

en breve



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CHILE Reconciling the Gender Paradox

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Chile's development in the recent past has defied conventional wisdom. Over the past decade, Chile has made considerable progress in its efforts to reduce poverty, sustain growth, and promote democratization.

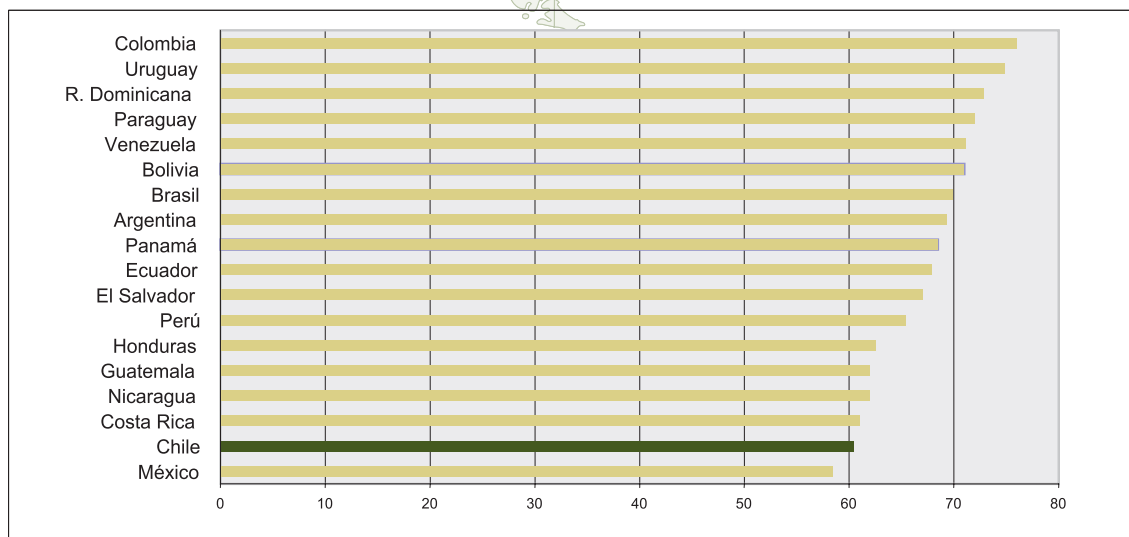
These advances have been coupled with notable achievements in gender equality. More specifically, Chilean men and women have experienced greater parity in terms of opportunities to services such as education and health, legal rights, as well as political voice. Yet by the same token, Chile has one of the highest levels of inequality in Latin America and the Caribbean (LAC), a factor that has proven, through international evidence, to impede economic growth and poverty reduction. This inequality has been evident in the workplace, with less than 39 percent female labor force participation, leaving Chile near the bottom of the regional heap (See Figure 1). Worldwide evidence indicates that higher female labor force participation translates to greater economic growth.

With low participation rates of a large portion of its human resources, this trend suggests that Chile has not fully maximized the potential for its economic success. Understanding and addressing the seeming contradictions in gender equality may serve as an important factor in maintaining continued economic and social development.

On the One Hand...The Progress

The National Service for Women (SERNAM, for its Spanish acronym) has served as the cornerstone of the institutional transformation towards gender equality in Chile. Since its creation in 1991, SERNAM has been responsible for ensuring that the public sector takes into consideration women's interests in the process of planning, budget analysis, design and implementation of policies and programs. Yet beyond the scope of most women's ministries in the region, the SERNAM has focused on mainstreaming gender issues into the sector ministries, providing critical support in shaping and implementing public policies with a perspective towards gender. Equal Opportunity Plans, developed and coordinated by SERNAM, which set forth medium-to-long term goals and strategies to achieve greater gender equity, helped to place gender as a priority on the public administration agenda.

• *Figure 1: Female Labor Force Participation in Latin America and the Caribbean*



Given this context, Chile has seen a narrowing of the gap in opportunities between men and women. Substantial increases in female school participation have brought levels of enrollment in primary and secondary education of boys and girls to virtual parity. In fact, the educational levels of women in Chile tend to be higher than in other countries in the region. The legal framework also has sought to bring greater equity in the rights of men and women, including recent legislative changes in divorce and child custody settlements, maternal health care, sex crimes, and domestic violence. Women's participation in the workforce has increased 7 percentage points in the past 20 years. Nonetheless, these advances still have not produced the expected return in terms of enhancing the impact of women on the economic development of the country.

On the Other Hand...The Paradoxes

The experience of Chile has defied conventional wisdom on several counts. First of all, as women become more educated, they tend to participate in increasing numbers in the job market. Yet, the high levels of education among Chilean women have not generated proportionally higher levels of female labor force participation. In fact, Chile registers one of the lowest rates of women's participation in the labor market as compared, not only to other LAC countries, but also upper-middle income countries (generally with average rates higher than 50 percent), and well below most OECD countries (typically above 55 percent).

Despite the advances in gender equality, women's salaries tend to be substantially less than those of men. Chilean women only make 67 percent of the salaries made by their male counterparts. Although the income gap has reduced

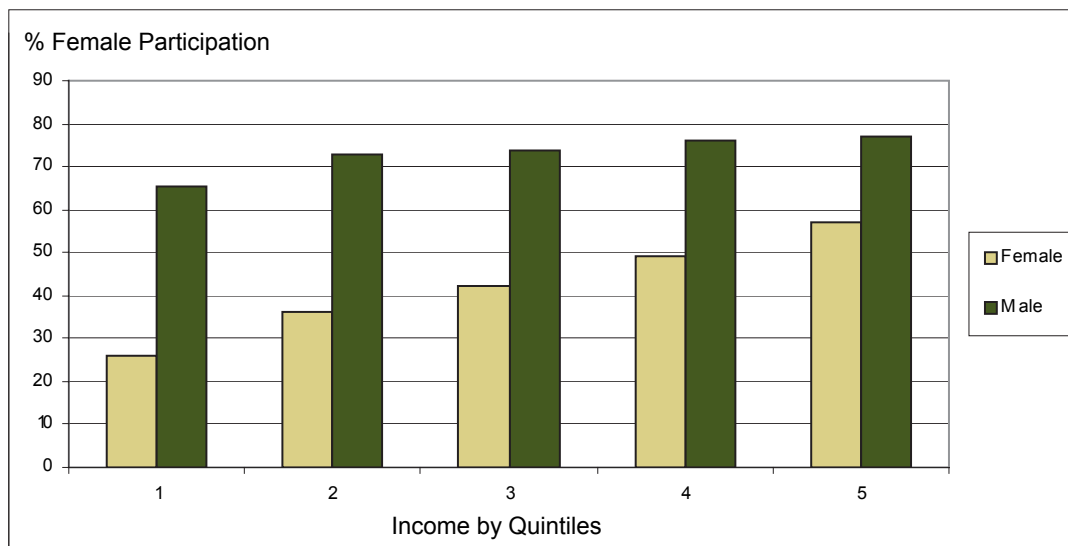
over the last few decades, it still remains high.

Typically, high poverty rates have been positively correlated to higher levels of female labor force participation. Essentially, poor women tend to work more, even at meager wages, as a survival strategy. Again, this general trend has proven untrue in Chile. Poor Chilean women actually represent a smaller proportional share of the workforce than their counterparts in higher income brackets. More specifically, 26 percent of women in the lowest income quintile in Chile participated in the job market, as compared to 57 percent of women in the highest quintile (See Figure 2). Consequently, this impedes the potential impact of female participation on poverty reduction.

Understanding the Paradoxes

Through the analysis conducted in the Country Gender Assessment for Chile¹, there has been greater clarity about why Chile has faced these contradictions. First of all, inadequate job training, particularly for poor women, restricts their entrance into the job market. Although educational levels are generally high in Chile, the access to high quality education, irrespective of income levels, may not be available to all. Second, the relatively traditional values and attitudes regarding gender roles, particularly the mother's role

• **Figure 2: Female Labor Force Participation Rates by Income Quintiles,**



Box: System of Child Protection – Chile Crece Contigo

The Program Chile Crece Contigo (Chile Grows with You) seeks to ensure that all children have equal opportunities for their development. A subsidy is given to pregnant women in the lowest-income families (up to 40% of households in Chile are eligible), from the pregnancy until the child is three years old, and accompanying the child until s/he enters pre-school.

The system takes a holistic approach – actions for children served by the public health system and actions directed especially towards the most vulnerable children from low-income households; thereby ensuring a package of adequate basic assistance and services for the needs of each stage of development of the child.

Chile Crece Contigo aims to ensure the availability of nursery and pre-schools for children of mothers that work, are looking for work or study for 40 percent of low-income families. The program targets children that present special needs or vulnerable situations (mothers with depression, accidents, or grave illnesses, special needs of the child her/himself). It also allows for the flexible use of pre- and post-natal care in certain cases.

as the principal caregiver, limit women's ability to work. This is further complicated by the limited alternative childcare options available, especially for poor families, as they prove prohibitively expensive. Women who join the labor force often work for a lesser duration of employment with the same employer, shorter periods of continuous employment, and longer periods of inactivity and unemployment than men. This, in turn, results in less work experience and on-the-job training, which makes women generally less attractive candidates to employers.

The large gender earnings gap also deters women from entering the workforce. This can be explained in large part due to the differences in specific occupational experience and job tenure. More specifically, Chilean women have tended to have limited work experience in the same job. In addition, occupational crowding and occupational segregation also contribute to lower earnings than men, as many women, particularly in lower income brackets, find themselves competing for the same, often low-paying, low skilled, jobs.

Addressing the Paradoxes

In order to promote increased female labor force participation, and thereby increase the potential for improved economic development in the country, Chile can explore various alternatives to stimulate

the right incentives to encourage women's ability and interest to join the job market. First of all, childcare expansion policies can be adjusted to better meet the needs of low-income households (see Text Box for undergoing efforts in Chile). In particular, financing for childcare at the workplace can be a shared responsibility among the state, employers and employees to make it a more affordable, and therefore more viable, option, even for the poor. The monitoring and evaluation of existing childcare programs can be evaluated to assess the impacts on female labor force participation and their cost to low-income households. Also, training and capacity building programs can be better tailored to facilitate women's entry into the job market, their continued presence, and return after childbirth or child-rearing years. This also may require further analysis of the current programs in place.

Education will be critical to addressing the strains caused by gender wage gaps and occupational segregation. Namely, at secondary and tertiary educational levels, both men and women can be equally encouraged and better educated to pursue the career of their choosing, irrespective of gender biases in occupational choice. Not only that, a review of existing training programs will help to identify and revise pedagogical materials to reduce gender stereotypes. Finally, the design and implementation of pilot training programs, such as Chile Joven², can help to introduce and encourage young people to pursue professions outside of the

“gender box”. Thorough monitoring and evaluation of such programs can further help to broaden the programs.

In addition to the policy options explained above, there are also some intermediate objectives that Chile can pursue in its efforts to increase gender equality in the labor markets. In particular, both the public and private sectors can strengthen their capacity to promote gender equity. For example, additional improvements can be made to labor regulations to better accommodate women’s presence in the workplace by addressing options such as flexible work schedules, maternity leave, and family leave. Also, they can place greater attention on non-wage labor cost differentials, such as social security or maternity leave, for female employees.

Finally, SERNAM can help to develop a full-fledged certification model for gender equality in the workplace. Efforts in this vein have been made in the public sector, which can be further expanded and formalized, and transferred to private firms as well.

Conclusions

With the presidency of Michelle Bachelet, the first woman president in Chile, conditions are ripe to expand upon the steady progress made thus far to narrow the gender gap. Women’s participation in the labor force, and the consequent greater potential for economic development and poverty alleviation, has not been fully exploited. Much progress continues to be made to expand women’s contributions to their country and economy, as well as their families.

Notes

1. World Bank. Expanding Women’s Work Choices to Enhance Chile’s Economic Potential: Chile Country Gender Assessment. Washington, DC: World Bank. 2007.

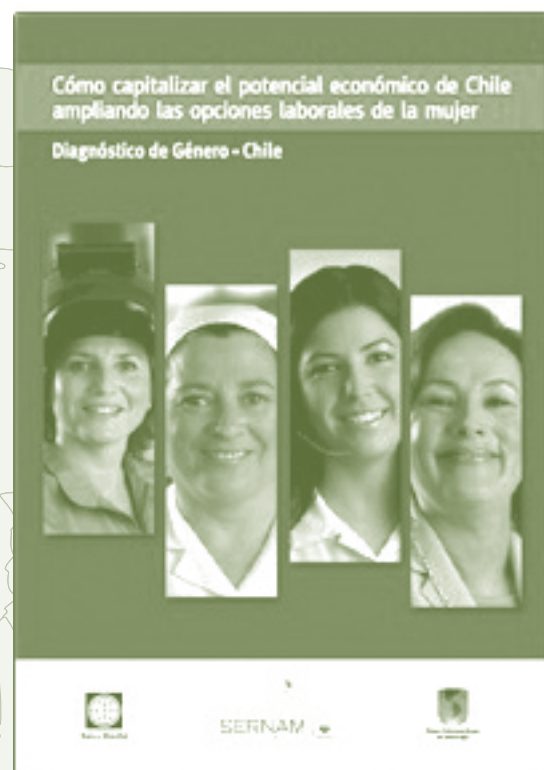
2. Chile Joven is an on-the-job training program for underprivileged youth that provides education and job experience to build skills that are in demand.

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New Report

Expanding Women’s Work Choices to Enhance Chile’s Economic Potential

Chile Country Gender Assessment



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