooted social traditions such as the uneven sharing of family and household responsibilities between men and women may leave female workers more exposed to the adverse effects of night work.

The impact of the Conventions in question is weakening rapidly. Their current relevance is extremely limited, being largely confined to the possible ratification of the 1990 Protocol by those countries which are still bound by the provisions of Convention No. 89 but which are not yet prepared to ratify Convention No. 171. There is overwhelming evidence that, in most national legal systems, prohibitions on women's night work have either been struck out or ceased to be enforced. Even among those countries which continue to give effect to the provisions of the relevant ILO Conventions there seems to be general recognition of their transitional nature and the need ultimately to create such conditions as would permit them to move away from sex-specific legislation, with the sole exception of laws aimed at protecting maternity.

Whatever their residual value, the ILO standards on women's night work in industry are in a state of flux due to the advancement of the overriding principles of non-discrimination and equality of opportunity and treatment between men and women. The two sets of ideas interact: the more the action in furtherance of equality bears its fruits, the more sex-specific protection retreats. The international obligation to conduct periodic reviews of all protective legislation applying to women only – as set out in the 1979 Convention on the Elimination of Discrimination Against Women or the 1985 ILO resolution on equal opportunities – is a clear manifestation of the continuous action required for the promotion of equality of opportunity and treatment. Ever-changing social conditions call for well-adjusted policies: night work protection for women is therefore set to vanish as rapidly, or as sluggishly, as the goals of non-discrimination and gender equality in employment and occupation are attained.

Each of the four instruments on women's night work was drawn up in response to specific needs at a given point in time and thus necessarily reflects the ideas prevailing at the time of its adoption. These instruments are therefore to be evaluated on their merit of giving expression to constantly evolving priorities and expectations in the world of work, not as embodying timeless standards. Faced with a hard choice between protection or equality, the ILO has always endeavoured to achieve protection and equality. The following passage, quoted from a 1921 report prepared for the Third Session of the International Labour Conference, testifies to the remarkable consistency of ILO's action and objectives:

the principal importance of the Conference which is about to be held lies not in the special measures that it may adopt for the protection of women workers, so much as in the proposal to put men and women on a footing of almost complete equality in all protective measures contemplated. It is in this direction that women desire to see the development of protection for women workers. They no longer ask for privileges – they demand absolute equality. Most of the draft Conventions submitted to the Conference ought, in the view of the Governing Body of the International Labour Organisation, to apply equally to women and men. They are a step towards the complete unification of social legislation which is the real object of the whole movement of working women (ILO, 1921, p. 11).

### *Postscript*

In accordance with usual practice, the Conference Committee on the Application of Standards at the 89th Session (June 2001) of the International Labour Conference devoted part of its general discussion to the examination of the Committee of Experts' General Survey.<sup>18</sup> Practically all the 30 members of the Committee who took part in the discussion addressed the central question of whether or not special protective measures for women, with the exception of standards and benefits related to maternity protection, were contrary to the principle of equal opportunity and treatment between men and women. Most

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<sup>18</sup> See International Labour Conference, 89th Session, 2001, *Provisional Record No. 19*, paras 159–207 and *Provisional Record No. 22*, pp. 22/2–22/10.

speakers acknowledged the challenging nature of the subject, pointing out the specificity of the General Survey which, instead of limiting itself to a technical evaluation of the practical application of standards relating to women's night work, addressed first and foremost the very relevance of those standards. The discussion confirmed the existence of two well-entrenched lines of argument and – after 25 years of intense debate – the persistent sensitivity of the issue.

The Employer members saw the maintenance of sex-biased restrictions on night work as a test for the Organization's credibility and authority, stressing that the protection seen as social progress 100 years ago could now represent a social impediment and a disadvantage. The time had finally come, they argued, to consign to history all ILO instruments on women's night work. In their opinion, the Organization now needs courage to move forward in a spirit of realism lest it should be overtaken by modern developments. The perpetuation of outdated instruments which are not applied in practice, even by countries which have ratified them, could not be beneficial either to the ILO or to workers. Several government representatives (Canada, Denmark, Japan, Portugal, South Africa, Sweden, Zimbabwe) also supported the view that singling out women for special protection under the night work Conventions was anachronistic, blatantly discriminatory and scientifically unfounded.

The Worker members, for their part, deplored the use of equality arguments to lower standards on working conditions, particularly with regard to night work, and pointed out that the dilemma was not what to choose between equality and protection but how to best guarantee both. They emphasized that there was a real risk of complete deregulation, given the current tendency to erode protection in the name of equality and render employment precarious for all night workers. Other Worker members (France, India, Pakistan, Senegal) noted that, although the situation might be different in the industrialized world, there was still great need to protect female workers in developing countries. It was surprising, they felt, that despite the rampant discrimination against women workers throughout the world, especially in relation to wages and career prospects, so many people championed the cause of equality only where it related to lifting the ban on women's night work.

Several specific references were made to export processing zones (EPZs), with the argument that poor working conditions and a total lack of social protection tended to be endemic in EPZ workplaces: in certain EPZs where labour law was not generally observed, it was already difficult to ensure adequate protection of women by day, and the situation would clearly be much more critical at night. It was therefore suggested that the supervisory bodies of the ILO should specifically address the question of the application of ILO standards in EPZs, while the Office should consider ways of improving the conditions of millions of EPZ workers.

As regards the prospects for ratification of the instruments concerning women's night work, the government representatives of Egypt and Lebanon indicated that ratification of the 1990 Protocol was under consideration, while the government representatives of Slovakia and South Africa confirmed

that their countries intended to proceed with the denunciation of Convention No. 89 by the end of 2001.

With reference to the Night Work Convention, 1990 (No. 171), most speakers regretted that this instrument had been left outside the purview of the General Survey and expressed interest in shifting emphasis away from a specific category of workers and sector of economic activity to the safety and health protection of all night workers, irrespective of sex, in all sectors and occupations. Several Worker members (Argentina, France, Italy) and government representatives (Denmark, Italy, Portugal) considered that Convention No. 171 reflected current thinking with regard to the problems of night work and shift work and endorsed the conclusion of the Committee of Experts that the ratification of that instrument should be encouraged. In contrast, other Government members (Canada, Sweden, Switzerland), while recognizing that Convention No. 171 generally represented a step forward, indicated that ratification was not envisaged at this stage.

In sum, the key points of the Conference Committee discussion included wide acknowledgement of the adverse effects of night work on workers' health and social and family life; diminishing support for instruments endorsing a general prohibition of night work for women; growing awareness of the need for regulations covering all night workers, both male and female, coupled with widespread approval of the standards set out in Convention No. 171; broad acceptance of the prohibition/restriction of night work for young workers and pregnant or nursing mothers; the persistent inequality and vulnerability of female workers which, in some circumstances, called for carefully designed protective measures along with the pursuit of genuine conditions of equality and non-discrimination.

With respect to the issue of compatibility between the prohibition of night work for women and the principle of equality of opportunity and treatment at the workplace, both the General Survey and the Conference discussion have helped to clarify the dialectics of a balanced approach combining a sustained effort for the eradication of all forms of discrimination against women with circumscribed provision of protection, especially where women themselves demand it. Even though some of the views expressed appear to be unbridgeable, some common ground could be found, say, the fundamental nature of the principle of equality of opportunity and treatment as codified in the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, or ILO Convention No. 111; the existence of situations – distinct from the health risks to pregnant women or nursing mothers – which might justify concrete protective measures of limited scope and/or of temporary duration; and recognition that, in certain parts of the world, the implementation of the principle of non-discrimination might need to be phased in according to local conditions, given the widely varying socio-economic circumstances of different countries.

The thorough analysis undertaken by the Committee of Experts in its General Survey, coupled with the rich debate at the ILO Conference Com-

mittee on the Application of Standards, is expected to allow the Governing Body's Working Party on Policy regarding the Revision of Standards to draw definitive conclusions on the standard-setting policy to be followed in matters of night work regulation.<sup>19</sup>

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<sup>19</sup> The question of the deferred examination of Conventions concerning night work of women was placed on the agenda of the Working Party for the November 2001 Session of the Governing Body (see GB.282/LILS/WP/PRS/2 at [www.ilo.org/public/english/standards/reim/gb/index.htm](http://www.ilo.org/public/english/standards/reim/gb/index.htm)).

## Women, gender and work

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## Women in the Japanese labour market, 1947–2003: A brief survey

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On 20 February 2002, the Tokyo District Court ruled that it was illegal to operate a personnel management scheme which differentiated between the hiring of men and that of women. In Japan, this was a major victory for the cause of gender equality. What the Court banned was in effect a two-track approach to employment, a practice long followed by Japanese companies – with a “management career” track (*sogoshoku*) for those deemed suitable to become “core employees” and a “general career” track (*ippanshoku*) for the rest. In practice, however, the “management career” track was for men; and the “general career” track, for women (see *Japan Labor Bulletin*, 2002, No. 5, p. 2 and 1999, No. 6, p. 2).<sup>1</sup>

In its judgement, the Tokyo Court referred to the amended Equal Employment Opportunity Law (EEOL) of 1997 which had come into force on 1 April 1999. This legislation clearly prohibits discrimination against women in respect of recruitment, hiring, assignment and promotion, whereas the original EEOL of 1985 had only obliged employers to “endeavour to provide” equal opportunity. Looking back at the origins of the case, the Court considered that in the 1960s, when the female employees of Nomura Securities Co. Ltd. (the defendant) were first employed, there might have been some rationale for the two-track hiring system. Indeed in those days it was arguably “understandable” for employers to base their hiring and staff development policies on the widely held – and generally correct – view that female employees would withdraw from the workforce in their twenties in order to marry and raise children, returning to the workforce only later. Following an “M”-shaped pattern, women’s labour force participation typically rose to over 70 per cent in their late teenage years, fell to around 46 per cent for the 25–29 age group and rose again to some 64 per cent for the 45–49 age group before tailing off among older workers.

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<sup>1</sup> Citations of the monthly *Japan Labor Bulletin* are hereinafter abbreviated to *JLB*, followed by the year, issue number and page number. The *JLB* ceased publication in September 2003, after 44 years. Its successor, the quarterly *Japan Labor Review*, has been published since January 2004 by the newly established Japan Institute for Labour Policy and Training. An electronic version is available at: <http://db.jil.go.jp/emm/jmj.htm>.

At the time, it was also evident that there were going to be many children to be looked after by stay-at-home mothers. The birth rate, albeit lower than in the immediate post-war years, remained high at 17.2 per thousand in 1960, rising to 18.8 per thousand in 1970. There was indeed a second “baby boom” in the 1960s and early 1970s, with the number of births peaking at 2.09 million in 1975. Another fact that needs to be taken into consideration is that there were relatively few female university graduates in the 1960s – the pool of aspiring “management career track” applicants was thus limited. In 1960, the proportion of female graduates of secondary schools who proceeded to universities was barely a quarter of what it was in 2000. Moreover, it must also be remembered that historical convention and social attitudes *do* determine practice to a large extent – and Japan had a long history of male dominance.

On these grounds, it was cogently argued in the 1960s, why should employers waste time and money, *and* fly in the face of national custom, by training women for senior positions for which their educational attainment and gaps in their employment record would render them unsuitable?

By 2002, however, the Court’s decision showed that, whatever the rationale might have been for denying women equal access to the “management career track” in the 1960s, this rationale now no longer applied. The shape of the M-curve had changed. The birth rate had dropped.<sup>2</sup> More female university graduates were entering the labour market – with more skills and higher aspirations than the secondary-school-leavers before them. And finally, though perhaps most importantly, society’s attitudes towards the goal of gender equality were changing. To quote Tadashi Hanami, the Director General for Research of the Japan Institute of Labour: “The issue of equal employment opportunity is closely connected with the issue of equality in society in general” (Hanami, 2000, p. 9).

Some of these changes, which determined the Court’s decision, are reflected in the following observations by the Japan Institute for Labour Policy and Training (JILPT):

During the first baby boom (1947–49) the population grew at an average annual rate of over 5%, but growth rapidly slowed down to about 1% per year in the subsequent 10 years. The second baby boom occurred in the early 1970s, stimulating another rise in the rate of population growth until it once again reverted to 1% growth per year, and then began a steady decline ...

During this period (1970–2001), the valley section of the letter “M” has shifted rightward and upward simultaneously. In addition, both peaks of this letter “M” have become higher, revealing an increase in ... [women’s] labor force ratio. Above all, the increases of female workers in the 25–34 and 55–64 age groups are prominent ...

Both men and women have become better educated ... As a result of these (educational) developments, the labor force ratio for teenagers has declined ...

Recently ... many wives and mothers have continued to hold jobs through these personal changes (marriage, etc.). Further influencing the labor force ratio, women have begun to delay marriage and childbirth, and the ratio of unmarried women has increased.

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<sup>2</sup> In 2002, the number of births was only 1.15 million – the lowest since the Second World War.

Above all, women with higher levels of education have a stronger tendency to continue their jobs during marriage, childbirth, and child rearing than women with less education (JILPT, 2004, pp. 10 and 14).

With the entry into force of the amended 1997 Equal Employment Opportunity Law in 1999, the continuation of discriminatory practices in hiring and employment became unlawful. In the case of Nomura Securities Co. Ltd., an award of 56 million yen (c. US\$500,000) was made to the female plaintiffs. Elaborating on the developments that led to this turning point in judicial decision-making, the remainder of this article is divided into four sections looking successively at statistical patterns of sex discrimination in employment, economic and demographic determinants of labour market supply and demand, Japan's evolving legal framework for the pursuit of gender equality, and gender equality in an international perspective. A final section offers some concluding remarks.

## The “two tracks”: Statistical evidence

Just how far the new law still has to go before it gains general acceptance may be seen from tables 1 and 2. Table 1 shows the “flow” into work – i.e. the recruitment of women into “general track” positions for the years 1998 and 2000; and table 2 shows the “stock” position for the year 2000.

Acting through the Equal Employment Opportunities Offices of the Prefectural Labour Bureaux across Japan, the Ministry of Health, Labour and Welfare surveyed 103 firms which classified jobs for new female recruits as being either “general track” or “management career track” in 1998 and 2000. The findings of the survey are consolidated in table 1, which shows that, in 2000, 91.3 per cent of the companies in the sample had a “general track” to be followed by all of their newly hired female employees. This proportion was even higher than that observed two years earlier, in 1998, when 88.3 per cent of the companies indicated that they employed all their female recruits in the “general track”. Only in the sub-categories of “wholesale and retail trade” and “others” did the proportion of companies following this practice decline over the two-year period. Company size appears to matter to some extent: the largest companies (those employing 1,000 or more) and the smallest companies (those employing 299 or less) actually *increased* their discrimination against female recruits between 1998 and 2000. Thus, while 85.4 per cent of the large companies hired all their new female employees for “general track” positions in 1998, 93.8 per cent of them did so in 2000. By contrast, the medium-sized companies (300–999 employees) *reduced* their discrimination against female recruits; in 1998, 90.9 per cent of these companies assigned all of their female recruits to the “general track” while “only” 86.4 per cent of them followed this policy in 2000.

Table 2 presents an alternative picture, namely, the situation which actually obtained in the year 2000 in a sample of 168 companies, i.e. the “stock” position. The table shows the proportion of women in “management career

Women, gender and work

**Table 1. Percentages of companies assigning less than 50, between 50 and (less than) 100, and 100 per cent of their new female recruits to the “general track” (*ippanshoku*), October 1998 and 2000**

Industry/company size		Number of companies	Percentage of companies					
			1998			2000		
			<50%	>50% but <100%	100%	<50%	>50% but <100%	100%
Total		103	4.9	6.8	88.3	2.9	5.8	91.3
Industry	Manufacturing	30	6.7	20.0	73.3	3.3	10.0	86.7
	Finance and insurance	31	6.5	3.2	90.3	0	3.2	96.8
	Wholesale and retail trade	14	7.1	0	92.9	14.3	7.1	78.6
	Construction	14	0	0	100	0	0	100
	Others	14	0	0	100	0	7.1	92.9
	Company size (number of employees)	1,000 or more	48	4.2	10.4	85.4	2.1	4.2
	300–999	44	4.5	4.5	90.9	4.5	9.1	86.4
	299 or less	11	9.1	0	90.9	0	0	100

Notes: The data were collected from 103 firms which set different recruitment courses for “management career track” (*sogoshoku*) and “general track” (*ippanshoku*) employees, and which hired one or more new workers as general track employees in 1998 and 2000.

Source: *JLB*, 2002, No. 5, p. 3 (based on Ministry of Health, Labour and Welfare, 2001).

**Table 2. Proportion of women in “management career track” positions, 2000**

Industry/company size		Number of companies	Percentage of companies						
			Proportion of females in “management career track”					Unknown or no scheme to employ females in “management career track”	Ratio of females
			0%	>0% but <10%	>10% but <20%	>20% but <30%	>30%		
Total		168	13.1	72.6	3.0	2.4	1.2	7.7	2.2
Industry	Manufacturing	46	17.4	76.1	2.2	0	0	4.3	1.8
	Finance and insurance	47	10.6	74.5	4.3	0	0	10.6	2.6
	Wholesale and retail trade	35	5.7	71.4	2.9	5.7	5.7	8.6	3.6
	Construction	21	14.3	76.2	0	0	0	9.5	1.1
	Others	19	21.1	57.9	5.3	10.5	0	5.3	3.0
	Company size (number of employees)	1,000 or more	74	5.4	78.4	2.7	1.4	0	12.2
	300–999	62	17.7	74.2	0	1.6	0	6.5	2.5
	299 or less	32	21.9	56.3	9.4	6.3	6.3	0	4.2

Note: The data were collected from 168 companies which offered “management career” (*sogoshoku*) and “general” (*ippanshoku*) tracks at the time of recruitment but have no specific course for future managers.

Source: *JLB*, 2001, No. 12, p. 5 (based on Ministry of Health, Labour and Welfare, 2001).

track” positions for the whole sample, by sector and by company size. Overall, 85.7 per cent (13.1 + 72.6) of the firms reported that less than 10 per cent of their female employees were in “management career track” posts. Only in 1.2 per cent of firms did women occupy over 30 per cent of such high-level positions. As an overall average, only 2.2 per cent of managerial-track posts were occupied by women. With regard to company size as a determinant of women’s employment status, it appears that the smallest companies (up to 299 employees) are more “liberal”; 6.3 per cent of these reported that over 30 per cent of their “management career track” positions were filled by women. By contrast, not one of the larger or medium-sized companies employed 30 per cent or more women in these senior posts.

At first sight, there appears to be a contradiction between tables 1 and 2. Table 1 shows the smallest companies to be less favourably disposed towards the employment of women in senior positions compared with larger companies, while table 2 indicates the opposite. However, table 1 shows the hiring policies of firms at two specific points in time, namely, 1998 and 2000. For these years, the smallest companies show up poorly when compared with larger firms in respect of their policies towards female recruits; in fact, the smallest companies exhibit *increased* discrimination against newly hired women between the two years. Table 2, by contrast, presents a year-2000 snapshot of the entire workforce of companies and shows (a) what proportions of this workforce were females in “management career track” positions (last column) and (b) the proportion of companies which employed women to varying extents in these senior posts. As to the ratio of females actually in “management career track” positions in 2000, the *smallest* companies come out best (with 4.2 per cent as against 2.1 and 2.5 per cent for larger companies). Here, the snapshot reflects the historical hiring policy of the companies up to the year 2000. In the light of table 1, it may thus be concluded that the smallest companies have regressed in recent years when it comes to the hiring of women for senior positions. And the regression is even evident between their policies in 1998 and 2000.

Against this background, the significance of the 2002 Tokyo Court Judgment becomes obvious: it was the first judicial decision to enforce the provisions of the Equal Employment Opportunity Law. And it is bound to have far-reaching implications. Before the discussion turns to changes in the legal position of women in the labour market, the following section presents a brief outline of some aspects of the Japanese economy which are relevant to the legal framework.

## Economic and demographic background

The general state of the economy is clearly one of the main determinants of the status of women within any given society. The most important aspect is the country’s population – its demographic trends and its composition by sex. Between 1947 and 2002, Japan’s population grew by 63.2 per cent, from 78.10 million to 127.44 million, i.e. a growth rate of just under 1 per cent per

annum over 55 years. Over this whole period, the female population accounted for roughly 51 per cent of the total (*Japan Almanac*, 2004, pp. 28–30).

However, the Japanese population is expected to peak at about 127.7 million around the year 2005, whereupon it should go into steady decline, down to an estimated 100.6 million in 2050 – i.e. some 27 million below its peak. And if, as will be argued below, developments in the economy are such as to increase demand for female labour, this will inevitably translate into an enhancement of women's role in the economy and in society.

A further indication of the growing shortage of labour shows up in current and projected employment trends (see table 3). Watanabe (2001) has estimated that by 2010 the total number of employed – at 64.3 million – will be lower than the 2000 figure of 64.46 million and barely higher than that for 1995. But even Watanabe's estimate appears too high in the light of official forecasts of total population. More realistic projections – given that the decline had already set in by 2000 at the latest – suggest that the number of employed will fall to 62.6 million in 2005 and 62.5 million in 2010.

Another factor of considerable importance in the expected increase in demand for women's labour is the ageing of the population. Japan now has a higher proportion of people aged 65 or over than any other major industrialized country. By 2040, with a projected proportion of 33.23 per cent of its population in that age group, it will be second only to Italy, the world "leader," with 33.7 per cent (*Japan Almanac*, 2004, p. 15, citing the United Nations).

Changes in definitions over the years make it difficult to quantify trends in the number of "women employees" or "women workers" or in female labour force participation or "the female labour force" since the Second World War. To give a rough idea, however, it can be said that, while female employees accounted for some 26 per cent of total employment in 1950, the female labour force represented some 41 per cent of the total labour force by 1998 – a ratio maintained up to 2002.<sup>3</sup> The relative increase in demand for female labour is also reflected in the fact that between 1985 and 2000 the number of female employees increased by 5.86 million, whilst the number of male employees went up by only 4.52 million (*JLB*, 2001, No. 6, p. 1).

Based on a series of statistics whose prime aim was to indicate the trend in *part-time* employment, it has been possible to produce a series of consistent figures for total male and female employment over the period 1974–99. The results appear in table 4.

Looking first at the right-hand side of the table, it can be seen that the ratio of female to total employment increased from 32 per cent in 1974 to some 40 per cent in 1999. This translates into a rise of 80.8 per cent, while the concomitant rise in male employment was 33.1 per cent.

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<sup>3</sup> Data from *JLB*, 1996, No. 5, p. 1; 1999, No. 5, p. 2; and 2003, No. 9, p. 2. The two statistics are, of course, not directly comparable since "the labour force" includes the unemployed. However, on the assumption that male and female rates of unemployment were not too dissimilar in 1998, the percentages of "females employed" should be broadly comparable.

Table 3. Estimated total employment (all occupations), 1960–2002 and projections for 2005 and 2010 (millions)

	1960	1970	1975	1980	1985	1990	1995	2000	2001	2002	2005	2010
A	—	52.11	58.02	55.78	58.34	61.68	64.18	64.46	—	—	65.00	64.30
B	44.36	50.94	52.23	55.36	58.07	62.49	64.57	64.46	64.12	63.30	—	—
C	—	—	—	—	—	—	—	—	—	—	62.60	62.50

Notes: Of the 63.3 million total for 2002, 37.36 million (59 per cent) were male and 25.94 million (41 per cent) were female. — Not available or not calculated.

Sources: Series A: 1970–1995 and projections for 2005 and 2010 from Watanabe, 2001, pp. 8–9; the figure for 2000 is from *Japan Almanac*, 2004, p. 76. Series B: *Japan Almanac*, 2004, p. 76 and 2003, p. 78 (based on data from the Ministry of Public Management, Home Affairs, Posts and Telecommunications). Series C: the author's projections (assuming an employment-to-population ratio of 49 per cent – a proportion consistent with recent experience).

But the most interesting aspect of table 4 is perhaps the light it throws on the growth of part-time employment, a trend observed in all mature, industrialized countries. Aoyama and Castells have studied this trend showing, in particular, that the “incidence of part-time work is higher in the service sector than in the goods-producing sector” and that Japan has the highest average incidence of part-time employment for all sectors (Aoyama and Castells, 2002, p. 147).<sup>4</sup>

Over the years from 1974 to 1999, total part-time employment in Japan increased by 277 per cent, from just over 3 million to approximately 11.4 million. As a proportion of total employment, part-time employment grew from 8.6 to 21.8 per cent. Female part-timers have always accounted for the largest share of part-time employment, ranging from 60.9 per cent in 1974 to 67.9 per cent in 1999. In absolute numbers, the increase was from 2 to nearly 8 million. Moreover, part-time employment also increased dramatically as a share of total female employment: in 1999, part-timers accounted for a remarkable 37.4 per cent of total female employment, up from 16.1 per cent in 1974 (*ibid.*, pp. 146–147 and table 8).<sup>5</sup> Part-time work seems to be increasingly “the norm” for women in Japan.

Tables 5 and 6 show how part-time workers are remunerated. Table 5 reveals that in 1989–98 female part-time workers received between 68 and 72 per cent of what regular female workers were paid per hour, with an average of 70.2 per cent over the period. Male part-timers received a considerably lower proportion of the hourly wage paid to regular male workers – with an average of 55.1 per cent over the period. The ratio of female-to-male remuneration averaged 62.5 per cent for regular workers;<sup>6</sup> but female part-timers

<sup>4</sup> Aoyama and Castells (2002, table 9) give an OECD figure of 39.7 per cent for female part-time employment.

<sup>5</sup> The authors' table shows the incidence of part-time work to be 11.9 per cent in Italy and the United States, 14.7 per cent in France, 17.4 per cent in Germany, 18.7 per cent in Canada, 22.9 per cent in the United Kingdom, and 23.5 per cent in Japan.

<sup>6</sup> In Sweden, by contrast, the female-to-male wage ratio was some 83 per cent in 1991, up from 63 per cent in 1968 (Edin and Richardson, 2002, p. 54). The ratios in the United States, Germany and France were 75.5, 74.2 and 80.8 per cent, respectively (see Hanami, 2000, p. 8, based on the ILO *Yearbook of Labour Statistics*).

Table 4. Female part-time employees in the non-agricultural sector and female/male employees in the economy as a whole, 1974–1999

Year	Part-time employment		Number of female part-time employees			Male employment		Female employment		Total employment		
	Millions	As a percentage of total employment	As a percentage of total female employment	As a percentage of total employment	As a percentage of total part-time employment	Millions	As a percentage of total employment	Millions	As a percentage of total employment	Millions	Percentage	
1974	3.02	8.6	1.84	16.1	5.2	60.9	23.69	68.1	11.43	31.9	35.12	100.0
1979	3.66	9.6	2.36	18.4	6.2	64.5	25.30	66.4	12.83	33.6	38.13	100.0
1984	4.64	11.1	3.28	22.1	7.8	70.7	26.96	64.5	14.84	35.5	41.80	100.0
1989	6.02	13.1	4.32	25.2	9.4	71.8	28.81	62.7	17.14	37.3	45.95	100.0
1994	9.67	18.8	6.47	32.5	12.6	66.9	31.53	61.3	19.91	38.7	51.44	100.0
1999	11.38	21.8	7.73	37.4	14.8	67.9	31.53	60.4	20.67	39.6	52.20	100.0

Notes: Part-time employees are defined as employees (including seasonal and irregularly employed people) whose weekly working hours total less than 35 hours. The “total employment” statistics are not comparable with those appearing elsewhere in this article (e.g. table 3); for instance, they do not include temporary employment which in 1999 probably accounted for some 16 per cent of women workers and some 4.5 per cent of male workers, i.e. some 5 million employees altogether (see Hanami, 2000, p. 8, who quotes 1997 figures for temporary female workers and temporary male workers as 15.7 per cent and 4.3 per cent, respectively). The remaining discrepancy of some 7 million employees is unexplained (e.g. self-employment).

Source: Compiled from Kezuka (2000, p. 6, fig. 1).

Table 5. Hourly pay for regular and part-time workers by sex, 1989–1998

Year	Females				Males				Female-to-male wage ratio	
	Regular workers (Yen)	Part-time workers (Yen)	Wage ratio (Regular worker=100)	Regular workers (Yen)	Part-time workers (Yen)	Wage ratio (Regular worker=100)	Regular workers (%)	Part-time workers (%)	Regular workers (%)	Part-time workers (%)
1989	934	662	70.9	1542	855	55.4	60.6	77.4	60.6	77.4
1990	989	712	72.0	1632	944	57.8	60.6	75.4	60.6	75.4
1991	1072	770	71.8	1756	1023	58.3	61.0	75.3	61.0	75.3
1992	1127	809	71.8	1812	1053	58.1	62.2	76.8	62.2	76.8
1993	1187	832	70.1	1904	1046	54.9	62.3	79.5	62.3	79.5
1994	1201	848	70.6	1915	1037	54.2	62.7	81.8	62.7	81.8
1995	1213	854	70.4	1919	1061	55.3	63.2	80.5	63.2	80.5
1996	1255	870	69.3	1976	1071	54.2	63.5	81.2	63.5	81.2
1997	1281	871	68.0	2006	1037	51.7	63.9	84.0	63.9	84.0
1998	1295	886	68.4	2002	1040	51.9	64.7	85.2	64.7	85.2
Average 1989–98	1155	811	70.2	1846	1017	55.1	62.5	79.7	62.5	79.7

Source: Kezuka (2000, p. 7), based on the Ministry of Labour's Basic surveys on wage structure.

Women, gender and work

Table 6. Nominal and real hourly pay for regular and part-time workers by sex (Index numbers, 1989=100)

Year	Consumer Price Index 1989 = 100	Payment per hour 1989=100							
		Females				Males			
		Regular workers		Part-time workers		Regular workers		Part-time workers	
		Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
1989	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1990	103.1	105.9	102.7	107.6	104.4	105.8	102.6	110.4	107.1
1991	106.5	114.8	107.8	116.3	109.2	113.9	106.9	119.6	112.3
1992	108.4	120.7	111.3	122.2	112.7	117.5	108.4	123.2	113.7
1993	109.7	127.1	115.9	125.7	114.6	123.5	112.6	122.3	111.5
1994	110.5	128.6	116.4	128.1	115.9	124.2	112.4	121.3	109.8
1995	110.4	129.9	117.7	129.0	116.8	124.4	112.7	124.1	112.4
1996	110.5	134.4	121.6	131.4	118.9	128.1	115.9	125.3	113.4
1997	112.5	137.2	122.0	131.6	117.0	130.1	115.6	121.3	107.8
1998	113.1	138.7	122.6	133.8	118.3	129.8	114.8	121.6	107.5
Average 1989–98	108.5	123.7	114.0	122.5	112.9	119.7	110.3	118.9	109.6

Sources: CPI calculated from the IMF's International Financial Statistics (various years) with the two base years linked to a common base of 1989=100. Nominal hourly rate indices calculated from table 5.

did considerably better in relative terms, with an average of 79.7 per cent. On average, however, male part-timers still received 1,017 yen per hour as against only 811 yen per hour for female part-timers.

Table 6 attempts to capture the extent of real change in remuneration – i.e. nominal remuneration adjusted for cost-of-living changes – over the period 1989–98. This shows that women, whether regular employees or part-timers, have done better than their male counterparts in terms of overall trends. Hourly pay for female regular workers increased by 38.7 per cent in nominal terms from 1989 to 1998 as compared with an increase of 29.8 per cent for male regular workers. If the nominal increases are deflated by the CPI index, it appears that the pay of female part-time workers increased by 18.3 per cent in real terms over the period while that of male part-timers increased by only 7.5 per cent. Yet the cumulative rate of growth in real hourly wages for all categories of workers over the ten-year period was fairly small, ranging from 0.8 per cent annually for male part-timers to 2.3 per cent annually for female regular workers (see table 7).

In so far as real and relative wages are concerned, it can perhaps be concluded that women benefited more than men from the underlying economic environment in Japan – i.e. supply/demand conditions – over the decade 1989–98. Lastly, it is also interesting to note the concomitant variations in the proportion of female employment by industry. Table 8 shows that the average proportion of female workers across all industries increased from 32.2 to 40.4 per cent between 1975 and 2001. In “distribution, restaurants”

Table 7. Growth rates of real hourly remuneration per annum, 1989–1998 (percentages)

Female		Male	
Regular workers	Part-time workers	Regular workers	Part-time workers
2.3	1.9	1.6	0.8

Source: Calculated from table 6.

Table 8. Proportion of female employees by industry, 1975 and 2001 (percentages)

Industry	1975	2001
All industries	32.2	40.4
Construction	13.0	15.4
Manufacturing	31.7	33.1
Transportation and communications	12.1	19.4
Distribution, restaurants	40.8	51.4
Finance, real estate	45.2	48.6
Other services <sup>a</sup>	47.3	53.3

Note: <sup>a</sup> Health, business, personal services, information services, research and advertising.

Source: *Japan Almanac*, 2003, p. 81.

and “other services”; female employment now predominates, accounting for over 50 per cent of the total.

## The legal framework

Two years after the end of the Second World War, Japan was still a country with pre-modern industrial relations. Sweatshops abounded in an economy struggling for reconstruction. The emphasis was on manufacturing to spearhead Japan's entry into world markets; the service sector was relatively unimportant but obviously growing. It was against this background that the first general law regulating employment relationships was passed – the 1947 Labour Standards Law. This legislation covers “such subjects as labor contract, payment of wages, working hours, rest days and annual paid leaves, protection of children and maternity, workers' compensation, work rules, and so on. It also provides for special enforcement measures by establishing the system of administrative inspection as well as criminal sanctions” (Yamakawa, 1998, p. 5).

The first major revision of this law took place in 1998, and the Revised Labour Standards Law took effect on 1 April 1999. As far as female workers are concerned, this legislation includes, *inter alia*, amended provisions regarding overtime. For a transitional period, ending on 1 April 2002, the Minister of Labour “set more stringent standards of the upper limit on the amount of overtime work for female workers responsible for the care of children or senior citizens if they request shorter overtime work” (*ibid.*, p. 10).<sup>7</sup>

<sup>7</sup> Oddly enough, the upper limit on overtime was set at 150 hours, which is the same limit as that set in the old legislation before its revision!

Another important change concerns the settlement of disputes. Under the old Labour Standards Law *both* parties to a dispute over working conditions were required to be in agreement to call upon the arbitration services of the Labour Standards Inspection Offices. Under the Revised Law, *either* party can initiate such proceedings, and an employee who does so unilaterally is protected against retaliatory action. However, “the jurisdiction of the new system is still limited since, for example, it does not cover disputes with respect to equal employment opportunity, over which the Women’s and Young Workers’ Offices have jurisdiction” (ibid., p. 11).

The Labour Standards Law thus provides for basic standards in regard to labour relations. Of more specific relevance to women in the labour force are the Equal Employment Opportunity Law (EEOL) of 1985 (as amended in 1997) and the Child Care Leave Law (CCLL) of 1991. The latter was revised in 1995 and renamed the Child Care and Family Care Leave Law (CCFCLL).<sup>8</sup>

The United Nations Convention on the Elimination of All Forms of Discrimination against Women of 1979 was signed by the Japanese Government the following year, in 1980. But this led to considerable debate as to *how* national legislation had to be amended in order to ratify the Convention. Eventually, the EEOL was enacted in 1985. This Law may be regarded as a breakthrough in changing traditional Japanese attitudes towards male/female roles. Yet it has been severely criticized by one of Japan’s leading advocates of equal opportunity in employment – namely, Tadashi Hanami, the Director General for Research of the Japan Institute of Labour. In a hard-hitting article published in 2000 he castigated the 1985 EEOL as being “born as a lame duck”: “It had four critical defects as an anti-discrimination law from its birth; defects that still remain in substance even after major amendments were made in 1997. In this sense, the EEOL was born as an ugly duckling and has never metamorphosed into a swan” (Hanami, 2000, p. 6).

In fact, Hanami maintained that “the EEOL was never meant to be effectively enforced” (ibid.). The Law prohibited discrimination in termination of employment and in training and welfare “but merely encouraged equal treatment in recruitment, hiring, job assignment and promotion. These encouragement provisions were called ‘doryoku gimu’ (duty to endeavor) ... the Law has been regarded at best as ‘toothless’, at worst a mere joke” (ibid.).

However, Hanami’s view turned out to be unduly pessimistic in the light of the 1997 revision of the Law. The change of title alone reflects a shift in emphasis: the full title of the 1985 legislation was “Law respecting the improvement of the welfare of women workers, including the guarantee of equal opportunity and treatment between men and women in employment”; whereas the title of the 1997 revision is “Law respecting the guarantee of equal opportunity and treatment between men and women in employment” (Araki, 1998, p. 10). Thus, at one stroke, the legal framework moved away from the concept of the protection and welfare of women – a concept which could *not* provide

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<sup>8</sup> The following discussion is based on Araki (1998).

for “equality” but which was explicit in the 1947 Labour Standards Law and the original 1985 EEOL – towards an understanding of the main issue, i.e. equal opportunity. The contradictions between specific provisions and the Law’s overall objective were removed by the 1997 revision: special protection for women in respect of overtime, rest-day work, night work, etc. has been abolished.

Moreover, whereas the 1985 EEOL stated that the employers had a “moral duty to endeavour to provide equal opportunity to women as to men”, Articles 5 and 6 of the 1997 revision *prohibit* “discrimination concerning recruitment, hiring, assignment and promotion” (ibid., p. 7). It was in fact this prohibition which formed the basis for the groundbreaking judicial decision cited above. The sex-segregated two-track hiring and work system – a long-established practice among most Japanese companies – originally distinguished between “the course for men” and “the course for women”. Around 1986, following the enactment of the 1985 EEOL, this highly explicit language was changed to the superficially gender-neutral titles of “manager track” and “general track”. In practice, however, the old sex-segregated system has barely changed (as reflected in tables 1 and 2). Admittedly, some companies started to employ a (very small) number of women in the “manager track” – but this was effectively a form of window-dressing designed to show that they were doing the “right thing”. In reality, men still are almost automatically assigned to the manager track and women to the general track.

One of the consequences of these developments is that the criteria governing the selection of women for the manager track are much more demanding than those applicable to men. And since very few female graduates then get recruited into the manager track, the majority of them find themselves in the general track supporting manager-track colleagues with the same or similar qualifications.

The “prohibition” provided for in the new legislation thus raises the question of penalties for non-compliance. Under articles 25(1) and 26 of the 1997 EEOL, when an employer “fails to comply with the Labour Minister’s advice (re discrimination) the Labour Minister can publicize the fact” (ibid., p. 7). To a Western reader this might not sound like a very effective sanction, but in Japan, with its tradition of “administrative guidance” and its concept of “face”, adverse publicity might be just as effective as a legal penalty. However, in the light of the litigation over separate-track hiring that resulted in the female plaintiffs’ *legal* victory, it would seem that women regard “publicity” as an inadequate remedy.

Under the Child Care Leave Law (CCLL) of 1991, a worker was entitled to take leave to care for a child under one year of age. This Law was revised in 1995 and renamed the Child Care and Family Care Leave Law (CCFCLL). Like the revised EEOL, it entered into force on 1 April 1999. As the expanded title suggests, the Law now provides for leave to be granted to any employee (male or female) who so requests in order to care for a family member. In principle, “the employer cannot reject requests for a family care leave” (ibid., p. 9); and such leave may be taken for up to three months (see

*JLB*, 2000, No. 1). Significantly, neither the CCLL nor the CCFCLL requires the employer to make any payment to an employee taking such leave. In the case of childcare leave, by contrast, a 1994 amendment to the Employment Insurance Law provides that the employment insurance fund should pay 20 per cent of the worker's regular monthly wages as a "basic allowance"; plus another 5 per cent as a "return-to-work allowance." In addition, the worker can request that health insurance and pension contributions be waived during the period of leave. None of these benefits apply under the CCFCLL where *family* care is involved (Araki, 1998, p. 9).

The implementation of the various laws concerning women is overseen by the Ministry of Labour's Bureau for Women and Minors (short-titled the Women's Bureau). Each year the Bureau publishes a report in the form of a White Paper on Working Women, usually focusing on a particular theme.<sup>9</sup> In 1994, for instance, the focus was a survey conducted among 8,000 establishments across Japan "to determine the extent to which provisions for maternity protection measures under the Labour Standards Law (LSL) are being observed" (*JLB*, 1996, No. 5, pp. 2–3). In 1997, the theme was "juggling work and household"; and the Bureau reported that although "changes are taking place in terms of how Japanese think about gender and the sharing of roles ... few men became very involved in family life" (*JLB*, 1998, No. 4, p. 2). In 1997, the Basic Survey on the Employment of Women took up where the 1994 study on maternity provisions had left off. It extended the size of the sample and found, *inter alia*, that "of those who were pregnant at some point during the year, only 19% left work because of pregnancy or childbirth, a large fall from 31.6% in 1994" (*JLB*, 1998, No. 11, p. 4). It turned out that 84.6 per cent of companies offered expectant and nursing mothers six weeks' leave before childbirth and eight weeks after childbirth "as stipulated under the LSL" (*ibid.*). Two reasons were given for the increased willingness of women to return to work after childbirth, namely, the near universal acceptance by employers of the provisions of the LSL and the effect the recession was having on family income.

Reference was made earlier to the "stick" which the Ministry of Labour can use against recalcitrant employers, in the form of adverse publicity. But the Ministry has a few "carrots" in its tool kit as well. In 1999, it "instituted a system of certification and awards for 'family-friendly' firms which help their employees to manage both work and child-care or other nursing responsibilities at home by enabling their employees to have flexible working conditions" (*JLB*, 2000, No. 1, p. 2).

The introduction of the system was timed to coincide with the entry into force of the CCFCLL on 1 April 1999 and was designed to publicize the new law. The first "Good Company Award" went to the Benesse Corporation which provides its 1,500 employees with more than the statutory minimum. Four

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<sup>9</sup> Hanami argues that since its inception the Bureau has focused on the *protection* of women to the detriment of the aim of *equality* between women and men (Hanami, 2000, pp. 6–7). In his view, the Women's Bureau is thus part of the problem, not the solution.

other companies were given the Minister's "Award for Effort"; and 33 companies received the "Award of the Head of Women's and Young Workers' Office" (*JLB*, 2000, No. 1, p. 3). In Japan, commendation is indeed a useful form of "administrative guidance".<sup>10</sup>

There have thus been obvious improvements in Japan's law and in practice in regard to the promotion of gender equality. But to what extent have these changes actually translated into managerial positions in business and senior positions in academe or political structures? The outcomes have been mixed. Hanami takes a pessimistic view:

Important decision-making often takes place in an informal way through personal relationships between privileged regular employees. Women are excluded from such decision-making processes not only in terms of formal position, but also in their daily informal personal relationships. This corporate culture is deeply entrenched in Japanese society today and is integrated into Japan's political, educational and bureaucratic systems (Hanami, 2000, p. 9).

Although Hanami considers that the 1999 Basic Law for a Gender-equal Society might help, he seems inclined to think that it will still not be easy to change long-held prejudices because of the law's typical lack of enforcement provisions.

Admittedly, there are grounds for this pessimistic view. According to a Survey on Woman Workers' Employment in Management undertaken by the Ministry of Labour, only 7.1 per cent of companies had female general managers in January 1999. This proportion, low in itself, actually represented a 1.3 per cent decline compared with the situation three years earlier. Also, the proportion of general managers who were women was only 1.2 per cent; at the manager level, the proportion of women was 2.4 per cent; and at the assistant manager level, it was 7.8 per cent. When questioned as to the reasons for the low proportions of women managers, respondents reported that "there were no female employees with the requisite knowledge, experience, judgement ability and so on" (*JLB*, 1999, No. 11, p. 4).

Other statistics, using somewhat different definitions of managerial/supervisory positions, suggest that, although the ratio of women in management is still low, the trend is undoubtedly upwards. For instance, women held 1 per cent of "head of department" posts in 1980; but by 2002, the proportion was 2.4 per cent. In the case of "section chief" posts, the proportions were 1.3 and 4.5 per cent, respectively. Among "chief clerk" posts, they were 3.1 and 9.6 per cent, respectively (*Japan Almanac*, 2004, p. 11).

By the year 2000, the Ministry of Labour was clearly not satisfied that the practice of hiring in specific "tracks" was stopping. In June that year the

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<sup>10</sup> Interestingly enough, that the employment of women appears to be associated with enhanced company profitability might be a major factor in reducing discrimination. A report drawing on data from *Basic surveys of Japanese business structure and activities* has highlighted the fact that "firms with a higher proportion of female workers tend to enjoy higher profit margins". However, this might be a spurious correlation. What seems to be of prime importance is that profitability depends on "a corporate outlook which acknowledges ability and achievement regardless of gender" (*JLB*, 2003, No. 9, p. 2). This view might indeed be more reasonable in the light of a study by Rosen who finds that "discriminatory firms may have higher profits" (Rosen, 2003, p. 825).

Ministry presented as one of the “matters for special attention” the whole process of hiring by “track”. As argued above, this system is obviously tantamount to “hiring by gender” (*JLB*, 2000, No. 9, p. 5). Against this background, the 2002 Tokyo Court judgement will hopefully help to put an end to this practice.

## Gender equality: An international comparison

In a major contribution to the International Labour Office’s Decent Work Agenda launched in 1999, Dharam Ghai pointed out that: “In some industrial countries (e.g. Australia, Italy and Sweden), women occupy around 40 per cent of the posts classified as administrators and managers (whilst) the ratio in some other countries such as Japan, Greece and Spain is remarkably low – 10 per cent or less.” In Japan, the exact proportion was 8 per cent in or about 1992. And in Ghai’s ranking of indices of sex discrimination in the labour force for 22 industrialized countries, Japan scored relatively low, ranking 14th, along with Belgium and Switzerland (Ghai, 2003, pp. 128–129 and 137).<sup>11</sup> Japan clearly has some catching up to do in this respect.

On the question of “power structures in politics”, table 9 shows the numbers and proportions of female cabinet members and the proportions of female parliamentary representatives in various countries. Somewhat surprisingly, on these indicators Japan is comparable with a number of other countries, and it actually has a *higher* proportion of female cabinet members than the United States. Moreover, the trend in female representation in the Japanese Diet is clearly positive – though still far from the levels attained by world leaders in this field (see table 10).

A recent ILO report takes a reasonably optimistic view of *global* developments in regard to gender equality: “The increasing participation of women in the labour market has been one of the most striking phenomena of recent times. It has enabled women in many regions to prove their potential in the labour market and placed them on the path towards achievement of their economic independence” (Elder and Schmidt, 2004, preface). As shown in this study on Japan, however, economic and social disparities still exist. And the ILO report goes on to point out that women are still “more likely to work in lower paid sectors and often have a lower status in employment than their male counterparts ... [and] the gap between male and female wages still exists, even in some professions where females dominate” (*ibid.*).

“[F]or six diverse occupation groups ... in most countries, women still earn 90 per cent or less of what their male co-workers earn” (Elder and Schmidt, 2004,

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<sup>11</sup> In a study by Blau and Kahn on the gender pay gap among countries, Japan scored very poorly compared, say, with Australia, the United Kingdom and the United States. Moreover, the variables used to account for pay gaps (overall wage compression and female labour supply relative to demand) explained only 11–12 per cent of the gap for Japan as opposed to 63–67 per cent for Sweden. This, the authors conclude, “suggests that the large pay gap in Japan, to a considerable extent, reflects unmeasured factors that are highly unfavorable to women” (Blau and Kahn, 2003, p. 129). These factors must surely be societal and cultural – and are thus notoriously difficult to change.

Table 9. Female representation in government and parliaments: Various countries

Country	Total number of cabinet ministers <sup>a</sup>	Female cabinet ministers <sup>a</sup>		Female representatives as percentage of total representation <sup>b</sup>	
		Number	As percentage of total	Upper house	Lower house
Japan	18	5	27.8	15.4	7.1
United States	16	4	25.0	13.0	14.3
United Kingdom	23	7	30.4	16.4	17.9
France	33	11	33.3	10.9	12.2
New Zealand	20	7	35.0	—	—
Sweden	20	11	55.0	45.3 <sup>c</sup>	—
Republic of Korea	—	—	—	5.9 <sup>c</sup>	—

Notes: <sup>a</sup> June 2001. <sup>b</sup> c. 2003. <sup>c</sup> Single-chamber system. — Not available or not applicable.  
Source: *Japan Almanac*, 2002, p. 32, and 2004, p. 11.

Table 10. Number and proportion of female Diet members in Japan, 1950–2003

	Female Diet members	
	Number	Percentage of total
1950	24	3.4
1960	24	3.4
1970	21	2.9
1980	26	3.4
1990	45	5.9
1995	51	6.8
2000	68	9.1
2003	72	10.0

Source: *Japan Almanac*, 2004, p. 11.

p. 12, fig. 7). On the assumption that the disparity revealed by these “six diverse occupation groups” can be generalized to all industries, Japan would appear to compare unfavourably with most countries. As shown in table 5 above, regular female workers in Japan received only 64.7 per cent of male wages in 1998. And even though women’s real rates of remuneration are growing faster than men’s (table 7), it is clear that women will not catch up with men in anything like the short term.

Yet one can remain reasonably sanguine about the *trend*. Lena Gonäs, of the Swedish Institute for Working Life, summed up her conclusions from a June 2000 conference in Tokyo as follows: “There are reasons to believe that the gendered structure of the labor market is slowly developing towards more equality. This development is of course dependent on whether economic and employment policies in the future can integrate the gender perspective and change male-dominated power structures in politics and businesses” (Gonäs, 2001, p. 14; see also p. 21).

## Concluding remarks

The Japanese labour market has witnessed many changes since the end of the Second World War. The most spectacular of these changes has been the evident improvement in the status of women. The growing affluence of Japan has been accompanied by shifts in the labour market which have been increasingly favourable to women. The post-war emphasis on manufacturing industry has given way to the expansion of the services sector, which now employs almost two-thirds of the Japanese labour force. And the rapid ageing of the population will, in due course, give rise to further expansion of various services (particularly in the medical field) and this too is likely to stimulate demand for female labour.

It is interesting to consider *why* changes in the overall economy have been associated with changes in legislation that have been increasingly favourable to women. The answer to this question lies in a combination of factors. First, the traditionally paternalistic Japanese State eventually concerned itself with an improvement in the status of women as it had long been concerned with setting the framework for industrial relations in general. Second, specific interest groups within the government may have endeavoured – and succeeded – to have pro-women legislation enacted; if so, this would, indeed, be to the credit of the Women's Bureau of the Ministry of Labour (though the Bureau appears to have been more interested in the “protection” of women rather than gender equality). Third, public opinion, trade unions and other pressure groups within society may have played a part in getting politicians to enact legislation – but the significance of this factor is questionable given the general weakness of grass-roots public opinion (on any issue in Japan) and the trade union movement which represented only 20.2 per cent of employees in 2002 (*Japan Almanac*, 2004, p. 81).<sup>12</sup> Fourth, employers may have found it in their interest, if not actively to push the legislation forward, then to seek benefits from co-operation with the legislative process.<sup>13</sup> Thus, the end of the ban on women's night work encouraged Mazda Motors – which had not employed any skilled female workers since 1995 – to hire 60 of them in the spring of 1999. Toyota and Nissan expanded their employment of skilled female workers even more dramatically (*JLB*, 1999, No. 5, p. 3). Fifth, Japan responded to the necessity to implement the United Nations' 1980 policy on the non-discriminatory treatment of women. And finally, Japan was simply acting in conformity with the “spirit of the times”: while a pre-Meiji-like sense of isolation and “uniqueness” still exists, there are forces impelling Japan to accept the norms of the rest of the industrialized world.

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<sup>12</sup> “No strong interest has been shown ... in broader socio-economic issues, such as promoting women's participation in the workforce or greater job training. This is particularly true of the union side” (Odaka, 1999, p. 175).

<sup>13</sup> For example, following the entry into force of the Revised Labour Standards Law on 1 April 1999, the older protective clauses banning night work for women were repealed; women can now work at night between 10 p.m. and 5 a.m.

It was no doubt a combination of these various factors which led to the gradual enhancement of women's position in society. On the whole, this survey thus suggests a cautiously optimistic view of the trend towards gender equality in Japan. The underlying change in public opinion, as manifested in the continual updating of labour laws, is obvious. While the struggle for equality is still far from over, economic developments, coupled with a growing political consciousness on the part of women, will inevitably lead to the emergence of a genuinely gender-neutral society in Japan.

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## Social security reform and gender equality: Recent experience in central Europe

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The first 15 years of transformation in central Europe brought about major changes in the social security that governments afford their citizens. For the most part, these changes were not the result of long-term planning but were shaped by rapidly shifting conditions and demands, themselves the product of the transformation. In the early 1990s, a combination of high inflation, massive job losses and expanding poverty created an urgent need for new forms of security, and the newly elected governments' capacity to deliver these was an immediate test of their legitimacy. They moved quickly to adapt some existing schemes (e.g. early retirement to absorb unemployment and new family benefits to compensate for loss of subsidized commodities) and to create new ones (e.g. unemployment insurance and social assistance). Later in the 1990s, as their economies gained a measure of stability, governments set about the task of restructuring social security more fundamentally. These reforms aimed at containing rising scheme costs and adapting certain design features to the new market economies. Some of the reforms were radical (e.g. replacement of social insurance with private individual savings), but they too were subject to many mid-course adjustments, driven by the economic and political transformation under way in the countries.

Gender equality did not figure prominently among the goals that the reforms aimed to realize. In the early 1990s, gender issues were largely eclipsed by other concerns that were perceived as more pressing – i.e. the need to provide relief from the effects of inflation, job loss and poverty. More than a dozen years later, gender still receives only limited attention in regional social security reforms. This is partly due to the absence of a well-organized gender lobby in any of these countries, to inequalities in labour markets that continue to command primary attention from gender advocates, and to continuing controversy about which social policies best serve the interests of women.

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Developed in contexts where the issue of gender equality remained mostly on the sidelines, recent social security reforms nevertheless have major consequences for equal treatment. Analysing the reforms from the perspective of gender equality can cast light on major distributional effects and reveal combinations of changes with unforeseen consequences for gender equality. Such analysis exposes the complexity and difficulties of defining the concept of equal treatment in social security schemes that operate in, and are shaped by, environments marked by considerable gender inequality.

The following pages provide such a gender analysis of social security reforms in the Czech Republic, Hungary and Poland, all of which joined the European Union (EU) in May 2004.<sup>1</sup> The review covers 13 years of transformation, from 1990 through 2002, and examines reforms in two major branches of social security: family benefits that support parents with children (family allowances, childcare benefits, and maternity benefits); and benefits that replace lost income as a result of old age or death (retirement and survivors' pensions). Significantly, the first category includes a mix of benefits that reflect biological differences between the sexes (maternity benefits) and others that are provided without regard to these (family allowances and childcare benefits), while the two benefits in the second category address contingencies experienced by both women and men. For each category, first the major reforms adopted over the period are examined and some general reform trends identified. Then available data (social security spending and caseload statistics, household expenditure surveys and financial projections) are used to quantify the impact of these reforms on women and men.

This analysis points to a number of current issues that merit greater attention and action by those concerned with gender equality and social security. Formulated briefly below, these issues form the core of the analysis presented subsequently:

- The channel whereby family benefits for childcare are made available is important in relation to women's attachment to the labour force. In national contexts where childcare is still overwhelmingly provided by women, making such benefits available through the workplace or contingent on employment creates incentives and rewards for women's labour force participation. Conversely, if childcare benefits are restricted to those with low income or limited means, mothers who stay at home to care for young children may become isolated from the world of work, and find their integration or subsequent reintegration into the labour market in later years more difficult. At the same time, those rendered ineligible for support because of their earnings will have greater difficulty balancing work and family responsibilities.
- Second, there is the basic issue of which policies permit or promote more equal sharing of family-caring responsibilities between women and men.

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<sup>1</sup> These countries are three of the ten that joined the EU at that time. The group also includes the Slovak Republic, three Baltic countries (Latvia, Lithuania, and Estonia), one former Yugoslav republic (Slovenia), and two Mediterranean islands (Cyprus and Malta).

In the course of the 1990s, all three countries made childcare benefits available to men and women on an equal basis. As yet, equal treatment in this regard has had no discernible effect on the allocation of childcare responsibilities within the family, which continue to rest overwhelmingly with women. As populations age, elderly family members require increased care, while the need for family childcare is ongoing. It seems clear that, as a matter of simple arithmetic, women cannot gain greater freedom to seek more varied forms of income and fulfilment until men and women share the tasks of caring for family members more equally.

- Third, central European women entered the new political era while retaining retirement privileges from the socialist years. In some cases, the law set the retirement age to give all women the possibility of retiring earlier than men; in others, this preferential treatment was based on the number of children a woman had brought up. Clearly, these privileges represent unequal treatment in an area not related to biological differences between the sexes. Is there a principled rationale for maintaining these privileges today?
- Fourth, the 1990s witnessed a major regional trend, whereby the size of an individual's pension benefit was more closely linked to his/her earnings and work history, in other words, income redistribution toward low-income workers was reduced or abolished. This trend is apparent in both the public pension schemes and the new privatized ones. It is advantageous to women and men with higher incomes, and hurts all workers on lower incomes, whether women or men. Given that women earn significantly less than men during their professional lives and tend to work fewer years (because of time taken to bear and bring up children, and the greater likelihood of unemployment throughout much of central and eastern Europe), this trend has a more negative effect on women.
- Fifth, the partial privatization of pension schemes, such as took place in Hungary and Poland, raises a major question concerning the size of men's and women's pensions as a result of their different average life expectancies. This issue arises in the new systems of commercially managed individual savings accounts mandated by privatization laws. When the amounts accumulated in these accounts are converted to annuities at retirement, it will be necessary to consult one of two types of life expectancy tables: either one that treats women and men separately or one that gives a single, joint life expectancy projection. The use of the latter would result in payment of an equal monthly benefit for a man or a woman retiring at the same age with the same contributions history. However, since on average women live longer than men, they would, on average, accumulate higher total *lifetime* benefits than comparable men. By comparison, the use of gender-specific tables would give a man and a woman retiring at the same age with the same contributions history the same total *lifetime* accumulation of retirement benefits but would give the woman a lower *monthly* benefit because, on average, her savings would have to cover a longer lifetime.

What should be considered equal treatment for men and women with identical earnings histories and retiring at the same age: identical total average accumulation over the entire period of retirement, or identical average monthly benefits?

## The context: Central European labour markets

Since economic and social context shapes the need for social security benefits, our starting point is necessarily the profiles of the beneficiaries and the costs involved. As elsewhere in central Europe, women in the Czech Republic, Hungary and Poland achieved high levels of labour force participation under socialism, but the contexts in which they worked were characterized by significant gender inequality. This inequality persisted into the 1990s, with some indicators worsening or becoming more obvious (see table 1). On the whole, the labour market indicators fall within the range observed in western Europe.<sup>2</sup> Throughout the 1990s, unemployment rates were persistently higher for women than for men in the Czech Republic and Poland, a disparity that exists in all EU Member States.<sup>3</sup> The gender pay gap was, and remains, in the 20–25 per cent range in all three countries, with the Czech Republic showing the greatest gap. These figures are only slightly higher than those in the non-central European Member States of the EU with the greatest pay inequality.<sup>4</sup> Gender segregation in employment is strong, with women concentrated in services. Compared with the EU Member States, however, in 2000 the proportion of women in industrial employment was higher in all three countries.<sup>5</sup> Women are under-represented in managerial jobs in all three countries, though in Hungary and Poland they hold larger fractions of such positions than women in all EU Member States with the exception of France (UNECE, 2000).

At the beginning of the 1990s, all three countries provided the benefits examined here on an unequal basis to women and men. Earlier statutory retirement ages existed for women, family benefits provided women with greater support for balancing their lives as workers and parents, and, in the Czech Republic and Hungary, women had larger survivors' benefits. Though gender equality was part of the communist ideology, benefits were not provided with the intention of achieving equal treatment of women and men. Rather, in an

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<sup>2</sup> See European Commission: Unit Equality for Women and Men, DG Employment and Social Affairs, Thematical statistical sheets (based on Eurostat, Key Employment Indicators), at [http://europa.eu.int/comm/employment\\_social/equ\\_opp/statistics\\_en.html](http://europa.eu.int/comm/employment_social/equ_opp/statistics_en.html) [visited 24 Aug. 2004].

<sup>3</sup> In Hungary, women's lower unemployment rate is explained by a larger exodus of women from the workforce in the early 1990s. See Lukács and Frey (2003), pp. 43, 46.

<sup>4</sup> Namely, Austria, the Netherlands and the United Kingdom. See "Gender pay gap in unadjusted form?" Eurostat Free Data, Structural Indicators, Employment Indicators. Downloadable at <http://europa.eu.int/comm/eurostat/newcronos/queen/display.do?screen=detail&language=en&product=YES&root=YES/strind/emploi/em030> [visited 30 Aug. 2004].

<sup>5</sup> The highest share of women in industrial employment is found in the Czech Republic (27.3 per cent); in Hungary, it is 24.8 per cent, and in Poland, 18.9 per cent. In the EU, the average share of women in industrial employment is 14 per cent. Source, see footnote 2.

Table 1. Rankings in the UNDP Gender-Related Development Index

	1995	1998	2001
Czech Republic	25	33	32
Hungary	34	38	38
Poland	35	40	35

Sources: UNDP (2003), table 22, p. 310; Rangelova (2002), table 2.

environment of substantial gender inequality, the benefits rewarded women for motherhood and eased their dual role of worker and principal family care-giver (Lohmann and Seibert, 2003; Marksova-Tominova, 2003).

## Family benefits

Family benefits are payments made in cash or in kind to support parents in bearing and bringing up children.<sup>6</sup> They include general allowances, paid to supplement wages according to the number of children in a family, as well as two benefits contingent on specific action: giving birth (maternity benefits) and withdrawing temporarily from the work force to care for a young child (childcare benefits).<sup>7</sup> During the socialist period, all three countries developed an array of family benefits. From among these, the most relevant in shaping the life and professional choices of women and men will now be examined.<sup>8</sup>

### Overview of reforms

In contrast with pension reform, where major changes were often adopted within short time periods, the reform of family benefits has been incremental and continuous. The sequence is simplest in the Czech Republic, where minor reforms were adopted in 1990 and 1993, followed by major ones in 1995 and 1996. In Hungary and Poland, changes were made throughout the 1990s and continue today. Amidst this complexity, several broad legislative trends stand out.

First, in the early 1990s, there was a general uncoupling of family benefits from beneficiaries' employment status.<sup>9</sup> The new governments in all three countries sought to provide relief from the effects of inflation, job loss, and

<sup>6</sup> In Hungary, family benefits are also paid through the tax system.

<sup>7</sup> See the chapter on family benefit in ILO (1984), pp. 95–104. The names given to the benefits fitting the above definition of childcare are different in each of the three countries. In the Czech Republic, it is the parental allowance; in Hungary, the childcare fee, childcare allowance, and child-raising allowance; and in Poland, the childcare benefit and child-raising allowance. See table 2.

<sup>8</sup> In the Czech Republic, there are four such benefits: maternity benefit, child allowance, social allowance, and parental allowance; in Hungary, there are seven: maternity benefit, family allowance, child protection benefit, tax credits, childcare fee, childcare allowance, and child-raising benefit; and in the Czech Republic, there are also seven: maternity benefit, childcare benefit, child-raising allowance, family allowance, alimony fund, guaranteed periodic benefit, and benefits for pregnant women and women bringing up children.

<sup>9</sup> Only maternity benefits were exempted from this process. Today they continue to be provided as employment-related insurance benefits in all three countries.

poverty through various family benefits, along with other forms of social security. This was accomplished by making some employment-related benefits into universal benefits, while targeting others on families with low incomes or limited resources. Also, some new benefits were created.

Later in the 1990s, fiscal pressures provided a major impetus for legislation curtailing family benefits. In Hungary and Poland, the Governments adopted austerity programmes calling for major cuts in overall social spending, including the benefits in question. These cuts were achieved through greater income-testing of benefits, reductions in their level and duration, and by omitting to adjust for inflation. The shift to income-testing was most marked in Poland, where today eligibility for nearly all family benefits is based on family income or means.<sup>10</sup> In Hungary, income-testing (of the benefits in question) was adopted in the mid-1990s and then abolished later in the decade.<sup>11</sup> Income-testing was less extensive in the Czech Republic, where it was applied to some, but not to all, benefits and in not too restrictive a manner.<sup>12</sup>

A third cross-cutting change in family benefits law is the targeting of greater support for large families. In Hungary and Poland, these changes featured among broader efforts to redress stagnant or declining population growth. They were supported by certain religious groups and political parties which favoured the restoration of traditional family roles or national values. In Hungary, a new child-raising benefit was created for families with three or more children; and progressively larger tax credits were provided for the second, third, and subsequent children (Lukács and Frey, 2003, boxes 2 and 3, pp. 56, 58). In Poland, larger families received a higher child-raising allowance for the third and each subsequent child (Wóycicka et al., 2003, box 1, p. 193). In the Czech Republic, although population growth was less ardently promoted, there too larger families received larger child allowances (Kuchařová, Kotýnková and Prusa, 2003).

Finally, all the countries equalized the entitlement to benefits for men and women providing childcare, thus eliminating the provisions of pre-existing law that had barred fathers from using these benefits or had imposed stricter rules on them. In Poland, equalization of one childcare benefit was accompanied by a cut that applied to both women and men.<sup>13</sup> Given the gender wage gap, this was judged necessary in order to avoid an increase in spending, since the benefit level was based on the worker's pay (see table 2).

These various reforms of family benefits contrast with the limited changes made to maternity benefits. All three countries maintained the latter as employment-related social insurance. Hungary, making a single change as part of

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<sup>10</sup> The childcare benefit, a short-term payment for those who leave work to care for a sick child, remains employment-related. See Wóycicka et al. (2003), p.194.

<sup>11</sup> Even when applied, income-testing was scarcely prohibitive, since it excluded only 9 per cent of families and 7 per cent of children from the family benefit. See Lukács and Frey (2003), pp. 62–63.

<sup>12</sup> Ninety-four per cent of two-parent families with one economically active parent received the child allowance before it was income-tested (1996), and 93 per cent received it afterwards (1999). See Kuchařová, Kotýnková and Prusa (2003), p. 121.

<sup>13</sup> This is the benefit for care of a sick child. See Wóycicka et al. (2003), p. 193.

**Table 2. Equal treatment of men and women regarding various national childcare benefits; benefit and year equalized**

Country	Benefit	Year equalized
Czech Republic	Parental allowance	1990
	Right to return to same job following allowance	2001
Hungary	Childcare fee	1992
	Childcare allowance	1992
	Child-raising benefit	1998
Poland	Childcare benefit	1995
	Child-raising allowance	1996

Sources: Kuchařová, Kotýnková and Prusa (2003), p. 117; Lukács and Frey (2003), pp. 56–57; Wóycicka et al. (2003), p. 193.

**Table 3. Reform of maternity benefits**

	Pre-1989	Reform and year
Czech Republic	Social insurance benefit	Unchanged
	28 weeks duration	Unchanged
	90 per cent of previous <i>net</i> wage	Changed to 69 per cent of previous <i>gross</i> wage in 1993
Hungary	Social insurance benefit	Unchanged
	28 weeks duration	Unchanged
	100 per cent of previous wage	Replacement rate reduced to 70 per cent in 1996
Poland	Social insurance benefit	Unchanged
	16 weeks duration	Increased to 20 weeks in 2000
		Increased to 26 weeks in 2001
		Reduced to 16 weeks for first child (2 available to father), 18 weeks for subsequent children, in 2002
	100 per cent of previous wage	Unchanged

Sources: Kuchařová, Kotýnková and Prusa (2003), p. 192; Lukács and Frey (2003), p. 56; Wóycicka et al. (2003), p. 192.

a 1996 fiscal austerity plan, reduced the replacement rate of wages in maternity benefit from 100 to 70 per cent (Lukács and Frey, 2003, box 1, p. 56). In 2000, the Polish Government initiated a series of rapid changes in the duration of the benefit, but ultimately restored its original duration of 16 weeks.<sup>14</sup> Throughout the period, Poland maintained an income replacement rate of 100 per cent of the worker's current wage. Poland extended maternity benefits to fathers, allowing them to take two weeks of the total period available. The Czech Republic made a single small change, shifting the basis for computation of benefits from gross to net wages (see table 3).<sup>15</sup>

<sup>14</sup> Poland first introduced an increase in the duration of benefits from 16 to 20 and then 26 weeks, followed by a cutback to 16 weeks. See Wóycicka et al. (2003), p. 192.

<sup>15</sup> In the Czech Republic, the percentage is calculated from the so-called Daily Assessment Base, which is based on wages but uses a complex formula that can cause some variation from actual wage amounts.

### *Impact of the reforms*

At the end of the 1990s, it was possible to discern four broad effects of the legislative changes just outlined. First is a sharp decline in spending on family benefits as a portion of GDP. Though the definitions of benefits and years for which data are available differ, there is nevertheless a clear trend: in Hungary, during the period 1990–2000, spending on the benefits being examined fell by nearly half, from 3.8 to 2.0 per cent of GDP; in Poland during the period 1990–98, from 1.7 to 1.1 per cent of GDP; and in the Czech Republic during the period 1996–2002, from 1.6 to 1.2 per cent of GDP (Lukács and Frey, 2003, table 11; Wóycicka et al., 2003, figure 2). See also table 4, figure 1, and table 5.

It is noteworthy that, in Poland and Hungary during most of the 1990s, the share of family benefits in household income declined significantly, while the share of social security benefits overall remained relatively stable.<sup>16</sup> This suggests that, as a category, families were less well protected than other beneficiary groups, for example, old-age and disability pensioners.

Second, one can observe the results of concentrating family benefits on families with low incomes. After the reforms in the Czech Republic (1995–96), the proportion of families receiving all three of the benefits examined in this study fell by half, while at the same time, those still eligible for all three benefits received increases of between 3 and 10 per cent of net family income (Kuchařová, Kotýnková and Prusa, 2003, p. 125). This concentration probably accounts partly for the fact that, by 1998, family benefits in Poland represented 12 per cent of income for families in the lowest income decile, but just 0.15 per cent for those in the top decile (Wóycicka et al., 2003, table 3, p. 210). In Hungary, as previously mentioned, income-testing was first adopted, then discontinued.

A key question raised by such targeting is its effect on the work motivation of the family caregivers.<sup>17</sup> Data with which to address this question are spotty. The authors of all three national studies raise concerns about disincentives to employment associated with income-testing of family benefits. In Hungary and Poland, such disincentives may be accentuated by the relatively small gap between childcare benefits and the minimum wage, as well as by the high costs of institutional childcare for parents with low skills who might wish to return to work.<sup>18</sup> While a portion of childcare costs may be covered by local

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<sup>16</sup> In Poland, total social benefits represented between 31 and 33 per cent of household income during the period 1992–99, whereas in Hungary, the proportion of household income represented by social benefits dropped temporarily during the mid-1990s and was then restored. For a family with one child, social benefits represented 21 per cent of household income in 1993, 16 per cent in 1997 and 20 per cent in 1999, whereas the three family benefits dropped from 9.2 to 5.7 per cent over this period (Wóycicka et al., 2003, table 1, p. 206; Lukács and Frey, 2003, table 17, p. 68).

<sup>17</sup> The question actually refers to the “child-raising benefit” in Poland. There, “childcare benefits” refer to short-term benefits for the care of a sick child, rather than to benefits paid for caring for young children at home for extended periods. In Poland, means-testing was applied to the latter but not the former. See Wóycicka et al. (2003), p. 193.

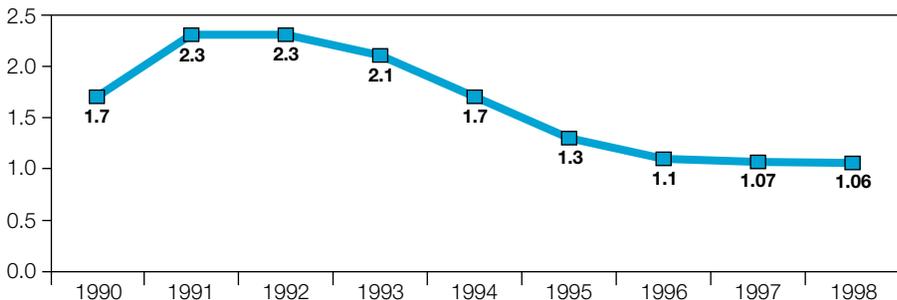
<sup>18</sup> In Poland, the guaranteed benefit is 88 per cent of the net minimum wage, whereas in Hungary the combination of the childcare allowance and child-raising benefit represented 84 per cent of the minimum wage until 2001, when it was increased by 25 per cent, from 40,000 to 50,000 Hungarian forints (Wóycicka et al., 2003, p. 198; Lukács and Frey, 2003, p. 73).

Table 4. Hungary: GDP per capita, family benefits (total expenditure and as a percentage of GDP), 1990–2000 (in 1990 Hungarian forints)

Year	GDP per capita	Total expenditure on family benefits (1,000 millions)	Family benefits as percentage of GDP
1990	201 573	78.5	3.8
1991	177 324	74.6	4.1
1992	171 221	69.7	3.9
1993	169 466	64.4	3.7
1994	176 020	58.8	3.3
1995	177 158	45.2	2.5
1996	176 630	36.6	2.0
1997	185 675	34.4	1.8
1998	192 641	38.8	2.0
1999	200 338	38.7	1.9
2000	201 915	39.6	2.0

Sources: CSO *Statistical Yearbooks* (1995, 2000, 2002), tables 15.3 and 8.14; quoted in Lukács and Frey (2003), table 11.

Figure 1. Poland: Family benefits as percentage of GDP, 1990–98



Source: Hagemeyer, Liwiński and Wóycicka (2002), figure 9.2.1, p. 103, quoted in Wóycicka et al. (2003), table 3.

government subsidies to low-income workers, in neither country was it possible to quantify the actual extent of such subsidies.<sup>19</sup> Given these uncertainties, it is not possible to quantify the actual impact of financial work disincentives on the professional and life choices of parents with young children.

A third finding relates to the legislative reforms (described earlier) that gave equal access to childcare benefits to women and men. Access alone, of course, cannot be expected to change entrenched modes of sharing childcare between parents. Though the data on use of these benefits are not complete, those available suggest no pent-up (or “very limited”) demand from fathers

<sup>19</sup> In a recent Polish survey of families concerning childcare, 18 per cent of respondents reported that childcare was a major expenditure item that required them to forgo addressing other needs (Wóycicka et al., 2003, p. 218).

Table 5. Czech Republic: Three family benefits (total expenditure and as a percentage of GDP), 1996-2002 (in billions of Czech crowns)

Benefit	1996	1997	1998	1999	2000	2001	2002
Child allowance	12.19	12.50	12.49	12.47	12.75	12.80	13.35
Social allowance	6.24	6.22	6.27	6.25	6.20	6.00	6.27
Parent allowance	7.36	7.61	7.78	7.72	7.69	7.70	8.02
<b>Total</b>	<b>25.79</b>	<b>26.33</b>	<b>26.54</b>	<b>26.44</b>	<b>26.64</b>	<b>26.50</b>	<b>27.64</b>
Gross Domestic Product (GDP)	1572.30	1668.80	1798.30	1833.00	1910.60	2175.20	2275.60
Family benefits as percentage of GDP	1.64	1.58	1.47	1.44	1.39	1.22	1.21

Source: Government of the Czech Republic (2003), table 1.

for access to childcare benefits. In the Czech Republic during the period 1995–98, fathers represented less than 1 per cent of recipients of childcare benefits, roughly the same as in Hungary (Kuchařová, Kotýnková and Prusa, 2003, p. 130; Lukács and Frey, 2003, p. 71). In Poland, statistics on the use of childcare benefits by men and women are not available. However, this investigation did not turn up any evidence, even anecdotal, that men are using these benefits to stay at home and care for their children. Clearly, the main barriers to greater sharing of family responsibilities lie in inequalities in the labour market (the gender wage gap) and in cultural values. Still, the equal treatment of women and men removes barriers to possible future shifts toward equal sharing of childcare between parents.

Finally, anecdotal evidence reported in all three countries suggests a pattern worth noting, namely, that employers discriminate against women workers with family responsibilities and limit the duration of their contracts to avoid family leave. In Poland, and the Czech Republic, it was also reported that women are increasingly reluctant to use employment-based rights to family benefits for fear of reprisals by employers, in the form of job loss or unfavourable re-assignment (Lukács and Frey, 2003, p. 72; Kuchařová, Kotýnková and Prusa, 2003, p. 134; and Wóycicka et al., 2003, p. 201). Though no estimates are available on the scope of this phenomenon, it is consistent with other recent observations that the legal right to family benefits is being curtailed in some central European countries through informal pressures and restrictions.<sup>20</sup> These observations are a cause for serious concern as regards gender equality in employment.

<sup>20</sup> A 1999 UNICEF study concluded that, “Overall it seems that governments are creating a generous framework for family-related leave but that the actual terms are being negotiated at the individual level directly between employers and employees” (UNICEF, 1999, p. 54). Similarly, Rangelova concludes that, “... the *de jure* continuation of benefits such as extended maternity and sick child leave, without either legal or collective trade union instruments to enforce them, has become a pretext for discrimination” (Rangelova, 2002, p. 112). See also Petrović (2002) on job discrimination against women because of their plans to have children.

To sum up, the reforms of family benefits have achieved mixed results. On the positive side, income-testing of some benefits has succeeded in targeting scarce resources on those most in need. This has softened some of the financial shocks associated with the shift toward a market economy. Given that women have lower average earnings and higher rates of poverty, this targeting has no doubt benefited them accordingly. On the other hand, this change has shifted the support from wage replacement to poverty alleviation; and it has shifted the status of beneficiaries (mostly women) from holders of personal rights to petitioners of the State. At the same time, income-testing is a disincentive to economic activity that threatens to trap some women into dependence on these benefits. Though all three countries have extended equal treatment to men and women as regards childcare benefits, these reforms have not yet led to any changes in behaviour. Indeed, caring for young children is still overwhelmingly carried out by women, as it was before the reforms. In Hungary and Poland, large cuts in family benefits have left working parents (mostly women) with much less support for efforts to balance family/work responsibilities than they used to receive before the transition.

## Pensions

### *Overview of reforms*

In 1989, the national pension schemes of Czechoslovakia (as it then was), Hungary and Poland had several features in common. With no private supplemental arrangements in place, all served as the main providers of retirement income in the countries. All were financed on a pay-as-you-go basis through transfers from state-owned firms to a social insurance account within the state budget. There was little public accounting of the collection or allocation of these resources. Benefits were computed on the basis of a worker's final earnings, thus penalizing workers with steady earnings compared with those whose earnings rose as their careers advanced.<sup>21</sup> Retirement ages were relatively low: in Czechoslovakia, 60 for men and 53–57 for women; in Hungary, 60 for men and 55 for women; and in Poland, 59 for men and 55 for women.<sup>22</sup> Czechoslovakia and Poland provided pension privileges (higher benefit amounts and/or lower retirement ages) for workers in certain occupations, such as miners, pilots, and for certain high-ranking members of the Communist Party. In the later years under socialist rule, adjustments of pensions did not keep pace with rising prices or nominal wages, to the economic detriment of older pensioners compared with those more recently retired.

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<sup>21</sup> In Hungary, the best three out of five years before retirement were counted, with a rising replacement rate for those with longer careers. In Poland, the best two consecutive years out of the last ten years were counted. In Czechoslovakia, the benefit was based on the average wage earned in the five years immediately prior to retirement. Given the relatively compressed wage structures of these countries under socialism, the use of final earnings did not produce great differences in pensions.

<sup>22</sup> For Poland, these are the actual ages of retirement, based on early retirement options. The normal retirement age was 65 for men and 60 for women (Wóycicka et al., 2003, p. 216).

In the early 1990s, rising unemployment caused a drop in contribution income in all three schemes. This was largest in Poland and Hungary, where the numbers of contributors declined by 15 and 25 per cent, respectively. In the Czech Republic, the number of contributors dropped by 8 per cent (Palacios, Rutkowski and Yu, 1999). The Hungarian and Polish Governments liberalized access to early retirement in order to absorb excess unemployment, causing rapid increases in the number of pensioners – around 20 per cent in Hungary and 50 per cent in Poland. In the Czech Republic, the increase was about 10 per cent (*ibid.*).

In addition, all three governments took early action to improve pension benefits. Czechoslovakia and Poland focused on the inequalities between old and new pensioners, with a step-up in benefits. This adjustment was greatest in Poland, where it contributed to a sharp rise in pension spending.<sup>23</sup> In addition, all three governments regularized cost-of-living adjustments. Both Hungary and the Czech Republic established schemes of voluntary supplemental pension savings (1993–94). In the earlier period, Czechoslovakia had moved decisively to eliminate pension privileges (1991).

As the decade progressed, the three countries enacted major pension reforms. In general, these reforms aimed at containing the costs of schemes and at individualizing benefits. The Hungarian and Polish Governments revised pension formulas so that benefit levels more closely reflected each individual's earnings record, thus reducing or eliminating redistribution toward low-income workers. The Czech Republic, by contrast, adopted a new formula which still contained elements of redistribution. All three countries adopted laws aimed at gradually raising the retirement age. They also increased the number of years of earnings taken into consideration when computing pensions. This reduced the penalties affecting those with sustained, flat wages and increased the rewards for contributions paid early in a career. In an effort to control costs, Hungary and Poland restricted the indexing of wages taken into consideration for pension purposes and reduced the cost-of-living adjustments to pensions.<sup>24</sup> These two countries also revised the pension credits for periods spent out of employment caring for young children, with the effect of reducing their value, in both cases. The Czech Republic and Hungary equalized survivors' benefits for men and women.<sup>25</sup>

In a major policy shift in the late 1990s, Hungary and Poland introduced mandatory systems of commercially managed individual savings accounts (Fultz, 2002). These accounts replaced part of the countries' public pay-as-you-go schemes and placed part of workers' contributions (savings) with private investors. Once these schemes have been phased in, retiring workers will use

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<sup>23</sup> During the period 1990–96, pension spending rose from 9.6 to 16.1 per cent (Chłoń-Domińczak, 2002, table 4, p. 106).

<sup>24</sup> Hungary adopted the so-called Swiss method (benefit adjustments reflecting wage and price increases in equal proportions), while Poland moved to heavier reliance on price indexing (the ratio for adjustments was 85 per cent reliance on prices, and 15 per cent on wages).

<sup>25</sup> No such action was needed in Poland since these were equal prior to 1989.

their savings to buy an annuity, that is, a pension payable monthly until death. Proponents portrayed these reforms as necessary in order to develop capital markets, boost economic growth and increase the security of pensions through risk diversification. The Czech Republic has debated this type of reform, but so far has rejected it mostly on account of the high transition costs involved.

Unlike changes in maternity and family benefits that may be implemented quickly, pension reforms are usually put in place over a number of years. The greatest time horizon concerns the so-called radical reforms that replace one type of system with another, as is the case with privatization. This time lag makes it far more difficult to assess the reforms in the short term. However, some educated guesses can be made about their eventual effects, using existing data and macroeconomic simulations.

The following section uses these approaches to identify the major gender aspects of the reforms just described. These concern: the retreat from income redistribution in pension benefit formulas; changes in the retirement age; crediting periods devoted to childcare for pension purposes; and the conversion of individual savings into annuities in the new private pension schemes.<sup>26</sup>

### *Impact of the reforms*

#### The retreat from redistribution

All three countries began the 1990s with pension policies that brought about substantial redistribution of income from high-earners to low-earners. The benefits, computed on the basis of workers' wages in their final years of employment, were constrained by upper and lower limits that enhanced their redistributive character. In Hungary, a progressive scale within the pension formula provided further redistribution by weighting low wages more heavily. In the course of the 1990s, Hungary and Poland eliminated these redistributive elements entirely, and the Czech Republic revised its pension formula but retained some redistributive elements.

The governments achieved these changes in rather different ways. In 1998, the Hungarian Government deleted the progressive term in the formula, thereby benefiting middle- and upper-income workers and disadvantaging those with low incomes (Lukács and Frey, 2003, p. 80). This change is being phased in and will become fully effective in 2013. The Polish Government revised the formula twice in the 1990s. In 1992, it adopted a formula that increased the weighting of individual workers' earnings, while at the same time including some redistributive provisions that benefited workers with low incomes.<sup>27</sup> Seven years later, under the weight of large current deficits and

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<sup>26</sup> Survivors' benefits are not included here. In two of the three countries (Czech Republic and Hungary) these were equalized for men and women during the 1990s, but these changes were less important than those discussed here.

<sup>27</sup> The latter was achieved through a constant term in the formula equal to 24 per cent of the average wage.

unsustainable future deficits resulting from the earlier adjustments, the Government refashioned the public scheme to reduce both benefits and redistribution. This was accomplished by the introduction of a new Notional Defined Contribution (NDC) formula that makes an individual worker's pension directly proportional to total lifetime contributions.<sup>28</sup> In 1995, the Czech Government adopted a new two-part benefit formula, both parts operating to the benefit of workers on low incomes (Kuchařová, Kotýnková and Prusa, 2003, p. 137). The first consists of a flat universal amount payable to all workers, the second is based on the individual worker's earnings and gives greater weight to low wages.

When Hungary and Poland individualized their formulas (1998–99), they also adopted new systems of private individual savings. This major policy shift redirected approximately 25 per cent of pension contributions to individual accounts managed by commercial firms. By their nature, these accounts lack any redistributive element toward low-income workers; and they provide no benefit formula and thus no means of predicting benefit levels prior to retirement. Instead, each worker receives an annuity based on the investment performance of his/her own savings, minus an administrative charge.<sup>29</sup> The method for converting savings to an annuity is potentially very important for equal treatment and is discussed later.

The new formulas in the public schemes contain no direct reference to sex and are therefore formally neutral as regards equal treatment: a man and a woman with identical earnings and contributions and retiring at the same age will receive the same monthly pension. Of course, the Hungarian and Polish reforms will leave workers with the lowest lifetime earnings with lower pensions. Since women figure prominently in this group, they will be disadvantaged in a way disproportionate to their numbers in the population. The private pension component lacks any redistributive effect and will therefore exacerbate their disadvantage.

Financial projections for Poland illustrate the likely future effect.<sup>30</sup> The simulation shows that under the old rules the average pension paid to a woman

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<sup>28</sup> In the NDC scheme, benefits will be based on each worker's own contributions. The amount of the pension will be calculated by dividing the total lifetime contributions that he/she pays by the average statistical life expectancy of the worker's age cohort at the normal retirement age (gender-neutral life tables will be used). Thus, benefits will decline automatically in response to increased life expectancy (unless the individual delays retirement). Individual accounts will be established to record each worker's contributions. Past contributions will be adjusted at the rate of 75 per cent of the real growth of wages which are subject to contributions. This reform applies to all those aged 49 or less on the date the reform came into force. Others will continue to be covered by the pre-existing defined benefit system (Wóycicka et al., 2003, box 6, p. 224).

<sup>29</sup> In Poland, if payments from both the public and private schemes fall below a certain level, the individual can receive a supplement from public funds bringing his/her pension up to a specified minimum.

<sup>30</sup> These projections were made by the Polish research team of the ILO Subregional Office for Central and Eastern Europe, using the Polish Social Budget Model developed by the Gdansk Institute for Market Economics in cooperation with the (then) Polish Ministry of Labour and Social Policy, and the ILO.

retiring at 60 is about 82 per cent of that paid to a man retiring at the same age. Once the new NDC and privatized schemes are fully phased in, the average woman retiring at 60 will receive just 74 per cent of the average pension paid to a man retiring at the same age.<sup>31</sup> The declining female/male benefit ratio results largely from the elimination of redistribution toward low-income workers and those with shorter work histories.

Not all women lose out under the Polish reform, of course, nor are women the only disadvantaged group: men with low earnings will be similarly affected. The greater impact on women results from their lower average earnings and shorter contribution periods, which the reformed pension system will no longer help to offset.

### Retirement age

In all three countries, socialist retirement policies gave women an advantage. The possibility of retiring earlier than men was one of a number of preferential options that encouraged and rewarded motherhood. In Czechoslovakia, this provision enabled women to retire between three and seven years earlier, depending on the number of children they had brought up. In Hungary and Poland, women were afforded a five-year advantage (in Hungary, retirement at 55 versus 60 for men; in Poland, 60 versus 65).

In the current environment of pension funding difficulties, shrinking or stagnant fertility rates, and a projected drop in the ratio of active workers to retired persons, achieving equality with respect to retirement age by revising men's retirement age to coincide with that of women is not a plausible alternative. In practice, equality can be achieved only by eliminating any preferential treatment of women. In some sense, then, movement in the direction of equal treatment is a losing proposition for central European women. (However, it is argued that it should nevertheless be seriously considered.) It is probable that the difficulties associated with this change will most heavily affect those women who, being closest to retirement, planned to retire under the old rules but find themselves nearing retirement under the new rules. But it may also fall on the young and the elderly since women will have to work to a more advanced age and are thus prevented from performing traditional roles as carers of dependent family members. Reflecting these considerations and strong political opposition (as in Poland), only Hungary has so far established equality of retirement age. The Czech Republic has narrowed the gap between women and men, and Poland has chosen to maintain the pre-existing five-year differential.<sup>32</sup> See table 6.

Though, understandably, it is difficult for many women to contemplate giving up their remaining retirement age privileges, it must be recognized that their

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<sup>31</sup> Specifically, the typical woman retiring at 60 will draw a pension equal to 22.4 per cent of the average wage in the economy, while her male counterpart will draw one equal to 30.4 per cent. Should they both retire at 65, the woman's pension will equal 29.2 per cent of the average wage while the man's will equal 39.6 per cent. In both cases, the average woman's pension will be just 74 per cent of the average man's. See Wóycicka et al. (2003), p. 237.

<sup>32</sup> Poland did, however, abolish early retirement in the 1999 reform, with effect from 2007.

**Table 6. Retirement ages in the Czech Republic, Hungary and Poland**

Country	Pre-1990	Current law
Czech Republic	60 for men, 53–57 for women	62 for men, 57–61 for women
Hungary	60 for men, 55 for women	62 for both sexes
Poland	65 for men, 60 for women, with early retirement options	65 for men, 60 for women; early retirement eliminated as from 2007, except for a limited number of occupations, to be specified in future regulations

Sources: Kuchařová, Kotýnková and Prusa (2003), p. 137; Lukács and Frey (2003), pp. 77, 83; Wóycicka et al. (2003), p. 226.

**Table 7. Poland: Average pension for a woman as percentage of average pension for a man, simulation for 2050**

	With women continuing to retire at age 60, five years earlier than men	With equal retirement at age 65
Old system	75	81
New system	57	73

Source: Wóycicka et al. (2003), derived from table 12.

real value is being eroded through the reforms described above. With the elimination of redistribution toward workers with low lifetime contributions, most women who retire at the earlier age stipulated by law will receive substantially lower benefits than they would have received before these reforms. This effect is also illustrated in the Polish simulations (see table 7). Once the new combined pension system is fully in place, a woman retiring at 60 on an average woman’s pension will receive only 57 per cent of the amount received by a man retiring at 65 on an average man’s pension. This is a huge loss, equal to nearly one quarter of the gender ratio in benefits that existed before the reform. With the average women’s benefit equalling only 57 per cent of the average man’s benefit, this loss places women at much greater risk of poverty throughout their retirement.

As can also be observed in table 7, delaying her retirement until 65 would cause the average woman pensioner to receive a benefit considerably higher in relation to that of the average man, i.e. equal to 74 per cent. This is nearly the same proportion as before the reform. Given the restricted policy choices open to gender advocates in the post-reform period, the clearest way of avoiding erosion of women’s retirement protection in relation to men’s is to equalize the statutory retirement age. Without this, the retreat from redistribution will leave women at substantially greater risk of poverty as the reforms are phased in. This risk provides strong justification for equal treatment.

### Caring credits

During the socialist era, all three schemes provided credits toward a pension for the years that workers (mostly mothers) spent out of employment while caring for young children at home. Though the rules for counting such periods

varied from one scheme to another, a year spent in such status was generally treated as equal to a year of employment, even though no contributions were paid. This meant that periods of childcare did not reduce the pension that a parent would ultimately receive. These credits were financed within the pension system by a cross-subsidy from other contributors.

During the 1990s, Hungary and Poland revised the rules for crediting such periods, in each case diminishing their value. Hungary retained the old rules in the public pension component but applied the new rules in the new mandatory private pension component adopted in 1998. In this case, participants must contribute 8 per cent (because it was recently increased) of their childcare benefit to a commercially managed individual savings account. As explained previously, their future pension benefits will be calculated as a simple return on this contribution, namely, investment performance minus management fees.<sup>33</sup> As with all other contributions to the privatized component of the pension system, there is no matching employer contribution. Eight per cent of the childcare benefit is a tiny amount, equal to less than US\$6.00 per month. This policy is especially disadvantageous for middle- and upper-income workers, since the pension entitlements that they earn while working are substantially higher than those based on the childcare benefit.

The Polish Government took a different approach, providing a transfer from the state budget to finance pension credits for periods of childcare (1999). This improves the transparency of pension financing and shifts the burden of financing pension credits for which no contributions are paid to the public at large. However, the subsidy is based on the recently changed childcare benefit, and is therefore much less generous than it was before this reform. As a result, most individuals who take leave from work to provide childcare will receive lower pensions. As it is virtually only women who take leave and receive childcare benefits, the reduction will affect their earnings history, and consequently their pensions. This reform also creates disincentives for men (typically with higher earnings) to take childcare leave.

### Life expectancy and private pensions

Under the new mixed pension schemes in Hungary and Poland, part of each worker's monthly pension contribution is redirected to a commercially managed individual savings account. At retirement, the savings accumulated in this account will be converted to an annuity that will pay a monthly pension benefit until the worker's death. The annuity provider will set the level of this monthly benefit based on how long the worker is likely to live, that is, how many years the savings must be stretched to cover. Since it is not possible to know this in advance, the provider will use a statistical estimate of the average life expectancy of all those in the worker's age group.

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<sup>33</sup> This private benefit will supplement the individual's public pension. The amount of the public pension will be reduced owing to the diversion of part of the contribution to the private tier.

Two quite different methods can be employed to make this estimate. The first would give a retired woman the same monthly benefit as it gives a man who retires at the same age with identical savings and investment earnings. This results from using a joint life expectancy table for both sexes. The second approach would give the woman a benefit about 20 per cent lower, depending on her particular situation. This results from the use of two distinct life expectancy tables, one for women reflecting their average longer life expectancy. Our simulation using the Polish Social Budget Model shows that, using a joint table for both pension pillars, the average woman would receive a pension equal to 74 per cent of that of the average man. Using gender-specific tables would reduce her benefit from 74 per cent to 59 per cent of his benefit (Wóycicka et al., 2003, tables 13 and 14).

What constitutes equal treatment in this situation? Should women and men with comparable earnings histories accumulate equal benefits over the duration of their respective retirement? Or should they receive an equal monthly benefit?

From a public policy perspective, the former approach has three major disadvantages. First, the use of gender-specific averages would mask the substantial overlap that exists in the actual mortality of individual men and women. In fact, many men live longer than the average female life expectancy; many women die before they reach it; and many men and women die at about the same age.<sup>34</sup> Using group averages to set the pension benefits of individuals whose actual longevity does not match the averages would have a capricious effect, creating many unjustified winners and losers – i.e. men who outlive the female average but receive a higher pension anyway based on their own sex's shorter average longevity (winners), and women whose longevity falls short of the male average but who receive lower pensions anyway because other women live longer (losers).

Second, though the new individual savings schemes of Hungary and Poland are privately managed, they are still part of the pension system and as such serve various public purposes. The most basic of these is to pool risks across the population so as to provide everyone with a minimal level of protection against poverty arising from uncertain longevity. Paying lower benefits to those who live longer would conflict with this objective, subjecting them to greater risk of poverty at every stage of their retired lives.

Third, women are by no means the only, or even the most prominent, group in society with greater average longevity. If group treatment is applied to women, should not smaller monthly benefits also be given to non-smokers who, on average, outlive smokers; or to the more affluent members of society who, on average, outlive the less affluent; or to members of racial and ethnic majorities who, on average, outlive members of minority groups; and to those free from genetic

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<sup>34</sup> According to the European Commission, 86 per cent of women and men die at around the same age (EC, 2003a).

vulnerability to life-threatening diseases such as cancer, haemophilia, or heart disease who, on average, outlive less lucky members of society?<sup>35</sup>

Together, these considerations support the view that individuals with the same earnings history and the same *actual* periods spent in retirement should, in practice, receive the same monthly benefits.

This is precisely what the Hungarian law provides. It requires annuity providers to use the same joint life-expectancy table to calculate monthly benefits for both women and men. In adopting this policy, the Parliament rejected a proposal from the Government to use gender-specific tables. In Poland, by contrast, the issue remains undecided: as yet there has been no legislation stipulating how mandatory individual savings will be converted into pensions. In 1999, the Government presented a proposal to Parliament allowing the use of gender-specific calculations and then withdrew it after heavy criticism there (Wóycicka et al., 2003, p. 238). The successor Government has not yet addressed the issue.

Beyond laws requiring equal treatment, there is a need for regulatory structures that support compliance and enforcement of these laws. This need arises from the simple fact that the required use of joint life expectancy tables creates rational incentives for annuity providers to devise ways of attracting men and discouraging women. After all, the annuity for a woman will, on average, cost the provider more than an annuity for a man, for the simple reason that, on average, women will collect their benefits for longer periods. For providers, averages matter. They might, for example, target men in advertising, dispatch agents to locations where men congregate, or offer gifts that men value. There are many other possibilities for subtle discrimination.

This potential is greatest under a system like that obtaining in Hungary where the law allows for multiple, competing annuity providers. Were there instead one single provider for the country, there would be no opportunity for that firm to discriminate in selecting its customers from a larger pool of private scheme members.<sup>36</sup>

In sum, both the method chosen to calculate the new annuities and the arrangements put in place to enforce this method are very important for equal treatment.

## Conclusions

In all three countries, the first decade of transformation brought greater losses of pension protection for women than for men. These losses reflect two broad trends applying across central Europe. First, the strong appeal of individualism

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<sup>35</sup> The question of equal treatment of women and men also arises as regards the supply of goods and services provided outside the workplace. The European Commission has proposed a Directive that would prohibit gender discrimination in all forms of such goods and services, including private supplementary pension insurance (EC, 2003a, 2003b and 2003c).

<sup>36</sup> This option is one of three arrangements being considered in Poland (Chłoń-Domińczak, 2002, p. 135).

in all areas of life shaped the politics of pension reform, leading to benefits in both the public and the private schemes that more closely reflect contributions paid, that is, to a curtailment of redistribution. Second, tight fiscal limitations in all three countries constrained the options for achieving equal treatment in pension schemes, leading to reforms that imposed greater disadvantages on women in some regards.

The losses are most severe in Poland, where the particular combination of changes adopted – the elimination of redistribution in both the new public scheme and in the new commercially managed savings accounts in conjunction with continuing earlier retirement age for women – entails major disadvantages for women. They are least severe in the Czech Republic, where redistributive elements so far retained in the pension system benefit women. In Hungary, the new equal treatment of women with respect to retirement age has helped offset some of the economic losses that would otherwise be associated with reduced redistribution. The equal treatment implied in the adoption of unisex life expectancy tables is an important step to avoid further disadvantages.

The analysis suggests a number of challenges to the advancement of gender equality in social security. On family benefits, it points above all to the need to strengthen employment-related benefits for working parents. Such support was eroded in all three countries during the process of transition, increasing the burden on the workers (mainly women) who juggle childcare and work responsibilities. Part of the solution lies in more family-friendly work environments. The necessary support includes both cash benefits and pension credits for periods of childcare which are based on the parents' wages, thus avoiding disincentives to women and men with higher incomes to provide care for their young children. In order to encourage greater sharing of childcare responsibilities, the benefits should be structured so as to include stronger incentives for men to use them, e.g. special "use or lose" benefits for fathers. To avoid incentives for employers to discriminate, they should be financed through broad-based social insurance which pools resources across the workforce.<sup>37</sup> Recurrent anecdotal evidence suggests that, in current central European work environments, these rights will need to be enforced by strong equal treatment statutes.

In the pensions area, four gender-related issues stand out. First, in countries that have privatized their pension schemes, the use of gender-specific life expectancy tables (as opposed to unisex tables) would put women at considerable risk. In some countries, it remains an open question whether this issue will be settled on the basis of social insurance principles or according to the operating norms of private pension funds.<sup>38</sup> Advocates of gender equality should make their presence felt. Second, there is great need for adherence to minimum standards ensuring that everyone with low earnings will receive a decent level of protection in retirement. During the 1990s, the pendulum of public

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<sup>37</sup> This as opposed to individual employer liability for such benefits.

<sup>38</sup> In addition to Poland, the issue also remains unresolved in Bulgaria and the Former Yugoslav Republic of Macedonia, both of which have adopted new systems of mandatory, privately managed savings accounts.

policy swung far in the opposite direction in many central European countries; a correction is now needed. Useful benchmarks are provided by the ILO's Convention No. 102, Minimum Standards of Social Security, and the Council of Europe's European Code of Social Security. Though this is not exclusively a gender issue, advocates of gender equality should lend their support. Third, the value of women's preferential treatment on retirement age is indirectly being eroded, as reduced redistribution through pension schemes makes payment levels increasingly inadequate for early retirees. In these circumstances, equalizing the retirement age for women and men becomes practically a necessity.<sup>39</sup> Finally, in two of the three countries childcare has been devalued for pension purposes through credits that penalize parents (overwhelmingly mothers) who leave work to care for young children. Advocates of gender equality should join forces with all those who recognize the social value of childcare, to ensure that pension systems should not penalize such periods.<sup>40</sup>

Beyond these issues, the analysis raises a number of gender-related problems whose solution lies outside the social security system, namely, the persistent gender wage gap in central European countries, the higher unemployment rates that women commonly experience, and the continuing skewed division of responsibilities for care of home and family. Social security alone is a weak instrument with which to reshape the entrenched beliefs and practices that sustain unequal treatment of men and women in the larger environment. These problems require an integrated response combining social security reforms with broader changes, such as modifications to labour law, affirmative action, public education, and stronger legal protection against discrimination. The analysis offered here provides ample illustration of the need for broader-based action on gender issues that influence the impact of social security schemes.

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<sup>39</sup> Such a reform will, however, create a need for alternative forms of child care for children today cared for by their grandmothers, including additional institutional arrangements.

<sup>40</sup> In addition to the Czech Republic, Sweden and Germany provide possible models for achieving this outcome. In Sweden, childbirth credits can be claimed by either parent and are equal to the most advantageous of (a) contributions based on 75 per cent of average earnings for all covered persons; (b) 80 per cent of the individual's own earnings in the year prior to childbirth; or (c) a supplement consisting of a fixed amount, indexed over time to the (covered) per capita wage. Palmer reports that individual calculations based on a sample of actual earnings records indicate that the system is nearly neutral in its effect on the final pension compared with the alternative of working instead (Palmer, 2003, p. 254). In Germany, a parent receives one pension credit point per year. This is available for three years, regardless of whether the parent is employed or not. If the parent is employed, the caring credits are added to the credits earned from compulsory pension contributions withheld from wages. For parents with low wages (due, for example, to part-time work), while the child is between three and ten years old, his/her pension contributions are boosted by 50 per cent, subject to a maximum of the pension contributions from the average wage of all insured for the calendar year.

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## The ILO's Domestic Workers Convention and Recommendation: A window of opportunity for social justice

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**Abstract.** *Domestic workers are a predominantly female workforce whose social and labour rights remained largely unattended for decades. Addressing this has become more urgent, as demand for household and personal care services is increasing. Convention No. 189 and Recommendation No. 201 set out global minimum standards for domestic work. The author first describes international labour and human rights law on domestic work prior to 2011. He then examines the instruments' definitions and scope and problems of particular groups; their provisions on working time, pay, work environment and living conditions; social security; and implementation and enforcement.*

On 5 September 2013, the ILO Convention concerning decent work for domestic workers entered into force.<sup>1</sup> The Domestic Workers Convention, 2011 (No. 189), and its supplementing Recommendation (No. 201) mark a turning point in the protection of domestic workers' rights and offer a window of opportunity to address long-standing gaps in public policy on this question. Over time a wealth of academic literature and expert reports has analysed the phenomenon of domestic work from historical, economic, legal and sociological perspectives.<sup>2</sup> An important conclusion emerging from this body of literature is that discrimination based on sex, race or social origin, as well as the historic roots of domestic work in the master–servant relationship have influenced and shaped social attitudes and practices vis-à-vis

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<sup>1</sup> The Convention's entry into force was triggered by the first two ratifications registered with the ILO (Uruguay on 14 June 2012 and the Philippines on 5 September 2012), in accordance with the Convention's Art. 21(2). The texts of all ILO Conventions and Recommendations cited in this article may be found online at [www.ilo.org/normlex](http://www.ilo.org/normlex). NORMLEX also features updated ratification information.

<sup>2</sup> See, for example, Rubinow (1906), United Nations (2010), and Ally (2009). A selection of topical articles, including a wealth of bibliographical references, is included in a recent special issue of the *Canadian Journal of Women and the Law* edited by Adelle Blackett (Vol. 23, No. 1, 2011).

domestic workers, including their exclusion from the labour rights enjoyed by workers in other economic sectors. Although the question of legal protection of domestic workers arose early on in the history of labour law,<sup>3</sup> domestic workers did not benefit from the gradual expansion of mainstream social and labour policies that have characterized socio-economic development since the Industrial Revolution. Domestic workers' rights and protections often lagged behind those enjoyed by other workers, leading the ILO to conclude in 1970 that "on the whole, the majority of domestic workers appear to be overworked, underpaid and underprotected" (ILO, 1970, p. 63). Labour legislation on domestic work emerged over the years in many countries, mainly in Europe and Latin America and to a certain extent in Africa; however, these efforts were largely at a standstill by the 1980s (ILO, 1970; Ramirez-Machado, 2003; ILO, 2010a). More recently, concerns about gender equality and human rights generally have led countries such as Bolivia, Uruguay and South Africa to enact a "new generation" of regulation on domestic work.<sup>4</sup> Nevertheless, at the global level there are still continuing gaps in the protection of domestic workers through labour law. Domestic workers are still largely excluded from legislation granting rights such as a weekly rest day, overtime pay, minimum wages and social security coverage (ILO, 2010a and 2013a).

These two ILO instruments on domestic workers provide an unprecedented dedicated international framework of minimum standards with which to address these gaps, complementing existing applicable ILO and United Nations instruments. As of 1 January 2014, a total of 11 countries (Bolivia, Ecuador, Germany, Guyana, Italy, Mauritius, Nicaragua, Paraguay, the Philippines, South Africa and Uruguay) have ratified Convention No. 189, while others have initiated internal ratification procedures or have declared their intention to do so.<sup>5</sup> The very fact that the Convention and the Recommendation came into being illustrates that, for various reasons, policy-makers have started to pay greater attention to the economic and social value of domestic work and to the need to establish appropriate frameworks for domestic workers' labour and social protection.

A consideration frequently articulated in this context is women's increasing labour market participation and reliance on paid domestic work for household maintenance and care for family members. At the same time, domestic work itself is a significant source of wage employment, particularly for women with limited alternative job options. Currently there are at least 53 million domestic workers worldwide, of whom 83 per cent are women. Globally, the proportion of women in paid employment who are engaged in domestic work

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<sup>3</sup> An early example of labour legislation governing domestic work is Austria's Contract of Domestic Helpers Act 1920, StBGI Nr. 101/1920.

<sup>4</sup> Act No. 18.065 of 15 November 2006 of Uruguay; Sectoral Determination 7: Domestic Worker Sector, binding as from 1 September 2002, issued under the Basic Conditions of Employment, 1997, of South Africa.

<sup>5</sup> These include Argentina, Belgium, Brazil, Colombia, Costa Rica, Dominican Republic, Ireland and Mexico (ILO, 2013b).

is not less than 7.5 per cent. In some regions this ratio is much higher: for instance, in Latin America and the Caribbean one in four women in paid employment is a domestic worker (ILO, 2013a, p. 20). Between 1995 and 2010 the global number of domestic workers increased dramatically by almost 20 million (ibid., p. 24). And the demand for domestic workers can be expected to increase further with employment policies in many countries envisaging further growth in women's labour market participation, combined with increased demand for personal care services resulting from the ageing of populations (European Commission, 2012). In countries where there is a wide gap between rich and poor, labour demand tends to be met nationally, often by internal migrants from rural areas. However, globally, domestic workers are very often international migrants.<sup>6</sup> Whereas 40 years ago international migration for domestic work was infrequent (ILO, 1970, p. 55), now it is believed that women domestic workers represent a significant proportion of the global migrant labour force (Blackett, 2012). Demand for domestic work is recognized as a key factor behind the feminization of migration (UN-INSTRAW, 2007; Labadie-Jackson, 2008), both in its South–North and its North–North dimensions and in global migration for domestic work; and diplomatic discourse on migration recently acknowledged better protection of women migrant domestic workers as a shared policy objective.<sup>7</sup>

Growing public awareness of the abuse and exploitation suffered by domestic workers has also contributed to policy-makers' greater awareness of the urgent need to develop and implement international and national regulation on domestic work. Domestic workers' particular vulnerability arises from various factors. Unlike workers in other sectors of the economy, their workplace is a private home, not a factory or an office, and in most cases their employers are private individuals. It may be that neither the domestic workers nor their employers perceive their relationship as an employment relationship and thus they may mutually be unaware of the rights and obligations this entails. The tendency to undervalue paid domestic work is borne out that by the fact that domestic workers are among the lowest paid workers in any labour market (Oelz, 2011). Domestic workers can be exposed to excessively long and unpredictable working hours, particularly those living in the household for which they work (the so-called "live-in" domestic workers). Their isolation in the workplace as well as their membership of marginalized or disadvantaged groups render them vulnerable to discrimination, harassment and abuse. Moreover, domestic work employment relationships are often not formalized, which places

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<sup>6</sup> The nexus between migrating and domestic work has been studied extensively. See, for example, Fauve-Chamoux (2004), Lutz (2008) and Esim and Smith (2004).

<sup>7</sup> Ensuring decent working conditions for migrant domestic workers was a topic on the agenda of the Global Forum on Migration and Development (GFMD, 2012, pp. 11 and 46). During the High-level Dialogue on International Migration and Development which took place under the auspices of the United Nations General Assembly on 3 and 4 October 2013, Convention No. 189 was frequently referred to in connection with the protection of migrant domestic workers (see ILO, 2013c, para. 8).

domestic workers at a disadvantage when it comes to the effective enjoyment of rights. Trade union organization of domestic workers is still in its infancy, and their individual bargaining power is often limited, particularly if they are migrants. Indeed, migrant domestic workers are vulnerable in other respects, too, e.g. exposure to abusive practices by middlemen and recruitment agencies, restrictions on their freedom of movement, and visa arrangements that tie them to one particular private employer (Esim and Smith, 2004; Scully, 2010; Agunias, 2011). Domestic work is one of the sectors most affected by human trafficking for the purposes of labour exploitation (ILO, 2012a).

## Domestic workers in international labour and human rights law prior to 2011

### *ILO instruments*

The issue of coverage of domestic workers under international labour standards arose early in the ILO's work. Several social security Conventions adopted by the ILO in the 1920s and 1930s on matters such as sickness, invalidity or old-age insurance were specifically designed to cover “domestic servants”<sup>8</sup> Some other early instruments though not explicitly mentioning domestic workers implicitly included them, for instance, certain Conventions on the minimum age for employment, the medical examination of young workers and forced labour.<sup>9</sup> But as the ILO's standard-setting activity evolved over the years, a growing number of instruments, including those on maternity protection, night work, work accidents and working time, did not cover domestic workers. Non-coverage resulted essentially from the fact that the standards focused on employment in industry, commerce or other specific sectors – for instance, the early Conventions on hours of work<sup>10</sup> and maternity protection<sup>11</sup> – or because coverage was limited to workers employed by “establishments”; thus excluding workers employed by individuals and households.<sup>12</sup> In addition, some Conven-

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<sup>8</sup> See, for example, the Convention concerning Sickness Insurance for Workers in Industry and Commerce and Domestic Servants, 1927 (No. 24), the Convention concerning Compulsory Old-Age Insurance for Persons Employed in Industrial or Commercial Undertakings, in the Liberal Professions, and for Outworkers and Domestic Servants, 1933 (No. 35), or the Convention concerning Compulsory Invalidity Insurance for Persons Employed in Industrial or Commercial Undertakings, in the Liberal Professions, and for Outworkers and Domestic Servants, 1933 (No. 37). These three instruments are now among those ILO Conventions classified by the ILO as outdated. The latter two are also “shelved”, meaning that they are no longer supervised (ILO, 2012b, p. 23).

<sup>9</sup> Minimum Age (Non-Industrial Employment) Convention, 1932 (No. 33); Medical Examination of Young Persons (Non-Industrial Occupations) Convention, 1946 (No. 78); Forced Labour Convention, 1930 (No. 29).

<sup>10</sup> Hours of Work (Industry) Convention, 1919 (No. 1); Hours of Work (Commerce and Offices) Convention, 1930 (No. 30). For an account of the development of ILO working time standards in connection with the regulation of domestic work, see McCann and Murray (2010).

<sup>11</sup> Maternity Protection Convention, 1919 (No. 3).

<sup>12</sup> Workmen's Compensation (Accident) Convention, 1925 (No. 17).

tions explicitly mentioned domestic workers as a group that ratifying States may exclude from their scope.<sup>13</sup>

When, following the establishment of the United Nations in 1945, the ILO's standard-setting moved into the areas of freedom of association, non-discrimination in employment and occupation, and new standards on forced labour, the Conventions on these topics were again drafted in an inclusive manner covering all workers, including domestic workers.<sup>14</sup> Similarly, the Migrant Workers Convention, 1949 (No. 97), applies broadly to all migrant workers, although migration for domestic work was probably not what the drafters primarily had in mind, as this was a marginal phenomenon at the time (ILO, 1970, p. 55). During the same period, the question of dedicated standards regulating the working conditions of domestic workers resurfaced when a resolution moved by the Worker member of the United Kingdom was adopted by the International Labour Conference in 1948. This called on the Governing Body to place the topic of the employment conditions of domestic workers as an item on the Conference agenda.<sup>15</sup> A note subsequently supplied by the International Labour Office to the Governing Body in 1950 pointed out that international standards for the protection of domestic workers existing at the time were "fragmented and illogical". At the time, the Office cited non-coverage by the Workmen's Compensation (Accidents) Convention, 1925 (No. 17), despite high accident rates in the occupation, and the Maternity Protection Convention, 1919 (No. 3), despite domestic workers being mainly women, and highlighted that domestic workers were not covered "by any Convention dealing with hours of work, weekly rest or holidays with pay".<sup>16</sup> Despite these findings, the Governing Body refrained from suggesting standard-setting on domestic work to the Conference and instead an agreement was reached on holding a Meeting of Experts on the Status and Conditions of Employment of Domestic Workers, which took place in 1951. On this occasion, the experts participating in the meeting agreed on the:

(...) desirability of providing for domestic workers protection of the kind now being provided for other workers, with a view both to ensuring for them equivalent

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<sup>13</sup> See, for instance, the Maternity Protection Convention (revised), 1952 (No. 103), Art. 7(1)(c), the Night Work of Young Persons (Non-Industrial Occupations) Convention, 1946 (No. 79), Art. 1(4)(a), or the Protection of Wages Convention, 1949 (No. 95), Art. 2(2). The reporter of the Conference Committee on Wages in 1949 that prepared Convention No. 95 and its accompanying Recommendation No. 85, explained at the time that the reason for allowing the exclusion of domestic workers and similar workers was "not because these categories should not be protected, but because it was considered that these texts do not correspond in all respects to their special wage conditions" (ILO, 1951, p. 324).

<sup>14</sup> Freedom of Association and Protection of the Right to Organise Convention, 1948, (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Equal Remuneration Convention, 1951 (No. 100); Abolition of Forced Labour Convention, 1957, (No. 105); Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

<sup>15</sup> International Labour Conference, Resolution concerning the conditions of employment of domestic workers (30 June 1948).

<sup>16</sup> Governing Body, Minutes of the 111th Session (Mar. 1950), p. 136.

social rights and advantages and to preventing both the isolation of and discrimination against domestic workers which lead to the diminution in the recruitment and retention of capable persons in this type of employment.<sup>17</sup>

This assessment was made despite the fact that in European countries with continuing demand for domestic work, economic development had created new job opportunities, particularly for women. This had led to a shortage of domestic workers and was one of the reasons why certain countries established statutory rules on domestic workers' conditions of work during this period.<sup>18</sup> Although the 1951 meeting of experts recommended moving towards adopting international regulation for the domestic work sector as a means to amplify this trend of better protection in national legislation, the Governing Body (as support from governments and employer members for international standards was lacking) merely decided in November 1951 to communicate the meeting's report to ILO member States.<sup>19</sup> Several years later, in 1965, the Workers' group again raised the issue of domestic work at the International Labour Conference, an initiative that led to the adoption of the Resolution concerning Conditions of Employment of Domestic Workers.<sup>20</sup> The resolution called for research and a comprehensive study on domestic workers to be prepared by the International Labour Office and further consideration of the topic by the Governing Body for possible standard-setting.<sup>21</sup> In response, the Office published a substantive survey (ILO, 1970) on domestic work based on information received from 68 countries, which drew a comprehensive picture of the conditions of domestic workers at the time, including the evolution of national legislation regulating domestic work. It concluded on the basis of available data that, overall, domestic work was a sector in decline (*ibid.*, p. 4).

While the ILO continued to elaborate standards for particular occupations and sectors (such as road transportation workers, workers in hotels and restaurants, nursing personnel, dock workers or home workers), the devel-

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<sup>17</sup> Governing Body, Minutes of the 117th Session (Nov. 1951), Appendix VIII: Report of the Meeting of Experts on the Status and Conditions of Employment of Domestic Workers, para. 6.

<sup>18</sup> Governing Body, Minutes of the 112th Session (June 1950), p. 8 ("Note on the Law and Practice concerning the Status and Conditions of Employment of Domestic Workers").

<sup>19</sup> Governing Body, Minutes of the 117th Session (Nov. 1951) (note 17 above), pp. 31–33. During the discussion of the report, Employer members from the United Kingdom, Pakistan, Philippines, Mexico, India and South Africa opposed standard-setting on domestic workers, arguing that drawing up international standards was impossible given diverging conditions of domestic workers in developing and developed countries. The Worker member of the United Kingdom, on behalf of the Workers' group, supported the experts' call for a new instrument on domestic work but, being in a minority position, accepted moving the matter to a later stage. On the government side, only India and China contributed to the debate, both opposing standard-setting on domestic work.

<sup>20</sup> In the context of decolonization, better conditions for domestic workers were a concern expressed by ILO constituents from the newly independent African States. The second African Regional Conference of the ILO, which took place in Addis Ababa in 1964, had adopted a resolution on domestic workers inviting the Governing Body to request the Director-General to undertake studies and research on the problems of domestic workers. For the resolution see ILO, *Official Bulletin*, Vol. XLVIII, 1965, p. 197.

<sup>21</sup> International Labour Conference, Resolution concerning the conditions of employment of domestic workers (20 June 1965).

opment of dedicated standards on domestic workers was no longer pursued. In addition, the list of ILO Conventions featuring clauses allowing ratifying States to exclude some groups of workers or economic sectors from the scope of these Conventions continued to grow, opening the possibility for States to exclude domestic workers from the protection provided in these Conventions for workers generally. Such flexibility clauses<sup>22</sup> were included in instruments on matters of critical importance to domestic workers, for instance, the Minimum Wage Fixing Convention, 1970 (No. 131),<sup>23</sup> the Holidays with Pay Convention (Revised), 1970 (No. 132), the Minimum Age Convention, 1973 (No. 138),<sup>24</sup> the Occupational Safety and Health Convention, 1981 (No. 155),<sup>25</sup> the Private Employment Agencies Convention, 1997 (No. 181),<sup>26</sup> the Protection of Workers' Claims (Employers' Insolvency) Convention, 1992 (No. 173), or the Night Work Convention, 1990 (No. 171). But, interestingly, an assessment of the use made by ILO member States ratifying these Conventions of their entitlement to limit their international obligations under these instruments in respect of domestic workers showed that relatively few States had formally sought to exclude domestic workers from coverage (ILO, 2010a, paras 71–82).

In conclusion, the body of international labour standards developed by the ILO before 2011 addressed the conditions of domestic workers in an incomplete manner. Failing to garner sufficient support, several attempts by Workers' delegates to bring about international regulation proved unsuccessful and many of the standards developed by the ILO in its first 90 years of existence were effectively tailored to standard employment relationships in industrializing economies. Although a significant number of ILO Conventions and Recommendations formally covered domestic workers,<sup>27</sup> lack of focus on the specificities of domestic work and the particular protection needs of domestic workers (including working time and remuneration), meant that ILO standards provided insufficient incentives and guidance for ILO member States to improve laws and policies on domestic work.

### *United Nations and Council of Europe instruments*

Building on the principle that “all human beings are born free and equal in dignity and rights,” as proclaimed in the Universal Declaration of Human Rights (UDHR),<sup>28</sup> the provisions of human rights treaties elaborated by the United

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<sup>22</sup> Regarding the various types of flexibility devices used by the ILO in Conventions, see Politakis (2004).

<sup>23</sup> Convention No. 189, Art. 1.

<sup>24</sup> *Ibid.*, Art. 4(1).

<sup>25</sup> *Ibid.*, Art. 2(2).

<sup>26</sup> *Ibid.*, Art. 2(4).

<sup>27</sup> As the International Labour Conference recalled in the Preamble to Convention No. 189, “international labour Conventions and Recommendations apply to all workers, including domestic workers, unless otherwise provided”

<sup>28</sup> Universal Declaration of Human Rights, G.A. Res. 217A, Art. 1, U.N. GAOR, 3d Sess., U.N. Doc. A/810 (12 December 1948).

Nations and by regional organizations seek to promote and protect the human rights of all persons. Domestic workers thus have the full range of human rights enunciated in these instruments: both civil and political rights as well as economic, social and cultural rights. Although domestic workers are not explicitly identified as a group in international human rights law, global and regional human rights bodies and mechanisms often pay particular attention to the rights of persons engaged in domestic work, clarifying and elaborating on States' international obligations towards them.

At the United Nations level, the Committee on Economic, Social and Cultural Rights recently drew attention to the fact that domestic workers are frequently excluded from the provisions of national laws and that their economic and social rights under the International Covenant on Economic, Social and Cultural Rights (ICESCR) may therefore be insufficiently protected. It emphasized that “domestic [...] work must be properly regulated by national legislation so that domestic [...] workers enjoy the same level of protection as other workers” (CESCR, 2006, p. 4). It also singled out domestic workers as a group facing difficulties in exercising their right to join trade unions (*idem*, 2005) and to social security (*idem*, 2008), recommending that States Parties to the Covenant pay particular attention to ensuring domestic workers are not deprived of these rights.

The Committee on the Elimination of Discrimination against Women (CEDAW), which supervises the Convention on the Elimination of All Forms of Discrimination against Women, has stressed the need for specific measures to protect the rights of migrant domestic workers (CEDAW, 2008). Shortly before the adoption of ILO Convention No. 189, the Committee on the Protection of the Rights of All Migrant Workers and Members of Their Families (CMW), established under the UN Convention of that name, dedicated its first General Comment to the issue of migrant domestic workers; this comprehensively analysed *de jure* and *de facto* protection gaps affecting these workers and outlined related recommendations to States Parties (CMW, 2011). Drawing on the preparatory work for the ILO instruments on domestic work, the CMW stressed that the protection of migrant domestic workers' rights “should be addressed in the context of decent work for domestic workers more generally”. Accordingly, the CMW recommended that “labour protections in national law should be extended to ensure equal protection of domestic workers” including in such areas as minimum wages, hours of work, rest days and social security protection (*ibid.*, paras 37–38). Indeed, where such labour protection exists for domestic workers generally, the principle of equal treatment with nationals – a key principle of international law protecting the rights of migrant workers – then operates to ensure migrant domestic workers are entitled to conditions not less favourable than those applicable to nationals of the State of employment.

The special procedures of the United Nations Human Rights Council have also discussed human rights issues affecting domestic workers. For instance, the Special Rapporteur on the Contemporary Forms of Slavery issued a thematic report on domestic servitude analysing various manifestations of the

phenomenon. Her analysis highlighted the absence of proper labour regulation of domestic work and its enforcements as one of the root causes of domestic servitude (United Nations, 2010). The protection of migrant domestic workers has also frequently been raised under the Human Rights Council's Universal Periodic Review procedure.<sup>29</sup>

Among the regional human rights systems, that of the Council of Europe stands out as having addressed domestic workers' rights on numerous occasions. The bodies supervising the implementation of the European Convention on Human Rights (ECHR) and the European Social Charter (ESC) have held States responsible for taking measures to protect domestic workers' rights.<sup>30</sup> In its 2005 landmark judgment in the case of *Siliadin v. France* (involving a migrant woman who had been made to work as a domestic worker in private households), the European Court of Human Rights (ECtHR) found for the first time a violation of Article 4 of the ECHR, which prohibits slavery, servitude and forced or compulsory labour.<sup>31</sup> Subsequent ECtHR jurisprudence<sup>32</sup> confirmed that Article 4 of the ECHR includes the positive obligation of States to put in place an appropriate legislative and administrative framework for providing "practical and effective protection" against servitude and forced labour in a domestic work setting.<sup>33</sup> For its part, the European Committee of Social Rights (ECSR) raised domestic work under Article 1(2) of the ESC, which requires ratifying States "to protect effectively the right of the worker to earn his living in an occupation freely entered upon." Considering that domestic work "often involves abusive, degrading and inhuman living and working conditions", the ECSR asked all States Parties, amongst other things, to report to it on whether the homes of private persons employing domestic workers are subject to inspection visits, and whether penal law effectively protects domestic workers in case of exploitation.<sup>34</sup> In similar vein, the ECSR held that the obligations under Article 3(2) of the Charter include ensuring coverage of domestic workers by national occupational safety and health regulations,<sup>35</sup> and clarified that inspectors should be authorized to check all workplaces,

<sup>29</sup> See, for instance, the reports of the Human Rights Council's Universal Periodic Review Working Group on Bahrain, U.N. Doc. A/HRC/21/6 (6 July 2012), para. 115.20; United Arab Emirates, U.N. Doc. A/HRC/23/13 (21 March 2013), para. 128.54; Saudi Arabia, U.N. Doc. A/HRC/11/23 (4 March 2009), para. 87; or Malaysia, U.N. Doc. A/HRC/11/30 (5 October 2009), para. 104.

<sup>30</sup> See Mantouvalou (2012).

<sup>31</sup> European Court of Human Rights, *Siliadin v. France*, Application No. 73316/01 (26 July 2005).

<sup>32</sup> European Court of Human Rights, *C.N. and V. v. France*, Application No. 67724/09 (11 October 2012) and *C.N. v. The United Kingdom*, Application No. 4239/08 (13 November 2012). A further case, involving a complaint of forced labour by a domestic worker, *Elisabeth Kawogo v. The United Kingdom* (Application No. 56921/09) is currently pending at the Court.

<sup>33</sup> *C.N. v. The United Kingdom* (note 32 above), para. 76. In this case, the Court found that the absence of legislation criminalizing domestic servitude had impeded an effective investigation, citing the criteria developed by the ILO for the identification of forced labour situations (paras 35 and 80 of the judgment). See also *C.N. and V. v. France* (note 32 above), paras 104–111.

<sup>34</sup> ECSR, Conclusions 2012 (General Introduction), para. 17.

<sup>35</sup> See, for instance, the 2009 conclusions regarding Cyprus, in ECSR, Conclusions 2009 (Vol. 1), p. 188.

including residential premises.<sup>36</sup> With regard to the right to maternity protection, the ECSR considered that excluding domestic workers employed less than three days a week from maternity leave and benefits is in breach of the Charter,<sup>37</sup> as is exclusion of domestic workers from dismissal protection during pregnancy (Samuel, 2002, pp. 221–223). Also related to maternity protection, the exclusion of domestic workers from entitlements to time for breastfeeding was considered not to be in conformity with the Charter.<sup>38</sup> Other issues raised by the ECSR include the exclusion of family day carers from overtime remuneration,<sup>39</sup> protection from excessive wage deductions,<sup>40</sup> and a number of issues relating to child domestic labour.<sup>41</sup>

## Convention No. 189 and Recommendation No. 201: A closer look

The Domestic Workers Convention comprises a preamble, provisions on definitions and scope (Articles 1 and 2), and a series of articles establishing substantive and process-oriented standards and obligations (Articles 3 to 19). While its structure follows traditional ILO standard-setting practice, this latest international labour Convention innovatively articulates the links between international labour and human rights law. The preamble recalls the Universal Declaration of Human Rights and several core United Nations human rights treaties, while Article 3(1) requires ratifying States to “take measures to ensure the effective promotion and protection of the human rights of all domestic workers, as set out in this Convention.” Though Article 3(1) is crafted in very general terms, it reflects a programmatic orientation and a human rights-based approach not normally expressed thus in other ILO Conventions.<sup>42</sup> Convention No. 189 thus explicitly links the notion of human rights to the various aspects

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<sup>36</sup> ECSR, Conclusions XVI-2 (Vol. 1), p. 137 (concerning the Czech Republic).

<sup>37</sup> ECSR, Conclusion XV-2 (Vol. 2), p. 47 (concerning the Netherlands).

<sup>38</sup> ECSR, Conclusions 2007 (Vol. 2), p. 690 (concerning Italy).

<sup>39</sup> ECSR, Conclusions 2007 (Vol. 1), p. 422 (concerning Finland).

<sup>40</sup> ECSR, Conclusions 2010 (Vol. 2), p. 600 (concerning Turkey).

<sup>41</sup> The ECSR has held that the prohibition on employing children under the age of 15 in domestic work under Art. 7(1) of the Charter applies to domestic workers and that domestic work cannot be considered automatically as “light work”. In addition, exclusion of young people employed as domestic staff from the scope of relevant labour legislation is contrary to Art. 7(1). See, for instance, the Conclusions 2006 (Vol. 2), p. 755 (concerning Romania) and the Committee’s decision in *International Commission of Jurists v. Portugal*, Collective Complaint No. 1/1998, decision on the merits of 9 September 1999, para. 27. Further, non-coverage in practice of children undertaking domestic work by the regulations on working hours or periods of rest is contrary to Art. 7(3), see Conclusions 2006 (Vol. 1), p. 193 (concerning Estonia).

<sup>42</sup> However, see the Migrant Workers (Supplementary Provisions) Convention, 1975, Art. 1 which provides that “Each Member for which this Convention is in force undertakes to respect the basic human rights of all migrant workers.” A few other ILO Conventions refer to United Nations human rights instruments in their preambles, including ILO Conventions Nos 105, 111, 122, 140, 156, 169 and 182.

of working conditions and thereby recognizes that these are subject to international human rights obligations.<sup>43</sup>

The provisions of the Domestic Workers Recommendation supplement those of the Convention. In doing so, the Recommendation provides more detailed and practical guidance on the matters contained in the Convention, but also deals with some issues not addressed in the latter.<sup>44</sup> Like ILO standards in general, Convention No. 189 and Recommendation No. 201 are minimum standards that do not affect higher levels of protection available at the national level.<sup>45</sup> Furthermore, Article 19 of the Convention clarifies that “[t]his Convention does not affect more favourable provisions applicable to domestic workers under other international labour Conventions”

### *Definitions and scope*

Articles 1 and 2 of the Convention – defining the meaning of key terms and the instrument’s coverage – are critical as they delineate the group of workers that is meant to be protected under the instruments. A generic wording was chosen, defining domestic work as “work performed in or for a household or households” (Article 1(a)). This definition acknowledges the trend whereby domestic workers increasingly work for several households in parallel, for each of them on a part-time basis. It also covers the full range of household-related activities and services that support the regular functioning of the household and the well-being and development of its members. This includes indoor work, but also work that takes place outside, such as gardening, driving, shopping or supervising the family’s child in a public park (ILO, 2010d, pp. 35–41). The wording of Article 1(a) could be read as also implying coverage of workers performing (in their own homes) work or services for other households. However, the ILO has previously drawn up instruments specifically covering situations where the worker’s own home is the workplace, namely the Home Work Convention (No. 177) and Recommendation (No. 184), 1996.<sup>46</sup> Whether or not home workers delivering work or services to other households are also covered by Convention No. 189 raises questions of interpretation.

Article 1(b) defines the term “domestic worker” as “any person engaged in domestic work in an employment relationship”. It includes workers employed

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<sup>43</sup> Interestingly, the country-based compilation reports prepared by the Office of the High Commissioner for Human Rights (OHCHR) as inputs for the Human Rights Council’s Universal Periodic Review now also include ratification information regarding Convention No. 189. The compilation reports are available on the OHCHR website at: <http://www.ohchr.org/EN/HRBodies/UPR/Pages/Documentation.aspx> [accessed 10 December 2013].

<sup>44</sup> For instance, working time is addressed in Art. 10 of the Convention, and in Paras 8–13 of the Recommendation. For a comparative table by subject matter of the provisions of the Convention and the Recommendation, see ILO (2011a), p. 29. The Recommendation includes provisions on issues such as work–life balance and the professional development of domestic workers, improving statistical data on domestic work, and the protection of workers employed by diplomatic households, issues not mentioned in the Convention.

<sup>45</sup> Constitution of the International Labour Organisation, 28 June 1919, art. 19(8).

<sup>46</sup> “Home work” is defined in Art. 1 of Convention No. 177.

by private individuals, most commonly members of the household for whom the work is performed, as well as workers employed by organizations or enterprises (ILO, 2010b, para. 150). However, persons who are genuinely self-employed or rendering domestic services as independent contractors are excluded. The term “employment relationship” is not defined in Convention No. 189; however, the Employment Relationship Recommendation, 2006 (No. 198), cited in the Convention’s preamble, puts forward a set of elements and criteria that States should take into account when determining the existence of an employment relationship. Doing so is particularly important in domestic work, keeping in mind that grey areas exist in this sector when it comes to distinguishing work performed under the employment relationship from other arrangements.

Article 1(c) provides that “a person who performs domestic work only occasionally or sporadically and not on an occupational basis is not a domestic worker”; a provision understood by the Workers’ group during the negotiations as excluding “people doing domestic work for pocket money but not as an occupation. All workers who performed domestic work as a living were understood to be included” (ILO, 2010b, para. 147). Commenting on the wording of Article 1(c), the Office noted that the reference to persons who perform domestic work “not on an occupational basis” was meant to reflect the concern that daily labourers and similar precarious workers, although they may perform work only occasionally, should remain covered (ILO, 2010c, p. 5).

Reflecting the drafters’ intention that the instruments should have the broadest possible scope in order to overcome the insufficient coverage of domestic workers by other international labour standards (ILO, 2010d, p. 387), Article 2(1) provides that the Convention applies to “all domestic workers”, as defined in Article 1. Coverage includes national and non-national, part-time and full-time workers, as well as live-in and live-out workers. At the same time, the Convention permits ratifying States to exclude, under certain conditions, specific categories of domestic workers from the scope. Among the motives for including such a facility was concern to avoid ratification obstacles in cases where the Convention’s application was not yet fully achieved for a particular group of domestic workers. The flexibility clauses of Article 2, largely modelled after similar provisions in other ILO Conventions,<sup>47</sup> set the conditions for making such exclusions. Firstly, exclusions, whether partly or wholly, can only be made after consultations with representative employers’ and workers’ organizations and, where they exist, organizations of domestic workers and their employers;<sup>48</sup> secondly, any exclusion so determined has to be notified to the ILO in the member States’ first report on the Convention’s application, which is due the year following the Convention’s entry into force for the country concerned;<sup>49</sup> and, thirdly,

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<sup>47</sup> See, for instance, Convention No. 158, Art. 2(4); Convention No. 171, Art. 2(2); Convention No. 175, Art. 3(1); Convention No. 183, Art. 2(2); Convention No. 184, Art. 3(1)(a).

<sup>48</sup> Convention No. 189, Art. 2(2).

<sup>49</sup> *Ibid.*, Art. 2(3). The obligation to report on ratified Conventions flows from article 22 of the ILO Constitution. In accordance with Article 21(3) of Convention No. 189, entry into force occurs 12 months following the registration of ratification.

in order to be permissible exclusions have to be concerned with “(a) categories of workers who are otherwise provided with at least equivalent protection” as the one available under the Convention, or “(b) limited categories of workers in respect of which special problems of a substantial nature arise”<sup>50</sup> States making use of these clauses are required to inform the ILO in their first reports of the reasons for any such exclusion. Later reports are then to indicate any measures taken subsequently to extend the scope to the workers concerned. In case of exclusions, it is within the purview of the Committee of Experts on the Application of Conventions and Recommendations to assess whether these were made in accordance with the requirements set out in Article 2.

### *Particular groups of domestic workers*

#### **Migrant domestic workers**

Applying to “all domestic workers”, the Convention’s scope includes migrant domestic workers, i.e. workers who do not hold the nationality of the country in which they work.<sup>51</sup> Though the instruments were conceived as standards protecting workers in a specific sector of employment, rather than as labour migration instruments,<sup>52</sup> both the Convention’s and the Recommendation’s provisions nevertheless help in addressing the vulnerable situation of migrant domestic workers. Some of them explicitly refer to migrant domestic workers, such as Article 8 of the Convention which seeks to ensure that these workers receive a written contract or job offer before travelling to the country of employment. The provisions on private employment agencies (Article 15) also specifically mention migrant domestic workers, acknowledging their need for effective protection of workers against fraudulent and abusive practices. In addition, the Convention’s provisions on freedom of movement, the worker’s right to keep his/her personal documents, and the worker’s freedom to reach an agreement with the employer on whether or not to reside in the household (Article 9) are particularly relevant to migrant domestic workers, who often live in. Recommendation No. 201 details a range of additional measures, such as hotlines, pre-placement visits, information and outreach activities, emergency housing, legal assistance and specialized social or consular services.<sup>53</sup> With regard to social security, it encourages international agreements to ensure equality of treatment of migrant domestic workers, as well as access to and preservation or portability of social security entitlements.<sup>54</sup> Cooperation between the countries of origin and of destination of migrant domestic workers (including through bilateral, regional or multilateral

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<sup>50</sup> Ibid., Art. 2(2).

<sup>51</sup> For a discussion of the Convention’s approach to migrant workers, see also Blackett (2012) and Murphy (2013).

<sup>52</sup> The ILO’s main instruments on labour migration are Convention No. 97 and Convention No. 143.

<sup>53</sup> Recommendation No. 201, Para. 21.

<sup>54</sup> Ibid., Para. 20(2).

agreements) is also recommended on issues such as the prevention of forced labour and trafficking, the monitoring of employment agencies and prevention of abuses during recruitment and placement.<sup>55</sup> More generally, the Convention calls for measures that contribute to ensuring “the effective application of the provision of [the] Convention to migrant domestic workers” (Article 8(3)).

The 2009 law and practice report had highlighted the difficulties that undocumented migrant domestic workers face in enjoying protection under national labour legislation and put forward that, as a result of the way national labour migration schemes and legislation are conceived, migrant domestic workers may easily find themselves – through no fault of their own – in an irregular immigration situation.<sup>56</sup> Yet the situation of undocumented migrant domestic workers was not addressed in any detail during the negotiations. With none of the instrument’s provisions differentiating between domestic workers on the basis of immigration status, which is generally the case with ILO instruments,<sup>57</sup> the Convention’s applicability to “all domestic workers” (Article 2) and the intention of the drafters to protect domestic workers from human rights abuses, there is little room for considering that undocumented migrant domestic workers do not fall under the Convention’s scope.<sup>58</sup> However, the Convention’s provisions, crafted overall in general terms, are silent regarding particular obligations with respect to undocumented migrant workers and it remains to be seen how ratifying States and the ILO supervisory bodies will deal with issues regarding undocumented migrant workers under Convention No. 189.

### Domestic workers employed by diplomats

Enforcing the labour rights of domestic workers employed by diplomats (members of diplomatic missions and senior officials of international organizations) is challenged because these employers can invoke diplomatic immunities when employment cases are brought against them (Kartusch, 2011; OSCE, 2010). As international law concerning diplomatic immunities does not fall within the ILO’s competence, unsurprisingly none of the provisions of Convention No. 189 deals with the issue. However, given that the Convention is designed to apply to “all domestic workers” and that none of its provisions or the drafting history suggest exclusion of this group of domestic workers, it is possible to conclude that these workers are covered. At the same time, when determining the obligations of ratifying States under the Convention in respect of dip-

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<sup>55</sup> Convention No. 189, Art. 15(1)(c) and (d); Recommendation No. 201, Paras 20(2) and 26.

<sup>56</sup> See ILO (2010a), paras 90 and 228–230. See also the recent report of the European Union Agency for Fundamental Rights (FRA) on the topic (FRA, 2011).

<sup>57</sup> Cf. Convention No. 143, Art. 9(1).

<sup>58</sup> In 2004, the International Labour Conference adopted Conclusions concerning a fair deal for migrant workers stating that “[i]t should be recalled that ILO instruments apply to all workers, including irregular migrant workers” (para. 28). The Conclusions are set out in International Labour Conference Resolution concerning a fair deal for migrant workers in a global economy, 16 June 2004.

diplomats' domestic workers the relevant rules of international law concerning diplomatic immunities will need to be taken into account. Under the Vienna Convention on Diplomatic Relations, diplomatic agents and members of their family living in the same household are immune from criminal and civil jurisdiction of the receiving State and the premises of their residence are inviolable.<sup>59</sup> Under the Vienna Convention, the exception from immunity in respect of actions "relating to any professional or commercial activity" by diplomats outside their official functions has been considered as not applying to employment contracts between diplomats and their domestic workers.<sup>60</sup> Hence, it is argued here, that where the application of Convention No. 189, particularly of its provisions on ensuring access to court and enforcement of laws protecting domestic workers (Articles 16 and 17), is prevented owing to the ratifying States' obligation to comply with rules of international law on diplomatic immunities, this would not contravene the Convention.<sup>61</sup> While this situation is not satisfactory from the perspective of the protection of the domestic workers concerned, it reflects the reality that current international law provides for immunity as regards claims arising out of employment relationships between diplomats and domestic workers. Nevertheless, as pointed out during the negotiations on the ILO instruments on domestic workers, diplomats are obliged to respect the laws (including the laws protecting domestic workers' labour rights) of the State that receives them, irrespective of the diplomatic privileges and immunities they enjoy (ILO, 2011b, para. 1242). Against this context, Recommendation No. 201 recognizes that sending and receiving States of diplomats, irrespective of whether they have ratified Convention No. 189, can indeed take action to better protect domestic workers employed by diplomats, highlighting the possibility to adopt policies and codes of conduct for diplomatic personnel aimed at preventing violations of domestic workers' rights and related inter-governmental cooperation (Paragraph 26(4)).<sup>62</sup>

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<sup>59</sup> Vienna Convention on Diplomatic Relations, opened for signature 18 April 1961, 500 U.N.T.S. 95 (entered into force 24 April 1964), Arts 30, 31 and 37(1). By contrast, diplomatic privileges and immunities of officials of international organizations are granted under host country agreements (Kartusch, 2011, p. 17).

<sup>60</sup> See Denza (2008), p. 305, citing *Tabion v. Mufti*, 73 F 3d 535 (4th Cir. 1996).

<sup>61</sup> In this connection reference can be made to a series of cases decided by the European Court of Human Rights regarding the right of access to court under Article 6 of the European Convention on Human Rights, namely *Fogarty v. The United Kingdom*, Application No. 37112/97 (21 November 2001), *Cudak v. Lithuania*, Application No. 15869/02, (23 March 2010), and *Sabeh El Leil v. France*, Application No. 34869/05 (29 June 2011). In these cases involving issues of state immunity (rather than diplomatic immunity), the Court held that jurisdictional barriers as a result of the grant of diplomatic immunity in employment disputes between locally recruited staff and diplomatic missions are disproportional and hence violate the European Convention if granted in discord with the generally recognized principles of international law regarding state immunity. In other words, if States grant "more immunity" than they are required to under international law, the resulting limitations in access to court are contrary to Article 6 of the European Convention.

<sup>62</sup> Diplomatic immunity does not automatically mean that a domestic worker's case cannot be brought to court, but the worker's effective access to justice is impeded when the sending State or international organization of which the diplomat is a staff member refuses to waive the immunity of the diplomat concerned (Kartusch, 2011).

### Child domestic workers

The ILO's Minimum Age Convention, 1973 (No. 138), and Worst Forms of Child Labour Convention, 1999 (No. 182), provide, respectively, for the setting of a minimum age for admission to work or employment (normally at the age of 15) and require States to prohibit and take means to end the worst forms of child labour for all children. The worst forms of child labour include "forms of slavery or practices similar to slavery" and "work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children"; also referred to as hazardous work.<sup>63</sup> Under Convention No. 182, there is no predefined list of hazardous work. Rather, States have an obligation to establish such a list.<sup>64</sup> In line with these standards, domestic workers under the age of 18 are considered to be child labourers if they are below the minimum age for admission to work or if they are in a situation amounting to a worst form of child labour. Recent ILO estimates put at 11.5 million globally the number of child domestic workers who are under the minimum age or in hazardous work (ILO, 2013d, p. 7).

Convention No. 189 and Recommendation No. 201 reaffirm the standards of Conventions Nos 138 and 182 and their respective supplementing Recommendations, but also complement them. Article 4(1) of Convention No. 189 requires the setting of a minimum age for domestic workers that is consistent with two fundamental child labour Conventions and that is not lower than the minimum age set for other workers. Whereas under Convention No. 138 domestic workers could be excluded from minimum age limits,<sup>65</sup> this is not possible under Convention No. 189. In addition, Article 4(1) of Convention No. 189 proscribes lower minimum age limits specifically for domestic workers, although "light work" exceptions in line with Convention No. 138 continue to be possible.<sup>66</sup> With regard to hazardous work, Recommendation No. 201 provides that countries should identify, prohibit and eliminate types of domestic work that are hazardous. The means for doing so are: including such work in the list of work prohibited for persons under the age of 18 required under Convention No. 182; and measures to prevent the conditions of work of children above the legal minimum age engaged in domestic work from becoming hazardous. In this connection, Recommendation No. 201 calls for the strict limitation of working hours, the prohibition of night work, restrictions on excessively demanding work and the establishment of mechanisms to monitor the working conditions of domestic workers under the age of 18.<sup>67</sup>

Finally, Article 4(2) of Convention No. 189 addresses the concern that many child domestic workers have entered into domestic work at a very young

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<sup>63</sup> Convention No. 182, Art. 3(a) and (d). Other worst forms of child labour are defined in Art. 3(b) and (c).

<sup>64</sup> *Ibid.*, Art. 4.

<sup>65</sup> Convention No. 138, Art. 4(1).

<sup>66</sup> *Ibid.*, Art. 7.

<sup>67</sup> Recommendation No. 201, Para. 5(2).

age and therefore may not have completed their education.<sup>68</sup> Lack of educational opportunities for children in domestic work can result in them being caught up in domestic work for a lifetime, or facing serious disadvantage in finding alternative job opportunities. In this regard, Recommendation No. 201 stresses the need for sufficient time to be given to domestic workers under the age of 18 for education and training activities, and recommends establishing programmes for the development of domestic workers' competencies and qualifications, including literacy training, in order to enhance their professional development and employment opportunities.<sup>69</sup>

### *Standards for the protection of domestic workers' economic and social rights*

#### Working time

In domestic work no distinction is often made between working time and non-working time, unlike the situation in work performed in conventional workplaces. Domestic workers are frequently expected to be available for work whenever called upon.<sup>70</sup> This particularly concerns live-in workers; overall, live-in arrangements are less frequent today than in the past, but they are still prevalent in many parts of the world. Indeed, live-in arrangements have acquired a new relevance owing to increasing demand for “round-the-clock” care for elderly persons, with public policies relying on care for the elderly in the home. Working time issues also affect live-out domestic workers as they, too, can be required to work excessively long hours and without overtime pay. Exclusion from the legislative working time standards enjoyed by other workers is particularly common. For instance, globally almost 60 per cent of domestic workers do not enjoy a statutory limit on their normal weekly hours (ILO, 2013a, p. 60). It should therefore come as no surprise that working time was the single most contentious issue during the negotiations on Convention No. 189 and Recommendation No. 201. Though there was agreement on the need to ensure a reasonable limit on working hours and adequate rest periods for domestic workers,<sup>71</sup> different views were expressed on the type of international standards appropriate for this purpose (see ILO, 2011b, paras 508–525). Many delegates argued for equal treatment of domestic

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<sup>68</sup> Art. 4(2) reads as follows: “Each Member shall take measures to ensure that work performed by domestic workers who are under the age of 18 and above the minimum age of employment does not deprive them of compulsory education, or interfere with opportunities to participate in further education or vocational training.”

<sup>69</sup> Recommendation No. 201, Paras 5(2)(a) and 25(1)(a).

<sup>70</sup> For more detailed analyses of working time issues in domestic work, see King-Dejardin (2011); McCann and Murray (2010); and ILO (2010a), paras 166–181.

<sup>71</sup> Working time limitation is covered by international human rights law. See, e.g., UDHR, Art. 24; International Covenant on Economic, Social and Cultural Rights, opened for signature 16 December 1966, 993 U.N.T.S.3 (entered into force 3 January 1976) [hereinafter ICESCR], Art. 7(d).

workers as regards working time, whereas others stressed that the context of domestic work was different from that of other employment sectors, hence reliance on the equal treatment principle was not appropriate. Article 10(1) of the Convention reflects a compromise in that it requires ratifying States to “take measures towards ensuring equal treatment” in relation to specific aspects of working time regulation: normal hours of work, overtime compensation, periods of daily and weekly rest, and annual paid leave. It also recognizes that in designing these measures, “the special characteristics of domestic work” are to be taken into account. Article 10(2) provides that weekly rest should be at least 24 consecutive hours and the Recommendation provides that, where accumulation of weekly rest days over a period longer than seven days is permitted under national law, this period should not be longer than 14 days.<sup>72</sup> Finally, Article 10(3) tackles the issue of stand-by work, which is a matter particularly relevant to live-in domestic workers. Here the Convention basically describes what is meant by “stand-by”, and establishes that such periods shall be regarded as hours of work to the extent determined at the national level. Recommendation No. 201 makes a series of suggestions as to regulating stand-by work, for instance, introducing maximum stand-by hours and determining remuneration for stand-by hours.<sup>73</sup>

## Remuneration

The standards for domestic workers’ remuneration set out in Convention No. 189 and Recommendation No. 201 address two broader issues: minimum wage coverage as a tool to ensure fair and adequate levels of remuneration; and wage protection, i.e. measures to ensure that wages due are actually paid to the worker. Although under the ILO’s main minimum wages instrument – the Minimum Wage Fixing Convention, 1970 (No. 131) – ratifying States are able to exclude certain sectors (such as domestic work) from national minimum wage setting mechanisms,<sup>74</sup> Convention No. 189 requires States to take “measures to ensure that domestic workers enjoy minimum wage coverage, where such coverage exists” (Article 11). In other words, the new standard introduced by Convention No. 189 is that countries operating systems for the setting of minimum wages are required to provide coverage for domestic workers.<sup>75</sup> Article 11 of Convention No. 189 seeks to overcome existing exclusions of do-

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<sup>72</sup> See Para. 11(3). Other provisions of the Recommendation address the modalities for determining a the fixed day of weekly rest (Para. 11(2)), exceptions to weekly and daily rest periods (Para. 12), and the principle that time spent accompanying household members on holiday should not be counted as paid annual leave (Para. 13), and entitlements to suitable rest breaks during the working day (Para. 10).

<sup>73</sup> Recommendation No. 201, Para. 9.

<sup>74</sup> See Convention No. 131, Art. 1(3) which requires ratifying States to specify any sectors not covered by the minimum wage fixing system in their first report on the Convention’s application and indicate in subsequent reports any subsequent efforts to extend coverage to groups concerned.

<sup>75</sup> Regarding the relation between Art. 11 of Convention No. 189 and Convention No. 131, see ILO (2011c), p. 44.

mestic workers from national minimum wage schemes as a means to promote domestic workers' human right to just and favourable remuneration.<sup>76</sup>

Some 42.5 per cent of domestic workers globally do not enjoy minimum wage protection at present, although the countries where they live and work do set minimum wages for other workers. Another 5.9 per cent of domestic workers worldwide are covered by a minimum wage, but at a lower level than other workers (ILO, 2013a, p. 78). The examples of Brazil and South Africa have shown that minimum wage coverage for domestic workers is an appropriate instrument and an effective means of raising the pay levels of domestic workers (ILO, 2013a).<sup>77</sup> Certainly, low levels of skill and educational attainment are among the reasons for domestic workers' low levels of remuneration. But the weak individual bargaining power of domestic workers (who tend to be migrants or members of disadvantaged communities with few or no job alternatives), the absence of collective organization and bargaining, and the gender-based undervaluation of household and care work have also been factors leading to discriminatory downwards pressure on their wages (Oelz, 2011; Budlender, 2011). The importance of extending minimum wage coverage to domestic workers was undisputed during the negotiations of the Convention and participants in the preparatory process were conscious of the prevalence of gender-based undervaluation of domestic workers' pay. This led to the inclusion of a non-discriminating clause in Article 11 requiring ratifying States to ensure that "remuneration of domestic workers is established without discrimination based on sex", as also envisaged in the almost universally ratified ILO Equal Remuneration Convention, 1951 (No. 100).<sup>78</sup>

Convention No. 189's provisions on wage protection, inspired by the Protection of Wages Convention, 1949 (No. 95), can be found in Article 12, which stipulates in paragraph 1 that domestic workers shall be paid directly by their employers and at least once a month. Payment is to be made in cash, but national laws and regulations may also authorize or require other methods of payment, such as payment by bank or postal cheque, bank transfer, money order or other lawful means (ILO, 2011a, p. 17). Further, Article 12(2) addresses payments in kind which are only permitted if provided for under national law, regulations, collective agreements or arbitration awards. However, under Convention No. 189, payments in kind may only represent a limited proportion

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<sup>76</sup> UDHR, Art. 23(3); ICESCR, Art. 7. States Parties to Convention No. 131, irrespective of ratification of Convention No. 189, are encouraged to extend minimum wage coverage to domestic workers. In a general observation on Convention No. 131, the CEACR hoped that "those governments which have not already done so will make every effort to extend to workers in the home-working trades and to domestic workers the protection afforded by a system of minimum wages" and requested governments to include information on this question in their exports (ILO, 1985, p. 339).

<sup>77</sup> Examples of countries that more recently have aligned minimum wage levels with those enjoyed by workers generally include Portugal, Trinidad and Tobago, and Chile.

<sup>78</sup> See ILO (2010d), p. 392 (commentary regarding question 15 of the questionnaire), and ILO (2011c), p. 44 (commentary on Art. 11).

of the remuneration.<sup>79</sup> In addition, payments in kind for domestic work cannot be less favourable than those generally applicable to other categories of worker and need to be agreed to by the worker concerned, and be for his/her personal use and benefit. Finally, the monetary value attributed to payments in kind must be fair and reasonable. Paragraph 14 of Recommendation No. 201 provides guidance on measures that may be taken to apply Article 12(2), for instance, by fixing a maximum percentage for payments in kind or by prohibiting certain types of deduction.

### Work environment and living conditions

On the work environment and living conditions of domestic workers, the Convention's Article 13(1) reaffirms the right to a safe and health working environment,<sup>80</sup> combined with a general obligation to take measures to ensure domestic workers' occupational safety and health. Article 13(2) permits ratifying States to take measures in the area of occupational safety and health in a progressive manner, in consultation with workers' and employers' organizations.

The Convention recognizes that occupational safety and health measures benefiting domestic workers need to be tailored to the "specific characteristics of domestic work", i.e. the fact that the work is carried out in homes rather than offices or factories and that employers are often private individuals, not companies or institutions. Domestic work entails a range of work-related hazards and risks<sup>81</sup> and Recommendation No. 201 encourages their identification and minimization, along with the creation of appropriate systems of inspection and penalties for violation of occupational safety and health regulations. Furthermore, it encourages the improvement of statistics on accidents and diseases related to domestic work and measures in the area of prevention.<sup>82</sup> One particular area where protection is needed is addressed in Article 5 of the Convention, which sets out the obligation to "take measures to ensure that domestic workers enjoy effective protection against all forms of abuse, harassment and violence"

As regards living conditions, Article 6 calls in very general terms for measures to ensure "decent living conditions that respect [the worker's] privacy"; while Paragraph 17 of the Recommendation details a set of standards regarding accommodation and food, as far as they are employer-provided. In the case of termination of employment by the employer (other than for serious misconduct),

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<sup>79</sup> Convention No. 189 does not define the term "limited proportion." The CEACR has considered that governments, before authorizing payment in kind of a certain proportion, should carefully assess whether such a measure is reasonable based on its possible repercussions for the workers concerned, having regard to national circumstances and the workers' interests (ILO, 2003, para. 118).

<sup>80</sup> The right is also addressed by the ICESCR, Art. 7(b); and ILO Convention No. 187, Arts 1(d) and 3.

<sup>81</sup> For a recent study of the conditions of domestic workers, including occupational safety and health, in the United States, see Burnham and Theodore (2012).

<sup>82</sup> Recommendation No. 201, Para. 19.

live-in workers should be given a reasonable period of notice and time off to look for new employment.<sup>83</sup> As regards medical testing, the Recommendation proposes public information measures and stresses the need to make sure that the confidentiality of workers' personal data is respected and to prevent related discrimination. Consistent with the ILO's standards on maternity protection and HIV/AIDS, it also highlights measures "to ensure that no worker is required to undertake HIV or pregnancy testing or to disclose HIV or pregnancy status."<sup>84</sup>

### Social security

Social security was one of the first areas addressed in connection with domestic workers' protection, as illustrated by the fact that some of the ILO's first social security instruments explicitly covered "domestic servants."<sup>85</sup> It was recognized early on that owing to economic and social changes in society, social protection for domestic workers could no longer be achieved through the personal relationship between the worker and the family, of which she or he was considered a quasi-member (Altmeyer, 1945). Nevertheless, the ILO's main Convention on the topic, the Social Security (Minimum Standards) Convention, 1952 (No. 102), leaves it to States to define the groups of persons covered by social security protection.<sup>86</sup> Convention No. 189, renewing the ILO's early concern for social security for domestic employees, now crucially provides that domestic workers should "enjoy conditions that are not less favourable than those applicable to workers generally in respect of social security protection, including with respect to maternity", while the measures to this end are to be taken with "due regard for the specific characteristics of domestic work" (Article 14(1)). Recognizing that implementing this principle may take time, Article 14(2) of the Convention allows for progressive implementation of social security measures for domestic workers.

Bringing about effective social security coverage for domestic workers can indeed involve considerable challenges. In legal terms, domestic workers often remain excluded from the social security legislation, or from parts thereof. For instance, domestic workers may be covered by schemes granting work accident or health benefits, but not covered by pension or unemployment benefits (ILO, 2010a, table V.2). Even where generally covered, domestic workers may find themselves excluded in practice because their working patterns prevent them from fulfilling the qualifying criteria set out in the legislation. This may be the case where work for one employer remains below a statutory hourly threshold, with no possibility of accumulating hours worked for multiple employers. Further, *de facto* non-affiliation can result from absence of information and simplified affiliation procedures adapted to private individuals as employers, or simply

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<sup>83</sup> *Ibid.*, Para. 18.

<sup>84</sup> *Ibid.*, Para. 3(c). See also the HIV and AIDS Recommendation, 2010 (No. 200), Para. 3(i), and the Maternity Protection Convention, 2000 (No. 183), Art. 9.

<sup>85</sup> See the instruments listed in note 8 above.

<sup>86</sup> See Convention No. 102, Art. 9.

from a decision to remain outside the social security system in order to save the cost of contributions. A study found that in Latin America some 23 per cent of domestic workers contributed to a social security scheme in 2003, a 6 per cent increase from 1990 (ibid., table V.1). Globally, some 40 per cent of domestic workers were legally excluded from entitlements to maternity cash benefits in 2010 (ILO, 2013a). In countries such as France, Brazil, Belgium or Uruguay simplified affiliation procedures, information campaigns and fiscal incentives have proved effective tools to tackle informality and to increase social security protection (Tomei, 2011; Batthyány, 2012). Building on good practices in this field, Recommendation No. 201 encourages the creation of simplified systems for payment of social security contributions, including in the case of multiple employers, and consideration of payment in kind for social security purposes (Paragraph 20).

### *Provisions regarding implementation and enforcement*

In addition to the substantive provisions discussed above, Convention No. 189 and Recommendation No. 201 also include a range of provisions outlining approaches and means for implementation and enforcement at the national level.

### **Promoting formalization**

In practice, informality in the domestic work sector is both widespread and multifaceted. On the one hand, it can result from absence of an appropriate regulatory framework; on the other, existing regulations may not be applied in practice. Non-application may be due to regulations not being properly adapted to the domestic work context, which is a question of regulatory design; but employers and workers may also simply be unaware of the applicable legislation. Rather than using written contracts, the parties to a domestic work employment relationship often make oral arrangements, which risk diminishing clarity and transparency as to mutual rights and obligations. In response, the 2011 ILO instruments specifically promote formalization of the employment relationship as an important means of ensuring fair and decent conditions of work for domestic workers in practice. Article 7 of the Convention seeks to ensure that domestic workers receive information on their terms and conditions of employment “in an appropriate, verifiable and easily understandable manner”; preferably through written contracts. The same provision lists a range of particulars to be included in this information. Recommendation No. 201 suggests further items to be provided to domestic workers and recommends the development of model contracts, assistance to domestic workers in understanding their terms and conditions and, more generally, information and outreach activities to inform workers and employers of applicable laws.<sup>87</sup> Laying down terms and conditions in writing prevents misunderstandings and provides a better basis for solving disputes, if and when they arise. For the same reasons, Recommendation No. 201 encourages the use of wage statements and working time records.<sup>88</sup>

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<sup>87</sup> Recommendation No. 201, Paras 6 and 21.

<sup>88</sup> Ibid., Paras 8(1) and 15(1).

## Strengthening collective organization and representation

Freedom of association and the right to collective bargaining are enabling rights that underpin all efforts to attain decent work.<sup>89</sup> Hence, taking into account that in most countries collective organization and representation of domestic workers and employers have not so far played a significant role, the provisions of the Convention and the Recommendation concerning these fundamental rights at work are particularly relevant. Experience in some countries, for example, France, Germany, Italy and Uruguay, has indeed shown that collective bargaining on domestic work can be a key element in building regulatory frameworks protecting domestic workers' right (ILO, 2010a). Domestic workers' unions exist mainly in African, Latin American and Caribbean countries, and since the adoption of the instruments in 2011 new domestic workers' trade unions have been set up. There are also examples of employers' organizations that play an active role in the sphere of domestic work.<sup>90</sup> The Convention and Recommendation promote an active role for workers' and employers' organizations regarding domestic work in two ways: first, Article 3 of the Convention reaffirms the right of domestic workers and the employers of such workers to establish and join organizations of their own choosing. This is backed up by more detailed provisions in Recommendation No. 201 on the need to identify and eliminate legislative, administrative or other obstacles hindering the enjoyment of freedom of association, as well as encouraging measures to support capacity building of workers' and employers' organizations (Paragraph 2). Second, the instruments recognize that workers' and employers' organizations are important not only because they support their members and for the purpose of collective bargaining, but also because they are actors in the development of policies to promote decent work for domestic workers more generally. In this regard, several provisions require consultations with these organizations over their implementation.<sup>91</sup>

## Means of implementation and enforcement

Most of the Convention's substantive provisions contain an obligation on ratifying States "to take measures" in a specific area. Elaborating on the possible means of implementation, Article 18 specifies that the Convention shall be implemented "through laws and regulations, as well as collective agreements or additional measures consistent with national practice". This formulation

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<sup>89</sup> ILO Declaration on Social Justice for a Fair Globalization, I.A.vii.

<sup>90</sup> According to ITUC (2013), domestic workers' unions have recently been established in Paraguay, the Dominican Republic, Egypt, Angola and Sri Lanka. In October 2013, the International Domestic Workers Federation (IDWF) was established (see <http://www.idwn.info/news/idwn-congress-our-new-federation-born> [accessed 9 December 2013]). Examples for employers' organizations addressing domestic work issues are, for instance, the French *Fédération des Particuliers Employeurs de France* (see [www.fepem.fr](http://www.fepem.fr) [accessed 9 December 2013]) or the *Zambia Federation of Employers*, which recently issued a Code of Conduct for employers of domestic workers, available at: [http://www.ilo.org/wcmsp5/groups/public/---ed\\_protect/---protrav/---travail/documents/publication/wcms\\_164522.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_164522.pdf) [accessed 9 December 2013]).

<sup>91</sup> Convention No. 189, Arts 2(2), 13(2), 15(2) and 18; Recommendation No. 201, Paras 6(3), 8(2), 19, 22 and 25.

highlights the importance of legislation but also recognizes that implementation by other means can also be appropriate. Recommendation No. 201 proposes a range of practical measures that can beneficially complement legal measures, including information and awareness-raising activities, capacity building for workers' and employers' organizations, hotlines, and a range of measures promoting the formalization of the employment relationship, as mentioned above. Notwithstanding Article 18, some of the substantive provisions specifically require implementation by way of legislation or refer to other specific means of implementation.<sup>92</sup> Finally, it should also be mentioned that some provisions establish rules or principles that could lend themselves to direct application by national courts in jurisdictions in which ratified Conventions become part of national law by virtue of ratification.<sup>93</sup>

In addition to setting out substantive standards for designing legislation and practical measures to promote decent work for domestic workers, the Convention and Recommendation deal with compliance and enforcement issues.<sup>94</sup> The general obligation under the Convention is to establish “means of ensuring compliance with national laws and regulation for the protection of domestic workers”. In terms of complaints-driven mechanisms and access to justice, Article 16 requires measures to ensure domestic workers’ “effective access to court, tribunals or other dispute resolution mechanisms”, while Article 17(1) calls for “effective and accessible complaints mechanisms”, a notion that includes administrative procedures. Regarding private employment agencies specifically, Article 15(1)(b) calls for the existence of “adequate machinery and procedures [...] for the investigation of complaints, alleged abuses and fraudulent practices”.

In addition, the Convention calls for “measures for labour inspection”, a notion that refers to the whole range of measures that labour inspectorates may take, from information and prevention, to enforcement and inspection visits, as appropriate. The issue of access by labour inspectors to household premises was discussed in great detail during the negotiations, with many delegates initially expressing concerns over the possible incompatibility of granting labour inspectors access to private homes with the inviolability of the home as recognized in international human rights law and national constitutions. Others argued that homes were workplaces in this case and hence should be subject to inspection and enforcement measures, while providing for privacy guarantees (ILO, 2011b, paras 693–721). The wording resulting from the negotiations (as contained in Article 17(3)) does accept the possibility that labour

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<sup>92</sup> Art. 8(1) regarding the right of migrant domestic workers to receive a written job offer or contact of employment; Art. 12(2) permits partial payment in kind if authorized under “national laws, regulations, collective agreements or arbitration awards”.

<sup>93</sup> For instance, this could be the case with the rules regarding weekly rest in Art. 10(2) or on direct payment in regular intervals in Art. 12(1) of the Convention. On the use of ILO standards in national courts, see Thomas, Oelz and Beaudonnet (2004).

<sup>94</sup> The provisions of the Convention on this topic are supplemented by Paras 7, 19(b), 21 and 24 of the Recommendation.

inspectors may have access to premises of households where domestic workers undertake work. But rather than prescribing whether or not home visits should be undertaken, it provides that the “measures for labour inspection” to be developed and implemented in accordance with Article 17(2), “shall specify the conditions under which access [...] may be granted, having due respect for privacy”; this applying “in so far as compatible with national laws and regulations”. In sum, the Convention’s provisions on labour inspection consider the need to protect the privacy of households, while at the same time providing for a role of labour inspectorates when it comes to ensuring compliance with laws regulating domestic work. By referring back to compatibility with national laws and regulations in relation to home visits, the Convention provides space for ratifying States to properly balance privacy of the home with the protection of workers’ rights, so that any arbitrary or unlawful state interference in the private sphere is avoided. In several countries with experience in using labour inspection (including inspection visits) for the protection of domestic workers’ rights, such as South Africa or Ireland, the issue of access to households has been addressed through methodologies that rely on seeking the consent and cooperation of the occupant of the premises or on judicial authorization for entry.<sup>95</sup>

## Concluding remarks

The Domestic Workers Convention and Recommendation are the culmination of a global movement advocating better protection of domestic workers’ rights. Domestic workers’ associations and networks, trade unions and non-governmental organizations played an important role in raising awareness of the need to address the inequality and human rights abuses faced by domestic workers in the developed and the developing world alike. This prepared the ground for the ILO’s decision in 2008 – spearheaded by the global trade union movement – to set international labour standards; it also helped bring the process to a successful conclusion. Crucially, the new ILO instruments make it clear that decent work for domestic workers is a matter of social justice and human rights. They are also an illustration of the complementarity of ILO standards and United Nations and regional instruments protecting workers’ rights.

Both Convention No. 189 and Recommendation No. 201 have started to play their role as catalysts for change. The global campaign for the adoption of these instruments has evolved into a movement calling for ratification and implementation, giving a fresh impetus to the collective organization of domestic workers. Though not providing ready-made solutions, the instruments set out principles and measures on which countries can rely when reviewing and updating their respective legal, policy and institutional frameworks governing

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<sup>95</sup> In Ireland, the National Employment Rights Agency (NERA) implemented a pilot programme on domestic workers in 2012, which involved meeting employers to check employment records in the household or an alternative meeting place (ILO, 2012c). Similarly, in South Africa the labour inspection services relied on household visits targeting selected neighbours (Sjöberg, 2011).

domestic work. Since 2011, an increasing number of countries has indeed been pushing forward reforms guided by the new standards (ILO, 2013b). For example, in Brazil an amendment to the 1988 Constitution entered into force on 2 April 2013, removing previous exclusions of domestic workers from a range of labour rights.<sup>96</sup> Similarly, Argentina, Bahrain, the Philippines, Spain, Thailand and Viet Nam have enacted new laws improving the labour and social protection of domestic workers.<sup>97</sup> In India, domestic workers were included in recently adopted anti-sexual harassment legislation<sup>98</sup> and the Government is formulating a national policy on domestic workers. Countries such as Chile, Finland and Jamaica are revising their laws regulating domestic work in the light of the new standards. Some countries of origin and of destination of migrant domestic workers have started to use the Convention and Recommendation as a normative reference point for cooperation on improving their protection.<sup>99</sup> Calls for the ratification and the implementation of Convention No. 189 have come from different parts of the United Nations system, including the General Assembly, various human rights mechanisms and the Secretary-General.<sup>100</sup> Similarly, key European Union bodies voiced support for the Convention.<sup>101</sup>

Undoubtedly, momentum has been gathering around the Convention and Recommendation, but many challenges remain ahead. Ratification and new laws are important to guarantee equal protection for domestic workers and to establish enforceable legal rights for them, but progress in law alone is insufficient to bring about improved conditions in practice. For this, a set of longer-term strategies is needed. In many countries, more work will be required to make domestic workers visible in national statistics on employment and working conditions in order to support awareness-raising and evidence-based policy-making and as-

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<sup>96</sup> See <http://economia.estadao.com.br/noticias/economia-geral,controle-de-jornada-e-ponto-mais-relevante-da-pec-das-domesticas-dizem-especialistas,148271,0.htm> [accessed 9 December 2013].

<sup>97</sup> Argentina's Parliament adopted a new statute on domestic work on 13 March 2013, replacing earlier legislation of 1956, see <http://www.hcdn.gob.ar/permalink/85d1538d-90d8-11e2-9e40-8b04eb6ac7ef.html> [accessed 9 December 2013]; Republic Act No. 10261 of 18 January 2013 of the Philippines; Ministerial Regulation No. 14 (B.E. 2555) issued under the Labour Protection Act B.E. 2541 (1998) of Thailand; Spain's Royal Decree 1620/2011 governing the special employment relationship of household workers of 14 November 2012; the Labour Law for Private Sector (Law No. 36 of 2012) of Bahrain; the Labour Code of Viet Nam (Law No. 10/2012/QH13 of 14 June 2012).

<sup>98</sup> The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, *The Gazette of India*, 23 April 2013, No. 10.

<sup>99</sup> For instance, the Philippines has been using Convention No. 189 as a baseline for negotiating standard employment contract for migrant domestic workers. Agreement on such a standard contract was recently reached with Saudi Arabia (Philippines, 2013).

<sup>100</sup> See, for example, General Assembly resolution 66/21 (violence against women migrant workers) of 19 December 2011; Human Rights Council resolution 23/5 (trafficking in persons, especially women and children: efforts to combat human trafficking in supply chains of businesses of 13 June 2013; or the Secretary-General's remarks to the High-level Dialogue on Migration and Development on 5 October 2013 (available at: [http://www.un.org/apps/news/infocus/sgspeeches/statments\\_full.asp?statID=2019](http://www.un.org/apps/news/infocus/sgspeeches/statments_full.asp?statID=2019) [accessed 9 December 2013]).

<sup>101</sup> See European Commission (2013a); European Parliament (2013). The European Commission concluded that the Convention is compatible with the *acquis* of the European Union and that its ratification and implementation contributes to EU policy objectives (European Commission, 2013b).

assessments. Since at this stage domestic work is often a new or emerging area for intervention, sharing outcomes and experience between countries and regions will be important for years to come. To make existing policies and regulations better known and understood, outreach efforts will be crucial to ensure that workers and employers are aware of applicable laws and regulation and know where they can obtain related information and advice. Efforts will be needed to generate understanding that domestic work involves an employment relationship requiring practical tools and incentives to promote formalization. Tackling the situation of domestic workers in a sustainable manner also means connecting policy-making on domestic work to policies in related areas such care, work-life balance and migration, with particular attention to the gender dimensions thereof. Responses to increasing labour market demand for domestic workers should take into account that the workers providing such services are entitled to decent working conditions, which entails addressing the gender-based undervaluation of care work. Finally, longer-term strategies will be needed on the empowerment of domestic workers themselves, including through freedom of association, access to justice and training opportunities. It will not be easy to achieve progress in changing the conditions of domestic workers on the ground, but Convention No. 189 and Recommendation No. 201 open a window of opportunity on how to start the process.

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PART VI

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**ORGANIZATION FOR EMPOWERMENT  
AND BETTER WORK**

## Collective bargaining and equality: Making connections

Adelle BLACKETT\* and Colleen SHEPPARD\*\*

The ILO Declaration on Fundamental Principles and Rights at Work<sup>1</sup> adopted in 1998 could not be clearer: “the effective recognition of the right to collective bargaining” and “the elimination of discrimination in respect of employment and occupation” (ILO, 1998, Para. 2 (a) and (d)) are both so central to the ILO’s social justice mandate (ILO, 1919) and Decent Work Agenda (ILO, 1999; Egger, 2002) that they are two of the four fundamental principles which Members of the ILO have a “good faith obligation ... to respect, to promote and to realize” (ILO, 1998, Para. 2). Both are among the immutable principles embodied in the ILO Constitution and represent robust standards of egalitarian and democratic inspiration that stress the centrality of enfranchisement within the world of work, reflected in the ILO’s Right to Organise and Collective Bargaining Convention, 1949 (No. 98), and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111). For generations, both these principles have been dynamically interpreted and applied by the ILO’s supervisory machinery (Maupain, 1999; Swepston, 1998). And now, with the adoption of the ILO Declaration, both are urgently reaffirmed by the ILO and its Members “in a situation of growing economic interdependence” (ILO, 1998, Preamble, para. 7) as essential components to promote a vision of “sustainable development” that sees the economic and the social as mutually reinforcing (ibid., para. 3; Sen, 1999a; Langille, 1999; ILO, 2004).<sup>2</sup>

Despite the ILO’s long-standing commitment to collective bargaining and the elimination of discrimination, initiatives to explore the interface between the two principles have only recently emerged, and have focused overwhelmingly on gender equality (ILO, 2003, p. 101). The ILO Declaration resists the impulse to establish a hierarchy between collective bargaining and equality, merely setting these principles apart from the broader range of labour standards. In an

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<sup>1</sup> Hereinafter ILO Declaration.

<sup>2</sup> It bears noting that the preamble to the ILO Constitution of 1919 also refers to the “special and urgent importance” of the principle of equality in employment.

increasingly integrated transnational context that challenges traditional labour regulation structures, the time is now ripe to investigate the complex and changing relationship between these two fundamental principles and rights at work.

The starting point for this article is that, despite an overwhelming rate of ratification of Convention No. 98, effective recognition of the right to collective bargaining remains elusive for the vast majority of workers. Globally, only a minority of workers benefit from the free and fair representation of their collective rights, needs and interests. Unequal access to collective bargaining shows how far dominant paradigms of collective bargaining have failed to reflect the plural structures of work, notably in the informal economy and in the developing world. Moreover, emerging post-Fordist paradigms pose difficult challenges to the founding concepts on which twentieth-century industrial relations were constructed.

This starting point is important beyond its basic reminder that although the ILO's decent work vision applies to all workers, effective recognition of the right to collective bargaining is a "good" that remains merely an aspiration for many. In a limited number of countries, collective bargaining has been the principal means by which terms of employment are set; in other countries at the other end of the spectrum, collective bargaining is accessible only to a small number of workers. In most countries, moreover, those excluded from the effective exercise of collective bargaining rights include a disproportionate number of workers hailing from groups traditionally discriminated against on grounds including race, sex, religion, and national extraction, as listed in Convention No. 111.

Unequal access to collective representation is thus doubly problematic, because it challenges the internal "effectiveness" of collective bargaining and because it reinforces and potentially deepens inequality faced by groups traditionally discriminated against. As a result, inequality of access to collective representation is a challenge to arguments that privilege traditional collective bargaining mechanisms, particularly if the mechanisms involved favour the most privileged workers to the detriment of the least privileged.

This article explores the uneasy coexistence between equality at work, broadly understood, and the cardinal emphasis in the ILO Declaration on the need for recognition of the right to collective bargaining to be "effective." It will be argued that, with due regard to their application to varied social contexts, collective bargaining frameworks are not equality-neutral; rather, the choice of collective bargaining framework can be crucial in determining whether systemic obstacles to equality of access to collective bargaining can be removed. Moreover, in an increasingly complex, integrating world, special care needs to be taken to cultivate new sites for social dialogue, sites that ensure representation for traditionally marginalized or excluded groups.

The article also examines situations in which workers do exercise their fundamental rights to freedom of association and to bargain collectively, in order to consider another level of interface with the fundamental right and principle of equality: the interaction between collective bargaining, the ma-

majoritarian mechanism for workplace governance; and the structurally “minority” position of equality-seeking groups in many workforces. It considers the controversial but real possibility that one fundamental principle could in fact impede the effective recognition of the other. Despite this possibility, the conclusion is advanced that collective bargaining, whose rationale is deeply rooted in notions of social justice, egalitarianism, democratic participation, and freedom, holds great potential to enhance equality. However, in order to fulfil the equality mandate, collective bargaining must be grounded in a demonstrable commitment on the part of the social partners to promote equality, a commitment evident not only in the provisions of agreements, but also in how “representation” itself is constructed, and how bargaining takes place.

Finally, to the extent that the State privileges collective bargaining as the vehicle for private ordering of workplace relationships, it has a cardinal role to play in ensuring that collective bargaining enhances rather than impedes equality concerns. The final part builds on the industrial relations literature on the public–private dichotomy, emphasizing the pluralist nature of labour relations through which state enabling mechanisms permit the social partners to evolve agreements to govern their workplace. It posits the need for a regulatory environment that reduces barriers to access to collective bargaining, that sets parameters to prohibit discriminatory collective bargains, and that leaves room for collective bargaining’s democratic participation mechanisms to achieve equality goals.

## Unequal access to collective bargaining

Unequal access to collective bargaining is a challenge to equality. This broad view of equality draws upon the deeply egalitarian convictions that characterize the quest for social justice within the world of work. It also focuses on the purpose of protection against discrimination,<sup>3</sup> namely to affirm the equal worth and dignity of all human beings. It seeks to ensure that equality, whose fundamental nature is recognized within the ILO’s normative universe and beyond, is also a reality in working people’s lives. A purposive approach is required given the mandate in the ILO Constitution and in its normative system to include all workers, thereby affirming their equal worth and dignity. Unequal access to collective bargaining represents a major challenge to equality, one that the Declaration calls on the ILO and its constituency to address.

### *Exclusionary implications of the Fordist paradigm*

In the design and application of machinery to give effect to the right to collective bargaining, certain categories of worker were forgotten, overlooked or quite simply excluded because they were not part of the dominant paradigm. Such discrimination is systemic, in that it is embedded in social and institutional

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<sup>3</sup> This purposive approach is mandated by Art. 31 of the Vienna Convention on the Law of Treaties between States and International Organizations or between International Organizations, 21 March 1986.

practices, policies or rules. As the dominant paradigm has shifted, the inequalities have deepened because the vehicles to render collective bargaining effective failed to capture the increasingly plural workplace realities. Moreover, the workers excluded from the actual scope of collective bargaining tend also to be from groups traditionally disadvantaged on the basis of race, gender, disability and other prohibited grounds of discrimination.

Most collective bargaining systems developed and refined over the twentieth century sought primarily to respond to the regulatory challenges of industrial production workplaces. Collective bargaining mechanisms tend to include relative degrees of recognition of (often constitutionally enshrined) freedom of association, including protection against reprisals for trade union membership. The recognition is often buttressed by mechanisms to ensure that collective bargaining is legally recognized (in voluntarist traditions, by dislodging the common law presumption that they are illegal). Recognition may occur at several levels, and may change with the form of production from enterprise level, industry level, national level, and more recently (and exceptionally) transnational or regional level (Moreau, 2002, pp. 391–392). Whether they were premised on decentralized collective bargaining based on democratic participation at the individual workplace or enterprise level, or on more centralized structures emphasizing broader notions of industrial citizenship in social policy, the collective bargaining systems that came to predominate are commonly captured within the framework of the Fordist paradigm.

The broad contours of Fordism are well known, so the details will not be rehearsed here.<sup>4</sup> Fordism functioned in an era of mass production in large workplaces, which spurred on an industrial model of employment. It combined with Taylorist scientific management approaches, leading to industrial de-skilling, since the components of any given production process could be broken down into individual repetitive tasks that most labourers could perform; their execution could be timed and monitored by employers along an assembly line. Since employers and workers were likely to be based in a given factory located within the same country for which production was destined, the workers were essentially also the consumers. Consequently, there was incentive for employers to pay workers good, rising wages, to enable them in turn to buy the products that they produced. They also needed leisure time so that they could exercise their purchasing power, and consume the goods they bought. These workplace gains were consolidated by Keynesian macroeconomic policies that encouraged governments to spend in the creation of a welfare state. Liberal economic policies were increasingly embedded in society (Polyani, 1957; Ruggie, 1982).

It is increasingly acknowledged that even at the height of industrialization, models built on Fordism could not capture the full range of workplace organization. Basic regulatory mechanisms, particularly in the industrial relations system prevalent in the United States and Canada (the Wagner Act

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<sup>4</sup> For a discussion of the tripod of Fordism from the regulation school account, see Lipietz (1994), pp. 341–342.

tradition), simply excluded certain categories of workers from legislation recognizing freedom of association and the effective right to bargain collectively. Employment in agricultural and domestic settings was routinely excluded, on the assumption that the work “naturally” fell outside the industrial model, sometimes quite literally because of the absence of an industrial workplace.<sup>5</sup> In some ways, this “natural” exclusion parallels the exclusion in practice of small workplaces, which have traditionally been quite difficult for unions to organize (Olney, 1996), and in which many historically marginalized groups have tended to work. More telling today is the inability of many excluded categories to make effective use of their freedom of association and right to bargain collectively when these are granted by legislative mechanisms that merely include these workers, without taking their specific workplace organization into consideration.

Like the broader regulatory and distributive systems encapsulating them, collective bargaining systems of the Fordist era were also national in scope. They took the nation-State and state sovereignty as given, and operated within those confines. Even as accumulation exceeded the consumption capacities of individual States, and trade in goods and foreign direct investment became essential to sustain the mode of production, national borders were carefully guarded to protect workers in industrialized countries from migrant workers prepared to accept working conditions less favourable than those enjoyed by the nationals. Prevailing occupational segregation of immigrant workers and racial, ethnic and religious minority workers in formal workplaces with low levels of organization or in the informal economy further limited these workers’ access to collective bargaining.

In contrast, productive relations existing outside a particular nation-State were not considered to fall within the distributional range with which the social partner in a given country should be concerned. Along with protective legislation, collective bargaining preserved and enriched gains within – but not beyond – a given State. Despite classic justifications based on citizenship rights to share in the fruit of citizens’ productive participation and to exclude non-citizens,<sup>6</sup> the national scope of distributive justice increasingly failed to capture the reality of production that crossed national borders, necessarily delinking itself from consumption.

Certainly, many fictions of Fordism have resulted in a number of de facto exclusions from the effective recognition and exercise of collective bargaining rights. One was that women did not have to work because men were the family breadwinners. Though women had worked outside the home long before, throughout, and since the height of Fordism, their work was mostly in precarious conditions and for low wages; they were a reserve labour force to be

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<sup>5</sup> Organization of these categories of workers has been more successful in some countries (e.g. France) than others (e.g. Canada). For domestic workers in most countries, the gulf between legislative inclusion and de facto access to collective bargaining remains particularly wide.

<sup>6</sup> The classic assumption of the national scope of many distributive justice claims is increasingly contested in academic literature. See Young (2000), pp. 236–243.

drawn upon when men were not available. Accordingly, there was no need to pay women a family wage, as men were the breadwinners. Women were also penalized in that social benefits were often tied to employment, so the male breadwinner also controlled access to social safety nets, including health benefits and retirement pensions. In other cases, particularly workers from disadvantaged groups, workforce participation occurred in the ghettoized occupations perceived to be their proper sphere (Malveaux, 1992).

In its preoccupation with production, Fordism excluded women's reproductive work, as well as the associated "non-productive"; "invaluable" labour of love in the home, assumed to be without value in the labour market. When the wife/mother's labour was replaced, the work was performed by women (and some men) from disadvantaged groups – earlier through slavery or indentured servitude, later through restrictive migration schemes or bonded labour. Thus, the inadequate value attributed to the work was reinforced (Gaitskell et al., 1983). It is a testament to the depth of this dichotomy that domestic work is traditionally excluded from many collective bargaining systems (Blackett, 1998, pp. 12–15; Vega Ruiz, 1994). The exclusions, coupled with the limits placed on women's participation even when they are unionized, compound the exclusionary effects (Lester, 1991; Swinton, 1995; Wedderburn, 1997).<sup>7</sup>

Another fiction of Fordism was the presumed homogeneous society. Traditional Fordist accounts failed to acknowledge the labour market segmentation of racial, ethnic and religious minority workers in industrialized societies, as well as that of immigrant workers, who were often relegated to less desirable, comparatively low-status jobs. Certainly Fordism's egalitarian focus on scientific management – emphasizing transparency in job classifications, requirements and pay levels – supported the contention that collective bargaining was amenable to general principles of non-discrimination. In some contexts, racial minority groups were granted (limited and uneasy) access to the waged labour market and to unionization, although this access was insufficient to prevent racial and related forms of discrimination once employment with access to collective bargaining had been achieved (Jones, 1992, p. 53; Marable, 1982).<sup>8</sup> The workers' minority status in society and in many industries, as well as their segmentation in less desirable occupations and industries, is reflected in (and reflective of) their comparatively limited bargaining power.

In other primarily developing countries, racial, ethnic, religious (and in some cases linguistic) equality is linked to struggles against colonial control over economic and political life (Bolles, 1996). Many trade unions emerged

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<sup>7</sup> Swinton (1995, p. 727) challenges the perception that adversarial approaches to collective bargaining are necessarily barriers to access for women, by remarking on the degree to which women have embraced collective bargaining in its traditional form, particularly in middle-class occupations that are predominantly female in many countries, such as nursing and elementary school teaching; Lord Wedderburn (1997, p. 7) emphasizes the importance of contract administration, or co-regulation, after an agreement has been reached, whether by aggressive or more cooperative means.

<sup>8</sup> Marable (1982, p. 156) adds that the crisis was exacerbated by the fact that many African American workers occupied the jobs most likely to be eliminated with the coming of greater technological innovation and outsourcing of labour.

as central social actors in the newly independent States, and played a leading role in promoting broad structural societal change to reverse entrenched racial segregation. However, little attention has been paid to the ways in which racial, ethnic and religious heterogeneity in the country may have influenced access to employment and collective bargaining.

Social partners have found it difficult to identify ways in which collective bargaining can help eradicate systemic racial inequality, probably because of the conceptual difficulties associated with racism, discrimination on the basis of ethnicity and religion, and the relative lack of power of historically disadvantaged groups to influence collective bargaining. There has been a lamentable dearth of material analysing the connections between discrimination and collective bargaining.<sup>9</sup> Although it is valuable to analyse and comment on new forms of discrimination, it is crucial to ensure that old forms, such as racial discrimination, continue to be addressed (Hodges-Aeberhard, 1999; Hodges-Aeberhard and Raskin, 1997).

Fordism also assumed away other divergences from the “norm.” Thus, job applicants with disabilities were simply not hired; “accommodation” of persons with disabilities, by modifying the workplace or enabling the worker to undertake different tasks or the same tasks differently, came much later. Workers who developed work-related disabilities sometimes simply lost their jobs after prolonged absence from work. Entitlement to some limited compensation, through long-term disability pay and to some extent accommodation through more flexible approaches to otherwise rigid seniority and job classification systems, was only gradually achieved. Production schedules were organized in shifts; although those shifts recognized dominant norms (e.g. Sundays off in traditionally Christian societies), the religious beliefs of workers outside the dominant social groups were not readily recognized and accommodated. In their emphasis on transparency through “colour-blind” seniority and merit-based job classification, Fordist hiring, promotion and disciplinary practices were potentially able to foster greater racial and ethnic integration rather than accentuating difference. Yet in fact workers from the dominant social groups benefited disproportionately from these facially neutral rules and for many reasons, including past discrimination, hostile work environments, harassment, job segregation based on traditional roles for women, interruptions for child-rearing and recent workplace attachments linked to immigration status. In particular, systemic discrimination resulting in labour market segregation and in some cases in exclusion from the labour market meant that workers from

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<sup>9</sup>The ILO has played a leading role in the fight against racism, notably through its principled position towards apartheid in South Africa and its constructive role in facilitating transition through labour regulatory mechanisms developed for the post-apartheid context. It should continue to provide focused insight into the vexing question of how to help the social partners to recognize, admit, confront and challenge racial, ethnic and religious discrimination in order to promote racial, ethnic and religious equality in the use of collective bargaining mechanisms. While attention to particular categories of atypical or informal-sector workers may indirectly address some of these concerns (e.g. ILO, 2002a), more targeted analysis and attention to discrimination against these historically disadvantaged groups is urgently needed.

certain racial or ethnic groups were effectively excluded from access to collective bargaining that recognized their rights and interests.

The categories of worker who tended to be excluded, expressly or implicitly, during the Fordist era largely correspond to the categories enumerated in Convention No. 111 as requiring protection from discrimination (Zeytinoglu and Khasiala Muteshi, 2000, p. 141). As noted above, domestic workers are predominantly women from racial and other minority backgrounds; to exclude (in law or on a de facto basis) domestic work from the reach of collective bargaining has a particularly marked impact on these vulnerable women. Similarly, agricultural workers, notably in industrialized countries, are disproportionately racial minority and foreign workers; therefore their exclusion from collective bargaining legislation in some countries has a disparate impact in terms of race, national and ethnic origin. Workers in the informal economy, atypical, part-time and precarious contractual workers, and workers facing occupational segregation are predominantly women, workers from racial, ethnic and religious minorities, immigrants, workers with disabilities, and young people.<sup>10</sup>

Moreover, even if all the express exclusions from collective bargaining regimes were reversed, this would not solve the problem of unequal access to collective bargaining, because access to trade unions and collective bargaining is much more difficult in certain sectors of the economy. Workers' inadequate bargaining power is an important explanation for the difficulty of unionizing workers in certain sectors. Even if unions manage to secure a foothold within a particular workplace or industry and begin collective bargaining, they often encounter a second layer of difficulty in negotiating favourable working conditions. If the union cannot achieve any significant gains through collective bargaining because of inadequate bargaining power, of course, its support will gradually wither away.

Where the legal and socio-economic realities of certain kinds of work render collective organization difficult and where workers lack sufficient bargaining power despite being organized, collective bargaining reveals its limited ability to ensure equality at work. Indeed, it may even accentuate the gap between workers with effective bargaining power and those without it (Beatty, 1983).

### *Effective recognition of the right to collective bargaining: A commitment to equality*

If traditional collective bargaining regimes exclude certain categories of worker, the question inevitably arises as to whether the right to collective bargaining is effectively recognized. It is our assertion that the term "effective" must be understood in a way that is sensitive to the interface between fundamental principles and rights at work. In other words, collective bargaining mechanisms

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<sup>10</sup> Young workers from historically disadvantaged racial groups are particularly vulnerable. See Wrench, Rea and Ouali (1999); and K. Jennings (1992).

cannot be considered to be effective if they structurally exclude from access to collective bargaining those disadvantaged workers to whom Convention No. 111 guarantees equality. To some extent this is also a challenge to traditional arguments that favour certain collective bargaining frameworks over others. To be effective, collective bargaining mechanisms must be fully inclusive, particularly of those workers who have faced historical disadvantage of the kind that Convention No. 111 strives to eliminate.

The effective recognition of the right to collective bargaining is embedded in a robust conception of freedom of association that reaffirms the need for democratic governance to infuse working peoples' lived experience. As a vehicle for achieving and promoting dignity at work, it reflects both the process and the opportunity of freedom, which are integral to the cross-cutting goal of development (Sen, 1999a, p. 17; Langille, 1999). Linking freedom of association with effective access to collective bargaining not only recognizes rights and freedoms, but also gives participants the means, or "voice," through which to make their needs known, and in a way that enables the social partners to seek to meet those needs within and beyond the workplace. The empowering capacity of freedom of association and of the right to bargain collectively is part of a broad conception of freedom, recognizing that "protection" cannot simply be conferred; rather, stakeholders must play an integral role in articulating their own needs. Like other rights, freedom of association and collective bargaining are "not only pivotal in inducing social responses to economic needs, they are also central to the conceptualization of economic needs themselves" (Sen, 1999a, p. 154).

For these reasons, the broad definition of collective bargaining found in ILO Convention No. 98 is entirely consonant with ensuring that workers have a say in the decisions that matter to them; accordingly, the ILO has applied the principle "in an uncompromisingly broad manner, albeit one that recognizes a wide diversity of industrial relations systems" (Blackett, 1999, p. 15). Indeed, in its concern for promoting social justice, the ILO has championed the companion notion of social dialogue, embracing autonomous participation by tripartite constituencies in a broad range of economic and social policy-making activities, notably at the national, transnational and international levels. This form of tripartism is rooted in "the acceptance of societal pluralism" (Trebilcock, 1994, p. 7).

The fact that the ILO situates the fundamental freedom of collective bargaining within the broad framework of social dialogue illustrates the ILO's commitment not to a particular regulatory vehicle, but to ensuring that the underlying democratic principle of workers' participation through their freely chosen representatives is safeguarded. For the great diversity of industrial relations systems reflects the great diversity of legal traditions and regulatory frameworks around the world (Glenn, 2000). Whether industrial relations frameworks were received and implemented with success may mirror the relative effectiveness with which broader regulatory frameworks were received, particularly in developing countries and transition countries. Yet there is an

added dimension in the labour regulation area. Regulatory mechanisms for the effective recognition of the right to collective bargaining are largely premised on the existence of a significantly industrialized economy, so transplanting the models to parts of the world where industrialization is just beginning virtually guarantees an uneasy coexistence. The mechanisms must not only be adjusted to the existing legal, political, and socio-cultural context, but also to the mode of organization of the local labour market. Therefore, a system that ensures effective recognition of the right to collective bargaining in the advanced industrial country where it originated may prove able to ensure only weak recognition of the right of collective bargaining in less industrialized countries.

This problem is of considerable concern in developing countries and in the more fragile transition economies. Because the formal sector is small in these countries, the number of workplaces in which collective bargaining can be applied is limited. Not surprisingly, therefore, collective bargaining tends to be restricted to the public and semi-public sectors of these countries, excluding most workers. Consequently, traditional collective bargaining mechanisms have been ineffective at reaching most workers in many developing countries, thereby compromising equality of treatment.

### *Economic restructuring and the growing gap between collective bargaining and equality*

Economic restructuring raises challenges for the interface between collective bargaining and equality that can no longer be readily ignored. The difficulties of access to collective bargaining experienced in many parts of the developing world and faced by disadvantaged groups in industrialized countries are increasingly felt by mainstream workers in industrialized and newly industrialized countries. As Manuela Tomei has argued in her description of the “new heterogeneity of informality”:

Neither “atypical” forms of employment nor the “informal” sector can be viewed as residual categories any more; they are rather integral to the overall development dynamics. Quality of employment varies along a continuum which does not follow the dichotomy formal/informal. Not all jobs in the informal sector are necessarily of poor quality nor do all formal sector jobs qualify as good jobs. Insecurity of tenure, job precarity and irregularity, lack of or limited social protection are increasingly common features of formal activities as well (Tomei, 1999, p. 1; see also Lamarche, 1995, p. 126).

Mainstream workers find it increasingly difficult to resist downward pressures on their negotiated gains. Their labour rights attained in part through collective bargaining and social dialogue are increasingly considered to be anti-competitive costs inefficiently allocated through the monopolistic behaviour of unfairly favoured interest groups (Bronstein, 1997). There have been limited attempts at labour relations reform, but the basic Fordist premises of collective bargaining systems have not been comprehensively revised. Failure to counteract downward pressures may exacerbate discrimination and discourage attempts to promote equality, particularly in negotiating contexts.

A cardinal example of the changes affecting industrialized and newly industrialized countries is the shift away from a production-based economy to a much-expanded service economy with technology-driven growth. The rapid development and proliferation of new technology have brought about marked changes in the nature and organization of work (Radé, 2002, pp. 33–34). As a result, more workers hold levels of responsibility and control that limit their right to organize under certain domestic labour laws. A system of rigid job classification with fixed, clearly identifiable job requirements has yielded to one where multi-skilling, teamwork and “life-long learning” are increasingly expected (Barenberg, 1994, pp. 881 ff). In particular, life-long learning implies workers’ ongoing training and career changes undertaken not only for their own interest but also to ensure their flexibility and therefore continuing “employability” (Standing, 2002, pp. 166–167). These changes shake up conventional understanding of the paradigmatic worker (Olney, 1996, p. 41), while reducing the ability to rely on fixed, apparently objective criteria to determine “merit.” They leave room for more subjective criteria in hiring and promotion practices, while making the ability to fit within a particular dominant cultural norm more explicit. These new requirements may also have adverse effects on equality.

Though territorial borders no longer matter in the ways that they did in the Fordist era, they have been crucial in the development of clusters of particular economic activity and of an intricate web of niche-based service relationships. Consider that primarily young, female offshore telemarketers with impeccable French-language skills based in North African countries with strong telecommunications infrastructures, notably Morocco and Tunisia, can work remotely delivering their virtual services to consumers in France (*Le Monde*, 2004a and 2004c). More supple regulatory frameworks may contribute to the performance of this work on an atypical, contingent basis (idem, 2004b). These conditions do not facilitate conventional workplace organization.

Even the cornerstone notion of production, initially most amenable to mid-twentieth century views of collective bargaining, has changed so dramatically that Fordist assumptions no longer readily apply. Broadly characterized as the new international division of labour, flexible systems of accumulation have developed through which corporations outsource production to smaller producers and component assemblers around the world (Harvey, 1989). These fragile micro- and small enterprises linked to a complex web of supply networks are a new and dynamic source of employment along the global production chain that further complicates the informal/formal sector divide in much of the developing world. There are many accounts of exploitative labour practices in those workplaces; the much feared but empirically unverified assumption of a “race to the bottom” has itself fostered a form of regulatory chill that defies more rigorous analysis (Kucera, 2002, p. 31; OECD, 1996, pp. 80–82; Barenberg, 1996, pp. 117–118; Paul, 1995, pp. 29–30; Trebilcock and Howse, 1999, p. 445). Applying enforceable, socially just rules across territorial boundaries to individual workplaces, thereby

linking plants around the world with distant multinational enterprises and the consuming public, represents a formidable challenge, especially if it involves ensuring that these new regulatory initiatives do not “run the risk of supplanting rather than buttressing democratic participation in the workplace” (Blackett, 2001a, pp. 420–421).

In the increasingly post-Fordist economy, management and ownership structures in the public and para-public sectors have been changed to promote flexibility (Yemin, 1993, p. 476). Indeed, in the United Kingdom and New Zealand, as noted in Ozaki (1999), “the flexibilization of employment contracts in the public sector preceded the rapid spread in the 1990s of flexible employment in the private sector” (p. 8) even though public-sector reforms were initiated on the basis of “an imagined vision of the private sector” (ibid.). These changes were observed particularly in many developing and least developed countries that had experienced structural adjustment intended to ensure flexibility in the formal sector, itself quite small (Lachaud, 1993). The changes have tended to reduce workers’ capacity to engage in collective bargaining in sectors with traditionally high levels of relatively effective collective bargaining. Some democratic governments in developing and industrialized countries have tried to lead by example by implementing employment equity programmes; however, since the workers from disadvantaged groups who may be hired tend to have the least seniority, they may also be the first to lose their employment when contracting out and other flexible employment practices are introduced (Swin-ton, 1995).

Of course, privatization and new public-sector management strategies are not invariably problematic as regards non-discrimination in employment, occupation and the right to collective bargaining. Indeed, democratic governments have long drawn heavily on public procurement schemes to enforce employment-equity goals on private contractors bidding for government contracts; theoretically, equity objectives could be attached to more contemporary forms of contracting. Yet the transition from secure unionized work, predominated by workers from dominant social groups to individualized, precarious forms of employment, predominated by disadvantaged groups (Zeytinoglu and Muteshi, 2000) is at the crux of the issue (Spyropoulos, 2002, pp. 391–392).

The contracting-out issue illustrates why the impact of unequal access is not system-neutral. Industrial relations systems that restrict the scope or duration of collective bargaining over contracting out may contribute to the loss of collective bargaining rights in the sectors concerned. Systems that require information-sharing, consultation and negotiation over restructuring may reduce the impact of the resulting changes. Meanwhile, other approaches to privatization may have a direct effect on workers’ standard access to collective bargaining machinery. For example, initiatives to privatize a range of equality-enhancing public services, such as affordable childcare, may actually complicate access to the labour market for workers with family responsibilities, and minimize their ability to participate meaningfully in workplace governance through collective bargaining.

## Negotiating equality at work

It is sometimes suggested that collective bargaining is concerned with industrial and economic issues, whereas human rights and equality are concerned with social issues (Curtin, 1999, p. 22). Human rights questions should be addressed through legislative reform; and economic questions are the appropriate focus of collective bargaining (Kumar and Murray, 2002, p. 14). However, the conceptual divide between the economic and the social is narrowing and the connections between the two emphasized. While legislative reform to advance human rights protection is essential, particularly given the limited extent of unionization, legislation should reinforce rather than undermine the role of collective bargaining in the human rights domain. Moreover, human rights are involved in basic economic issues – wages, restructuring, contracting out, the rise of atypical work, job security, workplace benefits, working conditions – which are at the heart of traditional collective bargaining. All these economic issues have serious implications for equality at work. Similarly, social issues, such as family-related leave, training opportunities, non-discrimination and protection from harassment at work, have significant economic implications.

The potential to advance equality through collective bargaining may be limited because of the restricted scope of collective bargaining. In many industries and workplaces, collective bargaining does not cover employment issues central to equality and non-discrimination, i.e. recruitment, promotion and training (Colling and Dickens, 1989, p. 3). In some countries, collective bargaining focuses on wages and employment benefits rather than on work organization. There have been divisive debates about management rights and the appropriate scope of collective bargaining (Langille and Macklem, 1988). Does the collective bargain simply replace the individual contract of employment or does the collective bargaining process usher in a fundamental shift in all work-related decision-making, and constitute a form of co-determination, a new constitutional framework for the workplace, a new workplace rule of law? Though collective bargaining may accurately be described as limited in scope and as focusing on wages and benefits, it could potentially address all aspects of life at work, including those at the heart of equality at work.<sup>11</sup> As a means of ensuring worker participation in a range of issues affecting working people's lives and of advancing fairness, respect and well-being, collective bargaining is directly relevant to equality at work.

### *Tension between majority interests and minority rights*

Paradoxically, collective bargaining has been both part of the problem and part of the solution to the elimination of inequality and discrimination at work. Collective bargaining usually reflects the priorities and needs of the dominant workers in a particular workplace or industry. In some instances, the problem is one of omission or failure to include on the collective bargaining agenda

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<sup>11</sup> For a critique of the contractualist focus of trade unions, see Collins (1986).

issues of concern to workers from under-represented groups (e.g. women, racial or religious minorities). This may still be true even when, because of the segregated nature of labour markets, most workers at a particular workplace actually belong to an historically disadvantaged group. In other cases, direct conflicts emerge between the provisions of collective agreements and the need to accommodate differences and be attentive to human rights. There are examples of trade unions “utilising the ideology of racism and actively colluding with employers to restrict the job opportunities” of racial and ethnic minority workers (Virdee, 2000, p. 210). When faced with unemployment and lay-offs, trade unions have sometimes endorsed racist and exclusionary anti-immigration policies (Wrench, Rea and Ouali, 1999, p. 14; Pasture, 2000, p. 8; Pasture and Verberckmoes, 1998). Similarly, when female workers were viewed as a threat to the employment opportunities of male workers, male-dominated trade unions embraced the family wage and separate-spheres ideologies in order to limit employment opportunities for women (Crain, 1989 and 1992; Briskin and McDermott, 1993; Curtin, 1999). Despite the changes undergone by many workplaces, collective bargaining priorities have not always been adjusted accordingly, resulting in conflicts between traditional trade union demands and the needs of workers who do not correspond to the traditional worker profile.

Debates about the merits of equality rights versus seniority illustrate the potential risks of majoritarianism. Originally, the allocation of workplace benefits and opportunities based on seniority (or length of service) was based on the idea that the approach would advance fairness, protect against favouritism or arbitrary management decisions, and ultimately benefit everyone equally because each employee eventually built up seniority over the years (Sheppard, 1984). The application of seniority rules in the modern economic context, however, does not always advance fair and equal treatment of women and minority groups for one important reason: equal access to employment does not exist, and so women and minority workers often build up considerably less seniority than do majority male workers. Thus, seniority rules can both accentuate the effects of past exclusion and reinforce the privileges of “insiders” – privileges too often built upon the discriminatory exclusion of “outsiders” (Williams, 1991, p. 101). However, criticizing the seniority system appears to open the door to greater managerial discretion in the allocation of jobs, benefits and promotion. It is important therefore to criticize the discriminatory effects of seniority, while developing creative alternatives that respect the positive aspects of seniority systems, for example, by specifying exclusions to the application of seniority provisions in order to accommodate workstation changes and facilitate job opportunities for disabled workers (Wiggins, 2000, p. 33).

The potential conflict between majority interests and minority rights is sometimes seen as a parallel to that between collective and individual rights. Equality rights are perceived in terms of individual rights while collective bargaining is seen as a mechanism for the pursuit of collective or social goals (Sen, 1999b and 2000). Collective struggles to end discrimination in the workplace have been hampered by this dichotomy, according to some scholars who consider that civil rights laws have focused on individual rights while labour laws

have advanced group rights (Yates and Mason, 1999, pp. 97–98). The cogency of this distinction is questionable. As regards discrimination, in particular, it is the group aspect of the unfair treatment that brings it under the rubric of equal rights. Though equal rights are often evoked by individuals, they are closely linked to group rights. Moreover, a growing literature on equality rights emphasizes the systemic and relational aspects of discrimination (Minow, 1990). Rather than locating problems of exclusion and discrimination in the individuals or groups who experience inequality, they are understood to result from the social and institutional consequences of not conforming to dominant norms. For equality to be achieved, therefore, institutional change must occur such that the lives of both the minority and the majority are transformed and enriched. Finally, though trade unions have not always advanced women's or minority group rights in the workplace, they have done so on a number of occasions. Indeed, in some contexts, without trade union advocacy and the collective pursuit of human rights claims (e.g. pay equity or comparable worth), there would be virtually no protection or enforcement of human rights.

### *Inclusive democracy: Participation of equality-seeking groups in collective bargaining*

The key response to the omission of the concerns and needs of historically disadvantaged minority groups from collective bargaining is to ensure these groups' inclusion in the collective bargaining process. For collective bargaining to enhance equality, individuals from such groups must be consulted about their needs and interests and must be represented at the bargaining table. In this regard, it is helpful to learn from important research on gender equality and collective bargaining, which consistently highlights the need to include women workers in the collective bargaining process (Curtin, 1997, p. 203).

Equitable representation within union decision-making structures and equality-enhancing union policies are repeatedly identified as prerequisites for advancing equality through collective bargaining (Curtin, 1999, p. 26; Bercusson and Dickens, 1998). Not only does this validate the experience, knowledge and insights of those who live the realities of exclusion and discrimination, it also enhances collective bargaining's inclusive function enabling the democratic participation of all workers, not simply those who represent the majority in a particular industry or enterprise.

When voicing their specific needs and interests, historically disadvantaged groups have not always been encouraged to claim their rights because of trade union fear that this would undermine worker solidarity. Some have argued that "identity politics" (Young, 2000)<sup>12</sup> risks undermining unified class-based

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<sup>12</sup> See Young (2000) who criticizes the tendency to reduce the claims of equality-seeking groups to identity politics, explaining that "the primary form of social difference to which the movements respond ... is structural difference, which may build on but is not reducible to cultural differences of gender, ethnicity, or religion. ... Claims of justice made from specific social group positions expose the consequences of ... relationships of power or opportunity" (pp. 86–87).

perspectives (Fudge and Glasbeek, 1992). Others have suggested that the integration of trade union representatives in national policy-making has too often been “predicated upon the homogenization of the heterogeneous demands of workers” (Curtin, 1999, p. 23). Nevertheless, there has been growing recognition that the very varied interests and needs within the labour movement deserve to be articulated and addressed.<sup>13</sup> Indeed, some have argued that, far from being undermined, solidarity can be strengthened by recognizing diversity (e.g. Harris, 1990). Effective participation is essential to understand the nature of inequality and to identify creative solutions that can be advanced through the collective bargaining process.

Beyond the need for consultation with individuals and groups with experience of discrimination, research on gender equality and trade unions emphasizes the importance of training individuals from under-represented groups to participate in trade union activities and collective bargaining (Government of Australia, 1994a). Here, insights from the gender domain are pertinent to other disadvantaged groups. Democratic participation in trade union activities and involvement in other workplace-related questions require individuals to know how to operate effectively within the union and at the workplace. Without direct training and education, this may remain beyond the reach of many women workers and minority workers.

Furthermore, if workers from disadvantaged groups are included in negotiating teams and are chosen to participate in collective bargaining, this will help reduce the risk of the needs and concerns of minority groups becoming marginalized during the collective bargaining process. It is particularly useful to have representatives of a minority community who are able to consult effectively with their group. It is also important to ensure that those elected properly reflect the diversity of the workforce they represent, so that leadership positions are shown to be accessible to all.

Questions of representation of diverse interests and groups are complex. How should the various groups be defined? To what extent can individuals from groups historically subject to exclusion and disadvantage at work represent their own group’s interests? For membership of a particular group does not necessarily mean that one holds the same values or ideas as others in that group (Phillips, 1991). How can one guard against problems of tokenism and the legitimization of inequality through an unequal structure of group representation (Mahon, 1977)? Moreover, consultation and participation are only effective if there is an audience willing to listen to and take seriously views and voices that are usually silenced or marginalized (Sheppard and Westphal, 2000, pp. 345–346).

Ensuring that the interests of historically disadvantaged groups are not traded off in the heat of collective bargaining is another challenge. Human rights legislation can play a significant role here, by setting a non-negotiable

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<sup>13</sup> For example, the idea that unions can encourage and teach their most vulnerable members to adopt a “name, blame and claim” approach to violation of a basic right or discrimination (ILO, 2002a, p. 11).

floor of human rights protection, which both employers and unions must respect. Collective bargaining can then focus on how best to implement human rights guarantees, rather than requiring the parties to bargain about what should be non-negotiable, namely, respect for the rights of equality-seeking groups.

### *Equality and the content of collective agreements*

The pursuit of substantive equality engages employers, unions and workers in a process of institutional and social change, requiring a fundamental rethinking of the world of work to open it up to diversity. Yet, significant change is not always easy to accomplish through collective bargaining because of the latter's adversarial nature and given resistance to changing policies or practices that may challenge hard-won gains, even when these no longer create an inclusive atmosphere in the workplace. Three key aspects of the pursuit of substantive equality through collective bargaining may be identified: a commitment to equality; mechanisms for identifying inequality and discrimination; and creative remedial measures and strategies.

#### **Commitment to equality**

For equality to be advanced through collective bargaining, trade unions and employers must be committed to the idea. At different times in the past, trade unions have not consistently aligned their interests and commitments with those of women workers and workers from minority groups. Nevertheless, trade unions are now according higher priority to equality questions at the bargaining table. Gender equality has been a particular focus of trade unions' concern. Although racial inequality has deep historical roots and has caused enormous harm, trade unions have only recently begun to make policy statements denouncing racism and endorsing solidarity across racial, ethnic and religious differences (see, for example, CLC, 1998, p. 4). In recent years, collective bargaining has been relied upon to advance the equal rights of social groups that were not traditionally protected by anti-discrimination laws. The private ordering dimensions of collective bargaining, whereby the parties themselves negotiate anti-discrimination protection, are particularly important for these groups in the absence of legal and legislative reform (Sweeney, 2001, p. 29; CLC, 1994). For example, a growing body of research endeavours to document and compare, across nations, the actions taken by organized labour in relation to sexual diversity issues (Hunt, 1999). Innovations in the area of disability rights have also been advanced by trade unions (Wiggins, 2000, p. 26).

With respect to trade union commitment to equality, two observations deserve mention. First, research suggests that when trade unions accord high priority to equality concerns in negotiations, these are much more likely to be met. A recent study concluded that "newer items are unlikely to be achieved unless they are high-priority items. It would appear that policy does make a difference and that there is real scope for proactive policy stances" (Kumar and Murray, 2002, p. 24). Second, trade unions' commitment to equality is threatened by an

external environment characterized by “increased domestic and international competition and new management strategies” (ibid., p. 5) favouring cost-cutting (including closures and mergers), downsizing, outsourcing, use of temporary and part-time workers and privatization. It has been suggested that much less importance is likely to be accorded to equality during periods of economic recession, restructuring and insecurity (Wrench, Rea and Ouali, 1999, p. 14).

Employers’ commitment to equality is also critical. The chances of achieving equality through collective bargaining are greatly enhanced if commitment is secured from both parties. Moreover, it is important to identify the impact on equality of management strategies adopted in the face of intensified global competition. These often have human rights implications because of their disproportionate impact on vulnerable and socially disadvantaged groups. Although employers sometimes argue that the costs of equality are an obstacle to change, it is increasingly being recognized that the costs of inequality are enormous.

### Mechanisms to identify inequality and discrimination

When preparing for collective bargaining and setting their bargaining demands and priorities, both unions and employers should include an assessment of existing problems of inequality and discrimination. It is essential to involve historically excluded and disadvantaged groups in the identification of problems of inequality. When technical knowledge is needed to analyse systems and statistical patterns of exclusion and discrimination (e.g. pay equity), the collective expertise of trade unions and human resource departments can make an important contribution.

There is also a need to set up ongoing mechanisms to identify systemic and policy problems of inequality in industrial relations systems that set a limited time frame for collective bargaining. In some collective agreements, equity, accommodation or human rights committees are established, with management and worker representatives, to monitor existing equality initiatives, identify new problems and recommend policy and workplace changes. Monitoring has been identified as a critical component of effective equality policies (Dickens, 1998, pp. 14–16). It is important to ensure that industrial democracy and collective bargaining reinforce rather than undermine each other. Some research suggests that worker democracy initiatives are in fact more likely to develop in unionized workplaces; earlier research had sometimes linked industrial democracy and quality of work initiatives with efforts to discourage unionization (e.g. Frohlich and Pekruhl, 1996). As discussed below, legislative initiatives to advance equality in pay equity and employment equity often give an important implementation and monitoring role to trade unions, as the autonomous voice of workers.

### Creative remedial measures and strategies

Collective agreements increasingly contain general non-discrimination clauses, which prohibit discrimination in the workplace on the basis of specific grounds.<sup>14</sup>

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<sup>14</sup> For a review of non-discrimination clauses in collective agreements, see Jolidon (2001).

It is also important to include a provision specifically prohibiting harassment in the workplace. These clauses are significant because they affirm a consensus regarding the general normative importance of equality at work. To the extent that a collective agreement represents the rule of law for the workplace, equality must be included as a founding normative principle. Equality rights clauses may also serve as interpretive aids to other provisions in a collective agreement. In case of ambiguity or possible contradictory provisions in the collective agreement, a non-discrimination clause may reinforce interpretations that are consistent with equality.

Non-discrimination clauses vary as regards the grounds for protection which they invoke. They may mirror existing human rights legislation, incorporate human rights standards by reference, or go beyond statutory protection (which is critically important where the protection provided by the law is inadequate). While equality clauses often invoke separate group-based grounds of discrimination, individual identities tend to transcend singular grounds. Solidarity may be enhanced through an integrated approach that does not limit equality-enhancing provisions to special treatment for particular groups. Nonetheless, it is important to be attentive to the specificity of individual experience of inequality and to name those inequalities in group-based terms, when necessary.

An assessment of different collective bargaining provisions on prohibited grounds of discrimination reveals the importance of social and historical context. Discrimination has varied according to national and local political, social and economic realities. For example, in many countries struggling to overcome the effects of colonialism, trade union movements were active in the national political struggle (Bolles, 1996, p. xiv). In such contexts, discrimination on the basis of political beliefs and affiliation may have been critically important and is therefore included as a key aspect of non-discrimination clauses. In other countries, gender-based discrimination may be the focus of non-discrimination clauses and initiatives. Trade union acknowledgement of other inequalities, such as that suffered by homosexual workers, may also vary significantly depending on the national context.

The inclusion of a general non-discrimination clause in a collective agreement is particularly important to ensure protection of human rights, since alleged problems of discrimination will then be subject to a grievance procedure and, potentially, to arbitration. Indeed, there is a burgeoning arbitral jurisprudence interpreting basic human rights guarantees in collective agreements. Workers may be more inclined to file a grievance regarding discrimination than to initiate a human rights complaint or to start a civil suit alleging discrimination. Thus, access to the grievance procedure can greatly enhance access to justice in the human rights area (Vallée et al., 2001).

While grievance arbitration can help access to justice in the human rights area, it should not be the sole means of redress, for several important reasons. First, the individual who has experienced the discrimination does not always have direct control over whether a grievance procedure goes ahead. Sometimes, a union may decide not to pursue a human rights complaint, against the wishes of the individual concerned. While legislated duties of fair representation may

provide some measure of protection against arbitrary decision-making by the union, an individual should have the option of pursuing other avenues of redress (e.g. a human rights complaint). Second, arbitrators may not always have sufficient human rights expertise to solve some of the complex problems that arise in discrimination cases. More specialized human rights tribunals may be better equipped to deal with problems of inequality at work.

Though the inclusion of non-discrimination and non-harassment clauses is important, such clauses often replicate a complaints-driven model of human rights enforcement. They are interpreted and applied in the face of an individual complaint or grievance regarding alleged discrimination or harassment. It is essential for individuals to have their rights affirmed in this way, yet more is needed. Collective bargaining can also be used to change identified problems of discrimination proactively and systematically. It should not be necessary for individuals to go through often long and arduous individual complaint channels or grievance procedures to see effective change in this area. Collective bargaining should be used to revise exclusionary or discriminatory workplace rules and policies, to promote fair compensation schemes, inclusive employee benefits, and equitable treatment.

Collective bargaining should also address proactive institutional mechanisms to accommodate group-based differences where it is not possible or desirable to change the broader rule or universal policy. “Accommodation” is the notion whereby workers have the right to be treated differently in order to enable their inclusion in the workplace despite their differences. For example, an employee with a sight or hearing impairment may require special office equipment to palliate the effects of his/her disability. Though unions have sought to enhance employment opportunities and accommodation in the workplace, there has been resistance when this has involved deviations from traditional seniority or other workplace rules. Collective bargaining should ensure that accommodation policies are in place, so that individual accommodation measures are taken when necessary.

As noted in a report by the ILO-ICFTU, “[t]he current inadequacies of equality legislation and its enforcement in many countries underscore even more the potential of collective bargaining to address equality of opportunity and treatment within the terms and conditions of employment” (ILO, 2002b, p. 34). Negotiating for equality with equality-seeking groups is bound to be more complicated and challenging than negotiations between habitual negotiating partners; it can, however, really enhance the effectiveness of the collective bargaining process.

## Interaction between state labour regulatory initiatives and the promotion of equality through collective bargaining

Two regulatory initiatives that can help promote equality through collective bargaining are particularly important. First, enabling legislation is needed, to ensure that barriers to access to collective bargaining are minimized and that

more facilitative measures are put in place. This reflects the need for broadly inclusive and democratic bargaining models as well as minimally decent working conditions and wage-setting procedures below which no group can settle, however limited their bargaining power. Second, prohibitive legislation is needed, to ensure that collective agreements that would impede equality are not reinforced by the State. But equality demands more than blanket prohibitions on certain forms of action; legislation mandating reasonable workplace accommodation and proactive initiatives, such as pay equity and employment equity, helps to ensure that systemic discrimination against equality-seeking groups is effectively eradicated. Regulatory frameworks that encourage the equitable, democratic participation of all workers in workplace governance are essential to establishing a mutually reinforcing role for equality and collective bargaining across national, transnational and international levels of governance.

### *Legislative engagement with the collective bargaining process*

#### Collective bargaining legislation

Much has been written about the comparative advantages of particular national collective bargaining regimes (Olney, 1996, pp. 35–36; Trebilcock, 1994; Windmuller, 1987), so a detailed discussion will not be presented here. Yet the assumption that equality and collective bargaining are each in some sense “private” matters may have stood in the way of more pointed analyses of the enabling role of the State in relation to equality. But regulation on equality, secured in many countries through constitutional and international human rights forums and judicial enforcement leading ultimately to legislative change (Shepard, 1992), should not be understood as the “public” dimension of a fundamentally “private” negotiating relationship. Collective bargaining on equality further complicates this dichotomy, because of the implication that there is an important role for private actors to play, within carefully crafted state regulatory frameworks, to ensure that equality is realized. Civil society is not necessarily a preferred alternative to the State; rather, both need to be strengthened to “deepen democracy and undermine injustice, especially that deriving from private economic power” (Young, 2000, p. 156).

The choice of collective bargaining regime and of specific labour relations mechanisms within a given regime affects the extent and effectiveness of bargaining on equality issues. For example, some labour relations scholars have affirmed that centralized wage bargaining, which is more prevalent in countries with citizenship-based, social partnership models of collective relations, plays a particularly significant role in narrowing wage differentials, notably those based on gender (Curtin, 1999, p. 22). By contrast, decentralized wage bargaining systems, increasingly prevalent in voluntarist labour relations systems or in systems based on a democratic choice model of collective relations, tend to accentuate enterprise-specific productivity or efficiency concerns to the detriment of cost-of-living indexation of wages and broader “solidaristic”

strategies.<sup>15</sup> They run the risk of exacerbating pay differentials, “since dominant groups are able to protect their differentials leaving other workers with less industrial muscle, including women, at the bottom of the wages hierarchy” (Curtin, 1999, p. 22).<sup>16</sup> Moreover, there has been a marked trend toward greater decentralization of pay determination, influenced largely by a wish to promote labour market flexibility (Spyropoulos, 2002, p. 393; Ozaki, 1999, pp. 25, 69 and 73). Potentially, this trend could exacerbate such differences.

Of course, the hybrid nature of many collective bargaining systems can mitigate the impact of some structures by superimposing others. For example, in systems that allow central bargaining to set wage minima and maxima, sectoral-level bargaining for wage increases may affect the resulting differential. Also, the hybrid nature of industrial relations systems includes the growing influence of transnational regulatory structures, international norms and comparative experience (Bercusson, 1997; Laborde, 2001). So, on the issue of wage disparities, the development within European Union law of the proactive notion of equal pay for work of equal value has served as a counterbalancing force, offering another means with which to challenge the development of pay differentials in the European Union. Similar developments within domestic jurisdictions such as those of Ontario and Quebec, which apply to both public and private sectors, can also counteract some of the wage effects of occupational segregation and limited bargaining power in traditionally decentralized systems of wage bargaining.

Some collective bargaining mechanisms thought to enhance equality may actually prove to raise challenges for equality, too. Consider, for example, the legislative extension of collective agreements. By ensuring that the terms of a collective agreement extend to an entire industry, legislative extension has permitted the organization of a wide range of hitherto excluded categories of worker (Windmuller, 1987, p. 157). These workers are likely to be women or to belong to other historically disadvantaged groups. Certainly, this kind of negotiated “specific regulation” that is sensitive to the particular workplace context has a protective dimension (Blackett, 1998). However, the extension itself can represent a real obstacle to the promotion of democratic participation. Legislative extension has been criticized for offering a “free ride” to workers thus covered, since it removes some of the material incentive for these workers to join a union (Windmuller, 1987, p. 7). Of comparable concern is the possibility that meaningful consultation with the workers in the particular industry may diminish, leading to a *de facto* representation gap despite the extended cover-

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<sup>15</sup> Ozaki defines solidaristic policies as “policies behind which there is a global concept and which ensure a certain degree of solidarity in the solutions to the problems dealt with, thereby minimizing inequalities and social exclusion” (1999, p. 118).

<sup>16</sup> See also, Fudge and McDermott (1991) for an analysis of the equality implications of bargaining unit structures on bargaining power, notably on pay, in the North American context. For example, if we take the airline industry, a bargaining unit composed exclusively of pilots will have greater bargaining power than a unit composed of ticket counter personnel. If pilots and ticket counter personnel are included in the same bargaining unit, the bargaining power of ticket counter personnel is enhanced.

age, and a corresponding inability to understand and defend workers' equality concerns effectively. The equality-enhancing value of collective bargaining must therefore be considered in terms not only of its protective function but also of its capacity to foster meaningful dialogue by enfranchising workers. Carefully crafted approaches to legislative extension and more recent proposals to adopt broadly based bargaining schemes hold much promise for equality (Vosko, 2000). For that potential to be harnessed, greater attention needs to be given to ways in which equality-seeking groups can participate actively in the construction of the regimes and in the elaboration of the extended contractual terms.<sup>17</sup>

### Minimum standards legislation

A crucial equality role is played by legislation setting a floor of decent working conditions, including a minimum wage, restrictions on hours of work, minimum rest periods, as well as occupational safety and health regulations. The existence of these laws and associated inspection and enforcement systems confirms that certain matters should not be left to bargains struck by the parties; those bargains are presumed to be inherently inequitable. Legislation on minimum working conditions therefore remains important for the promotion of equality. It should be noted that challenges to its legitimacy in the 1980s and 1990s have been overtaken by the more contemporary recognition that dignity demands that all workers have access to decent work (Ozaki, 1999, pp. 2, 16–19 and 69–72).

There is sometimes an overlap between minimum standards and specific human rights legislation, for example, in the area of non-discrimination measures during pregnancy, and maternity leave. The role played by this type of legislation is not entirely captured by the term “prohibitive”. Certainly, at one level, labour standards and/or human rights legislation that offer privacy protection and as a result prohibit pre-employment and routine mandatory workplace testing for HIV/ AIDS are effectively prohibitive in nature, and overlap in important ways with human rights prohibitions by reducing discriminatory reprisals. But legislation on working conditions has a broader, enabling role by raising the bargaining floor, which is particularly useful for those categories of workers whose bargaining power is most limited. Legislated minima seek to ensure that they do not make “unconscionable” labour market bargains (Fernandez, 1997), or that bargains are not enforced against those workers who should not be permitted to enter into an employment contract (notably minors). Regarding HIV/AIDS, strong privacy rights protection may then enable the parties to put HIV/AIDS on the bargaining table, providing incentives for the parties to devise more effective, compassionate and dynamic approaches to the workplace dimensions of this epidemic. The constructive legislative approach

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<sup>17</sup> See Lyon-Caen and Pélissier (1990), noting that judges tend to interpret extended agreements in a manner consistent with regulation rather than contract; and Windmuller (1987, p. 135), noting that the classification of this mechanism as a formerly private agreement is transformed into a kind of “industrial common law”

curtains punitive approaches to HIV/AIDS that further inhibit the productive capacity of the workplace actors; it seeks instead to mobilize tripartite-plus workplace actors to ensure they use collective bargaining to devise constructive policies and codes of conduct to deal creatively with this particularly pressing problem (ILO, 2000).

### Human rights legislation

Through its support for proactive equality measures to frame collective bargaining, the State recognizes that it supports collective bargaining at least partly because of its capacity to include all social groups. Human rights legislation that uses collective bargaining to promote equality goals validates the centrality of democratic participation, and marshals the specific insights that only local actors can bring to their workplace to the benefit of equality. Previously excluded workers are thus able to develop their workplace governance capacity, since “a public is always better if more of its members have more developed capacities than fewer” (Young, 2000, p. 80).

Research suggests that a legal framework supporting equal rights is often a necessary precondition to getting social partners to address equality issues in bargaining (Dickens, 1998). In turn, the effective enforcement and “implementation of legislative measures [in favour of human rights] may often depend on supporting institutions and policies which are derived from a collective framework” (Curtin, 1999, p. 23).

### General equality rights and protection against discrimination

Constitutional and international human rights guarantees against discrimination focus on the interventionist role of the State in promoting (or failing to promote) equality. Regarding explicit exclusions from collective bargaining regimes, the main issue is the inadequacy of state regulatory responses. In many countries, collective bargaining legislation is subject to constitutional scrutiny and must comply with constitutional guarantees on equality rights and freedom of association.

Statutory human rights provisions are the most prevalent means of protecting individuals and groups against discrimination at work. The most common legislative approach to outlaw discrimination accords individuals a right not to be discriminated against in employment and provides them with retroactive legal recourse should it occur. Human rights protection against discrimination at work is generally extended to social groups who in the past have been excluded in some way or subjected to discriminatory treatment. Many human rights documents enumerate specific grounds of discrimination, such as race, national or ethnic origin, colour, sex, religion, age, civil status, and political affiliation. More recently, new grounds of discrimination have been recognized in some human rights laws, for example, physical and mental disability, and sexual orientation. Increasingly, general non-discrimination clauses are being included in collective agreements.

Statutory non-discrimination provisions also set important limits to collective bargaining and freedom of contract. Where individual collective agree-

ment provisions deviate from human rights norms secured in legislation, the latter take precedence over the former. There are cases, for example, of seniority provisions being challenged as discriminatory pursuant to human rights legislative guarantees.<sup>18</sup>

Certainly there are circumstances in which market forces alone can favour equality-enhancing collective agreements. For example, in countries with full employment, employers may be particularly keen to attract women and, as a result, include measures to foster women's access to the workforce, including anti-harassment policies, childcare facilities, and generous maternity leave provision. In other cases, market demand in certain niche areas, such as telecommunications services, may encourage employers to seek workers with excellent foreign language skills; this may lead those employers to adopt equality-affirming policies in order to attract and promote members of the ethnic or linguistic group concerned (Wrench, 1999, p. 231). While such initiatives should be encouraged, there are several risks associated with relying on these initiatives to the exclusion of broader regulatory frameworks. First, they overlook the larger question of bargaining power, favouring those workers whose labour market position and skills enable them to exercise a certain amount of bargaining control. The equality gains are therefore distributed unevenly across economic sectors. Second, the durability of the gains in times of economic recession or crisis is increasingly being questioned. The risk that disadvantaged groups are perceived as a reserve category of labour subject to less favourable treatment in times of high unemployment warrants attention. Third, certain historically disadvantaged groups have more difficulty than others in overcoming stereotypical assumptions about their workplace capacity. Finally, the need for proactive human rights legislation becomes particularly acute when private-sector actors do not voluntarily follow up these initiatives (*ibid.*).

### Employment equity

Human rights advocates have long argued that implementing human rights on the basis of individual or group-based complaints of discrimination is insufficient to redress pervasive problems of inequality at work. In response, legislators have explored more proactive approaches to securing equality at work, mandating the establishment of employment equity and affirmative action programmes, and pay equity schemes. These programmes require barriers to equality in the workplace to be assessed, discriminatory standards and practices to be revised and, in some cases, special group-based preferences (i.e. affirmative action) to be introduced in order to expedite the attainment of equality. Collective bargaining, where applicable, then takes place within a regulatory framework that requires positive action on equality in the workplace. This means that equality is a mandatory item on the workplace agenda.

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<sup>18</sup> Some human rights statutes explicitly exempt seniority from the reach of non-discrimination guarantees. See, for example, Americans with Disabilities Act, U.S.C. Title 42, sections 12, 101-12,213 (1990).

Most employment equity legislation institutionalizes some degree of worker participation in the pursuit of equality. Integrating proactive equity initiatives into the collective bargaining process permits a “bottom-up” approach to the institutional change required for equality to be achieved.<sup>19</sup> The requirement that workers be consulted and included on employment equity committees is often written into the legislative framework (Government of Australia, 1994a and 1994b). Though such worker participation applies to both unionized and non-unionized workplaces, a trade union presence helps to ensure that worker participation is autonomous and escapes structural power imbalances in the employer–employee relationship.

### Pay equity

Pay equity legislative initiatives have been prompted by recognition that work traditionally done by women and other historically disadvantaged groups<sup>20</sup> in the paid labour force has been systematically undervalued (Eyraud, 1993; Gunderson, 1992). These legislative schemes require a proactive approach to sex-based pay inequities to secure equal pay for work of equal value or work of comparable worth. As explained above, collective bargaining has traditionally been concerned with pay levels. Does pay equity legislation enhance or conflict with unions’ traditional role in securing better wages through collective bargaining?

Pay equity has generally been endorsed by trade unions and legislative initiatives have been relied upon to bolster union bargaining power regarding securing pay equity. As with legislation on minimum standards, pay equity legislation means that collective bargaining must consider how pay equity may be achieved, not whether it should be an objective.

The complexities of pay equity are a challenge for lawmakers and for employers and trade unions, for the notion of comparable worth contests a market-based determination of wages and challenges labour market inequities, which are often closely linked to social, religious and cultural norms. The situation becomes even more complex where employers innovate with profit-sharing schemes to supplement traditional forms of employment remuneration.

The limitations of pay equity initiatives have already been indicated. In general, they address horizontal but not vertical economic inequities (Evans and Nelson, 1989, p. 12; Fudge and McDermott, 1991). Pay equity has been used to address gender-based inequities, but has not been extended to other widespread inequities in pay (Scales-Trent, 1984).

Yet trade unions have criticized the effects of pay equity schemes on a number of grounds, notably, that workers risk seeing their historical gains

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<sup>19</sup> See Dickens (1998), p. 43, where she criticizes “top-down” legislative interventions or unilateral employer initiatives as inadequate for human rights implementation. For a discussion of the importance of “bottom-up” approaches to equity in the workplace, see Sheppard and Westphal (1992), pp. 5–36.

<sup>20</sup> As noted, although Convention No. 100 refers specifically to gender, Convention No. 111 extends the principle to all the groups it covers.

undermined by complex arguments about the value of particular jobs. Even the task of ascertaining the worth of particular jobs has been criticized as an intrusion by management and human resources experts into workers' lives. The struggle for fair wages becomes sidetracked and overly technical because of the need for sophisticated job evaluation schemes and complex statistical analysis to ascertain whether pay levels are discriminatory (Evans and Nelson, 1989, p. 13). Where job segregation occurs throughout an industry or a workplace, implementation of pay equity is rendered more difficult because of the lack of a (male) comparator. Large public-sector workplaces with a wide range of job categories appear to provide the best context for the implementation of pay equity. Other problems are linked to the impact of structural adjustment in the economy, which erodes the wages and benefits of the male worker norm upon which pay equity schemes are based. Despite these challenges and in view of the regulatory initiatives in some countries, it remains critical for trade unions to play an active role, rather than leaving the determination of pay equity to employers. For, as in employment equity, the enforcement of pay equity norms is greatly enhanced by independent worker representation.

### *Retreat of the State from labour regulation?*

Despite the inherent pluralism of labour relations law, rooted in the ability of the parties to collective bargaining to make the laws that govern their workplace relations (Arthurs, 1996, p. 3), state regulatory action is crucial to ensure the viability of both equality and collective bargaining. It is necessary to consider the impact of the retreat of the State from labour regulation on the effectiveness of collective bargaining in the promotion of equality.

With the unravelling of the welfare state in the 1980s and 1990s, and the associated emergence of a preference for minimal state intervention, has come a challenge to received wisdom about the role of the State in promoting equality. The “threat of exit” by footloose employers may prevent States from assuming a more proactive regulatory role, “reregulating” instead to attract foreign direct investment and to encourage multinational enterprises to stay (Robé, 1997, pp. 70–71).

If traditional labour relations law is increasingly ineffective, then reliance on it to promote equality is correspondingly ineffective. That workforce changes are accompanied by “increasing concentrations of poverty and long-term unemployment, [yielding a] growing racialisation or ethnicisation of poverty and exclusion” (Wrench, Rea and Ouali, 1999, p. 6) further compounds the difficulties of pursuing equality.

But the situation is not totally bleak. Labour law has always been in a state of flux in response to changing social, technological and economic conditions (Spyropoulos, 2002, p. 391). In the current decade it has been encouraging to see, as a result of questioning of the viability of the “minimal State”, the emergence of a carefully tailored approach to target constructive state regulatory involvement on promoting an integrated approach to social policy and economic

development (Birdsall and de la Torre, 2001, pp. 4–10). This approach includes promising possibilities – at the transnational level, too (Moreau, 2002, p. 385; Moreau and Trudeau, 2000, p. 915) – for the interface between effective recognition of the right to collective bargaining and the promotion of equality. The ILO has a crucial role to play in conceptualizing and operationalizing this shift.

Given that the ILO Declaration reaffirms freedom of association and the effective recognition of the right to bargain collectively, the notion of collective labour relations is not directly challenged (at least not at a theoretical level); the issue is rather that its effectiveness in an increasingly transnational economic context is seriously called into question (Moreau, 2002, p. 394). Yet some of the recent empirical literature suggests that in some countries, when unions give high priority to equality-enhancing concessions and workplace changes, they advance those equality priorities relatively successfully through collective bargaining (see, for example, Kumar and Murray, 2002, p. 20). How far, then, does the promotion of equality enhance the effectiveness of traditional industrial relations law and practice, by broadening their representational base and strengthening their claims to democracy?

Recently, some employment discrimination research has attempted to consider how dynamic regulatory approaches<sup>21</sup> can help to eradicate systemic workplace bias, exclusionary employment practices (including “glass ceilings” (Wirth, 2001)) and harassment notably in multi-skilled, teamwork contexts in which mentoring (Blackett, 2001b) and other informal procedures are important for promotion (Sheppard, 1995 and 1998). This research documents enterprise-level attempts to foster compliance by articulating policies and developing an interactive problem-solving culture. Though controversial in that the approaches may replace hard rule enforcement through judicial or quasi-judicial mechanisms (Bisom-Rapp, 2001), they are nevertheless attracting growing interest because they bring to the workplace a range of newer, potentially constructive participants (such as specialized workplace diversity trainers) to help ensure compliance with non-discrimination principles. Trade unions can lead by example with these more localized approaches to workplace governance and negotiate the terms of policies, assist with training and the choice of trainers, while ensuring that the mechanisms do actually both respond to the concerns of unionized workers and preserve their legal rights and recourses.

The future interface between collective bargaining and equality is also expected to involve opportunities for social dialogue at new levels of governance. If these complement collective bargaining,<sup>22</sup> they should also be harnessed to promote equality. For example, the EU Directive 94/ 95 on works councils within the European Union (European Commission, 1994) and comparable

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<sup>21</sup> Sturm is careful to resist fully privatized models, insisting on the relationship between state-enforced rule-making and regulatory action “closer to the normative line”; see Sturm (2001), pp. 563–564.

<sup>22</sup> See the important cautions raised by Lord Wedderburn about the EU emphasis on consensual consultations absent adequate protection of collective bargaining rights. See Wedderburn (1997), pp. 26–34.

forms of labour–management representation (e.g. in Japan and the Republic of Korea)<sup>23</sup> may be harnessed to promote the representation of traditionally marginalized groups in workplace management.<sup>24</sup> These outcomes may increasingly be required by law, as the EU extends its equality of treatment provisions beyond sex discrimination (Hoppe, 2002) to include all discrimination based on race, ethnic origin, religion or conviction, disability, age and sexual orientation.<sup>25</sup> Yet trade liberalization has tended to place a premium on promoting greater market flexibility to foster economic competitiveness (see Wedderburn, 1997, pp. 5–6). The social dimensions of globalization need to infuse economic goals, (see World Commission on the Social Dimension of Globalization, 2004) to ensure that the growth in transnational regulatory regimes does not weaken negotiated equality protection. Greater advances in collective bargaining and comparable approaches that promote equality through democratic workplace participation at different levels of governance may reduce reliance on unilateral initiatives, such as codes of corporate conduct (Blackett, 2001a, pp. 419–420).

Government actors also play an important role in ensuring broad representation on various higher-level representational structures. Worth mentioning is the importance of participation by representative organizations of workers and employers, and wider dialogue with other important social actors, including historically disenfranchised groups, in new regional integration initiatives to develop the social aspects of transnational governance constructs, which should be harnessed to promote equality (ILO, 2004, p. 73, para. 329).

## Conclusion

Surely, “[a] culture of democracy and dialogue cannot be improvised” (Tomei, 1999, p. 12). Rather, if collective bargaining mechanisms are not equality-neutral, then proactive measures must be taken to tackle this inequality of access (Young, 2000, p. 52). The measures must involve all the tripartite actors, as well as a broader mix of civil society participants representing marginalized groups of workers and emerging employment relationships. The measures entail thinking beyond old categories and traditional territorial boundaries. New, overlapping, or complementary approaches must be developed to ensure that the right to collective bargaining is effectively recognized through the promotion of equal access.

Yet collective bargaining could do a lot to promote equality. Creative and context-sensitive agreements can greatly assist in promoting equality. For collective bargaining has not always advanced equal rights: certain issues have

<sup>23</sup> To date this role is quite limited and the subject of some controversy, necessarily beyond the scope of this paper. Some countries (e.g. the Netherlands) have been better than others at ensuring an effective demarcation between works councils and collective bargaining. For a brief discussion of these tensions, see Ozaki (1999), pp. 111–113; Spyropoulos (2002), p. 396, noting that the absence of a sufficient legal framework for collective bargaining in MNEs remains a serious obstacle.

<sup>24</sup> See, for example, Bercusson (1997), p. 153, commenting, albeit without specific attention to traditionally excluded groups, on the critical issue of legitimacy through representativeness that arises when EU institutions seek to involve workplace actors in workplace governance.

<sup>25</sup> See the Treaty of Amsterdam, Article 13, and EU Directive 78/00 of 27 November 2000. See also Bell (2000); Waddington (2000); and Whittle (1998).

not been raised or accorded sufficient priority at the bargaining table because they concern a minority of workers; and collective agreement provisions may conflict with the equal rights of women or minority groups. In a climate of economic uncertainty, there is a particular risk of protecting “insiders” at the expense of “outsiders” who have been and continue to be denied equal employment opportunities. Finally, because the effectiveness of collective bargaining is affected by national and international legal regulatory frameworks and by labour market power, some of the most vulnerable unionized workers may not command sufficient bargaining power to advance equality objectives through the collective bargaining process. Providing basic labour standards and equality rights in law buttresses the bargaining power of workers; in other words, if the law already recognizes equality principles in the workplace, then negotiations can focus on how to achieve equality at work.

In this article the “retreat of the State” thesis on the interface between collective bargaining and equality is contested partly because it is argued that the ILO has an important role to play. Focused attention by the leading institution on international labour standards on how to support the social partners directly, and how to enhance governments’ capacity to promote these activities would uniquely contribute to the promotion of equality and collective bargaining. Support might include research and analysis, notably on emerging patterns of collective bargaining and broader social dialogue especially at emerging governance sites. The ILO also has a continuing normative role to play, notably in providing training and other forms of technical assistance to help the social partners effectively participate in and shape emerging workplace governance. ILO action can help to shape the direction of globalization, by holding actors accountable to the requirements of a decent work agenda and by providing them with the capacity to meet them.

Fundamental principles and rights at work are cardinal to this relationship. To be given their full meaning, they must be understood not only individually, but in their interaction. It has been contended that collective bargaining is effectively recognized when it responds to the challenge posed by unequal access. It has also been argued that equality can enhance the effectiveness of collective bargaining, and that the ILO should continue to play a leading role in researching and strengthening the interface between these two rights, demonstrating their mutually reinforcing potential. In an increasingly integrated world, they promote a vision of both the social and the economic as central to sustainable development.

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## Challenges facing nurses' associations and unions: A global perspective

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Health-care systems around the world are facing very significant challenges as they restructure and “reinvent” themselves in an effort to make more efficient use of available resources (ICN, 2001). As health care is a labour-intensive industry, the stresses experienced by these systems inevitably affect their employees.

Nurses, as the most highly trained caregivers with regular patient contact, are at the heart of any health-care system. Widespread anecdotal evidence suggests that the problems in health care have had a particularly negative effect on the workplace experience of nurses.<sup>1</sup> News accounts regularly report on the challenges nurses face in the workplace. These range from low pay in Ireland, to safety and health problems in South Africa, to emigration in the Philippines, to mandatory overtime in the United States. These stories suggest that nursing is a profession in crisis and that this crisis extends around the world. However, there is little systematic, comparative evidence available as to the nature and extent of the problems nurses face and the strategies they employ to deal with those problems.

This article reports the key findings of the World Nurses' Associations and Unions Project, which was conceived to gather information systematically about the employment issues nurses face worldwide and the strategies their organizations employ to address those issues. The first and second sections of the article provide some background information on the worldwide crisis in health care and on the historical development of nurses' organizations. Following an outline of the sample of organizations that participated in the project, the third section analyses the data collected by the survey in order to identify not only the problems facing nurses but also the priorities and strategies of their organizations in dealing with those problems. A final section offers some concluding comments.

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<sup>1</sup> For the purposes of this study the term “nurse” refers to a “registered nurse”, as is the practice in most of the countries included in this survey.

## The crisis in health care

Health-care systems around the world are in crisis. On all continents, in developed and developing countries alike, health-care systems are unable to meet the medical needs of the people who depend upon them. This crisis is caused by a number of factors.

Many health-care systems are experiencing shortages of trained medical personnel. Both developed and developing countries appear to be facing a serious shortage of nurses (and physicians). Developed countries, however, are in a better position to attract health-care professionals from abroad, thereby exacerbating the shortage in less developed countries (RCPSC, 2001).

Epidemics are also contributing to the crises some health-care systems are experiencing. In 2002, for example, AIDS was the leading cause of death in Africa and the fourth leading cause of death worldwide (WHO, 2002a). In recent years, there has been a significant increase in the incidence of tuberculosis in eastern and central Europe, as well as in developing countries around the world (WHO, 2002b); and malaria is on the rise worldwide, having caused some 60,000 deaths in recent years (WHO, 2002c). Such epidemics place significant stress on health-care systems, particularly in less affluent countries.

Environmental problems (air pollution, water contamination, etc.), natural disasters, and the consequences of war (civilian casualties, refugees, etc.) continue to burden health-care systems around the world. And changing demographics, particularly an increase in the elderly population, have also placed greater demands on health-care systems (WHO, 2002d).

Finally, health-care reforms introduced around the world, including privatization and the introduction of market-based approaches to health care, have brought new pressures to bear on health-care systems and health-care workers (Clark et al., 2001; WHO, 2002e).

While the crisis in health care is a multifaceted phenomenon, the root of the problem can ultimately be traced to economics. Developing nations do not have the resources to provide even basic care to their citizens. In developed countries, neither the public nor the private sector can keep up with the rapidly increasing cost of health care. In short, the demand for health services exceeds the supply.

When health-care systems are stressed financially, greater demands are inevitably placed on the individuals providing care, particularly the medical professionals. This can result in very low salaries for caregivers or, in some cases, the inability to pay salaries at all. And it may also mean that fewer health-care professionals are employed to provide higher levels of care, resulting in the deterioration of working conditions for those still at work in the sector.

As a result of this work environment, many health-care employees leave their jobs, while fewer and fewer people are attracted to take their place. This puts greater stress on the system, which then squeezes its human resources

even more. This, in turn, encourages still more people to leave the health-care professions and discourages even more from entering (AFT, 2001).

While many employees have exited the field, many of those who have chosen to continue to work in health care have turned to collective representation as a means of improving the conditions under which they work. The organizations they have formed pursue a number of strategies to defend their interests, including collective bargaining, political action, legislative advocacy and community organizing. In many countries, the entire range of health-care employees – from non-medical support workers (e.g. maintenance, dietary, and housekeeping employees), to non-professional medical personnel (e.g. nurse aides and technicians), to professional caregivers (e.g. technologists and physicians) – engage in collective action. One of the most extensively organized health-care professions is nursing.

## The background of nurses' organizations

Since the late 1800s, nurses around the world have been organizing to promote the interests of their profession and its members. Most of the earliest nurses' organizations took the form of professional associations, with trade unions being a more recent development (Quinn, 1989).

Most nurses' associations were originally established to set professional standards for training, licensing, and practice. The American Nurses Association (ANA), for example, was founded in 1897 “to establish and maintain a code of ethics; to elevate the standard of nursing education; to promote the usefulness and honor the financial and other interests of nursing” (ANA, 2002).

The earliest nurses' associations pursued their goals by working with government agencies, educational institutions and other professional associations in the health-care field. Over time, most have adopted collective bargaining and many have resorted to strikes or other forms of industrial action as additional means of moving their profession forward and protecting the interests of their members. Today, there are nurses' associations in more than 124 countries around the world (ICN, 2002).

In many countries, at least some nurses have pursued a different path and have created trade unions as a means of gaining greater influence over their working lives. Often, this has occurred where nurses' associations were either slow to engage in collective bargaining and industrial action or not sufficiently aggressive in their use of these strategies (Quinn, 1989). Most trade unions employ collective bargaining as their primary strategy and are less reluctant to strike than are associations.

In some cases these unions represent only nurses. In other cases, nurses may belong to a union that also represents other health-care workers, ranging from physicians to nurses' aides/assistants.<sup>2</sup> A third, less common, scenario

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<sup>2</sup> Organizations responding to the survey were asked to classify themselves as either a union or an association. It is possible, however, that the terms may have different meanings in different parts of the world.

is where nurses belong to a union whose members primarily work in a non-health-care industry or industries.<sup>3</sup>

It is not unusual for countries to have both a nurses' association and one or more trade unions that organize nurses.<sup>4</sup> Where this is the case, these organizations may compete with one another for members. In some countries, the nurses' association also serves de facto as the nurses' union (ICN, 2001).<sup>5</sup>

## Survey sample and data analysis

Data for this project were gathered through a worldwide survey of nurses' associations and unions. Most of the organizations included in the survey were identified through the membership lists of the International Council of Nurses (ICN), a world body of nurses' associations, and the Public Services International (PSI), a world federation of public sector unions. Additional associations and unions were identified by an extensive Internet search.

The survey questionnaire was constructed in consultation with ICN, PSI and numerous nurses' associations and unions around the world.<sup>6</sup> The questionnaire was mailed to 298 nurses' organizations in 157 countries. All of them received a copy in English, and organizations in French- and Spanish-speaking countries also received a copy in their respective language. Follow-up mailings and email communications were sent as reminders.

Useable responses were received from 56 nurses' associations and 49 nurses' unions in 76 different countries. The sample had relatively good geographical representation, with every continent except Oceania represented by at least nine responses.<sup>7</sup> Figure 1 shows the breakdown by geographic region.

It should be pointed out that this sample is not necessarily representative in a statistical sense, nor was it intended to be. The purpose of the survey was to gather as much information as possible on the working experiences of nurses around the world and on the strategies their organizations employ to address the problems nurses face in the workplace.

One of the aims of the survey was thus to identify the workplace problems that nurses face and the degree to which these problems are shared by nurses in different countries. Accordingly, the questionnaire asked nurses'

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<sup>3</sup> There are numerous examples of this in the United States: the Teamsters, the United Steelworkers, the United Mine Workers, and the United Auto Workers all represent bargaining units of nurses.

<sup>4</sup> This is the case in the United Kingdom where the Royal College of Nurses (an association) and UNISON (a union) both organize registered nurses.

<sup>5</sup> This is common in Europe: the Danish Nurses' Organization, for example, functions both as an association and as a union.

<sup>6</sup> These include the American Nurses Association, the Federation of Nurses and Health Professionals (American Federation of Teachers), the New Zealand Nurses Organisation, the Nurse Alliance (Service Employees International Union), the Royal College of Nursing (UK), and the United Nurses of America (American Federation of State, County, and Municipal Employees).

<sup>7</sup> Only three responses were received from Oceania.



associations and unions to identify the problems they face and to rank them in terms of their seriousness. It also asked them to provide their assessment of nurse/members' work-related priorities.

### *Problems facing nurses*

The nurses' organizations participating in the survey were asked to indicate whether they experienced each of 11 different problems identified in pre-survey discussions with international nursing experts. Respondents were also asked to indicate the level of seriousness of each problem on a four-point scale ranging from "not serious" to "extremely serious." Table 1 provides the aggregate mean responses (based on 105 respondents) for each of the 11 problems by geographic region. Figure 2 shows the assessments of problems by all organizations worldwide.

The aggregate means for all respondents suggest that six of the 11 problems are viewed as moderately serious to very serious in most regions of the world. Understaffing is rated as the most serious concern globally and is viewed as a very serious to extremely serious concern by nurses' organizations in North America. In Central and South America, and in Africa, understaffing is seen as a very serious problem. This issue is less of a concern to nurses in Asia, Europe and Oceania, but it is still seen as a moderately serious problem.

The survey data also suggest that safety and health problems are seen as serious in all geographic regions. These issues are seen as most problematic in Africa and North America and less problematic in Asia and Europe.

Overall, mandatory overtime and privatization are perceived by nurses' organizations around the world to be moderately serious problems. North American nurses view mandatory overtime as a particularly serious problem, while South American nurses are more concerned with privatization than are nurses in other parts of the world. As with the issues discussed earlier, nurses in Asia and Europe expressed the least concern with these issues.

Floating – i.e. the short-term transfer of nurses to parts of a health-care facility with which they are unfamiliar (e.g. from obstetrics to the emergency room) – and the assignment of nursing assistants are also seen as serious problems across the world. "Bullying" or workplace violence, while generally not deemed to be as problematic as other issues, is a serious concern in North and South America and in Africa.

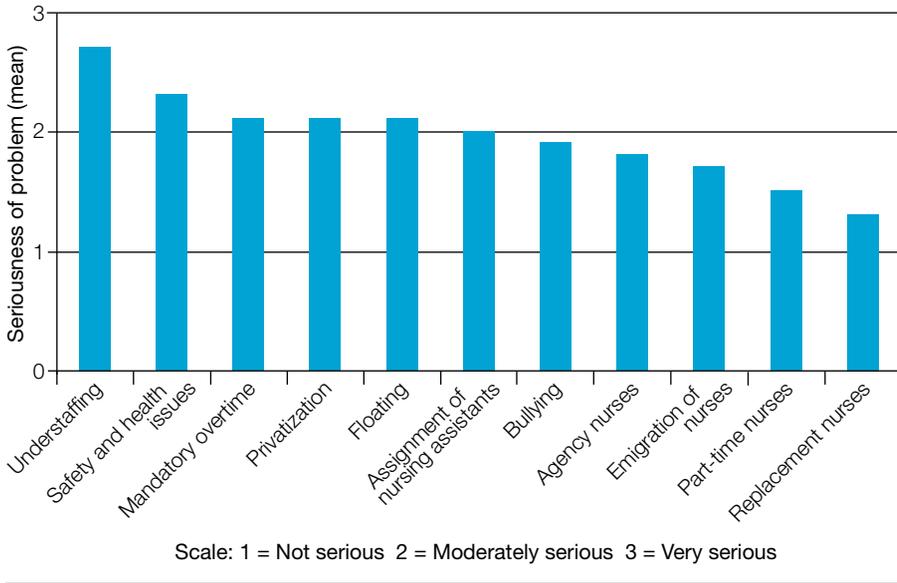
Because nursing skills are transferable from one national health-care system to another, nurses are increasingly leaving their home countries for better paid jobs abroad. The survey results indicate that nurses in Africa, Central America and Oceania – regions with many developing countries – see emigration as a serious problem. There also appear to be significant differences as to the seriousness of this problem within regions. While not seen as a problem in most western European countries, emigration is viewed as more problematic in eastern Europe. In North America, Canadian nurses' organizations are much more concerned about this issue than are organizations in the United States (Adcox, 2002).

Table 1. Mean assessment of problems facing nurses in the workplace

Problem	Africa (n=18)	Asia (n=16)	Central America (n=14)	Europe (n= 31)	North America (n=14)	Oceania (n=3)	South America (n=9)	Overall (n=105)	All asso- ciations (n= 56)	All unions (n= 49)
1. Understaffing	2.7 (sd=.89)	2.3 (sd=.87)	2.9 (sd=.73)	2.3 (sd=.97)	3.5 (sd=.65)	2.3 (sd=.58)	2.8 (sd=.83)	2.7 (sd=.92)	2.6 (sd=.93)	2.7 (sd=.91)
2. Safety and health issues	2.8 (sd=.81)	2.0 (sd=.97)	2.2 (sd=.73)	2.1 (sd=.73)	2.7 (sd=.65)	2.3 (sd=1.15)	2.2 (sd=.83)	2.3 (sd=.83)	2.3 (sd=.89)	2.4 (sd=.71)
3. Mandatory overtime	2.2 (sd=1.08)	1.9 (sd=1.06)	2.2 (sd=1.17)	1.8 (sd=.81)	3.3 (sd=.97)	2.0 (sd=1.0)	2.0 (sd=.89)	2.1 (sd=1.6)	2.2 (sd=1.1)	2.1 (sd=1.1)
4. Privatization	1.7 (sd=.85)	1.8 (sd=1.03)	2.8 (sd=1.13)	1.6 (sd=.70)	2.8 (sd=.94)	2.3 (sd=1.15)	3.3 (sd=.95)	2.1 (sd=1.06)	2.0 (sd=1.0)	2.2 (sd=1.1)
5. Floating	2.3 (sd=.69)	1.6 (sd=.93)	1.9 (sd=.83)	1.6 (sd=.82)	2.9 (sd=.79)	1.5 (sd=.71)	2.5 (sd=1.01)	2.1 (sd=.93)	2.1 (sd=.97)	2.0 (sd=.91)
6. Assignment of nursing assistants	2.0 (sd=1.17)	2.1 (sd=.70)	1.9 (sd=.90)	1.6 (sd=.78)	2.1 (sd=.99)	2.0 (sd=.00)	2.8 (sd=1.09)	2.0 (sd=.96)	2.1 (sd=.97)	1.8 (sd=.95)
7. Bullying	2.1 (sd=.70)	1.4 (sd=.72)	1.7 (sd=.47)	1.7 (sd=.78)	2.5 (sd=.87)	1.7 (sd=.58)	2.1 (sd=.93)	1.9 (sd=.82)	1.8 (sd=.77)	2.0 (sd=.85)
8. Emigration of nurses	2.2 (sd=.95)	1.4 (sd=.63)	2.2 (sd=1.05)	1.2 (sd=.51)	2.1 (sd=1.0)	2.3 (sd=1.15)	1.7 (sd=.82)	1.7 (sd=.91)	1.6 (sd=.88)	1.9 (sd=.95)
9. Part-time nurses	1.5 (sd=.78)	1.2 (sd=.44)	1.0 (sd=.00)	1.2 (sd=.43)	2.1 (sd=1.2)	1.0 (sd=.00)	2.5 (sd=1.30)	1.5 (sd=.82)	1.2 (sd=.59)	1.7 (sd=.92)
10. Agency nurses	1.8 (sd=.93)	1.7 (sd=.98)	1.5 (sd=.67)	1.6 (sd=.77)	2.5 (sd=.82)	2.0 (sd=1.0)	2.1 (sd=1.93)	1.8 (sd=.91)	1.4 (sd=.72)	2.2 (sd=.94)
11. Replacement nurses	1.3 (sd=.52)	1.7 (sd=.95)	1.3 (sd=.67)	1.3 (sd=.72)	1.3 (sd=.49)	1.0 (sd=.00)	1.0 (sd=.00)	1.3 (sd=.68)	1.4 (sd=.66)	1.3 (sd=.66)

4.0 = Extremely serious. 3.0 = Very serious. 2.0 = Moderately serious. 1.0 = Not serious.

Figure 2. Assessment of problems facing nurses in the workplace (all respondents)



While a concern of some nurses’ associations and unions, the use of part-time, agency and replacement nurses (nurses employed as replacements during strikes) is not seen to be as serious a problem by the nurses’ associations and unions participating in this survey as the other issues outlined above.

Because of the broad range of occupational health and safety problems experienced by nurses, a more detailed analysis of this question was conducted. Nurses’ associations and unions were asked to indicate which of ten occupational safety and health issues they considered significant problems in the health-care facilities in which their members worked. As the overall results in table 2 suggest, stress is clearly seen as the most serious safety and health problem facing nurses around the world. Nurses’ associations and unions on every continent identified this issue as the leading safety and health problem experienced by their members. The next four issues, by order of importance, were back and musculoskeletal problems, needlestick injuries, excessive overtime, and workplace violence.

Table 2 also provides an assessment of safety and health problems broken down by continent. The data indicate that nurses’ organizations in some parts of the world perceive more occupational safety and health issues to be problematic than do their counterparts in other regions. A high percentage of nurses’ organizations in Africa and North America see all ten of the issues as significant problems, while those in Asia and Oceania see far fewer of these issues as serious concerns. Still, the data suggest that nurses’ associations and unions in every part of the world feel that their members confront numerous occupational safety and health problems.

Table 2. Safety and health problems identified by nurses' unions/associations, 2001 (percentage of unions/associations that identified issue as a significant problem in the facilities in which their members work)

Issues	Africa (n=18)	Asia (n=16)	Central America (n=14)	Europe (n=31)	North America (n=14)	Oceania (n=3)	South America (n=9)	Overall (n=105)
1. Needlestick injuries	94.4	81.3	71.4	51.6	94.4	100	100	77.4
2. Stress	94.4	93.8	100	100	94.4	100	100	98.1
3. Back/musculoskeletal problems	77.8	62.5	92.9	90.3	77.8	33.3	77.8	83
4. Toxic substances	72.2	37.5	64.3	54.8	72.2	66.7	66.7	56.2
5. Workplace violence/ bullying	88.9	43.8	71.4	58.1	88.9	66.7	66.7	69.5
6. Latex allergies	77.8	31.3	64.3	51.6	77.8	66.7	44.4	41
7. Exposure to radiation	66.7	37.5	50	25.8	66.7	33.3	44.4	40
8. Travelling to work	88.9	37.5	57.1	12.9	88.9	0	55.6	41.9
9. Contagious diseases	94.4	37.5	71.4	51.6	94.4	33.3	55.6	59
10. Excessive overtime	88.9	50	78.6	61.3	88.9	66.7	55.6	71.4

The survey included one additional question regarding the workplace problems that nurses face. Specifically, this question asked nurses' associations and unions whether their country was currently facing a shortage of nurses. Ninety nurses' organizations, representing 69 countries and every geographic region of the world, reported shortages in their countries. This suggests that the shortage of nurses is a worldwide phenomenon.

The emigration of nurses exacerbates this problem in some parts of the world. Forty-four nurses' associations and unions in 31 countries reported that the outflow of nurses to other countries was a serious to extremely serious problem. This concern appears to be particularly acute in Oceania, Africa, Central America (including the Caribbean), and in central and eastern Europe. Several Canadian nurses' organizations also indicated that emigration was a concern in their country. Nurses' associations and unions reporting the outflow of nurses to other countries as a serious problem are listed in Appendix I.

### Priorities

In an effort to gain insight into the priorities of nurses globally, the survey asked the respondent organizations to rank a series of issues based on their assessment of their nurse/members' concerns. The analysis of these data suggests that economic (salaries and benefits) and patient care issues are generally the top priorities of nurses, followed by professional development, voice in the workplace, safety and health, political action, and prescriptive authority (see table 3). This ranking does vary to some degree by geographic region, but the results were generally consistent across regions.

It should be noted that the data on problems and priorities are aggregates of the responses of all 105 respondents. And while we found a fair amount of

Table 3. Ranking of nurse/member priorities by geographic region

Issues	Africa (n=18)	Asia (n=16)	Central America (n=14)	Europe (n=31)	North America (n=14)	Oceania (n=3)	South America (n=9)	Overall (n=105)	All associations (n=56)	All unions (n=49)
1. Salaries and benefits	1	2	2	1	1	2	1	1	2	1
2. Patient care issues	2	1	1	2	2	2	2	2	1	2
3. Professional development	5	3	3	4	5	1	3	3	3	5
4. Voice in the workplace	3	4	6	3	3	5	5	4	4	3
5. Safety and health	4	4	4	5	4	6	4	5	5	4
6. Political action	6	7	5	6	6	4	5	6	6	5
7. Prescriptive authority	7	6	6	7	7	7	6	7	7	7

consistency globally, there were individual countries whose assessment of problems and/or ranking of priorities differed from the prevailing pattern.<sup>8</sup> Still, these results suggest that nurses around the world face similar problems and have similar priorities.

### Strategies

A third objective of the survey was to gather information on the strategies that nurses’ associations and unions are pursuing to address the problems they face. To this end, respondent organizations were asked whether they had found effective strategies to deal with the problems identified in the earlier analysis.

Table 4 shows the percentage of organizations that indicated they had found an effective strategy for dealing with a given problem. These responses are reported both for the overall sample and by region. As the table indicates, in most regions only a minority of associations and unions have found an effective strategy for dealing with most of the 11 problems. The only exception relates to safety and health concerns. At least 50 per cent of organizations in five of the seven geographic regions reported finding an effective strategy to deal with this type of problem. European nurses’ organizations generally reported greater success in overcoming the problems their members face than did organizations in other geographic regions.

Appendix II lists the strategies most often cited by respondents as being effective in dealing with five of the most common problems nurses experience globally. These problems are understaffing, safety and health, mandatory overtime, privatization and bullying. Because of the different economic, social

<sup>8</sup> An analysis was run comparing western European countries with countries in central and eastern Europe. While the results were generally consistent, it is notable that western European countries together ranked salaries and benefits as their highest priority and professional development fourth, while central and eastern European countries ranked professional development first.

Table 4. Strategies for addressing problems facing nurses in the workplace (in percentage)

Effective strategy found to deal with:	Africa (n=18)	Asia (n=16)	Central America (n=14)	Europe (n=31)	North America (n=14)	Oceania (n=3)	South America (n=9)	Overall (n=105)	All associations (n=56)	All unions (n=49)
1. Understaffing	19	40	14	56	39	33	44	38	28	49
2. Assignment of nursing assistants	36	57	20	54	27	33	43	33	32	37
3. Safety and health issues	63	43	50	61	42	50	56	54	49	59
4. Bullying	36	38	20	45	39	50	13	35	27	42
5. Mandatory overtime	25	40	20	50	36	50	20	36	32	40
6. Floating	25	22	0	33	25	0	50	27	21	31
7. Agency nurses	0	13	20	1	25	50	25	26	17	33
8. Part-time nurse.	33	13	0	27	20	100	33	17	8	21
9. Replacement nurses	28	25	0	33	100	0	0	29	36	25
10. Emigration of nurses	0	17	43	0	14	50	33	15	26	8
11. Privatization	25	25	0	46	18	50	33	26	16	37

and cultural contexts in which nurses' organizations around the world operate, strategies effective in one country may not be effective in another. The strategies listed do, however, suggest a range of options that nurses' associations and unions might consider in addressing the particular problems their members face.

Most of the specific strategies with which nurses' organizations are having success fall into three broad categories – collective bargaining, political and legislative advocacy, and community organizing/outreach. Nurses' unions and associations may depend on one of these approaches to deal with a problem or they may use multiple approaches.

In the case of understaffing, for example, many nurses' organizations argue that in order to address this problem it is necessary to stem the tide of nurses leaving the profession, attract former nurses back into the workforce, and encourage more young people to make nursing their career. The New Zealand Nurses Organisation (NZNO) has taken the position that increasing salaries and creating "a work environment that promotes job satisfaction" are the best ways to reduce turnover and recruit new nurses (NZNO, 2002). They have used the collective bargaining process as a means of attaining those goals. The Irish Nurses Organisation (INO) has pursued similar goals through bargaining, going as far as to threaten industrial action when hospital managers have failed to address chronic understaffing (INO, 2002).

Another approach that nurses' organizations are taking to address the problem of understaffing is political and legislative action. One of the goals of

these efforts is to establish minimum nurse/patient ratios by law. Associations and unions in the United States have devoted a great deal of effort to this approach in recent years. In 1999, the California Nurses Association (CNA) was instrumental in the passage of the first-ever staffing ratio legislation in the United States (DeMoro, 2001). Although the law has run into some difficulties at the implementation stage, other American nurses' organizations have stepped up their efforts to win such protection in other states.

The use of public pressure and community support is a third approach nurses' associations and unions have taken to deal with the problem of understaffing. For example, in 2001, the Canadian Federation of Nurses Unions (CFNU) undertook an extensive media campaign to inform the public about the nationwide nursing shortage and the consequent understaffing of health-care facilities (CFNU, 2002).

In an extension of this campaign, the British Columbia affiliate of the CFNU held a public demonstration in 2002 in which it presented British Columbia Premier Gordon Campbell with the "Health Care Demolition Award" in recognition of his government's funding cutbacks and the resulting understaffing in the province's hospitals (BCNU, 2002). These efforts have helped the CFNU garner significant public support, which, in turn, has helped it to influence government policy and to bargain collectively over provisions for staffing.

As in Canada, many nurses' associations and unions have used all three of the approaches outlined above in campaigns to address the problem of understaffing, as well as the other major problems their members face. In fact, the responses received in the World Survey suggest that those organizations that are having the most success in addressing these problems have employed multiple strategies. The coordinated use of these approaches seems to magnify the impact each would have if used individually.

However, it is important to reiterate that the majority of the 105 nurses' associations and unions that responded to this survey indicated they had not found successful strategies to deal with ten of the 11 major issues facing their members. This suggests that most organizations are still looking for effective approaches. In this process, they should first look to those of their counterparts that have developed successful strategies and attempt to adapt those approaches to their own circumstances. Clearly, learning from the experiences of other, similar nurses' organizations is a more efficient and less costly approach than trial and error.

### *Differences across nurses' associations and nurses' unions*

In many countries nurses' associations and unions see themselves as distinct from one another. In order to examine the differences between the two types of organization, respondents were asked to identify themselves either as an association or as a union. Separate analyses regarding workplace problems, priorities and strategies were conducted for each of the two categories. The results of the analyses were then compared.

As shown in the last two columns of tables 1 and 4, this comparison found little difference in the identification of problems nurses face in the workplace, or in the strategies they employ to address their problems or pursue their priorities. This does not necessarily mean that substantial differences may not exist between some associations and some unions, particularly between those operating in the same country. However, the results do suggest that on a global scale the differences between the types of organization are minimal.

There was a somewhat more substantial difference between associations and unions in their assessments of member priorities (see table 3). Associations reported that their members' first priority was patient care issues, while unions reported salaries and benefits to be their members' top concern. Professional development was ranked as a higher priority by associations than it was by unions, while voice in the workplace and safety and health were ranked as higher priorities by unions than by associations.

## Concluding remarks

The foregoing analysis suggests that despite differences in economics, politics, culture and health-care systems across countries, nurses around the world face very similar problems and hold very similar priorities. Understaffing, safety and health, mandatory overtime, privatization, floating and the assignment of nursing assistants are seen as serious problems by the overall sample. Bullying, nurse emigration and the use of part-time, agency and replacement nurses were not seen as seriously problematic by the entire sample, though they were considered serious problems in certain regions of the world.

Nurses' associations and unions in North and South America rated the issues facing their members as being more problematic than did organizations in other parts of the world. Conversely, nurses' organizations in Europe and Asia assessed these issues as less problematic than did their counterparts elsewhere.

In discussions with the leaders of several nurses' associations and unions, a number of explanations were offered for these findings. In North America, the most consistent explanation was that the implementation of "managed care" – and its business-like approach to health care in the United States – is responsible for the perception that nurses in that region face very serious problems in the workplace.

At the other end of the spectrum, the leaders of nurses' organizations speculated that European associations and unions perceived the issues they were questioned about as less serious because those organizations are among the world's oldest and most effective. As a result, they have had greater success in addressing issues of concern to nurses.

Organizational leaders offered a different explanation for the view among Asian associations and unions that the issues they face are less problematic. Both Asian and non-Asian leaders speculated that this finding was partly related to the region's culture. They suggested that Asian nurses were generally reluctant to be critical of their health-care system and their employer

and, therefore, tended to be less negative when assessing the state of their workplace.

The analysis also indicates that nurses' associations and unions in some regions have been more successful at finding effective strategies to deal with the problems of their members than were organizations in other regions. Nurses' organizations in Europe and Oceania generally reported the greatest success in dealing with their members' workplace problems, while African and Central American organizations reported the least success.

The leaders of nurses' organizations, again, point to the fact that the European nurses' associations and unions are among the oldest and most effective in the world. It therefore makes sense that they should generally be the most successful in finding effective strategies to deal with the problems facing nurses. The same explanation was offered for the reported success of nurses' organizations in Oceania. Nurses' associations and unions in Australia and New Zealand are also among the most long-standing in the world and are perceived to be particularly effective.

By contrast, African and Central American nurses' organizations are among the most recently established in the world. Most of the countries in these two regions are developing countries without the resources to address the problems with which their nurses must contend. Nurse leaders suggest this issue lies at the heart of the inability of organizations in these regions to make more progress.

In sum, it must be reiterated that a majority of nurses' organizations are still searching for effective responses to the workplace problems nurses face. Finding effective strategies presents a substantial challenge to nurse leaders. Such efforts, however, can be aided by awareness of the successes and failures of similar organizations in other parts of the world. These lessons may have to be adapted to fit the circumstances different nurses' associations and unions face, but the time, effort and resources that can be saved through this approach are substantial.

Unfortunately, the opportunities for the leaders of nurses' associations and unions to learn from one another are limited. The most effective forum for communication between nurses' organizations is the ICN. The ICN has 124 members and, through meetings, conferences and publications, it facilitates communications between nurses' organizations around the world. Unfortunately, the ICN Constitution limits its membership to one nurses' association per country (ICN, 1999). This means that nurses' organizations that identify themselves as unions, or are not the designated association in a country with more than one association, are unable to participate in this world body. Our research found at least 174 nurses' organizations that fall into this category.

This situation suggests a need for an organization that would bring together all of the 300 or more associations and unions that represent nurses worldwide. This body could take the form of an expanded ICN; alternatively, it could be an entirely new body similar to the Education International, a world body that brings together 311 teachers' associations and unions (Education International, 2002).

In any event, nurses, and the organizations that represent them, are confronted with a multitude of problems as they endeavour to care for patients at the beginning of the twenty-first century. The challenges they confront are significant and complex. And they appear to be common to nurses around the globe. For this reason, nurses' organizations need, at a minimum, to learn from one another. They also may need to consider confronting those problems on a global basis.

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## Appendix I

Nurses' associations and unions reporting the outflow of nurses as a serious to extremely serious problem

*Extremely serious*

Canadian Nurses Association  
Health and Other Service Personnel Trade Union of South Africa  
Public Services Association of Trinidad & Tobago  
Sierra Leone Health Services Workers Union  
St Vincent and the Grenadines Nurses Association

*Very serious*

Alliance of Filipino Workers  
Asociación Nacional de Enfermeras de Panama  
Asociación Nacional de Enfermeras de Colombia  
Barbados Registered Nurses Association  
Bermuda Public Services Association  
British Columbia Nurses Union  
Bulgarian Nurses' Association  
Colegio de Enfermeras de Costa Rica  
Colegio de Enfermeras del Uruguay  
Democratic Nursing Organization of South Africa  
Manitoba Nurses' Union  
New Brunswick Nurses Union  
New Zealand Nurses Organization  
Nurses Association of Moldova  
Samoa Nurses Association  
Syndicat unique de la santé et de l'action sociale, Association nationale des infirmières du Niger  
Trinidad and Tobago Registered Nurses Association  
Zambia Nurses Association

*Serious*

East Central and Southern Africa College of Nursing  
Ethiopian Nurses Association  
Fédération nationale des travailleurs des services sociaux et de santé et Union nationale des infirmières de Centrafrique  
Government Workers Association (Zimbabwe)  
Lithuanian Trade Union of Health Care Employees  
Malayan Nurses Union  
National Union of Public and General Employees (Canada)  
National Union of Public Workers (Barbados)  
Nova Scotia Nurses Union  
Nurses Association of Botswana  
Nurses Association of Jamaica  
Nurses Association of the Commonwealth of the Bahamas  
Philippine Nurses Association  
Saskatchewan Union of Nurses

## Challenges facing nurses' associations and unions

Singapore Manual and Mercantile Workers' Union  
South African Municipal Workers Union  
Swaziland Nurses Association  
Trade Union for the Municipal Sector – KTV (Finland)  
Trade Union of Health and Social Care Employees of Latvia  
Uganda National Association for Nurses and Midwives

## Appendix II

### Effective strategies for addressing common problems

#### *Understaffing*

- establish minimum nurse/patient ratios by contract or legislation
- increase salaries and benefits
- establish on-site childcare
- pay significant shift differentials to attract nurses to less popular shifts
- improve professional image and respect for nurses through advertising campaigns, and television and newspaper features
- provide part-time nurses with benefits
- use above to attract former nurses back to the profession
- use demonstrations, picketing and strikes to publicize understaffing and the danger it presents to patients

#### *Safety and health*

- seminars, continuing education, expert advice and training, and preventive action
- strong contract language on safety and health issues
- provision of appropriate technical equipment in workplace
- legislative guarantees of safe work environment
- health and safety committees for both labour and management
- contractual or legislative ban on mandatory overtime
- public campaigns, action days, demonstrations, etc.

#### *Mandatory overtime*

- contractual ban on mandatory overtime
- contractual provision for greatly increased overtime pay
- lobbying for government restrictions
- campaigning for 32–36-hour work week
- use of “assignment despite objection” forms
- contractual provision for right to refuse except in bona fide emergency

#### *Privatization*

- increase public awareness and activism
- solidarity by nurse union
- negotiation and strikes
- education and legislation
- non-strike action/demonstrations and hunger protests
- lobby with state and county officials and mobilize the public
- work with other unions/agencies to lobby governments

#### *Bullying/workplace violence*

- contractual provision that “employer must provide safe work environment”
- increased security at workplace
- regular training programmes on how to deal with violence
- meetings with employers to increase awareness
- report and charge violent individuals
- work with community activists to inform the public and develop solutions

## Organizing migrant care workers in Israel: Industrial citizenship and the trade union option

Guy MUNDLAK\* and Hila SHAMIR\*\*

***Abstract.** The authors examine the feasibility of trade unionism for migrant care workers, based on a recent organizing drive in Israel. Distinguishing between trade unions and other civil society organizations, they re-examine the concept of workers' collective action, looking at what constitutes a trade union and to what extent unions can address the specific concerns of migrant care workers. They conclude that, despite the numerous problems involved in organizing migrant care workers, and the vulnerabilities intrinsic to migration processes, gendered work and the occupation of care, trade unions play an important role in establishing industrial citizenship and forming political agency.*

Migrant care workers face numerous difficulties in their work, which are grouped around three axes of disadvantage: the intimate nature of their work, the gendered dimension of care work, and the vulnerabilities that stem from their migration status. Each of these alone may result in precarious employment, but the intersection of all three constitutes a unique source of vulnerability. Political and academic discussions on the importance of protecting the rights of care workers have identified the need to supplement regulatory provisions with organizational support that empowers care workers, gives them a voice and continuously enhances the environment in which their work takes place (ILO, 2010, pp. 90–91; Blackett, 2004, pp. 256–267). Trade unionism would therefore appear to be an important and promising form of association for care workers.

This article examines the feasibility of trade unionism for migrant care workers, based on a case study of a union organizing drive currently taking place in Israel. The article distinguishes between: trade unions, which represent workers' interests and negotiate with employers to improve working conditions; workers' rights centres, which provide legal and administrative aid to individual workers and lobby for policy change; and community organizations, particularly those based on workers' religious, national or regional affiliations, and those that seek to empower workers by creating leadership and building

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a social community. In contrast to workers' rights centres and community organizations, trade unions offer a form of industrial citizenship based on the concepts of membership, political agency and direct participation. In order to identify the feasibility – and value added – of trade unionism in the context of migrant care work, the article considers the basic concept of workers' collective action, looking at what constitutes a trade union and to what extent unions can meet the specific needs of migrant care workers.

The article is grouped into four sections. The first provides the context of the organizing drive described in the case study, looking at the following four aspects: care work and migration in Israel; the regulatory framework governing the employment of migrant care workers; the emergence of civil society organizations supporting these workers; and the opportunities and challenges of trade unions in general. The second section presents the case study of the drive by the grassroots trade union Koach LaOvdim (Democratic Workers' Organization) to organize migrant care workers, which started in 2009. The case study is based on interviews conducted by the authors in 2011 with various actors who were involved in the efforts to set up the Koach LaOvdim Caregivers' Union.<sup>1</sup> The third looks more generally at the potential role of trade unions and what they can offer migrant care workers. The authors examine the lessons learned from the case study, and go on to look at the more general problems that may apply to similar organizing drives. Despite the numerous problems highlighted by the case study, the authors argue that trade unions offer unique value added compared to workers' rights centres and community organizations, in that they give a political voice to migrant care workers and thus contribute to the establishment of political agency, despite the democratic deficit that is intrinsic to migration processes, and the multiple sources of vulnerability experienced by migrant care workers. In the Israeli context, trade unionism has the potential to stimulate individual and group capacity building and leadership, as well as empowerment and political agency, thereby contributing significantly to the existing web of organizations that help lobby for, implement and translate norms and regulations into effective entitlements. The fourth section presents the authors' conclusions.

## Context of the organizing drive

Unionization is a political activity that is embedded in a very particular legal environment and social circumstances (Offe and Wiesensthal, 1985). Therefore, prior to describing the drive to organize migrant care workers in Israel, we de-

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<sup>1</sup> The individuals interviewed were: Yael Wolfenzon, Meital Regev, Noga Shafer and Ilai Margalit, organizers of the Jerusalem branch of the Caregivers' Union; Ophir Tubol, initiator of the Caregivers' Union; Boaz Urman, Daniel Dotan and Avigail Shaham, organizers of the Tel Aviv branch of the Caregivers' Union; Hana Zohar, director, Kav LaOved ("Workers' Hotline" NGO); Hanni Ben Israel, lawyer at Workers' Hotline; Idit Lebovich, coordinator, Workers' Hotline care workers' section. In addition, the authors sat as observers at the meeting of the elected leaders of the Jerusalem branch of the Caregivers' Union. Further documentation was retrieved from the Caregivers' Union blog, which is available at: <http://siod.workers.org.il/the-community-center-for-workers-rights/> [accessed 15 December 2013].

scribe the particular circumstances of these workers, and the representation gap they suffer from, followed by the legal and social meaning of unionization in general, and in Israel in particular.

### *Care work and migration in Israel*

Care for the elderly and persons with disabilities in Israel was once primarily a matter for the family, with some aid being given by the State, and little reliance on the market. In the 1990s, the State amended the structure of disability allowances (Gal, 2001) and introduced a specific long-term care programme for the elderly (Schmid, 2005; Mundlak, 2012). While general disability allowances are paid in cash, with families purchasing care hours on the marketplace, the care programme for the elderly was designed on the basis of provision in kind rather than cash allowances (Ajzenstadt and Rosenhek, 2000), with disability benefits for the elderly being translated into weekly home care hours. However, since the State was reluctant to employ or administer the provision of care workers, a quasi-market was formed in which the elderly obtain the care hours they are entitled to from care agencies, which are chosen by public tender. Care work over and above the publicly funded hours is paid for by the elderly and their families from their private resources.

Until the early 1990s, care workers were mostly Israeli women, working for relatively low wages. The growth in the public provision of care hours, and the rising level of women's employment, increased the demand for in-home care workers. However, the supply of care workers was not sufficiently elastic. In 1993, Israel admitted migrant workers for the first time (Bartram, 1998; Kemp and Rajman, 2003; Mundlak, 2007b, pp. 191–201). Although the border was initially opened up to migrant workers in order to meet demand in construction and agriculture, care work demand led to a large influx of new migrant workers, which dynamically fuelled greater demand, leading to a further shift in the provision of care from the family to the market (Israel, 2008, pp. 22 and 28).

The number of migrant care workers coming to Israel has grown considerably. Data are imprecise and politically biased, but it is estimated that in 2010 there were approximately 54,000 migrant care workers, more than seven times the number in 1996 (Workers' Hotline, 2010). A government committee estimates that migrant workers account for 50 per cent of the workforce in the care industry (Israel, 2008, p. 32). Migrant care workers initially came from the Philippines, which is still the predominant country of origin (48 per cent of migrant care workers). Additional countries of origin now include Nepal (20 per cent), other Asian countries such as India and Sri Lanka (16 per cent in total), and eastern Europe (Romania, Republic of Moldova and others; in total 16 per cent).

The largest concentration of migrant care workers is in the Tel Aviv Metropolitan Area (Kemp and Rajman, 2001). While in the past, workers could legally enter Israel under a live-in or live-out contract, new regulations passed in 2010 stipulate that all migrant care workers must work in a live-in arrangement.<sup>2</sup>

<sup>2</sup> See: Ministry of the Interior, Eligibility Criteria for Employing Foreign Workers (January 2011). Population, Immigration and Border Authority, available at: <http://www.piba.gov.il/Subject/ForeignWorkers/siod/Pages/CriteriaForPermit.aspx> [in Hebrew, accessed 15 December 2013].

### *Regulatory framework for the employment of migrant care workers*

There are three general types of care arrangements in Israel in which migrant workers can “legally” participate. The first is the long-term care programme for the elderly. Under the programme, the State establishes the eligibility requirements for receiving means-tested care hours, administers an “active daily living” test to determine the elderly person’s level of dependency, and assigns a number of care hours accordingly. The National Insurance Institute pays the corresponding amount to a select number of care agencies, which pay the care workers involved (Shamir, 2010). The second type of care arrangement is where persons with disabilities receive a disability allowance in cash from the National Insurance Institute – or, if their disability is related to their military service, from the Ministry of Defence – and use it to employ a care worker. The third is where private individuals employ a care worker, even though they are ineligible for public aid. In all three categories, individuals seeking to employ a migrant care worker must obtain a permit from the Ministry of the Interior.

The wages and working conditions of the workers employed by the care agencies under the first arrangement are set out in the tender offer issued by the National Insurance Institute, and for the most part are non-negotiable (Mundlak, 2012). The wages and working conditions of workers employed under the other two arrangements (as well as workers employed by long-term care programme beneficiaries paying for additional care hours to those provided by the State) are determined by the market, but are formally constrained by protective employment legislation such as minimum wage provisions. Migrant care workers are formally covered by all Israeli employment and labour standards legislation, with the exception of overtime pay (Mundlak and Shamir, 2011).

In addition to the general rules governing care workers, which are based on workers’ individual contracts, the provisions of the National Insurance Institute tenders, legislation and, to a limited extent, national collective agreements, migrant care workers are governed by the provisions of migration law. In 1993, when migrant workers were first admitted to Israel, Israeli migration law as a whole was undeveloped, particularly its provisions on guest workers (Shamir and Mundlak, 2012). Migrant workers were treated as temporary guest workers, who were entitled to equal rights in the domain of labour law but not to social rights in other areas such as social security, housing, education and health care, or to any other special protection (Mundlak, 2007a; Willen, 2007).

Despite labour rights being equally applicable, in theory, to care workers, the main obstacle to realizing these rights was to be found in the intersection between labour law and migration law. The best example is the binding arrangement that used to be imposed on all migrant workers (Kemp, 2010), whereby the worker’s visa was granted only for employment with a specific employer. Hence, termination of the employment relationship – for whatever reason, just or unjust – entailed a violation of the terms of the visa, driving the worker into an undocumented (or “illegal”) status. Although migrant workers are often con-

sidered “weak” in terms of labour market power, they were, and still are, in great demand; this is particularly true of care workers. The binding worker–employer arrangement inhibited labour market mobility and suppressed migrant workers’ market power, making them reluctant to challenge employers’ exploitative behaviour for fear of losing their visas (Ellman and Laacher, 2003). Consequently, migrant workers had an incentive to work without the necessary papers, thereby avoiding the restrictions imposed by the legal regime (Shamir, 2011).

In 2006, in response to a challenge against the constitutionality of the binding worker–employer arrangement, the Supreme Court held that the arrangement was invalid, since it constituted a violation of human rights and was a poor fit between policy objectives and the measures chosen to meet them.<sup>3</sup> The Supreme Court directed the legislative and executive branches to identify alternative measures. Since then, the State has gradually replaced the binding arrangement in some industries. In the care industry, it was determined that migrant workers could only work through intermediaries (licensed “private employment bureaux”). Persons having a permit to employ a care worker, and the care workers themselves, must register with one of a few dozen private employment bureaux, which administer and oversee workers’ monthly payments. Workers may choose to move from one bureau to another – in other words, the strict binding arrangement of the past has been abolished and replaced with a more flexible system (Kemp, 2010). Following this change, however, organizations for the elderly lobbied for the new arrangement to be tightened, arguing that the resulting labour mobility led to high employee turnover, with elderly persons in need of care being abandoned by their care givers. As a result, in 2011 the Entry into Israel Law was amended to limit care workers’ labour market mobility. The amendment authorizes secondary legislation that limits the number of employer changes care workers can request during their visa period, as well as regulations that limit employer changes to a certain geographical area.

The intersection between the regulatory framework governing care work and migration has created a structure in which numerous entities besides the care worker and the care receiver govern the care relationship. These include:

- The Population, Immigration and Border Authority, which is responsible for regulating the number of migrant workers, licensing private employment bureaux and reviewing all immigration issues, including a migrant worker’s change of employer.
- The National Insurance Institute, which is responsible for administering various welfare programmes that provide care hours or monthly allowances to eligible Israeli residents.
- Care receivers, and their families, who receive a permit from the Ministry of the Interior to employ a migrant care worker.
- Private employment bureaux, which are responsible for, inter alia, recruiting migrant workers, bringing them to Israel, providing basic training, placing them with employers, and supervising their employment conditions.

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<sup>3</sup> Supreme Court HCJ 4542/02 *Kav LaOved v. Government of Israel*, 2006.

- Care agencies, which work alongside private employment bureaux and are responsible for providing care hours to persons eligible for benefits under the long-term care programme for the elderly, and for transferring payments to the care workers involved. While private employment bureaux and care agencies are separate legal entities, there is some overlap and vagueness regarding their respective roles.
- In some sending countries, recruitment and certification agencies, regulated by the sending country's government, whose role is to train and certify prospective migrant workers and to arrange overseas placements. In addition, various intermediaries in many countries are involved, often unlawfully, in the migration industry, arranging visas, work permits and transportation for exorbitant sums, and putting some workers into a situation akin to debt bondage. The profits are often shared between the agencies in Israel and the sending country (Workers' Hotline, 2010).

In the Labour Court's case law, the care receiver and/or his or her family are usually seen as the legal employers, although in some cases the Court determined that the care agency should be viewed as a co-employer.<sup>4</sup> Consequently, while the new, albeit heavy-handed regulatory system is somewhat fairer to the workers than the previous system, it leaves a great deal of room for bureaucratic confusion, despotism, denial of rights by private employment bureaux, care agencies and employers, and insufficiently demarcated responsibilities and jurisdictions.

### *The emergence of civil society organizations supporting migrant care workers*

In the years since migrant workers were first admitted to Israel, a flourishing civil society has emerged around migration issues (Kemp and Rajman, 2004). These civil society organizations fall into two main categories. The first is that of non-governmental organizations (NGOs), which act as workers' rights centres (Ayalon, 2010). There are three main NGOs that have been extending aid to migrant workers. The first is Kav LaOved (Workers' Hotline), established in 1991, two years before migrant workers were first admitted to Israel. While Workers' Hotline had originally been engaged for the most part in advocating on behalf of Palestinian workers from the Occupied Palestinian Territory, as well as low-wage Israeli workers, the extension of its advocacy to migrant workers from 1993 onwards was only natural. The NGO is engaged in the dissemination of infor-

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<sup>4</sup> See, for example: National Labour Court 110/08 Dalia – National Insurance Institute (12 March 2009), asserting that the NII is not the care worker's employer; National Labour Court 660/06 Birger – Katibog (23 January 2008), asserting that the elderly person's son is the employer; National Labour Court 1423/04 Kastelio – Tsitrinbaum (7 April 2005), asserting that the care receiver is the employer; and the following cases finding that the care agency, the care receiver and/or his family are co-employers: Jerusalem Labour Court 1038/06 Ilandri – Mahtaizada (11 February 2009); Beer-Sheva Labour Court 3174/04 Busca Stefania – Strochotiano (18 February 2007). But see contradicting cases holding that the care agency is the employer: Jerusalem Labour Court 3709/09 Postariya – Berkovitch (14 March 2010); Tel Aviv Labour Court 7214/04 Stoyolava – Kazravriskiy (11 April 2006).

mation on rights at work, representation of individual clients in claiming rights, and advocating policy and legal reforms concerning workers on the margins of the Israeli labour market.<sup>5</sup> The second NGO is the Hotline for Migrant Workers (now Hotline for Refugees and Migrants), which was established a few years later, in 1998. Its method of operation is similar to that of Workers' Hotline, but its focus is on migration issues such as visa problems, deportation proceedings, detention, trafficking and, over the last decade, the growing population of asylum seekers.<sup>6</sup> Physicians for Human Rights (PHR), established in 1988, is the third major NGO supporting migrant workers. PHR engages in advocacy, and promoting the right to health, for populations that are deprived of healthcare services, including people in the Occupied Palestinian Territory, prisoners, migrant workers, asylum seekers and Bedouins.<sup>7</sup> The three NGOs, together with other human rights organizations, cover various aspects of service provision, individual assistance, and policy-making for migrant workers.

The second civil society category is that of community organizations for migrant workers (Kemp and Raijman, 2004; Kemp et al., 2000), which are based on religious, national or regional affiliations and are run by the migrant workers themselves. They receive no support from the State, which has on occasion seen them as a threat to its policies and has sought to deport community leaders, in order to obstruct the creation of strong migrant communities. By contrast, the Tel Aviv–Jaffa Municipality has established a unit to assist migrant workers in its territory, called “Mesila” (Aid and Information Centre for the Foreign Community). The unit overlaps to some extent with workers' centres, but its focus is on community building and leadership development. It conducts empowerment workshops for individuals and groups, quasi-academic self-development courses, and provides consultation services to communal organizations operated by the migrants themselves. It is a prominent example of the creation of “local citizenship”, despite resistance at the national level (Kemp and Raijman, 2001).

Over the last decade the achievements of these organizations, working in conjunction with other actors, have included, in particular, the extension of residence permits to children of migrant workers. Similarly, organizations dedicated specifically to migrant worker and asylum seeker issues worked with general youth movements, the Tel Aviv Municipality, community-based organizations, human rights advocacy organizations, student associations and others and succeeded, to some extent, in containing the threats to deport children and their undocumented families (Kemp, 2007). No single organization acting on its own could have achieved those goals; working together, they forge an effective web of organizations that provide individual and community services to migrant workers and lobby for migrant workers' causes.

Given the dynamic development of civil society organizations supporting migrant workers, why the need for a trade union? The various types of

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<sup>5</sup> [www.kavlaoved.org.il](http://www.kavlaoved.org.il) (Workers' Hotline).

<sup>6</sup> [www.hotline.org.il](http://www.hotline.org.il)

<sup>7</sup> [www.phr.org.il](http://www.phr.org.il)

organizations discussed above include both Israeli-led organizations that provide services to migrants and grassroots organizations set up by migrant workers themselves to promote social and religious networking objectives. Thus, while migrant workers are active in their own internal social affairs, they are passive recipients – or mere clients – in the economic and political sphere. The democratic deficit that characterizes migration can thus only be fully remedied if political voice is given to the migrant workers themselves. This can be achieved by means of a trade union.

### *Trade unions: Opportunities and challenges*

Although it falls short of political membership (i.e. the right to vote and to be elected to political positions), membership of a trade union can serve as a unique path to what T.H. Marshall (1965) designated as “industrial citizenship.” Like political citizenship, industrial citizenship seeks to constitute a democratic process that voices the interests and needs of various constituencies. Like social citizenship, its focus is on the sphere of social and economic well-being. The process of industrial citizenship extends beyond a guarantee of employment standards, because “the people” are active members in the process, who take command and assume responsibility as the “sovereign.” At the same time, it is not a full-fledged, but a secondary form of citizenship, tailored to the status of working people (Mundlak, 2007c; Fudge, 2005; Crouch, 1998; Janoski, 1998). It is of particular significance to migrant workers, who suffer from a political and social deficit, and is the one arena in which they have some institutional leverage, and are not structurally disempowered.

There is no single definition of a trade union. Trade unions are deeply embedded in a country’s social, political and economic systems. In Israel, the term is not defined in legislation. Historically, the judiciary has identified a trade union as being an organization that is based on voluntary membership, is accountable to the workers/members, is devoid of the undue influence of others (such as employers or commercial entities), and whose function is to represent workers’ collective interests.<sup>8</sup> A trade union must therefore attempt to represent its membership by means of collective bargaining. While the union may also take action to promote change at the political level, e.g. through lobbying and litigation, and provide its members with individual representation and attractive consumer-oriented options, it cannot enjoy the legal privileges accorded to trade unions without attempting to engage in collective bargaining. These legal privileges include: the right of exclusive representation of workers in the bargaining unit; exemption of the negotiated agreement from antitrust regulation; the right to collect membership fees and agency fees from non-members who enjoy the benefits of the collective agreement; the right to negotiate working conditions and be consulted on other issues; and the right to strike (Mundlak, 2007b).

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<sup>8</sup> Supreme Court HCJ 7029/95, *General Histadrut v. the National Labour Court* (27 February 1997); Tel Aviv Labour Court 504/09 *Koach LaOvdim – the Davidson Institute* (23 February 2009).

A trade union provides representation for the collective interests of the workers it represents in the bargaining unit. Traditionally, core trade union activities include negotiations – over wages, working conditions, job security and job-related benefits such as pensions and insurance – with the employer or employers, depending on the bargaining unit and scope of the collective agreement. The bargaining unit changes from one country to the next, and in Israel it may include the entire workforce or workers in a particular industry, occupation or workplace. Workers who join the union as members are the *demos* of the trade union and influence, to varying degrees, its policy and strategies. Naturally, the greater the bargaining unit – i.e. a particular industry, or the State, as opposed to a single employer – the less direct input individual workers have, and the less power they can exert on their representative agent. This preliminary account seeks to identify, on the basis of the case study, the basic common features of all trade union activity. To that end, it is necessary to distinguish between a trade union and other civil society organizations. First, a trade union is member-based (Freeman, Hersch and Mishel, 2005). The workers are not just the clients but the power basis of the organization; this is the union’s “voice” function. Second, while a trade union can engage in the provision of communal services and individual services for its members, its *raison d’être* is to advance the interests of the workers as a group, culminating in a collective agreement that shapes the working conditions of all workers in the bargaining unit; this is the union’s “monopoly” function. Third, unions seek not merely to enforce existing rights or make life more comfortable within a given political and economic structure, but to contest the structure and question the distribution of wealth in the economy. In this, voice and monopoly merge. A union cannot assert only one facet of the voice/monopoly nexus; the two are interrelated, thus making trade unions different from other types of associations (Freeman and Medoff, 1984).

While civil society organizations such as workers’ rights centres and human rights NGOs do not give voice directly to migrant workers, but rather use their own voice to promote an agenda and priorities set by the workers, a trade union is the unique venue in which voice and monopoly come together.

## The unionization of migrant care workers in Israel: A case study

The case study in this section describes the drive by a new grassroots union, Koach LaOvdim, to organize migrant care workers in Israel. The organizing drive started in 2009 and is ongoing. The case study will be used to answer two questions: is trade unionism a feasible option for migrant care workers, and does a membership-based organization merging the functions of voice and monopoly have an advantage over other types of civil society organizations that support migrant care workers? We hypothesize that the answer to both questions is, clearly, yes. Migrant care workers come to Israel primarily in order to work. Their social rights, such as health care, housing and education are for the most part work-related, or derive from their status as workers. The dense

regulatory framework governing migration and employment determines their wages and opportunities. While many of the problems migrant care workers encounter are at an individual level, they cannot be fully remedied unless the political and economic systems in which they are embedded are addressed. Trade unions can help achieve solidarity over and above communal bonding, promote the interests of migrant workers as a group, and extend political agency in a context of democratic deficit. They can transform migrant care workers from guests of the host country, and clients of its “insider”-led organizations, into active instead of passive agents. At the same time, implementing trade unionism in the context of migrant care workers faces numerous challenges and barriers. Some are related to the complex regulatory framework governing guest workers, which can undermine the effective operation of a trade union, while others arise from the legal regulations governing care work, as well as the social and occupational nature of this work, particularly when performed by migrants.

The unionization of migrant care workers in Israel came about through the collaboration of individuals affiliated from two organizations: Tevel b'Tzedek (literal meaning: Earth in Justice) and the trade union Koach LaOvdim (literal meaning: Power to the Workers). Tevel b'Tzedek is an Israeli NGO that runs a volunteer programme for Israeli backpackers in various developing countries, including Nepal. Volunteers who join the programme – mostly Israelis in their early 20s who are travelling in south-east Asia after their mandatory army service – volunteer for several weeks or months in Nepalese communities.

The origin of the drive to organize migrant care workers can be traced back to the return from Nepal in 2009 of a group of Tevel b'Tzedek volunteers who decided to maintain their relationship with Nepal and its people by engaging with the Nepalese community in Israel (the largest Nepalese community in Israel consists of migrant care workers). With funding from their NGO, the volunteers initiated social and cultural activities for a group of Nepalese care workers in Israel. Through this initiative, the volunteers established close relations with a group of Nepalese women employed as care workers in Tel Aviv and, having learned about the workers' lives and problems, launched two courses of action: they collaborated with Mesila in offering them a leadership and empowerment programme, and organized a meeting with Koach LaOvdim to discuss setting up a trade union for migrant care workers. Koach LaOvdim differs from existing unions in that it is committed to a thoroughly democratic representation process. The decision to create the union for migrant care workers within Koach LaOvdim, and not within a larger, more established labour union like the Histadrut, stemmed from the volunteers' personal social network, political preferences and democratic vision. The migrant workers, who were familiar with the concept of trade unions from Nepal (Dahal, 2002), were in favour.

During the preliminary meetings, Tevel b'Tzedek volunteers discussed the goals of the planned union for migrant care workers with several Nepalese care workers, emphasizing the idea of solidarity and the need for collective action in order to achieve wide and far-reaching change in government

policy and working conditions. At that preliminary stage, the idea was to recruit as many migrant care workers as possible. The Israeli organizers envisioned thousands of workers joining the union, enabling it to greatly improve their working conditions – using classic trade union tools such as strikes – and hopefully to reach a collective agreement that would govern the care industry. For practical reasons, the organizing drive was split into two branches – Tel Aviv and Jerusalem – which later adopted different views and strategic approaches to the organizing drive and to the objectives pursued.

The Tel Aviv branch organizers, and about 30 Nepalese workers who attended the initial meeting, decided to hold a recruitment event in September 2009 in a public venue in central Tel Aviv popular with migrant workers. While the event was relatively successful, attracting approximately 350 workers, only 50 workers joined the new Koach LaOvdim Caregivers' Union, paying annual membership fees of 120 new sheqalim (NIS), equivalent to approximately €25.

Following the event, there were various attempts by the Tel Aviv branch to expand the scope of union membership and recruit workers from other migrant communities as well, especially Filipina workers, who are the biggest group of migrant care workers in Israel. The Filipino community in Israel is highly organized in community associations based on religious or regional affiliations; Koach LaOvdim organizers therefore approached the Federation of the Filipino Communities in Israel (FFCI), the umbrella organization for Filipino associations, but the federation was not interested in collaboration. As the months passed, the Tel Aviv branch failed to create leadership among the migrant care workers, leading to great reliance on the Israeli organizers, and was unable to significantly expand the Caregivers' Union membership base. The organizers were demoralized by the fact that, while they had expected to recruit huge numbers of workers to the union, they had only managed to recruit 70 members.

During the recruitment efforts, it became clear that the idea of belonging to a trade union was in itself not enough to attract migrant care workers, and that the union had to offer greater incentives to make the membership fees more palatable. Migrant care workers had very little time off and were reluctant to spend it on union activities; they had come to Israel in order to work and save, and had to be convinced that spending money on union membership fees would be to their benefit. Also, while perhaps dissatisfied with their working conditions, they viewed their time in Israel as a temporary experience and were reluctant to join a union that might threaten their job. Finally, to many workers it was not clear what the trade union could give them that their existing community or religious organization could not.

When Koach LaOvdim's attempts to recruit migrant care workers in Tel Aviv appeared to reach a dead end, the organizers decided to try two new strategies. First, represented by the established migrant workers' rights NGO "Workers' Hotline"; they lobbied for the Ministry of the Interior to change the administrative procedure for migrant workers wishing to visit their country of origin. Under the existing "inter-visa" procedure, migrant workers had to obtain

an intermediate visa to leave and re-enter the country, for which they needed their employer's permission. This meant that migrant workers were highly dependent on their employers' goodwill, and made it impossible for workers who were temporarily unemployed and waiting to find a new employer to fly home and then re-enter Israel. The lobbying was successful; permission for migrant workers to leave Israel to visit their country of origin can now be obtained from either their employer or from a private employment bureau.<sup>9</sup> This was presented to the workers as a union victory, which convinced more of them to join the new Caregivers' Union.

A second strategy pursued by the Tel Aviv branch organizers was the establishment of a new workers' rights centre to complement the existing workers' rights centre operated by Workers' Hotline. The new workers' rights centre was staffed by volunteer law students who were not members of Koach LaOvdim. The idea was that all workers who approached the centre would receive assistance, regardless of membership, but that during their consultations, they would be invited to join the Caregivers' Union.

Since it opened in the autumn of 2009, the new workers' rights centre has not led to a significant increase in the number of union members. The main problems have been the high turnover of volunteers, their lack of professional expertise, and the fact that Workers' Hotline was much better known. For example, if a case required a lawyer's assistance, the worker was referred to Workers' Hotline; it was therefore easier for workers to go straight to the NGO themselves. In 2011, after some debate about whether a workers' rights centre was an effective and appropriate method for union operation and recruitment, the workers' rights centre run by Koach LaOvdim closed.

The Jerusalem branch of the Caregivers' Union took a different approach. In August 2009, Tevel b'Tzedek volunteers and a group of Nepalese workers began holding discussion groups on working conditions and the option of unionization. The discussion groups led to the creation of a small and dedicated group of migrant care workers from Nepal, Sri Lanka, India, and a few Filipina workers, who became committed to the trade union.

Following a recruitment event based on the Tel Aviv branch model, which was similarly disappointing in terms of member recruitment, the Tevel b'Tzedek volunteers – who had now become the organizers of the Jerusalem branch of the Caregivers' Union – decided that the focus should not be on massive recruitment, but on building a community, encouraging self-leadership, and regularizing decision-making institutions. The idea was to ensure that the migrant care workers themselves would set the union agenda and take control of the union, making it possible for the Koach LaOvdim organizers to step back.

The organizers began their community-building efforts by offering a union leadership course for migrant care workers, during which the workers discussed and learned about organizing skills, workers' rights and first aid, and

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<sup>9</sup> Ministry of the Interior, procedure 5.4.005, "Issuing an Intermediate visa to migrant workers that are legally in Israel and petition to go abroad and return to Israel" (4 August 2010).

heard lectures from activists from Workers' Hotline and Physicians for Human Rights. Classes were held once a week for two months. Of the 30 workers who began the course in March 2010, only ten graduated. Since the course had not fulfilled its main goal of creating a strong leadership base, the organizers were unsure how to proceed; as a result, union activity decreased. The leadership course graduates pushed for the union to provide individual assistance to workers, in the same way as a workers' rights centre. However, the model of individual assistance that had been pursued in Tel Aviv was rejected by the Jerusalem organizers, who believed that a union should provide a different, more collective framework. This decision caused some tension between the workers and the organizers, and the future of the Jerusalem branch seemed unclear. After a period of uncertainty, the Jerusalem branch was revitalized, but keeping the leadership group active and holding regular meetings proved to be a challenge. Even the seemingly simple task of arranging the time and date of meetings was not always possible; workers would sometimes "disappear" for various reasons – they might move to a new apartment, change their phone number, or leave for a family visit in their country of origin. Even when information did manage to reach members of the leadership group, they were often unable to commit to meetings in advance: care workers' free time is limited to begin with, and contingent on their employers' schedules and needs. Compounding these logistical constraints, the group could not reach agreement on which goals to pursue, or the strategies for attaining them.

One of the ideas the organizers brought to the leadership group was to attempt collective negotiations with one care agency, which was affiliated with a private employment bureau. By now it had become clear that a collective agreement covering all in-home care work was an overly ambitious goal, since the organizational effort required for industry-level bargaining exceeded the union's capabilities. By contrast, a collective agreement with a single employer seemed possible, though even this strategy was risky, given the contradictory rulings of the Labour Court on the issue of whether a care worker's employer was the care agency or the care receiver. To achieve representation with a specific care agency, the union had to locate an agency with a single office located in Jerusalem, find out how many workers it employed, and convince at least a third of them to join the union;<sup>10</sup> the union could then be certified as the exclusive representative agent, and would hold a legal right to demand collective bargaining, as well as strike.<sup>11</sup>

Some doubts about taking collective action were voiced by the care workers themselves. Some were concerned that bargaining with a care agency and, and even more so, going on strike might lead them to act against the interests of their direct employers – the care receivers. In addition, the union organizers

<sup>10</sup> According to the Israeli Collective Agreements Law (1957) sections 2–4, for a trade union to gain the exclusive right of representation of workers in a single workplace it needs to show that one-third of the workers in the bargaining unit are members of the union.

<sup>11</sup> Section 33(h)(1) of the Collective Agreements Law (1957); National Labour Court 64/09 *Koach LaOvdim – The Jerusalem Cinematheque* (2 July 2009).

discovered that recruiting workers for the objective of collective bargaining was technically difficult, since they were unable to find out who the agency's employees were, or how to locate and recruit them. Such mundane barriers eventually put a stop to the effort to pursue "traditional" union activity.

In an attempt to offer value added to union members by providing services that differed from those offered by workers' rights centres but still addressed individual members' problems at work, Koach LaOvdim introduced a mediation and conflict resolution course. Drawing on previous attempts by Workers' Hotline to foster mediation between employers and care workers, the union organizers set out to train care workers and their leaders to act as mediation facilitators who would assist workers in the mediation process. In the course, participants learned about workers' rights, and the theory and practice of mediation, and received tools for providing effective support and guidance to their peers. The first course was completed in 2011, with ten participants graduating. However, the attempt to encourage mediation, and involve mediation facilitators in the process, remained embryonic.

The bylaws of Koach LaOvdim require all workplaces organized by the union to have democratically elected representatives. The Caregivers' Union was no exception, and the Jerusalem branch organizers encouraged the care workers to hold elections in order to comply with the trade union's democratic ethos. The elections took place in late 2010. There were seven candidates, four women and three men, running for seven seats. This was the core group of activists who had taken part in the leadership course and the mediation programme. The organizers feared that the lack of real competition would reduce interest in the elections, but they were proved wrong. During the two days in which the elections took place, the candidates made great efforts to convince workers to come and vote. The result was a significant increase in union membership, from 80 to 132 workers. The seven candidates who ran for office were elected.

The union's elected leaders share a number of characteristics. Most are from a middle-class background, hold academic degrees, and were employed at the time in a live-out arrangement; others lived with employers who allowed them to carry out union activities. They have all been in Israel for several years, and their employment situation is flexible enough to allow them to dedicate time to the union.

After the elections, the elected representatives began to meet regularly. They drew up a "constitution" setting out the union's long- and short-term goals; participated in parliamentary meetings in which they voiced – for the first time – the interests of migrant care workers before the Israeli legislature; represented workers in conferences; participated in Koach LaOvdim's general assembly, meeting Israeli workers' representatives from other industries and workplaces; and took part in demonstrations against the restriction on market mobility that was introduced into law in 2011. The representatives also became an important community resource; other workers, who were union members, now turned to the representatives with individual problems, to which they found solutions. To formalize their future activities, the elected representatives

created three subcommittees, dealing with mediation and conflict resolution, workers' health, and lobbying for policy change, respectively.

The ultimate objective of the Jerusalem branch organizers was to take a step back and let the workers themselves take the lead, set the agenda, and establish authority. For example, one of the first goals set by the newly elected representatives was to lobby to extend the duration of employment visas in Israel. Currently a care worker's employment visa is granted for a five-year period. One of the main reasons workers want to extend the visa duration is to enable them to save and remit, after covering the high recruitment fees they pay in the country of origin in order to come to Israel. Many of the Israeli organizers were not in favour of extending the visa duration, because all it meant was that the arbitrary cut-off point for terminating the visa would merely be postponed, and even higher recruitment fees charged, as had been the case when the visa duration had been extended before. After much discussion, the elected representatives opted to set the extension of the visa duration as one of the union's primary long- and short-term goals. This required the Israeli organizers to take a step back and acknowledge that giving workers a voice could result in the union developing in directions the organizers had not envisioned and did not necessarily aspire to.

After a peak of activity following the elections – including the care workers' involvement in protesting against the 2011 amendment to the Entry into Israel Law, which restricted workers' mobility – the care worker union's activity subsided again. The passage of the amendment they had fought against discouraged the workers. Furthermore, some of the elected representatives became unavailable for union activities because their employment situation had changed or they had to return to their country of origin when their visa expired. These changes significantly weakened the core leadership. Furthermore, the Israeli organizers' situations also changed, with some of them graduating from university or moving to other projects. The Jerusalem branch is still active, but is looking for a way forward: it is seeking to both rebuild the core group of migrant workers and recruit new, committed Israeli organizers. Owing to the difficulty of pursuing a collective agreement, the Israeli organizers are now contemplating two alternative options: pursue change through negotiation with the Government over the working conditions of migrant care workers, or join a class action suit initiated by a group of elderly care receivers against the share kept by care agencies of the benefits allocated under the National Insurance Institute's long-term care programme. The branch is also trying to reinvigorate its community activity and outreach.

## The potential role of trade unions, and lessons learned from the case study

At the outset we posed two questions. First, is trade unionism a feasible option for migrant care workers? Second, does a membership-based organization that combines the aspects of voice and monopoly have an advantage over other

kinds of civil society organizations serving the interests of migrant care workers? The case study describing the organizing drive by Koach LaOvdim can be used to provide some answers to these questions. Some are based on the specific aspects of the migrant care workers' union, and some on more general observations drawn from the case study.

One of the important specific aspects is that the organizing drive was a grassroots movement, although the "grassroots" in question were those of the Israeli organizers, not the migrant care workers themselves. What was striking in the interviews was the passion of the idealistic young activists turned organizers, motivated by both class consciousness and their experience as volunteers in Nepal. They identified with Koach LaOvdim's mission and currently, as students at prestigious Israeli universities, view themselves as part of the union. Koach LaOvdim is not a typical union, however. It is a new, relatively decentralized union that was established in 2007 as an alternative to traditional Israeli trade unions, which are perceived as large, bureaucratic, not sufficiently democratic, and lacking in their outreach to low-wage workers. Nor is the organizing drive itself typical, in terms of its connection with the workers, the large number of organizers involved, and the fact that the mission and strategies of the migrant care workers' union were not those of the typical employer-employees collective bargaining method. The organizing drive is therefore inspiring, on account of the youth and motivation involved, but is hardly characteristic of trade unionism worldwide.

The specific characteristics of the migrant care workers' union give rise to certain problems. The newly established union is still in its infancy and has not yet mastered the full gamut of practices that prevail in the Israeli industrial relations system. The fact that it has not yet entered the sphere of State- and industry-wide bargaining, and does not exert significant influence on political agents, may be both a source of strength and a limitation. We began the study of the organizing drive at a rather early stage, in which it is difficult to expect or assess "hard" outcomes. While the organizing drive's attempt to break new ground, experiment with different strategies (as demonstrated by the distinct paths taken by the two active branches), and take time to nurture the active leadership of the migrant care workers themselves is part of its appeal, it is also no doubt a source of difficulty. One of the challenges involved is to secure the ongoing support and commitment of the care workers and the Israeli organizers. The role of the Tevel b'Tzedek alumni, and the personal relationships they have forged with the care workers, are crucial and will remain so in the coming years, until the care workers' union matures and regularizes its institutions and activities.

There are a number of more general observations that can be drawn from the case study. There is a good reason why large, mature trade unions did not promote the organization of migrant care workers to begin with: the intense effort involved makes it an unattractive project for large unions, which seek the best allocation of resources in terms of cost/benefit. In addition, the position of migrant care workers in the Israeli economy means that a relatively radical

outlook is required on the part of the trade union. The presence, wages, immigration constraints and instrumental position of migrant care workers in Israeli society serve the interests of the State, the Ministries of Finance and Welfare, the middle-class families who rely on their work, and other employers who rely on a flexible Israeli workforce made possible by the presence of care workers at home (Mundlak, 2012; Mundlak and Shamir, 2011; Shamir, 2010). The price to be paid for advocating for migrant care workers is therefore higher than the mere cost of the organizing drive, which is already high. Any attempt to improve the lot of these workers is perceived as being at the expense of groups of Israeli society “insiders,” and may therefore carry a high political price tag.

The problems of the organizing drive described in the case study reflect the findings of similar organization drives; indeed, at a certain level of abstraction the problems reported seem to transcend national variances (Boris and Klein, 2006; Delp and Quan, 2002; Schwenken, 2003; Smith, 2000). What the organizers envisioned in the initial stages was a typical trade union. Low membership costs and the promise of delivering collective action were expected to attract many workers who encounter day-to-day problems associated with their work. Pooling together their little power as individuals would give them leverage to improve their lot; the idea was that, drawing on the power of the threat to strike and the legal right to collective bargaining, they would be able to negotiate better working conditions and politically influence the system with regard to a number of important issues, including visas, health care and statutory regulations concerning their work arrangements. The organizers had a vision of migrant care workers as an international and diverse group, pulling together in solidarity, calling for change and striking against their employers. When it came to transforming that vision into practical strategies, however, numerous barriers arose. The barriers fell broadly into two categories: those arising from the occupation and alienage of migrant care workers, and those arising from legal and industrial factors. We will now consider these barriers, and how they call for a rethinking of the traditional role of trade unions when it comes to organizing migrant care workers.

### *Barriers arising from the occupation and alienage of migrant care workers*

There are several barriers arising from the occupation and alienage of migrant care workers, which start at the most mundane level. First, in-home care workers are largely isolated from their peers (Delp and Quan, 2002). Gathering workers together for the purposes of recruitment, as is done in an industrial plant for example, is a challenge in itself, but is considerably more difficult in the case of dispersed workers. The status of alienage also has an effect on workers' cost-benefit calculations; the problem is not necessarily rooted in membership dues, but in fear of reprisal and the implications of being identified as a “troublemaker” by their direct employer (the care receiver and his or her family), care agencies or the immigration police, especially considering

the financial risk many of the workers have undertaken in order to have the opportunity to work in Israel.

Migrant care workers have more to lose than other workers attempting to unionize. Many of them view their presence in Israel as temporary, even if this temporary situation may end up lasting for many years, and their primary interest is to maximize their income and avoid the worst-case scenario of deportation. Their aversion to risk is so strong that they will settle for what they have rather than dare to bring about change, the results of which are unknown. It is therefore not surprising that the care worker leaders were relative veterans in Israel, some of whom intended to return home in the near future, with others having managed to obtain a lucrative position with more flexible and secure working conditions and schedules.

Moreover, some migrant care workers perceive their stay in Israel as being based on a quasi-contractual arrangement, in which they get what they signed up for. When they consider the advantages and disadvantages of working in Israel in comparison to the alternatives offered in other countries, such as the Gulf States, or to their options in their countries of origin, they may conclude that their situation in Israel, while far from perfect, is better than the alternatives. Consequently, they have difficulty in “naming” the problems they encounter; in “blaming”; since they perceive the institutional arrangements as a given, and do not necessarily hold their direct employers responsible; and in “claiming”; since they see themselves as aliens who must find their way through the intricate labyrinth of the administrative and legal systems (Felstiner, Abel and Sarat, 1980). The barriers to “naming, blaming and claiming” are particularly difficult in regard to the care workers’ immediate employers – the care receivers – because care workers’ work ethics and commitment undermine their perception of wrongdoing by others and their willingness to blame and claim (Hale, Barrett and Gauld, 2010, pp. 93–108).

A final barrier relates to the community structure of migrant workers generally, and care workers in particular. The strong communities and networks that migrant workers develop are often based on their country of origin (Parréñas, 2001). Communities and individuals tend to compete with one another for work opportunities, and in related areas of scarcity such as housing. There is a tension between the call for solidarity and the boundaries of competition and exclusion that govern the communities. In our case study, Koach LaOvdim’s membership base was mostly comprised of “minority” groups within the migrant worker community in Israel, from Nepal, Sri Lanka, and India. Recruiting Filipina workers, who make up the large majority of care workers in Israel, was only partially successful. We surmise that this is because the Filipino community is better organized, with a variety of strong and active community- and church-based organizations, as well as strong ties to their embassy in Israel. Furthermore, in Israel’s ethnically segmented care work market, the Filipina workers are the group of workers most in demand. Relying on their own community resources and somewhat greater market power, the Filipino workers in Israel did not want to join a “minorities” union. The fact that the

organizing drive succeeded in bringing together workers from India, Sri Lanka, Nepal and the Philippines can only be attributed to the extraordinary efforts of the organizers (Israelis and care workers alike).

### *Barriers arising from legal and industrial factors*

Beyond the problems associated with care work itself, and the characteristics of the care worker community, the case study also illustrates a host of legal and industrial factors that inhibit the realization of the trade union vision. There are three possible levels of unionization, each of which raises different problems. The first, immediate level of unionization is that of the household, i.e. the care receivers, whom case law generally considers to be the primary employer. However, as long as the household “workplace” has only one worker, there is no real possibility of engaging in collective action. This problem has haunted the organization of in-home care workers – whether under a guest workers immigration regime or not – wherever it has been attempted (Boris and Klein, 2006). Comparative studies suggest that where unionization has succeeded, it has required creativity and innovation, political pressure, and broad coalitions between care receivers and care providers, and ultimately legal and institutional change as well (ibid.; Delp and Quan, 2002; Rhee and Zabin, 2009).

A second, intermediate level of unionization is that of the agency, i.e. the care agencies or private employment bureaux, which employ large numbers of workers and can therefore potentially serve as the site for collective action. The problem at this level, however, is the more general problem of enterprise bargaining. Agencies operate in a competitive environment; targeting one establishment instead of engaging in industry-wide collective action could therefore significantly degrade that establishment’s competitiveness. Such organizing attempts in other sectors of the Israeli labour market have encountered strong anti-union animosity, giving rise to union-busting strategies (Mundlak et al., 2013). If such strategies are readily used in large industrial and service corporations that employ Israelis, how much more forcefully are they likely to be deployed against the organization of migrant care workers? At the same time, the logistics of such attempts are even more complicated than for regular attempts at enterprise bargaining; it is difficult to even identify migrant workers, since they do not work on the agency’s premises. Gathering workers together to discuss the possibility of setting up a union, and to forge a sense of solidarity, is problematic for the reasons outlined above, and it is more difficult to address the workers’ sense of insecurity and fear of acts of vengeance.

A third, more ambitious level of unionization is that of the relevant industry. Collective bargaining is for the most part effective when it encompasses an entire industry rather than just small segments of it. The advantages of industry-wide bargaining are that it depersonalizes collective action, and reduces both the risk of an individual employer having to shut down and that of retaliation against individual employees. This strategy runs into two problems. First, it detaches collective bargaining from the political agency

of each worker, contrary to the grassroots ethos of organizing migrant care workers and granting them a political voice. Second, industry-wide bargaining requires a large union, with the political clout to forge economic and political compromises. Large unions, however, have strong incentives to avoid such bargaining. Evidence from other countries suggests that one way to overcome these problems is to build an alliance between the grassroots organizers and an established trade union, thus exploiting the comparative advantages of both (ILO, 2010, pp. 79 and 84). Not all veteran unions are alike; some have succeeded in devising innovative methods of integrating grassroots organizing within their activities, while others are more resistant to change. Two promising examples of large trade unions that have invested in organizing migrant care workers, despite the immediate costs, are Unison in the United Kingdom, which is advocating for the active participation of migrant workers in the union,<sup>12</sup> and the organizing drive by the Service Employees International Union (SEIU) in California. The latter's strategy was based on broad coalitions with associations of the elderly and persons with disabilities, thus ensuring that it would not be perceived as going against the interests of these groups (Boris and Klein, 2006).

This is not the place to explicate the many technicalities of Israeli labour law, but the rules on bargaining units and exclusive representation mirror the abovementioned problems. Consequently, promoting collective action raises many difficult legal questions, such as who the employer is or what the relevant bargaining unit is. Such questions must be resolved in the courtroom, on the basis of intensive legal intervention. Such litigation is costly and carries the risk of deflecting the organizational energy away from its political grassroots into the sphere of technical and professional legalistic considerations.

There is little leeway for negotiation at all three bargaining levels – household, agency and industry. Trade unions operate against the backdrop of a market economy and seek to change the allocation of power and resources in the marketplace. The employment of migrant workers is heavily constrained by a dense, polycentric regulatory system that leaves very little room for manoeuvre. For example, wages are determined by the National Insurance Institute provisions on care hours; overtime (or lack thereof) is determined by statutes and case law; the duration of employment contracts is influenced by migration law; and even the number of agencies, the number of workers they are allowed to register, and the number of care receivers they cater for are all prescribed by various administrative regulations. Consequently, the main addressee of the trade union's claims is the State. A possible alternative to identifying a market employer is to pressure the State into taking responsibility as the "employer" for the purpose of union bargaining, as has been done elsewhere (Boris and Klein, 2006; Rhee and Zabin, 2009). However, in Israel, the State has crafted the complex regulatory structure precisely in order to avoid such responsibility, both distancing itself from the employment of care work-

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<sup>12</sup> See: <http://www.unison.org.uk/acrobat/B4847.pdf> [accessed 15 December 2013].

ers and diversifying the actors involved so that no particular signatory can be assigned sole responsibility. The union's greatest strength, which is its ability to intervene in market-based negotiations, is thereby diluted.

### *Rethinking the role of the trade union*

Given the above set of constraints, it is necessary to reconsider the traditional view of the role of trade unions – i.e. their power to strike and engage in collective bargaining – when it comes to organizing migrant care workers. Let us return to the question that was posed earlier: given the constraints, what can a trade union provide, in its attempt to integrate voice and monopoly, that the web of separate voice- and monopoly-based organizations, interacting and working together, cannot? Despite the many challenges that the unionization of migrant care workers may face, our view is that the case study illustrates the unique importance of unionization as a method of giving migrant care workers voice in a political context. Admittedly, there are other organizations in which workers have an active voice, but these focus on intercommunity activities. For organizations such as workers' rights centres, migrant care workers are first and foremost clients. Admittedly, there are other options for giving migrant care workers voice in political contexts where the workers themselves set the agenda and take the lead. One example is the British case of collaboration between the self-help group Waling-Waling, in which migrant domestic workers are active, and the campaigning organization Kalayaan, in which advocacy organizations and academics limit their role to that of counseling (Schwenken, 2005). Yet such institutional arrangements are still rare in most workers' rights centres. Moreover, the power of migrant workers in non-union settings is curtailed for two cumulative reasons. First, while NGOs sometimes give workers voice in the political sphere, their institutionalized power is usually weaker and more limited in comparison to the coercive power, rights and privileges granted to labour unions by labour law (Rivchin, 2004; Smith, 2000). Second, while NGOs are often attentive to the needs of workers, a trade union – in its capacity as a membership-based association – forces organizers to relinquish their control over the agenda and let the workers decide.

### **Conclusion**

Given that the Caregivers' Union is in its infancy, it is impossible to predict whether it will be able to overcome the obstacles encountered. The establishment of Koach LaOvdim as a grassroots democratic union has transformed Israeli industrial relations in the short time since it was founded in 2008. Even if traditional trade union activities such as collective bargaining and strikes have failed to materialize, the mere concept of a trade union – membership-based, granting both voice and monopoly – has not been rendered redundant by existing civil society organizations, nor is it likely to be others to come. A trade union, even if only partially effective under the current circumstances, makes sense as part of the web of organizations in that it gives workers a unique voice.

Interacting with other organizations, trade unions can also contribute to assembling a package of benefits that makes membership attractive despite the cost. Through organizing drives such as the one described in the case study, a trade union can – under the auspices of labour law and freedom of association – provide a singular venue for democratically asserting the voice of migrant care workers. Given that full participation for migrant workers – in the form of the right to vote, be elected, and join a political party, at either the State or municipal level – seems politically impossible in Israel today, centering political voice in a trade union is of particular political importance.

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## Women, gender and work

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## Can more inclusive wage-setting institutions improve low-wage work? Pay trends in the United Kingdom's public-sector hospitals

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**Abstract.** *International research findings highlight the important role of institutions in shaping the wage structure of an economy. Evidence from a sample of seven public hospitals in the United Kingdom confirms those findings, suggesting that a more coordinated and centralized system of wage setting (including extension of public-sector conditions to outsourced workers) improves pay for low-wage cleaners and assistant nurses. Renewal of wage-setting institutions provides a necessary but insufficient foundation for the elimination of low-wage work. Employee investment in skill development, career advancement and skill-based pay require management's commitment to the design of new, higher-skilled jobs and the strengthening of internal labour markets.*

A considerable body of international research evidence points to the important role of institutions, especially those concerned with industrial relations and wage determination, in shaping the wage structure of an economy. Rowthorn's (1992) early analysis, along with other studies (Bazen and Benhouyan, 1992; Rubery and Fagan, 1994), has shown that a country's level of wage inequality is normally higher when collective bargaining is decentralized. Similar results were presented in the 1997 *OECD Employment Outlook*, whose data for the 1980–94 period suggested a larger increase in wage inequality in countries where the degree of coordination and centralization of collective bargaining had diminished (OECD, 1997). More recent comparative research has focused on the specific issue of low pay and has applied similar reasoning. The new research findings – including those of the Russell Sage Foundation's comparative study on the quality of low-wage employment in the United States and Europe – confirm the general claim that institutions

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play an important role in shaping the wage structure, and help understand the specific mechanisms constraining low-wage work (Appelbaum, Bernhardt and Murnane, 2003; Bosch, 2009; Gautié and Schmitt, 2010; Gregory, Salverda and Bazen, 2000; Robson et al., 1999).<sup>1</sup>

In light of this cross-national comparative evidence, it can be argued that the relatively high levels of wage inequality and incidence of low pay in the United Kingdom partly reflect the country's particular constellation of labour market institutions. Indeed, the weakening of trade unions since the early 1980s, together with the declining proportion of workers covered by collective bargaining, have contributed to increasing wage inequality (Gosling and Machin, 1995; Leslie and Pu, 1996). Despite a levelling-off of the downward trend in unionization and coverage since 2001, by 2006 the United Kingdom's pattern of industrial relations was undeniably that of an "exclusive" system, with a trade union density of just 28 per cent and collective bargaining coverage of 34 per cent (Grainger and Crowther, 2007). Where collective bargaining prevails in the United Kingdom, it is mostly decentralized. In the absence of either statutory extension mechanisms or customary norms encouraging employers to adopt negotiated rates, only well-unionized establishments tend to apply the agreements.

The United Kingdom's minimum wage system has also been shown to contribute to the shaping of the wage structure. Research in the 1990s showed that government policies aiming to weaken and eventually abolish wages councils had an adverse impact on wage inequality (Machin and Manning, 1994). But the institutional picture changed in 1999 with the introduction of a statutory national minimum wage. Although initially pitched at a relatively low level, a steady increase in its relative value since 2001 has accompanied a slight decline in the incidence of low-wage work (Grimshaw, 2008).

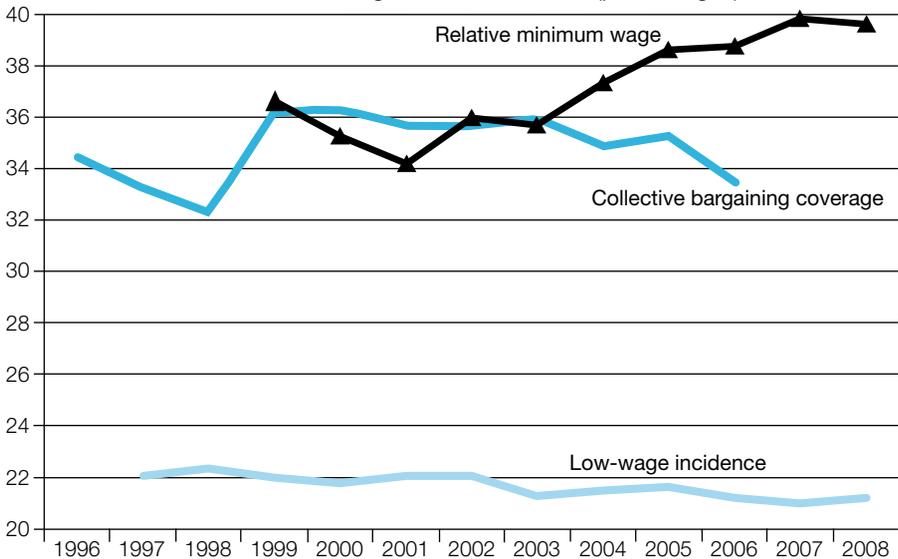
Figure 1 plots two wage-setting institutions – collective bargaining coverage and the relative minimum wage – alongside the incidence of low-wage work. From 2001, the former had opposing effects on the latter: the decline in the share of employees whose pay was covered by collective bargaining (from 36 per cent in 2001 to 34 per cent in 2006) is likely to have increased the incidence of low-wage work, whereas the rising level of the minimum wage relative to average hourly pay (from 34 per cent in 2001 to 40 per cent in 2008) may have reduced it. The net effect has been a small reduction in the overall share of employees in low-wage work, from 22.1 per cent in 2001 to 21.2 per cent in 2008.

Nevertheless, with more than one in five employees in low-wage work – a level far higher than in other countries with similar GDP per capita – further research is needed to throw light on institutional effects in the United Kingdom. These are likely to vary by industry, reflecting inter-industry differ-

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<sup>1</sup> Despite our interest in the role of institutions, the bulk of research on wage inequality in the past couple of decades has focused on traditional supply–demand explanations. These largely concern trade effects and, more importantly, skill-biased technical change (for reviews, see Katz and Murphy, 1992; Autor, Katz and Kearney, 2008).

Figure 1. Trends in collective bargaining coverage, the relative minimum wage and incidence of low-wage work, 1996–2008 (percentages)



Notes: The relative minimum wage refers to the national minimum wage relative to average hourly earnings (excluding overtime) for all employees. Collective bargaining coverage refers to the share of all workers whose pay is covered by a collective bargaining agreement. Low-wage incidence is estimated as the share of all employees (full-time and part-time) who earn less than two-thirds of gross median hourly pay.

Sources: For pay data: Office for National Statistics: *Annual Survey of Hours and Earnings (ASHE)*, available at: <http://www.statistics.gov.uk/statBase/product.asp?vlnk=13101> [accessed 11 November 2009]; for collective bargaining coverage data: Grainger and Crowther (2007, table 28).

ences in unionization and collective bargaining. In 2006, for example, union density varied from 6 per cent in hotels and restaurants to 57 per cent in public administration and defence (Grainger and Crowther, 2007, table 11). And while only 20 per cent of private-sector employees' wages were negotiated by collective agreement, the figure was 69 per cent for public-sector employees (*ibid.*, table 28).

In addition to sectoral effects, account must also be taken of the role of employer strategy, or organizational effects, in investigating changing patterns of low pay. Research on the United States highlights the range of potential strategies available to firms competing in the same industry and facing similar economic and labour market pressures (Appelbaum, Bernhardt and Murnane, 2003). These strategies include constructing internal labour markets that play an important role in shaping a worker's opportunities for skill development, career advancement and pay progression (Doeringer and Piore, 1971). Such strategies do not occur in a vacuum but interact with sectoral and institutional conditions (Jago and Deery, 2004).

This article explores institutional effects on low-paid employment in the United Kingdom's hospital industry. The seven hospitals of the case study are selected from the National Health Service (NHS), which provides most of

the health care in the industry. The study focuses on two groups of workers at relatively high risk of earning low wages: hospital cleaners and assistant nurses.<sup>2</sup> During 2005, when the fieldwork was conducted, approximately three in five hospital cleaners and one in five assistant nurses were earning low wages.

The hospital industry does not fit the stylized characterization of the United Kingdom's industrial relations system as "exclusive" since union density and collective bargaining coverage are high. Moreover, it has undergone considerable institutional reform in recent years – including a new harmonized and centralized pay agreement and a new governmental code (a type of extension mechanism) – requiring private subcontractors to pay workers wages equivalent to those set in the NHS collective agreement. The argument of the article is that these reforms have contributed to improving the wages of cleaners and assistant nurses. Moreover, the creation of new jobs has offered new opportunities for wage progression. However, the case-study data reveal problems, such as failure to ensure pay progression on the basis of acquired qualifications and underinvestment in the creation of higher-skilled positions. Such problems hamper career development as they discourage employees from investing in enhancing their skills.

At each of the seven hospitals studied (see Appendix table 1), interviews were carried out with managers from finance, human resources, nursing, domestic services and temporary work agencies (internal and/or external), as well as with two employees from each of the target occupations – assistant nurses and cleaners. In addition, all seven hospitals provided documentary evidence and workforce statistics.

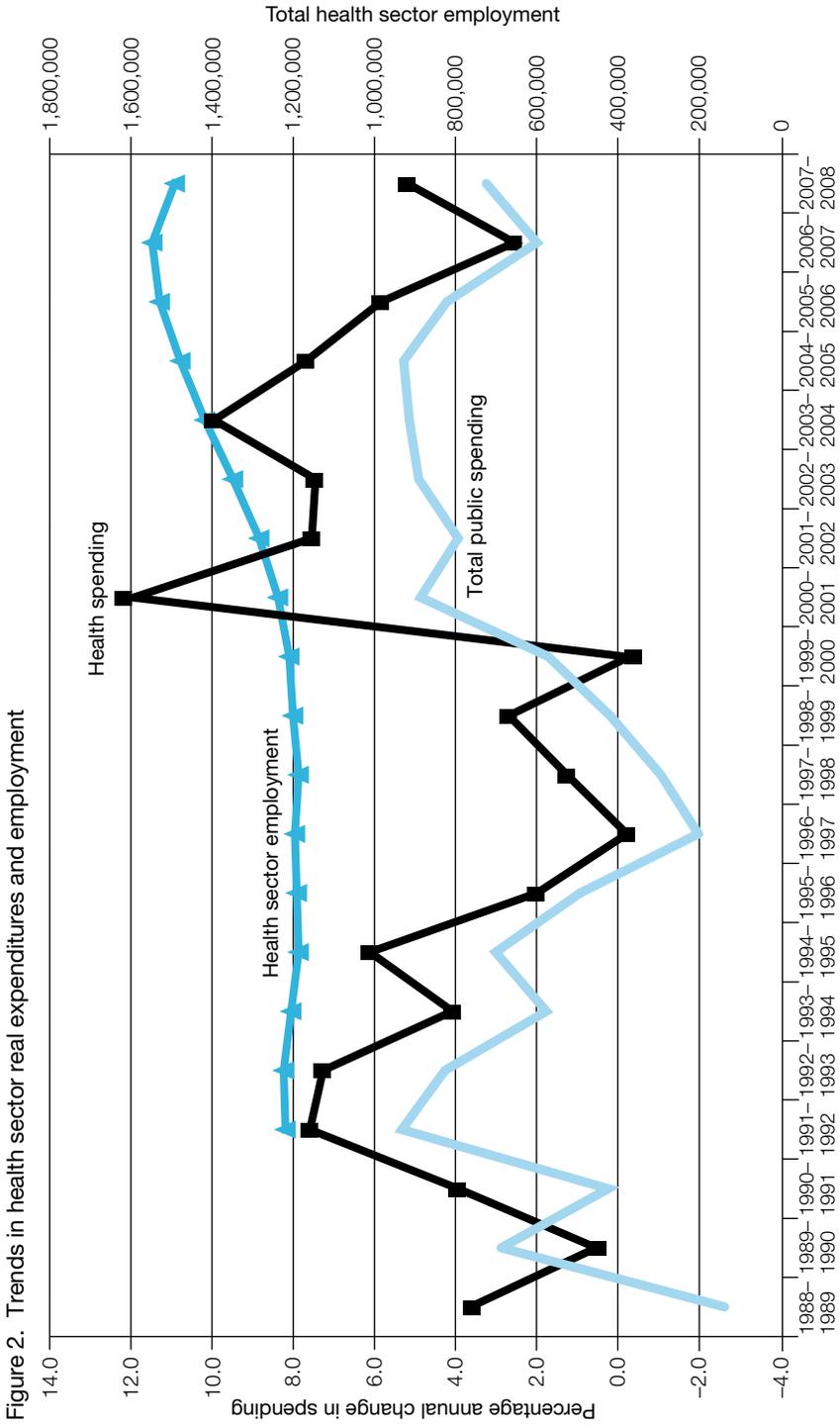
The article is divided into five parts. The first describes low-wage employment in the hospital industry in a comparative perspective. The second part details the new institutional reforms, and the third briefly assesses the key challenges – financial and labour-related – facing the seven hospitals considered. The fourth part analyses evidence of pay trends for assistant nurses and cleaners, focusing on low pay and qualification-based pay progression. The fifth part concludes with a summary of the main findings and suggestions for policy.

## Pay and employment in the public hospital industry

Prospects for pay and employment in the public hospital industry are strongly influenced by trends in public spending. Data for the past 20 years show considerable unevenness in year-on-year changes in real expenditures (figure 2). During the period 1989–99, annual changes in real health-industry spending followed the direction of changes in total public spending, yet benefited from higher annual increases. During this ten-year period, annual increases averaged 3.5 per cent. From 2000 to 2006, public-sector hospitals enjoyed a substantial boost in health-care expenditures, averaging 8.4 per cent year-on-year growth

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<sup>2</sup> For the purposes of this article, "low wages" are defined as wages below a threshold set at two-thirds of median hourly pay for all employees.



Sources: For public spending data: Her Majesty's Treasury (2008); for employment data: ONS (2006) up to 2006, and ONS (2009) for 2007.

in real terms (Her Majesty's Treasury, 2008). Since 2006, government health spending has grown more slowly.

As might be expected, employment increased significantly during the period of spending hikes. The number of those employed by the NHS rose from 1.21 million in 1999 to a peak of 1.55 million in 2006, although it dropped marginally (by 4 per cent) in the subsequent year, following the slowdown in spending growth (figure 2). The number of doctors and qualified nurses increased during the period 1999–2007 – by 35 per cent (to 128,000) and 21 per cent (to 400,000), respectively. Since 2006, despite the slowdown in spending growth, the numbers of doctors and qualified nurses have not been greatly affected.

Workforce data for assistant nurses and hospital cleaners – the occupations examined in this article – are only collected at a sufficiently disaggregated level for the former. The data provided by the Department of Health suggest relatively modest employment growth, by 6.3 per cent, over the period 1999–2007, compared to an average of 21 per cent for the total NHS workforce. The number of assistant nurse jobs rose steadily until 2005, from 139,000 to 168,000, but then dropped to 148,000 in 2007. Thus, unlike jobs for qualified nurses and doctors, jobs for assistant nurses have been shed under the tougher financial conditions that prevailed from 2005. Data for hospital cleaners are more difficult to obtain due to the fragmentation of their employment arrangements, as many cleaners work for private companies providing outsourced ancillary services.

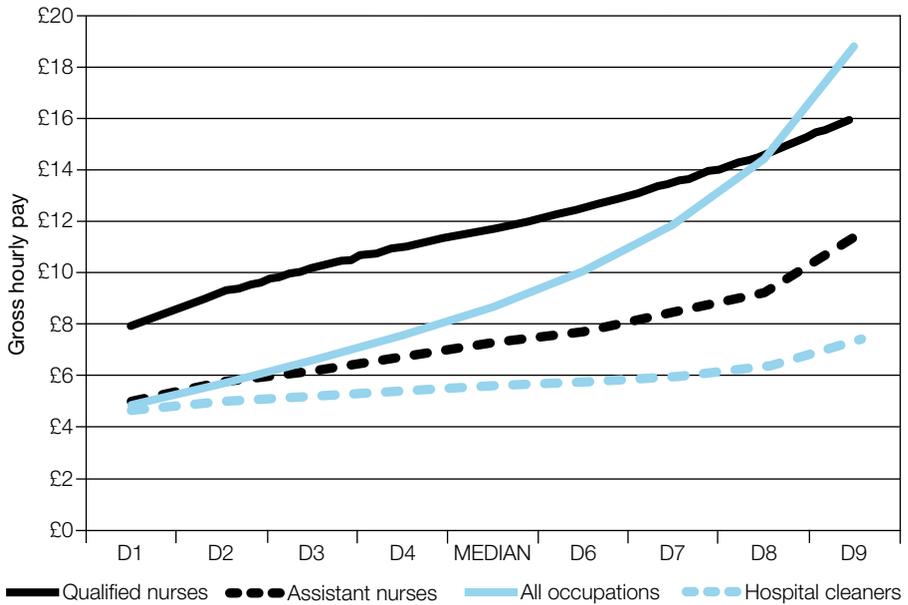
At the time of fieldwork, the earnings of both assistant nurses and hospital cleaners were relatively low. According to the 2005 Labour Force Survey, their median gross hourly wages were £7.28 and £5.60, respectively, while the national minimum hourly wage was £4.85 and median hourly pay was £8.65 for all employees in the United Kingdom for most of that year. Figure 3 presents the earnings distribution for both occupational groups. Relative to the low-wage threshold of £5.77 (two-thirds of the median hourly pay of all employees), 21 per cent of assistant nurses and 60 per cent of hospital cleaners were low-paid in 2005. For assistant nurses, the proportion is similar to that of the total workforce, while the risk of low pay is far higher for hospital cleaners.

The work of an assistant nurse involves providing basic care to patients, recording and monitoring health indicators and possibly also undertaking certain nursing tasks such as venepuncture or electrocardiogram heart activity monitoring (ECGs). All types of assistant nurse work are under the supervision of a qualified nurse with an average qualified-to-assistant-nurse ratio of approximately two to one. Assistant nurses are not formally required to hold educational qualifications in order to work, but all NHS hospitals must offer them basic induction training on patient moving, handling and hygiene as well as training in the form of National Vocational Qualifications (NVQs), usually up to level 3.<sup>3</sup> Cleaners (or domestic assistants) clean and maintain patient

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<sup>3</sup> National Vocational Qualifications are work-related, competence-based qualifications in England, Wales and Northern Ireland that are obtained through assessment and training. NVQ level 3 is the highest level. For more detail, see the Qualifications and Curriculum Development Agency's web site at <http://www.qcda.gov.uk/13406.aspx> [accessed 11 November 2009].

Figure 3. Distribution of hourly pay for assistant nurses and hospital cleaners



Note: Sample sizes are 1,316 for qualified nurses, 517 for assistant nurses and 116 for hospital cleaners; decile pay figures for cleaners are therefore not reliable.

Source: Office for National Statistics: *Labour Force Survey 2005*, data compiled and provided by Matt Osborne and Geoff Mason from the National Institute for Economic Social Research.

wards, bathrooms and common dining areas, as well as corridors, operating theatres and other work areas. This job does not require any educational qualifications or training aside from basic induction.

Workers in these two jobs are predominantly female, with around half the assistant nurses and more than four in five cleaners working part time (estimated from data for all industries). Most are employed on permanent contracts. However, many assistant nurses work additional hours, either at the same hospital or a different one, for an internal “bank” or an external temporary work agency. During the 1990s and early 2000s, the number of assistant nurses hired through temporary work agencies increased.

## Reforming the wage-setting institutions – Towards a more inclusive industrial relations model

Industrial relations in public-sector hospitals have traditionally been more inclusive than they have been for the United Kingdom’s workforce as a whole, and recent institutional reforms have further strengthened their inclusiveness. Two reforms are considered here: first, the negotiation of a new sector-wide harmonized pay agreement that replaced a more fragmented arrangement; and second, the implementation of a new government code, extending the terms

and conditions of the new agreement to all workers employed by subcontractor companies.

Union density data attest to the relatively inclusive industrial relations system in public-sector hospitals. While disaggregated data are unavailable for the NHS, data for the wider industry of health and social care suggest a union density of 43 per cent in 2006, compared to the all-employee average of 28 per cent. Cleaners and assistant nurses can choose between several representative bodies to defend their interests at work, including Unison, the United Kingdom's largest public-sector trade union, Amicus, the GMB, USDAW and the TGWU.<sup>4</sup> Also, assistant nurses with minimum qualification (or doing routine tasks assigned to them by qualified nurses) are able to join the Royal College of Nursing, the professional association for qualified nurses. The NHS' traditional wage-setting system is not decentralized as that of most other industries in the United Kingdom, and collective-bargaining coverage is accordingly high. Pay agreements are reached at the industry level for all NHS organizations, with only limited discretion for individual organizations to alter centrally negotiated pay rates. Until 2004, there were separate, centralized negotiations for around a dozen broad occupational groupings. These provided coordination of pay rates across organizations, but resulted in different pay settlements and different non-pay terms and conditions across occupational groups (such as holiday entitlement, working hours, etc.). Furthermore, while pay settlements for some workers, such as cleaners and porters, were negotiated through collective bargaining, for other workers, such as nurses and midwives, pay settlements have been agreed since 1982 by the Government following the recommendations of a Pay Review Body. Such differences were claimed to have generated a "two-tier" system of pay settlements in the NHS (Seifert, 1992), although the differential in pay increases narrowed considerably during the 1990s (Grimshaw, 1997, table 4.3). The 1990s also witnessed considerable efforts by the Government to institutionalize a more decentralized approach to wage setting, especially for the new group of assistant nurses (usually referred to as "health-care assistants") employed on local terms and conditions. But such efforts stalled in the late 1990s with a change of Government and were abandoned altogether with the signing of a new pay agreement in 2004.

The new pay agreement, known as "Agenda for Change", represents a significant institutional reform. With the agreement of trade unions and professional associations, it sought to simplify the raft of fragmented agreements, to realign the pay structure with the results of a new job evaluation framework (designed nationally and implemented locally) and to harmonize terms and conditions of employment. In its initial form it defined three new pay spines – one for doctors and dentists, one for nurses and other health professionals,

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<sup>4</sup> Amicus was the United Kingdom's second-largest trade union, and the largest private-sector union. In 2007, it merged with the Transport and General Workers' Union (TGWU) to form Unite, now the biggest trade union in the United Kingdom with almost 2 million members. The Union of Shop, Distributive and Allied Workers (USDAW) has 320,000 members. The GMB is a general trade union with 610,000 members, of whom 48 per cent are women.

and a third for other NHS staff; senior managers were excluded from coverage. Pay determination for the former two groups involved independent pay review bodies and, for the third group, collective bargaining in the form of a new pay negotiating council. Importantly, the review body for nurses was extended with the signing of the new agreement to include a range of new allied health-care professionals, as well as assistant nurses. Also, unlike the past model of fragmented pay settlements, "Agenda for Change" in its initial form provided a coordinated link between pay raises for workers on the second and third pay spines. In practice, this meant that cleaners, for example, benefited from the stronger bargaining power of NHS professional groups such as nurses. In 2006, for example, workers covered by the nursing pay review body and the pay negotiating council were awarded a 2.5 per cent wage increase as part of the pay settlement. The new pay agreement also harmonized terms and conditions of employment. Whereas before 2004, different occupational groups used to enjoy varying entitlements to annual leave, weekly working hours, sick pay, etc., the new agreement provided a single set of conditions for all NHS workers.

Since the time of fieldwork, institutional reforms have continued to strengthen inclusiveness. In July 2007, the remit of the pay review body for nurses and other health professionals was again extended, this time to include all other NHS staff (except doctors, dentists and very senior managers). In practice, this involved the merger of groups covered by the nurses' pay review body and those whose pay was formerly considered by the pay negotiating council. The new NHS Pay Review Body therefore encompasses both occupational groups on which this research focuses – cleaners and assistant nurses – along with the range of other administrative and professional occupations.

The second institutional reform of interest concerns the introduction of a new government code to improve terms-and-conditions protection for workers providing services to the NHS as employees of private subcontractor firms. During the 1990s, trade unions brought to public attention the adverse impact of outsourcing on the employment conditions of cleaners, porters and other ancillary workers in NHS hospitals. Unison published evidence of a two-tier workforce in subcontractor firms. This demonstrated that new recruits earned considerably lower rewards (pay and other benefits) than employees who had transferred from the NHS with protected terms and conditions in line with the Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE).<sup>5</sup> The Government agreed to act. In 2003, an initial version of "The Two Tier Code" was applied to local government outsourcing, and in March 2005 it was extended to other areas of the public sector, including the NHS (United Kingdom, 2005).

This is not a comprehensive remedy to the problem since it still excludes parts of the public sector, applies only to firms with transferred employees and

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<sup>5</sup> See the Department for Business Innovation and Skills at: [www.berr.gov.uk/whatwedo/employment/trade-union-rights/tupe/page16289.html](http://www.berr.gov.uk/whatwedo/employment/trade-union-rights/tupe/page16289.html) [accessed 4 October 2009] to download the regulations, which were revised in 2006.

lacks effective monitoring of workforce conditions (Unison, 2008) – but it certainly has improved matters. Now, all private firms with a contract to deliver services to an NHS organization must offer new recruits who work alongside staff transferred from the NHS “employment on fair and reasonable terms and conditions, which are, overall, no less favourable than those of transferred employees” (United Kingdom, 2005, p. 2). In effect, this extends the conditions agreed in the national pay agreement to private subcontractor firms.

At around the same time, compulsory outsourcing of ancillary staff as part of new building projects (under the terms of a “Private Finance Initiative” (PFI))<sup>6</sup> was halted and an alternative option made available to NHS organizations. This alternative “Retention of Employment” practice allows NHS employers to retain non-supervisory staff in cleaning, catering and portering, but still requires the outsourcing of supervisors in these areas as well as all estates and maintenance staff. The policy responded to union campaigns to protect workers’ relatively generous public-sector pensions, a condition of employment that falls outside the scope of TUPE legislation.

## Challenges facing hospitals

During the period when the fieldwork for this study was conducted, new institutional rules for wage setting were applied in a context of financial and labour-market challenges that shaped hospitals’ emerging job and wage structure. At the seven hospitals of the case study, financial pressure took high priority in managers’ accounts of the challenges they faced. As shown in table 1, four of the seven hospitals had deficits during the period of fieldwork – the highest deficits being those of Hospitals 2 and 3 with £6 million and £8 million, respectively. Given the rapid increase in public health-care spending (see above), such evidence of financial constraints appears somewhat paradoxical. The issue, however, was national, a deficit of £547 million having been recorded by the NHS in 2005–06 – about 1 per cent of total revenue (Mulholland, 2006; NAO, 2007).<sup>7</sup> Common problems at the case-study hospitals included the additional costs of implementing the new national pay agreement (including local agreement of a nationally designed job evaluation scheme), as well as the new contract for consultants. The lesson seems to be that changing institutional rules is costly. As the finance director at Hospital 3, running a large deficit, put it,

I get asked, ‘Well, the NHS has had millions, why are there still waiting lists?’ I constantly articulate the fact that we’ve spent quite a lot of it on making sure the staff are paid correctly so that we can get the staff and retain the staff in the future (Finance Director, Hospital 3).

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<sup>6</sup> The Private Finance Initiative (PFI) is a method of securing private funding for public institutions in return for part privatization, meaning that, aside from providing finance, the private company operates facilities and delivers services on behalf of the public sector.

<sup>7</sup> In fact the next year, 2006–07, saw the total deficit for the NHS turned around to a net surplus of £515 million (NAO, 2007).

## Pay trends in the United Kingdom's public-sector hospitals

**Table 1. Summary of key challenges facing case-study hospitals**

	Financial pressures	Labour market pressures			Use of agency temps	Management of cleaning services
		Local unemployment (%) <sup>*</sup>	Staff turnover (%)			
			Cleaners	Assistant nurses		
Hospital 1	Small deficit	4.6	10	5	In-house bank	Internal
Hospital 2	Large deficit	5.1	18	6	In-house bank	Mixed
Hospital 3	Large deficit	4.5	22	—	NHS agency	Mixed
Hospital 4	Balance	4.5	—	—	NHS agency	Outsourced
Hospital 5	Medium deficit	2.6	26	12	In-house bank	Internal
Hospital 6	Small surplus	4.5	—	—	NHS agency	Outsourced
Hospital 7	Balance	3.8	—	—	In-house bank + private-sector agency	Outsourced

\* The local unemployment rate is defined as the rate for the geographical area within reach of a local commute to work.

Source: Hospital financial balances in 2004–05 except for Hospital 2, for which 2005–06 data are used.

The financial difficulties had direct repercussions on human resource management practices. For example, at Hospital 2, each clinical division was instructed to identify 40 voluntary redundancies. And Hospital 4 had balanced its budget – from a £17 million deficit the previous year – by recruiting a new executive team with a clear remit for each director to cut costs. Examples of cost-cutting included reducing the ratio of qualified nurses to assistant nurses on wards, reducing expensive temporary work agency cover and reducing the total pay package of junior doctors.

After financial pressures, the second commonest challenge stemmed from the relatively tight labour market conditions in each of the seven localities. Reflecting national conditions at the time, local rates of unemployment were low, ranging from 2.6 per cent to 5.1 per cent. In general, such conditions generate upward pressures on the pay and benefits needed to meet recruitment and retention goals. In practice, the case-study data revealed few difficulties concerning assistant nurses – suggesting that either their pay was relatively good or they lacked alternative job offers – but major problems in the management of cleaners (table 1). For example, Hospital 3 had between 40 and 70 vacancies out of a total of 350 cleaner jobs; Hospital 5 offered a wide range of working-time shifts in an effort to suit individual requirements, but identified local competition with factory warehouses as difficult to beat (Facilities Director). Pay supplements were not used at any of the case-study hospitals, reflecting constraints imposed by the national pay agreement and the risk of upsetting internal pay differentials.

A third, related, challenge confronting hospital managers was how to manage temporary cover for absent staff or unfilled vacancies. Reflecting trends across the industry, all seven hospitals faced rising costs from the use of agency temps – especially for nursing, in both qualified and assistant posts.

But hospitals varied in the type of agency used (table 1). Three hospitals relied primarily on an in-house “bank,” which consisted of an internally managed list of staff available to work on an on-call basis. Some staff on the bank were employees wishing to increase their hours (and pay), while others only worked on a temporary basis, either out of choice or because of a lack of alternative employment.

Another three hospitals had a contract with the national not-for-profit agency, NHS Professionals Special Health Authority. This organization was set up in 2004 by the Government in direct response to escalating agency costs – estimated at £3 billion in 2002–03 – as well as reports of inconsistent pay practices, lack of common standards and inefficient management of internal banks (NHS Professionals Strategic Plan document).<sup>8</sup> The new national agency is tasked with reducing hospital spending on temporary staff and assisting hospitals with data collection on staff deployment and transfer of best practices on the management of staffing schedules. NHS Professionals’ agency fees are lower (7.5 per cent compared to an industry average of 15 per cent) and, more importantly, it provides staff with full pay and non-pay benefits (including pension contributions) as NHS employees.

What is therefore surprising compared to practices in other industries in the United Kingdom – or in the hospital industry in the United States (see Houseman, Kalleberg and Erickcek, 2003) – is the limited use of external, private-sector agencies. In our sample, only one hospital regularly used an external temporary work agency (Hospital 7) in conjunction with its in-house bank. Limited recourse to such staff largely reflected their inferior competence, in the hospitals’ experience, as the following quotes indicate:

Some of the quality of the people you get through agencies is very poor. And I don’t know what a lot of those agencies do in terms of their selection procedures, but I don’t think they’re at a level that we would like them to be (Deputy Chief Nurse, Hospital 3).

We only use agencies if we can’t recruit from NHSP because they’re expensive and also they’re much more unknown. And we know that quality of care reduces with agency staff (HR Director, Hospital 6).

A fourth challenge highlighted in the interviews concerned the effectiveness of cleaning services management. Five of the seven hospitals outsourced part or all cleaning services to a private firm (table 1). At three of them, outsourcing of all ancillary services was required under government policy as part of a larger commitment to a privately financed programme of new buildings. The other two hospitals had independently opted to outsource, although one (Hospital 6) was due to rely on its own cleaning staff soon after the fieldwork was completed. The challenge for managers was to establish a common approach to service delivery and people management with the private-sector firm – something made all the more pressing by reports and campaigns conducted by the media trade unions and opposition parties highlighting problems of

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<sup>8</sup> See NHS Professionals Special Health Authority documents at: [www.nhsprofessionals.nhs.uk/keydocuments](http://www.nhsprofessionals.nhs.uk/keydocuments) [accessed 9 November 2009].

nosocomial infection and low hygiene standards. Moreover, hospital hygiene standards were regularly monitored and performance scores published by the Department of Health.<sup>9</sup>

The limited case-study evidence does not enable a comparison between inhouse and outsourced cleaning services. However, it does suggest that hospital managers faced difficulties in managing their collaboration with private firms, reflecting differences in performance goals and approaches to people management (see also Marchington et al., 2009). The conflict in human resources management style appeared to be a significant obstacle to the delivery of quality services at two hospitals. The Human Resources Director at Hospital 4 claimed that the subcontractor's "ineffective personnel management" as well as its "questionable employment ethics" threatened the quality of the services it provided. Similarly, managers at Hospital 2 regarded the private firm's management capabilities as weak. By contrast, at the two hospitals with in-house cleaning, managers defended this system as the most effective means of minimizing risk while meeting high-quality standards.

Concerning the new policy reform to address the two-tier workforce (see above) by, in effect, extending the terms of the national wage agreement to subcontractor firms, all hospital managers welcomed the objective of improving rates of pay. The following quote from a hospital Human Resources Director is illustrative:

We would want our contracted-out staff to have the same terms and conditions as other staff because, in essence, we want them to be fully part of the team and for there to be a seamless join between our [contracted-out] domestic staff and [public-sector] staff (HR Director, Hospital 6).

Only in one case study, Hospital 2, had management agreed to outsourcing on the basis of the new "Retention of Employment" policy<sup>10</sup> involving three-way negotiation between the hospital, trade unions and the private firm. Around 800 workers engaged in "soft" ancillary services (cleaning, portering, catering, security and linen) were retained in-house, and 70–80 supervisory staff were transferred. In addition, the entire team of estates services – some 125 staff – were transferred to the private firm. Managing this dual process of transfer and retention was complicated. The hospital's team of Human Resources managers prepared documents explaining the process to staff, organized group meetings to answer questions and finally met one-to-one with all 800 staff to ask each person simultaneously to sign a document of resignation and accept a new employment contract with a clause providing for secondment to work with the private firm. In fact, the agreement on secondment to the private firm embraces many areas of people management that would

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<sup>9</sup> In 2004, the rating of hospitals' cleanliness – according to the results of the assessment of estates staff conducted by the National Patient Safety Agency's Patient Environment Action Team (PEAT) – was as follows: 10 per cent "excellent"; 39 per cent "good"; 49 per cent "acceptable"; 2 per cent "poor"; and 1 per cent (three hospitals) "unacceptable" (data for 2009 available at: [www.nrls.npsa.nhs.uk/patient-safety-data/peat/](http://www.nrls.npsa.nhs.uk/patient-safety-data/peat/), accessed 9 November 2009).

<sup>10</sup> See [www.unison.org.uk/acrobat/B935.pdf](http://www.unison.org.uk/acrobat/B935.pdf) [accessed 9 November 2009] for Unison's description of the Retention of Employment Model.

typically be expected to come under the responsibility of the hospital as employer. The clauses include: agreement to work “under the management and direction” of the private-sector firm; transfer of responsibility for disciplinary action (except dismissal) to the private firm; transfer to the private firm and resignation from the hospital as preconditions for promotion to supervisor; performance appraisals undertaken exclusively by the private firm; and any grievances to be raised with an employee of the private firm.

## Pay outcomes

This section presents the key empirical findings on pay among cleaners and assistant nurses at the seven case-study hospitals. The analysis focuses on two dimensions of pay – low pay and qualification-based pay progression.

### Low pay

Relative pay for cleaners and assistant nurses improved as a direct result of the newly agreed national pay agreement. Reduced fragmentation of pay settlements, along with harmonization of terms and conditions, both contributed to making the latter more generous. The key ingredient, however, was perhaps the explicit strategy of the main trade unions, especially Unison, to orient the agreement towards bolstering wages for the lowest-paid.

Table 2 sets out the trend in minimum rates of pay for cleaners and assistant nurses agreed between 1999 and 2008, with the transition in 2004–05 between the old Whitley Council pay agreements<sup>11</sup> and the new “Agenda for Change” agreement. A comparison of pay rates between the old and new pay agreements highlights the improvement for cleaners and assistant nurses. Between April 2004 and April 2005, the basic hourly, entry-level pay of a cleaner increased from £4.76 (Grade B on the old scale) to £5.89 (Band 1 on the new pay scale) – i.e. an increase of 23.7 per cent. For newly recruited assistant nurses, the wage increase was smaller, although, at 10.5 per cent, it was still significantly above past rate trends. The higher increases awarded to the lower-paid cleaners (and other ancillary services staff) reflect a successful concerted strategy by the trade unions (in particular by Unison) to improve the lowest rates of pay. Subsequent pay settlements have been low, reflecting the Government’s much tighter fiscal policy.

For cleaners recruited by private-sector firms providing outsourced services to hospitals, the increase in pay was even more substantial following the national agreement to abide by the new “Two-Tier Code”<sup>12</sup>. And the improve-

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<sup>11</sup> The Whitley system of wage setting involved more than a dozen different sets of terms and conditions for different occupations.

<sup>12</sup> “In March 2005, following a lengthy trade union campaign, the Government introduced a two-tier code to ensure that new recruits to subcontractor firms providing public services receive treatment comparable to conditions for staff transferred from the public sector. In the NHS, the Government set aside £75 million for implementing the new policy and encouraged hospitals to renegotiate contracts with private subcontracting firms to pay for improved employment conditions.” (Lloyd, Mason and Mayhew, 2008, p. 305).

## Pay trends in the United Kingdom's public-sector hospitals

**Table 2. Trends in the minimum basic pay rate\* for cleaners and assistant nurses**

	Cleaners' basic hourly pay (£)		Annual % increase	Assistant nurses' basic hourly pay (£)		Annual % increase
	Old pay scale	New pay scale		Old pay scale	New pay scale	
1999	3.86	—	—	n.a.	—	—
2000	4.01	—	3.9	4.78	—	—
2001	4.20	—	4.7	4.96	—	3.8
2002	4.47	—	6.4	5.17	—	4.2
2003	4.61	—	3.1	5.33	—	3.1
2004	4.76	(5.71)	3.3	5.51	(5.90)	3.4
2005	(4.92)	5.89	23.7	(5.69)	6.09	10.5
2006	—	6.04	2.5	—	6.24	2.5
2007**	—	6.25**	3.5	—	6.45	3.4
2008	—	6.42	2.7	—	6.63	2.8

\* Nominal pay reported. The old pay scale rate refers to the first pay point on Grade B on the former Ancillary Staff Whitley Council pay scale. The new pay scale rate refers to the first pay point on Band 1 on the Agenda for Change pay scale; the annual salary is converted to an hourly rate by accounting for 37.5 hours per week, 52 weeks a year. \*\* The 2007 pay rate was staged with part of the increase in April 2007, and the full rate paid only from November 2007.

Sources: For Ancillary Staff Whitley Council pay rates, Department of Health online data available at: [www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Advancedletters/index.htm#jumpTo3](http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Advancedletters/index.htm#jumpTo3) [accessed 11 November 2009]. For Agenda for Change pay rates, Department of Health, Agenda for Change: NHS terms and conditions of service handbook, Version 2, August 2007, available at: [www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_4095947](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_4095947) [accessed 11 November 2009].

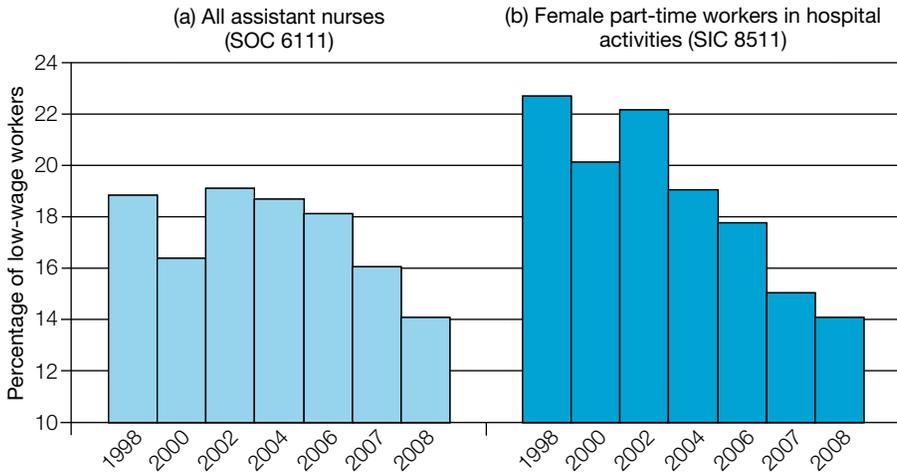
ment extended of course to entitlement to more generous holiday leave, un-social hours premiums and sick pay. For example, cleaners employed by the private firm at Hospital 7 had previously all earned a flat hourly rate of £5.09 and were looking forward to an increase to rates varying from £5.89 to £6.43, depending on experience.

The transition to a new pay structure had a positive effect in reducing the incidence of low-wage work. Figure 4 shows the trend for two groups of hospital workers – assistant nurses (Standard Occupational Classification 2000, code 6111)<sup>13</sup> and female part-time workers in the industry category of hospital activities (UK Standard Industrial Classification 1992, code 8511);<sup>14</sup> the latter category is intended to pick up data on hospital cleaners for whom there is unfortunately no distinctive occupational category in the public domain. For both categories the trends show significant declines, especially after 2006, the year following implementation of the new pay agreement. For assistant nurses, the share of low-wage workers dropped from 18.2 per cent in 2006 to 14.1 per cent in 2008. And for female part-time workers it dropped from 17.8 per cent to 14.1 per cent over the same two-year period.

<sup>13</sup> See [www.statistics.gov.uk/methods\\_quality/ns\\_sec/downloads/SOC2000\\_Vol2\\_V6.pdf](http://www.statistics.gov.uk/methods_quality/ns_sec/downloads/SOC2000_Vol2_V6.pdf) [accessed 11 November 2009].

<sup>14</sup> See Office for National Statistics (1996) *Methodological guide to the 1992 Standard Industrial Classification of Economic Activities*, Her Majesty's Stationery Office, London. Also available at: [www.statistics.gov.uk/methods\\_quality/sic/default.asp](http://www.statistics.gov.uk/methods_quality/sic/default.asp) [accessed 10 November 2009].

Figure 4. Trends in the incidence of low-wage work, 1998–2008



Note: Calculations use gross hourly earnings excluding overtime for all adult employees in the occupational category of “assistant nurses” and for female part-time employees in the industry category of “hospital activities”. The share of low-wage work is estimated from inter-decile data for each category relative to the low-wage threshold for each year, estimated as two-thirds of median earnings for all employees.

Source: Author’s calculations based on ASHE (various years).

Interviews with assistant nurses and cleaners reflect a clear sense of satisfaction with the one-off uprating that accompanied the transition to the new pay scale. In particular, most of the employees interviewed claimed that their pay was fair compared to alternative, similar jobs on offer in other organizations – evidence, perhaps, that the new pay agreement provided a degree of shelter from the external labour market. Employees were also fully aware of the more attractive benefits package offered under NHS terms and conditions, including sickness pay, holiday entitlement and retirement benefits.

At the same time, however, most assistant nurses and cleaners also argued that the new pay rates still represented an insufficient valuation of their skill, qualifications, age and/or experience:

When I think that I’ve been here 16 years and [the pay rate] has only gone from £3.70 to six pounds odd, do you know what I mean? (Cleaner 1, Hospital 5).

I would disagree, because now we’ve got our NVQ [training qualification] ... but we don’t get any more money (Cleaner 2, Hospital 5).

A lot of people have gained from [the new pay agreement], but I don’t feel that we have for what we’re expected to know and expected to do in this job (Assistant Nurse 2, Hospital 1).

Indeed, whether the new pay scale appropriately rewards experience is questionable. For cleaners on Band 1, there are just four pay increments with a minimum–maximum pay difference of just 8.8 per cent. Also, there were many grievances about the weak linkage between acquisition of new skills and completion of qualifications, an issue we turn to next.

### *Qualification-based pay progression*

The new national pay agreement, “Agenda for Change”, was implemented alongside a new national plan for improving skill development and career paths for the workforce in public hospitals, known as the “Skills Escalator” (see Cox et al., 2008; McBride et al., 2006). Under guidance of a national “knowledge and skills framework”, hospital managers were encouraged – although not obliged as with the new pay agreement – to consider ways of introducing new career opportunities, expanding access to training programmes, redesigning roles and delegating tasks. Progression to new jobs and acquisition of new skills would therefore be rewarded by pay advancement, if the employee possessed the knowledge and skills required to progress through a “gateway” set near the top of his or her pay band (see Department of Health, 2004).

At all seven hospitals, all assistant nurses paid on Band 2 were expected, but not required, to complete the National Vocational Qualification (NVQ) in care up to level 2. This meant that the pay–qualification link was not firmly established since many of them – especially the more experienced – opted not to complete the qualification. However, managers did make a concerted effort to link pay to qualification for the higher NVQ level (level 3). The new pay scale includes a gateway for employees on the sixth point of the eight-point Band 2 pay scale that requires skill and knowledge at level 3. All seven hospitals had some assistant nurses training to a level 3 qualification with the goal of encouraging progression to Band 3. However, a major problem was that pay progression was contingent upon availability of a Band-3 post. This generated criticism among the assistant nurses interviewed who had successfully completed level-3 training with the understanding that their new skills would be rewarded by a higher rate of pay. Managers recognized this was a problem, as one admitted: “What wasn’t explained to people is that qualifications don’t necessarily match role progression.”

Nevertheless, five of the seven hospitals had invested in the design of new Band-3 posts for assistant nurses, each requiring a level-3 qualification (see table 3). Three hospitals had introduced the new role of Junior Doctors’ Assistant. This post requires a suitably qualified assistant nurse to respond to the requests of a junior doctor who may wish to delegate certain routine tasks, such as cannulation and phlebotomy. Also, four hospitals had introduced the new post of Assistant Practitioner, which requires a NVQ of level 3 plus the completion of a two-year Foundation degree.<sup>15</sup> The training covers procedures such as venepuncture and ECG recording. Once the assistant practitioner is fully qualified, her pay eventually progresses to Band 4. Also, all seven hospitals offered a number of secondments to nurse training paid at 80 per cent of salary for assistant nurses wishing to work as qualified nurses, although available places were limited by tight financial conditions.

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<sup>15</sup> Foundation Degrees are higher-education qualifications combining academic study with workplace learning. They have been designed jointly by universities, colleges and employers, and are available in a range of work-related subjects. For further detail see [www.findfoundationdegree.co.uk/](http://www.findfoundationdegree.co.uk/) [accessed 11 November 2009].

Table 3. Qualifications and new posts offered at the case-study hospitals

	Hospital 1	Hospital 2	Hospital 3	Hospital 4	Hospital 5	Hospital 6	Hospital 7
<b>Assistant nurses</b>							
Usual pay band	Band 2	Band 2	Band 2	Band 2	Band 2	Band 2	Band 2
Qualifications offered	NVQ levels 2, 3	NVQ levels 2, 3	NVQ levels 2, 3	NVQ levels 2, 3	NVQ levels 2, 3	NVQ levels 2, 3	NVQ levels 2, 3
New posts	Assistant Practitioner and Junior Doctors' Assistant	Junior Doctors' Assistant	Assistant Practitioner	Assistant Practitioner	At design stage	Assistant Practitioner and Junior Doctors' Assistant	At design stage
<b>Cleaners</b>							
Usual pay band	Band 1	Band 1	Band 1	Band 1	Band 1	Band 1	Band 1
Qualifications offered	NVQ levels 1, 2	NVQ levels 1, 2	NVQ levels 1, 2	n.a.	NVQ level 1	NVQ level 1	NVQ levels 1, 2
New posts	Ward House-keeper	Ward House-keeper	None	Patient Services Assistant	Pilot stage: Ward House-keeper	Ward House-keeper	Ward Steward

For cleaners, four of the seven hospitals had introduced a new post at a Band 2 pay level – mostly in the form of a new Ward Housekeeper role, in line with a national framework. The new role is intended to contribute to improving the patient environment and lowering the rate of nosocomial infections. Duties involve serving drinks, arranging flowers and keeping the immediate patient area tidy. While cleaners welcomed the potential to earn higher pay, there was an element of disbelief that the new role merited a higher value.

It is a step up from a cleaner. ... [But] I feel we are worth more than what we get. And I feel ... we are doing the heavy slogging stuff for less (Cleaner 1, Hospital 1).

Also, there was some evidence that hospitals were more focused on advancing career paths for assistant nurses than for cleaners. At Hospital 5, the Human Resources Director defended this strategy by arguing that the hospital had to consider what would be “the return for the hospital?”

## Conclusion

Evidence from the United Kingdom’s public hospitals suggests that reforms of wage-setting institutions can have a profound impact on the proportion of workers in low-wage work. The downward trend in the proportion of low-wage jobs among cleaners and assistant nurses reflects the combined effects of a renewed centralized wage-setting institution and extension of public-sector terms and conditions to outsourced workers employed by private subcontractors. However, the positive change resulted not only from such coordination and centralization of wage setting but also, crucially, from strong commitment by

public-sector unions (especially Unison) to the goal of improving pay among the low-wage workers.

Nevertheless, some complementary building blocks for longer-term improvements in pay prospects are missing. Interviews with cleaners and assistant nurses reveal outstanding problems relating to internal labour markets in providing new job roles along new paths of pay progression. In particular, managers have failed to ensure pay progression on the basis of acquired qualifications, and underinvested in newly designed, higher-skilled jobs. Such problems hamper career development and weaken incentives for employee investment in skill development. Ultimately, the renewal of wage-setting institutions has laid a foundation for elimination of low-wage work, but requires further investment of management time and resources (in consultation with unions) and the adoption of a strategy to strengthen internal labour markets so as to improve opportunities for skill development, career advancement and pay progression.

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## Women, gender and work

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Appendix table 1. Summary details of seven case-study hospitals

	1	2	3	4	5	6	7
Type of hospital	City hospital	City PFI hospital	Small-town hospital	Large PFI hospital	One-star hospital*	City-surplus hospital**	Rural PFI hospital
Number of sites	6	2	4	3	1	2	7
Number of staff	5,400	5,500	4,339	6,663	2,227	4,281	5,500
Number of beds	1,400	950	831	1,417	461	900	1,200
Performance rating	Two-star	Three-star	Three-star	Three-star	One-star	Three-star	Two-star
Management of domestic services	In-house (in four sites) Outsourced (in two sites)	Outsourced	In-house	Supervisory posts outsourced Non-supervisory posts filled in-house	In-house	Outsourced	Outsourced
Private cleaning firm	n.a.	Sodexho	n.a.	ISS Mediclean	n.a.	ISS Mediclean	Sodexho
Financial balance (for 2004–05, in pounds)	–7.7 million	59,000	–743,000	–6.4 million (2005–06)	–2.5 million	450,000	20,000

\* The Department of Health in 2001 published star ratings of the performance of NHS hospitals. The hospitals were attributed from zero (worst performance) to four stars (best performance), on the basis of a series of criteria pertaining to the length of patient waiting time, number of operations cancelled, hospital cleanliness, financial position, etc. See [www.dh.gov.uk/prod\\_consum\\_dh/groups/dh\\_digitalassets/@dh/en/documents/digitalassets/@dh/en/documents/digitalassets/dh\\_4077600.pdf](http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/en/documents/digitalassets/@dh/en/documents/digitalassets/dh_4077600.pdf) [accessed 11 November 2009]. \*\* Label reflects the positive financial balance (£450,000) in the year preceding fieldwork.

# WOMEN, GENDER AND WORK

## SOCIAL CHOICES AND INEQUALITIES

On many aggregate measures of labour market performance, gender gaps have narrowed steadily across much of the world over recent decades. They have even “reversed” in some cases. Yet, the statistical picture is not entirely what it seems. The gaps have often narrowed through levelling down, and there are other problems as well: gendered social regulation still powerfully shapes the life choices of women and men, both directly – through explicit socio-cultural norms and constraints – and indirectly, through the interplay of gender roles and identities that typically finds expression in the unequal sharing of unpaid domestic care work and consequent labour market inequalities.

This second volume of *Women, gender and work* is an invitation to reflect upon the connections between measured labour market outcomes and the real lives people lead, what work means to them, the care work continuum, and the very notion of “gender equality”. It features some 30 recent articles selected from the *International Labour Review*, offering the insights of economists, sociologists and lawyers into a wide range of gender issues and country settings, from Mali to Switzerland, from Jamaica to Malaysia. The diversity of situations, patterns and trends suggests that male–female inequalities might usefully be considered from the perspective of absolute disadvantage. Hence the strong case for a social policy framework that focuses on the improvement of quality of life rather than equalization of women’s and men’s (often poor) economic performances as an end in itself. What matters is what women (and men) are capable of doing, in freedom, to pursue their own conception of happiness.

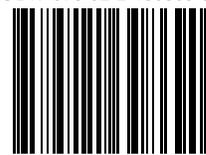
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