

**ISSUES IN DEVELOPMENT**  
**Discussion Paper**

**12**

**Promoting Employment  
Among the Urban Poor  
in Latin America  
and the Caribbean:  
A Gender Analysis**

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## Preface

Two decades have passed since work began on the inter-relationship between employment and poverty in general, and on the gender dimension in defining such a relationship in particular. As part of its efforts to evaluate strategies for poverty eradication through the promotion of productive employment, the Programme on Women and Social Groups of the Development Policies Branch, initiated a series of thematic assessments of various strategies and programmes implemented over the last two decades, including those that were carried out with the assistance of the ILO.

In the context of the ongoing debate on the feminisation of poverty, the main focus of this series is to examine the viability and effectiveness of poverty eradication strategies from the perspective of promoting broader gender equality. This raises a number of questions: (a) to what extent gender-specific constraints and characteristics have been taken into account and planned for; (b) how successful have the strategies been in expanding opportunities for women; (c) what lessons could be drawn for future policy and programme development; and (d) what are the emerging issues for an agenda of research and debate.

Within the framework of the thematic evaluations, the paper by Mayra Buvinic is an assessment of direct interventions and targeted action initiated in Latin American and Caribbean countries in the 1980s and 1990s, to enhance employment opportunities for the urban poor, with a special reference to women. It reviews a number of income-generating and micro-enterprise development projects, aiming at promoting self-employment opportunities for women. The assessment concludes by attaching a higher value to the 'single entry' programmes such as 'minimalist' credit projects for micro-enterprise development viz. integrated, multi-component and participatory projects. This, per se, contrasts with the findings of similar evaluations carried out in other parts of the world, such as in South Asia, and deserves further policy debate.

The paper also provides a preliminary investigation into yet another set of strategies, those related to promoting direct wage employment opportunities for the poor, which are implemented through emergency employment programmes and social emergency and investment funds. It raises a number of interesting questions related to policy choices which determine the outcome and effectiveness of such programmes.

The author is the President of the International Center for Research on Women (ICRW).

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## **1. Introduction**

Latin American and Caribbean countries in the 1990s face the major task of implementing development strategies that more effectively reduce poverty, increase equity, and invest in people so that they can both catch up to the lost decade of the '80s and rise to the challenges posed by societies that will be vastly different in the next century. The last decade was not kind to the poor. The economic crises of the early 1980s wiped out gains the region had achieved in the prior 20 years in terms of improvement in living conditions. There were increases in both poverty and inequality. According to World Bank estimates, the head count index of poverty (that is, the estimated share of the population consuming less than \$32 per month at 1985 purchasing power parity prices) increased in the region from 22.4 percent in 1985 to 25.2 percent in 1990 (World Bank, 1993b, p.42). Regional estimates show the same rising trend but are much higher: they indicate that the proportion of the poor rose from 41 percent of the population in 1980 to 44 percent in 1989; these same estimates show that the number of poor people grew from 136 million to 183 million. While rural poverty decreased, urban poverty increased sharply (ECLAC, 1991).

These stark statistics have shifted the attention of governments and donors to strategies and instruments that can reduce poverty and expand the economic opportunities of the poor. The general framework of the 'social reform' proposed by the IDB is accelerated growth in the employment and income of the poor that is to be achieved by a realignment of basic state policies (1993). This paper discusses the gender dimension of these 'social reforms'. That is, which development strategies and instruments donors and governments can pursue to increase the productivity and the income of poor women. The focus is on women among the urban poor and, unless otherwise noted, the evidence presented refers to urban women. The paper argues that expanding the employment opportunities of poor women is a key element of an effective social reform package that will reduce poverty and increase equity in the region. Because of significant health and educational gains, most women are better equipped today to contribute to economic and social growth. But a continuing gap in development assistance to them as economic producers, combined with the rising economic responsibility women face as a result of the downturns of the 1980s, have left them and their children in a precarious economic position. There is a need to redefine anti-poverty policies with a focus on women.

The discussion is grounded on a review of direct or short term strategies that affect the self-employment and wage employment opportunities of women among the poor. Indirect interventions, such as increasing women's productivity in home production through, for instance, social infrastructure projects (i.e., electrification, potable water systems), or long term ones, such as investing in human capital formation (through formal schooling and health) are not included in the review. To provide guidelines to evaluate the gender effectiveness of strategies, the paper first summarizes the condition of low-income women in urban areas.

## **2. Women Among the Urban Poor: Recent Trends**

Latin American and Caribbean women, especially those living in urban areas, have experienced, on average, measurable progress in the quality of their lives. Three commonly used social indicators to assess changes in women's quality of life are life expectancy at birth, total fertility rates, and school enrolment rates in primary education. Table 1 presents changes in these indicators for females over 15 to 20 years for most countries in the region. It is important to stress that this table reflects progress for women in terms of their condition one or two decades earlier rather than in comparison with the condition of men. Two facts are immediately apparent. First, there has been a uniform rise in female life expectancy at birth across countries; there have been consistent declines in total fertility rates; and stable or improved female enrolment rates in primary education that show that in 1970 girls had already attained educational parity with boys in most countries. These indicators of women's condition are more favourable in countries with high rates of urban populations. Second, the table also shows significant variation across countries, pointing out the heterogeneity of women's situation. As is the case with most other development indicators, the assumption that there is a set of conditions or circumstances that are shared by and accurately reflect the situation of most women in Latin American and the Caribbean is erroneous. These indicators show heterogeneity rather than homogeneity in the quality of life for women, with up to more than ten years of difference between countries in women's life expectancy at birth and differences between countries of up to three births per woman.

The problem with these aggregate statistics is that they mask behaviours and situations of different groups and are not sensitive enough to pick up more subtle changes in quality of life, particularly if these changes are short term, cyclical and/or experience time lags. Aggregate indicators can easily obscure development reversals that occur in selected populations. The assessment of women's situation is quite different when the numbers are disaggregated by groups of women and/or

time periods. Unfortunately, regional coverage is lost because not all countries have or report disaggregated statistics.

Table 2 presents total fertility rates broken down by socio-economic status, residence and year of education for six countries and shows wide variations in births per woman among these groupings. Table 3 gives total fertility rates for Costa Rica using the same breakdowns used in Table 2 for the years 1981 and 1985. Both tables reveal a consistent pattern of differences where urban women have fewer births than women in the rural areas, women in middle and high income groups have fewer births than their low income counterparts, and women in households where the head has more years of education have fewer births than those where the head has fewer years of education. The Costa Rican figures, in addition, show an increase rather than a decrease in fertility for low-income women, women who live in rural areas, and women in households where the head has low education. This reversal in fertility rates for poor women could be related to a reversal in people's fortunes and their access to health services during the strong economic contraction that hit Costa Rica the hardest in 1982 and brought about a deterioration in nutrition indicators (Cornia, 1984).

The figures in Table 4 more accurately describe the condition of low-income women who are more likely than women in other income groups to be illiterate or experience the risk of dying in labour. They show high maternal mortality and illiteracy rates for some countries and sizable country variations in these percentages. The disaggregation of social indicators by socio-economic groupings and the use of statistics that better pick-up the situation of low-income women reveal a less rosy picture than that portrayed by the aggregate statistics and more heterogeneity in the situation of women within countries depending on residence, income and education. In sum, it can be concluded that over the last 15 to 20 years most women's quality of life has improved, but this advance has not erased initial marked differences in women's situation within as well as across countries and has left substantial numbers of women in most countries still significantly handicapped by high fertility, low levels of literacy, and high lifetime risks of dying in childbirth. Information on two additional trends suggests that the number of women experiencing social and economic disadvantage may be growing. They are the feminization of poverty, linked closely to the rise of households headed by women, and the feminization of low-paid and unpaid work, linked to a number of factors including women's growing economic responsibilities, the consequences of economic recession and structural adjustment programs (SAPs) and the shift in economic strategies from inward- to outward-oriented economic models.

## **2.1 The feminization of poverty**

Preliminary evidence suggests that, along with the increases in absolute poverty experienced in the 1980s, there were changes in the composition of the poverty population, some predating and some associated with the crisis, increasing both the absolute numbers and the proportion of women among the poor. Direct evidence on the feminization of poverty that would be obtained from documenting changes in the ratio of poor women to poor men does not exist. Indirect evidence on the feminization of poverty is based on information on changes in the ratio of woman-headed households among the poor. Unfortunately, data is not available on a regional basis, but a convincing case can still be made from data on the rise in female headship in selected countries and their poverty condition.

Table 5 shows changes in the proportion of woman-headed households in selected Latin American countries. With the exception of Honduras, the percentage of households headed by women is higher in urban than rural areas and has grown in all countries. A number of socio-demographic and economic trends that have been prevalent in the region in the last decades, and pre-date the crisis of the '80s, bolster the notion of a rise in families headed by women. They include, first, female-dominated migration into the cities since the 1960s which has created a demographic imbalance between the sexes in urban areas and left a surplus of females, especially in the younger marriageable ages and the older age groups (Youssef, Buvini<sup>f</sup> and Kudat, 1979). Second, a troubling trend of rising unpartnered adolescent fertility (Singh and Wulf, 1990) and third, the erosion of extended family systems coupled with a rise in biological fathers' unwillingness to recognize children which leaves unpartnered mothers and widows to fend for themselves and their children (Folbre, 1991).

The information on the economic condition of woman-headed households confirms the greater poverty of these families. Figure 1 shows that woman-headed households were over-represented among lower-income households in four out of five Latin American cities (United Nations, 1984). A recent review of 22 studies in the region finds that households headed by women were over-represented among poor households in all but two studies (Buvini<sup>f</sup>, 1991).

The evidence suggests three sets of factors that determine the greater poverty of woman-headed households. First, woman-headed households, despite their smaller size in comparison to other types of households, often carry a higher dependency burden - a higher ratio of non-workers to workers -

than do other households. This type of household composition would not necessarily lead to poverty if the household received child support payments from absent fathers. The poverty of woman-headed households thus reflects a disruption of traditional systems of family governance than enforced income transfers from fathers to children (Folbre, 1991). Second, the main earners of woman-headed families are, by definition, women who have lower average earnings than men, fewer assets and less access to remunerative jobs and productive resources such as land, capital and technology. A recent analysis of wage differentials by sex in 15 countries shows that women are paid on average 70.5 percent of what men are paid, and that differences in human capital explain only 20 percent of the observed wage gap. The unexplained variability is presumably the result of discrimination (Psacharopoulos and Tzannatos, 1992). This gender-related economic gap contributes to the economic disadvantage of woman-headed families. For instance, an analysis of the earnings of household heads in Belo Horizonte, Brazil revealed that the less remunerative jobs open to women in the labour market (rather than sex disparities in education) explained most of the differentials in earnings between male and female heads. Fifty-three percent of the female heads held low paying jobs in the informal sector, but only 30 percent of the male heads did so (Merrick and Schmink, 1983).

Third, there may be an independent effect of female headship on household economic vulnerability that cannot be reduced to the characteristics of women or of the household. Women who are heads of households also have to fulfil home production and domestic roles. Therefore, they face greater time and mobility constraints than male heads, which can result in an apparent 'preference' for working fewer hours for pay, for choosing lower paying jobs that are more compatible with childcare, and for spending more for certain services such as water and housing, because they cannot contribute time to offset transaction costs. Women who head households may also encounter discrimination in access to jobs or resources beyond that which they face because of their gender, or may make inappropriate choices that affect the household's economic welfare because of social or economic pressures. Lastly, female heads may have a history of premature parenthood and family instability that tends to perpetuate poverty to succeeding generations. Early sexual experience and early childbearing, as well as low educational attainment and remaining unmarried, may be key links in the inter-generational transmission of poverty between mothers and their children (Buvini<sup>f</sup> et al., 1992).

## **2.2 The feminization of unpaid and low-paid work**

*Women's unpaid work.* Poor women have both home and market production roles and the poorer the household, the more burdensome and the more important both roles become. While the conventional way is to divide time allocation into home and market production, childcare, and leisure, recent studies have included the time women spend in unpaid community management work as a separate category. These studies document growing time spent in community work in order to compensate for the decreasing provision of governmental services associated with structural adjustment programs (SAPs). Illustrations include the volunteer work of women running the community kitchens in Peru (Francke, 1992) and providing community services in Guayaquil, Ecuador (Moser, 1993). The Guayaquil study followed women over a decade and revealed that the allocation, rather than the amount, of women's work time changed as the result of the cut-backs in government services associated with SAP: women increased time allocated to productive and community activities at the expense of reproductive activities, with costs for themselves and their children. This study reveals that women that are 'coping' or 'hanging on' in response to the additional work burdens imposed by SAP are in stable partner relations or have female sources of support in the family. Women who instead are 'burnt out' and unable to cope are most likely to be heads of household and have handed over reproductive responsibilities to older daughters who, therefore, have to drop out of school, insuring the perpetuation of poverty from one generation of women to another (Moser, 1993).

*Women's low-paid work.* Two recent trends help to explain women's growing participation in low-paid, unprotected and often uncounted work. First, the economic crisis of the early 1980s motivated low-income women to seek paid work in order to compensate for real declines in household income. In addition, the outward-oriented export promotion policies that have been in vogue since the mid '80s in a majority of countries in the region - as part or independent of SAPs - have increased the demand for women workers willing to work for low wages. These trends have been superimposed on a secular rise in the participation of women in the labour force, from just under 18 percent of the workforce in 1950 to 26 percent in 1980 and a projected 27.5 percent by the year 2000 (IDB, 1990).

Data on the voluntary entrance of females into the paid work force to increase family income - that is, the 'added worker' effect - is available for a number of countries in the 1970s and the 1980s. A common problem with the data is the separation of cyclical effects related to economic downturns from the secular rise in female labour participation rates that may confound the effects or prevent the rising trend from reverting back to its pre-recession stage at the end of the cycle. Data for Chile during the 1974-75 economic crisis is perhaps the most clear in illustrating the 'added worker' effect of the recession for low-income women without a confounding rising secular female participation trend: despite a trend toward long-term declines in women's labour force participation, women's activity rates in the lowest quintiles of the household income distribution increased sharply, from 18 to 22.4 percent. The reverse happened with women in the upper quintiles of the household income distribution, and both trends reverted back to their pre-crisis levels with the end of the recession (Rosales, 1979). 'Added worker' effects for women in response to the economic downturns of the early 1980s have been documented for Argentina, Brazil, Costa Rica, Mexico and Uruguay (ICRW, 1992; Moser et al., 1993).

The economic downturns of the early '80s increased the supply of women workers, and the outward-oriented economic policies that followed the recession opened up the demand for female labour in unregulated manufacturing and agribusiness jobs that pay individual rather than family wages, often include subcontracting arrangements, and offer few or no benefits and no employment security. The female share of employees in manufacturing jobs has grown especially in countries with export processing zones such as the Dominican Republic, Honduras, El Salvador and Mexico (Standing, 1989). The proportion of women in self-employment - which includes subcontracting and piece work for export promotion industries as well as traditional, small-scale commercial and production activities linked to local markets - has grown too, especially in Andean cities such as La Paz, Lima and Quito where women comprise up to one half of the self-employed (Berger, 1989).

*Effects on child well-being.* The increasing numbers of poor families headed by women and the feminization of work at home and in the market go hand-in-hand. This can set in motion a vicious cycle of poverty and deprivation where poverty causes increased female work that, in turn, exacerbates women's and children's deprivation and poverty, unless women find work that pays adequately. Until fairly recently, the prevailing assumption was that any positive income effect of poor women's employment on children's health and well-being would be offset by negative effects of reduced childcare time by working mothers or by the substitution of older siblings in childcare. Recent studies, however, do not support this assumption. They instead signal the importance of the productivity of women's work and the level of women's wages in insuring child nutrition. There is a negative effect

of women's employment on child nutrition only if mothers work very long hours at substandard wages (Leslie, 1989; Vial and Muchnik, 1989). Otherwise, there is no effect or, as the evidence below points out, a positive effect of women's paid work and control of income on child nutrition.

Investigations that use female headship, the proportion of household income women earn, or women's unearned income as proxies for women's control over income find significant positive effects of income in women's hands on measures of child well-being, especially in the case of poor households. In Brazil, for instance, income in the hands of the mother has an effect on child health that is almost 20 times greater than income that is controlled by the father (Thomas, 1990). In Guatemala it takes 15 times more expenditures in child nutrition when income is earned by the father than when it is earned by the mother (Engle, forthcoming). Similar results have been reported for Chile and Jamaica (Buvinić et al., 1992; Louat et al., 1992). The preference that women have to invest in child well-being appears in poorer families rather than in better-off ones either because investments in children yield greater returns at lower levels of income or because there are fewer competing alternative investments than in higher income households (Kennedy, 1992). These gender differences in expenditure patterns within households and families suggest that the income poor women earn can yield higher health or social benefits than the income men earn (World Bank, 1993b).

But there are also reports of negative effects of female headship on child well-being. For instance, Wood (1989) found that the survival probabilities of children in woman-headed households in Brazil was significantly lower than those of children in male-headed households. A likely hypothesis to reconcile positive and negative findings is that women need a minimum level of earnings or income to act on their preferences to invest scarce resources on child well-being. Below a minimum threshold, the economic deprivation that poor women who work in the market suffer is readily (or more easily) transmitted to the next generation.

### **3. Judging the Effectiveness of Interventions**

The findings reviewed underline the need to implement policies and projects that reinforce the virtuous cycle between women's and children's well-being that can occur in poor families when women have increased income and/or control of income, and avoid those that can instead trigger a vicious cycle of deprivation between mothers and children. Social and economic factors that increase poor women's work and economic responsibilities can foster the perpetuation of poverty between mothers and children. These factors include changes in fathers' traditional responsibilities towards children and the effects of declining household incomes during economic downturns, as well as the unintended consequences of social and economic policy - such as the effects of the decrease in service provision by the state that accompanies SAPs, as well as welfare-oriented and child-centred projects that rely heavily on women's unpaid time for their successful implementation. The implementation of these actions without complementary policies that 'protect' poor women in their multiple roles as economic producers and reproducers are likely to set in motion or reinforce the vicious cycle of poverty between mothers and children. On the other hand, this vicious cycle can be turned into a virtuous one by raising poor women's productivity in home production as well as their productivity and earnings in market production.

Alternatively, 'empowering' women in other ways so that they can have control over family income, or a say about how it is allocated, could also help transform the vicious cycle of poverty into a virtuous one. Formal schooling strengthens women's autonomy but the returns are delayed and probably overemphasized in the literature. The mobilization of women into women's groups and collectives can be a powerful complementary measure and may 'empower' women but it does not address the central issue of women's work. The most straightforward vehicle to 'empower' poor women is to increase their productivity in home and market production and the income they obtain from work. Measures that achieve these objectives address the *strategic needs* of poor women. Social assistance, welfare and child-centred interventions that meet women's and children's basic needs address the *practical needs* of poor women but do not break the cycle of poverty and deprivation between mothers and children and are, therefore, not effective anti-poverty strategies. Especially ineffective among these can be interventions that require women's unpaid participation in community activities.

The remainder of the paper, therefore, judges policies and interventions in terms of addressing poor women's strategic versus practical needs. The basic premise is that interventions that expand women's productivity and income in self-employment and their opportunities in wage employment, as well as those that save time and provide childcare, meet women's strategic needs and are effective anti-poverty strategies. Ineffective are strategies that increase poor women's time burdens in unpaid activities. (Note that no assumption is made about the comparative advantage of addressing strategic

as compared to addressing practical needs in overcoming women's subordination to men, unlike the cases made by Malyneaux (1985), who first coined these terms, and Moser (1989).)

#### **4. Promoting Self-Employment**

Projects to promote women's employment and income through self-employment have emerged in Latin America only in the last ten to fifteen years. Overall, they have been small in pretensions and financial resources, have been funded largely by international development assistance, and have been executed by NGOs. They can be classified into two major groups: income-generation projects whose objective is to integrate women into market production through the formation of group enterprises, and micro-enterprise interventions that seek to upgrade the productivity and earnings of those already integrated into the market economy. Both types of projects provide similar services, including training, technical assistance and credit, but operate under different frameworks. Income-generation projects target women exclusively while micro-enterprise interventions target women and/or men.

##### **4.1 The failure of income-generation projects**

This is the oldest and most favoured approach to increasing women's incomes, as is reflected in a recent project review, despite their frequent failure in achieving this objective (Villarreal, 1992). Projects are set up to integrate women into market production, reduce gender inequalities, and/or provide welfare assistance. They deliver a number of services or promote different activities in response to the multiple goals they embrace. Characteristic project features include group organization and group production; a participatory style; group training in awareness raising and gender solidarity; skills development in traditionally female tasks; subsidized credit or other inputs; and attempts at marketing the group product. The underlying premises are that group functioning and participatory styles are effective vehicles for women's enterprises and have the added benefits of developing gender awareness and solidarity.

Projects are frequently implemented by women-only organizations, and participants and implementors are volunteers. Many of the women-only implementing agencies have emerged from the world of relief and have developed institutional competence in welfare assistance rather than in the implementation of income-generation projects. This institutional capacity goes back to the creation of the separate functions of development and relief after the Second World War, and the use by international relief agencies and church groups of mother's clubs and women's organizations to distribute food and other free goods. These projects often survive their economic failure because they include social as well as economic aims which cloud performance evaluation measures and serve to justify project continuation on social grounds when the economic component fails. For instance, one of the principal features of six UNIFEM funded projects in different countries was that they shared multiple objectives: economic/production, gender-related, social and family welfare, and organizational ones (ECLAC, 1989).

The second major reason for the economic failure of these projects is that they follow a participatory style. It is well known that participatory management is not conducive for effective economic performance (Tendler, 1982). But despite this knowledge, especially when women are the beneficiaries of income-generation projects, and because projects and implementors have multiple aims, participation is the preferred project style. The conflict between this style and economic performance objectives is well articulated by a woman who, for 15 years, has participated in an artisan workshop in the municipality of Conchali, in Santiago:

*"I often ask myself, how is it that these workshops continue to exist, because with this (practice) of having everybody participate in all decisions, this does not benefit the enterprise economically."* (translated from a quote in Raczynski, 1989, p.58-9)

The multiple objectives and the participatory style are two basic reasons why income-generation projects for poor women 'misbehave'; that is, they survive failure in the economic objectives by achieving social goals that, at least in the short term, are sufficient to insure continued beneficiary participation and funding from donors (Buvinić, 1986). A third contributing reason for economic failure resides in the choice of income-generation skills taught. Most often the traditional female skills taught are really not at all familiar to women, are difficult to teach, require background knowledge that most poor women do not have, and usually result in products that have no or low market demand. A last reason for the failure of this approach is the voluntarism required of both participants and implementors. It is often assumed that poor women have time on their hands or, in other words, that the opportunity cost of their time is negligible (because they do not earn cash incomes). This is obviously not the case and causes both desertion, when the women cannot afford to continue volunteering time, as well as self-selection (the less poor stay on). The voluntarism of

female implementors, while cost-saving in the short term, does not work either. The lack of technically competent personnel is a significant element in project failure. Female volunteers often come from a welfare tradition, or may have technical skills in social rather than economic issues, which rationally leads them to steering these multiple-objective projects to the fulfilment of social goals, to the detriment of the economic ones. Visible female leaders, from the welfare as well as the business/financial sectors, who volunteer their time to lead these efforts, may have political agendas that can also interfere with project execution. In this case, enterprise promotion activities for poor women become secondary to or a vehicle for the larger aims of achieving power in the male dominated business/financial worlds and redressing gender inequalities in society. The choice of these female implementors can create a vicious circle of exclusion where the women who volunteer to help other less well-off women end up, because of the skills they have developed as a result of their gender, contributing to the failure of income-generation interventions for poor women.

#### **4.2 The success of minimalist micro-enterprise projects**

These projects deliver credit, and sometimes training and/or technical assistance, to women and men who already operate/own micro-enterprises in the informal sector, mostly in commerce and services. The objectives of micro-enterprise projects are largely economic: to improve the economic performance of micro-enterprises, generate employment, and 'graduate' informal sector producers to the formal sector. Some projects include a gender-specific objective (to increase women's incomes). These projects have a narrower set of goals, when compared with income-generation ones, and thus have an easier time fulfilling these goals.

One can roughly distinguish three different modalities in the delivery of credit to women's micro-enterprises that are associated with different success rates. There is the credit line for micro-enterprises, both male- and female-owned, directly through a development bank or through an intermediary dealing with a bank with characteristic features of formal sector lending; parallel programs outside the formal banking system delivering minimalist credit that replicate features of informal sector lending and include solidarity groups for male and female micro-entrepreneurs; and credit lines exclusively for women, operated by intermediaries dealing with banks or by parallel institutions.

An example of the first modality is the credit line that the Industrial Bank of Peru (BIP), a government owned development bank, established in the eighties for urban micro-enterprises in Lima and secondary cities. While one of the explicit policies of the credit line was to reach female clients, by the end of the second year of operations, only 16 percent of the loan portfolio had been disbursed to women. A gender-oriented evaluation revealed that the line's characteristic features of formal sector lending discouraged potential women clients from applying for loans. These features included a preference for fixed over working capital loans (and therefore, for longer grace and loan periods and larger loan amounts) and for manufacturing over commerce and petty trading, while the majority of women-operated enterprises in Peru, as elsewhere in Latin America, are in petty trading and other commercial activities, where the main need is for working rather than fixed capital loans. In addition, the credit line had tough collateral and documentation requirements, which were much more restrictive in practice than in paper (Buvinic and Berger, 1990). A minimalist credit program in Santiago, Chile, run by a parallel agency (Propesa, an Accion affiliate), demonstrates the importance of targeting commerce to reach female enterprises. The program started by excluding commercial activities, which resulted in a heavily male-dominated loan portfolio, with fewer than 20 percent of the loans going to women. Women's presence in the loan portfolio increased to more than half once Propesa changed regulations and began working with street and market vendors through solidarity groups (Christen, 1991). In summary, the results for women of bank credit lines for micro-enterprises are often dismal since commercial activities, where women predominate, are excluded, and women who apply have a tough time competing with men given the formal sector lending structure and its priorities.

Most Accion affiliates in the region use the modality of minimalist credit that replicates characteristics of informal sector lending and includes solidarity groups for micro-vendors. They are set up as parallel programs outside the formal banking system, include three types of graduated lending, market interest rates, segmentation of the market into micro-producers and micro-vendors, solidarity groups for micro-vendors, reduced collateral requirements and little paper work. They make no explicit distinction between male-operated and female-operated micro-enterprises. The affiliates are often set up specifically to run the credit program, and have no other commitments or lines of work. They have technically qualified, paid staff, and expatriate assistance and leadership, especially at the start, which encourages a task orientation by a leadership with no ulterior political motives, except for those of insuring successful project performance to the donor agencies. A largely male

leadership, expatriate as well as in-country, has easier access to the financial and political resources needed to set up these programs.

The results are viable projects for male- and female-run micro-enterprises in the short term. The focus on micro-vendors and on solidarity groups shifts the transaction costs of lending to the borrower and increases women's access to credit, both because of the focus on commercial activities and the elimination of real guarantees. The minimalist orientation facilitates project performance and insures against having a mix of social and economic objectives that are difficult to attain through one project. The fact that a majority of the program leaders are men helps to break the vicious circle of disadvantage of powerless women leaders helping poor women.

Women constitute more than 50 percent of the recipients of loans to commercial activities in these programs, with excellent repayment rates. Women, however, are less well represented in the loans given to micro-producers and borrow, on average, lower amounts than men. Prodem, in Quito, Ecuador, overcame the pattern of having low female representation among micro-producers by targeting female clients from the outset. Prodem set up a special earmarked fund of \$50,000 to be disbursed to women during and obtained technical assistance on gender during the first two years of operations. As a result, Prodem records disaggregated information by sex of borrower from project start up, and both the management team and the credit analysts embraced the objective of reaching women clients not as an 'add on' but as a legitimate program component. And this investment paid-off well beyond the end of the technical assistance. Prodem was launched in 1984, and two years later, women accounted for a full 65 percent of micro-vendor group borrowers and 35 percent of individual borrowers in micro-production. In 1988 Prodem signed an agreement with the Inter-American Development Bank (IDB) to expand the program's size and reach. The fund was reoriented to emphasize small manufacturers, and graduated loans were given for fixed and working capital. In August of 1989, about 1,200 new loans had been granted. The majority of loans were very small, under \$120; the cumulative arrearage rate was 1.8 percent, and about 79 percent of the overall costs had been covered by project-generated income. Almost all the loans went to individuals rather than to solidarity groups. Despite this fact, women were 58 percent of the loan recipients for the period (Buvinić, 1990).

This unusually high percentage of women in the loan portfolio for micro-producers can be attributed to Prodem's explicit targeting of women and the initial women-oriented investments, the commitment of managers and loan officers, the crucial program ability to report on the loan portfolio performance by the sex of the borrower, and the structure of the loans that encouraged applications of very small operators.

The problems with minimalist credit programs are their moderate coverage, their questionable long-term financial viability, since they do not function entirely as banks and do not have deposits, and their limited capacity to graduate clients into the formal banking sector and to transform their enterprises, especially the women's enterprises, which are the smallest and least productive. An evaluation of the impact of Prodem credit on women and men borrowers showed that, over a year, the credit granted maintained rather than increased or transformed production. The credit did not solve the problems that the micro-enterprises had with the demand for products and did not change the level of technology. But the credit had indirect benefits that were sex-specific and suggest that, especially in the case of women, indirect benefits of these programs may be larger than direct ones. The Prodem loans helped women build a credit history and increased the efficiency of women's (but not men's) operations, reducing significantly the daily hours that women spent on the business (Buvinić, Berger and Jaramillo, 1989). It is likely that increased business efficiency enabled women to substitute home time for work time and translated into increased child welfare.

The third kind of micro-enterprise intervention are credit programs exclusively targeted to women, through a parallel program or through a women-run intermediary that deals with the banks. Program objectives may be restricted to providing credit and technical assistance to poor women micro-entrepreneurs or may include a larger target group of women-run businesses of different sizes and incomes. The objectives may also include gender advocacy aims that are beyond the credit program per se. The credit structure can be minimalist or credit plus, and it can follow the features of formal or informal sector lending. The short-term results of these programs have been mixed. As it may be expected, the better performers are the programs that target poor women and follow a minimalist approach with features of informal sector lending. A question of these programs is how frequently women borrowers become a 'front' for men, who really use the credit; and a risk of the more successful programs is that their success attracts men who then want to 'take over' the program.

### **4.3 The case of cascade subcontracting**

The opening of labour and product markets and the promotion of export-oriented industrial growth, either by setting up export-processing zones or by providing incentives to domestic and multinational export firms, has resulted in cascade subcontracting, with forward links from the informal sector who produces for export firms in the formal sector, especially in manufacturing. Cascade subcontracting has significantly expanded the demand for and the economic opportunities of women workers who produce for these firms (based either at home or in workshops). Cascade subcontracting, however, is predicated on low wages, no benefits, and seasonal or intermittent demand for work, and this is one of the reasons why it has attracted so many women, who are more willing than men to work under these conditions. The outcome of this type of work can be exploitation of women micro-producers, especially by less affluent national firms (Joekes and Moayed, 1987).

A solution to this problem of potential exploitation, without the displacement of women workers, is the establishment of non-profit, intermediary agencies whose main function is to bridge the gap between export firms and low-income women producers, as well as between the latter and credit and training institutions. These intermediaries insure that the contractors get quality and timely products, and give women producers access to credit, technical assistance and organizational skills to operate efficient contracting arrangements with large firms. In Santiago, Chile, Cideme, a not for profit agency, worked out a contract between home-based micro-producers from low-income neighbourhoods and a large supermarket chain, for the production of cleaning supplies for the national market. Cideme obtained credit for the women from the local affiliate of Women's World Banking (Finam) to purchase sewing machines and to give the women a steady minimum wage, and oversees production to insure timely and quality product delivery. In 1991 the project had been operating successfully for over two years.

### **4.4 Rating the effectiveness of self-employment approaches**

In brief, the project experience summarized points to the short-term viability and responsiveness to women's strategic needs of projects that provide minimalist credit to women's micro-enterprises, and suggests that the indirect benefits to women from these projects (i.e., saving time) may be greater than the direct effects on their enterprises. It also indicates that cascade subcontracting arrangements can promote self-employment for poor women, provided that the firms are mediated by intermediary organizations that insure against exploitation of female workers. On the other hand, the review warns against income-generating projects for poor women with multiple objectives and credit-plus interventions that may meet women's practical needs but do not address their strategic ones.

In addition, the review has questioned the long-term viability of most projects, including the more successful minimalist interventions, given these projects' limited coverage and incapacity to transform women's enterprises from subsistence level production to activities that can be more competitive in national and international markets. A major reason for the incapacity of projects to do more is the policy environment in which they operate which is generally indifferent to the promotion of poor women's economic activities, including the formation and expansion of women's enterprises.

The few significant investments that governments, strapped for financial resources, have made on women in the last decade have been in their roles as mothers and nurturers, through maternal health, nutrition, and formal schooling. In addition, indirect policies in the region have oftentimes been straightforwardly hostile to the growth of women's enterprises. Legal and regulatory frameworks work against micro-producers in general and women micro-producers in particular, who in many countries are legal minors if they are married and who cannot afford the high transaction costs required to set up and operate an enterprise. Police harassment of street and market vendors without permits is well known, and affects women who predominate in the sector. Further, the limited resources that governments have invested in non-traditional, technical education and training have benefited men over women. Vocational training institutions that have offered training to the self-employed have trained women in traditional female skills with low demand, and have promoted women's enterprises (i.e., income-generation projects) that end up carrying out subsistence activities with scant possibilities for growth. A recent review of 13 vocational training institutions in 10 countries points out that no institution (with the exception of INA in Costa Rica) has specific policies regarding women, and that the training they offer to about 42 percent of trainees that are female reinforces sex stereotypes in the labour market and is largely ineffective in preparing women for better paid occupations (CINTERFOR, 1991). The exception to these indifferent or negative indirect policies has been the change from inward- to outward-oriented development strategies which has expanded the demand for female-operated enterprises in subcontracting arrangements.

Summarizing, development strategies that seek to address strategic gender needs among the self-employed should promote projects whose objective is to expand women's enterprises by the delivery of minimalist credit that replicates features of informal sector lending to women micro-producers and micro-vendors. These projects are run by parallel lending agencies that are set up for the purpose, are task-focused, and reach men and women clients but include both the capacity to disaggregate the loan portfolio by the sex of the borrower and specific incentives to reach women clients included in the program design. These strategies should avoid multiple-objective projects that seek to form group-run women's enterprises in 'female' tasks and include personal and social development objectives or family welfare ones. Their style is group-oriented, participatory and volunteer based. These projects are usually implemented by women-only organizations or church groups with a welfare orientation and/or a larger political agenda that conflicts with project performance. The promotion of subcontracting arrangements between women's enterprises in the informal sector with formal sector industries geared to national or international markets can also be a viable project strategy with the intervention of intermediary agencies that protect women workers. Since the best performer projects are often run by men leaders with access to economic and political resources, funders need to be cognizant that female leaders may need an extra helping hand (in terms of financial and technical resources) to set up projects for women and have to make sure that larger political agendas do not interfere with project performance.

In addition, in the policy environment direct and indirect friendly policies are needed to foster women's enterprises and insure long-term project viability. Direct policies include donor and national commitment to provide non-traditional skills training to women and finance start-up costs of direct assistance programs for women's micro-enterprises. Friendly indirect policies include: (a) revising regulatory and legal frameworks with special emphasis on removing the constraints that female micro-entrepreneurs face in setting up business and having access to productive resources; (b) devising industrial policies that favour the development of small-scale enterprises; and (c) strengthening institutional development of female NGOs and the capacity of government agencies to address gender matters.

## **5. Promoting Wage-Employment**

Latin American and Caribbean governments have since the late 1970s implemented compensatory interventions to provide employment and transfer income to the poor. These took first the form of emergency employment programs and, since the late '80s, of social emergency and investment funds that include both emergency employment programs as well as social welfare interventions that are not directly linked to employment. There is a rich literature that describes and analyzes both the early emergency employment programs and the social funds (PREALC, 1988; Wurgaft, 1992; Zuckerman, 1990; Graham, 1991, 1992). However, impact evaluations are lacking and, with the noted exception of the excellent work by Vigier on the PAIT in Peru, there has been no analysis of the implications of these programs for women's employment opportunities, despite the fact that a substantial portion of workers have been women. This section, based on a brief fact-finding mission, analyzes from a gender perspective three emergency employment programs: the PAIT in Peru, and the PEM and POJH in Chile, and three social funds: the Bolivia Social Emergency Fund (FSE), the Bolivia Social Investment Fund (FIS) and the Social Solidarity and Investment Fund of Chile (FOSIS).

### **5.1 Program features**

Briefly, the principal objectives of these compensatory instruments have been to generate employment opportunities quickly, transfer income to poor families affected by unemployment and underemployment, and finance social infrastructure works and social assistance programs that benefit the poor. The programs have all included self-targeting by the poor by offering low wages, as well as geographical targeting of low-income neighbourhoods. Although questions have been raised regarding these programs' capacity to alleviate poverty more permanently and reach the poorest, there is consensus that they have been effective in reaching the poor. Table 6 indicates that the emergency programs of the early '80s reached a significant portion of the poor in Chile and Peru and that they, as well as Bolivia's Social Emergency Fund, contributed a substantial portion of poor households' income.

While they share similar objectives and create employment, the emergency employment programs and the social funds function differently. The emergency employment programs of Chile and Peru were top-down interventions by the state, in one case by the authoritarian government of Pinochet, in the other case by the populist government of Garcia, and were financed and run by the central government. They are supply rather than demand driven programs. In the case of the PAIT

in Peru, the program was highly centralized and run by a government entity. In the case of Chile, the programs were set up by the government but municipalities were used to decentralize implementation. These local government agencies decided, through committee structures, on the nature of the projects to be undertaken. Peru's emergency program was temporary and lasted only a couple of years, while the Chile employment programs lasted more than a decade. The social funds are demand driven programs where the state acts as a financial intermediary between donor and government funding, on the one hand, and the poor, on the other. Projects are implemented by a wide-range of private and non-profit agencies, as well as some public sector institutions, including construction companies, technical training institutes, church groups, non-governmental elite organizations, and grass-root groups. Social funds are run by agencies created for the purpose and modeled after the private sector. To attract talent from the private sector, the state pays high salaries, provides appropriate infrastructure and technology, and allows the new entity to disburse funds quickly, unencumbered by standard bureaucratic procedures. Both kinds of programs are subject to political pressures and the political economy considerations of targeting the poor (Sen, 1992).

## **5.2 *The PAIT in Peru: An emergency program meeting women's strategic gender needs, while it lasted***

The PAIT (Programa de Apoyo de Ingreso Temporal) in Peru was launched with a bang by the government of Alan Garcia in 1985 to cope with the economic crisis and ended with a whimper at the end of 1987. It was a national program with heavy over-representation of Lima and other urban areas, whose major objective was to increase the income of the poor by the provision of temporary employment. The purpose was not the generation of quality 'productive' employment, but the transfer of income to the poor through work for pay. Seventy-five percent of PAIT workers were in Lima and Callao and the 25 remaining in the principal cities of 8 of the 24 provinces of Peru (Houghton, 1988). The PAIT utilized the National Office of Popular Cooperation (COOPOP), an existing government entity with national reach, as the implementing mechanism. COOPOP had been set up originally to undertake community development works in marginal urban and rural areas. The PAIT organized workers around community development projects. Applicants had to be male or female, 16 to 55 years of age, with or without documents, underemployed or unemployed and reside in marginal urban and rural neighbourhoods. Only one beneficiary per family could apply, and families needed to reside close to the workplace. The PAIT had six different community works programs including access roads, reforestation and irrigation, painting, garbage collection, and cleaning of beaches. In principle, workers could only participate in the PAIT for three months per year.

Workers were paid the equivalent of a minimum wage for an eight hour work day. In real terms, the minimum wage was too low to satisfy the basic needs of poor families. In 1985 the PAIT wage was 548 intis while the cost of a basic consumption basket was estimated at double that or 1,100 intis (Wurgaft, 1988). Between October 1985 and June of 1987 the PAIT provided work for about 374,000 temporary workers in six working campaigns with an approximate investment of US\$100 million. A majority of these workers were women. They were poorer and less educated than men and more often heads of families with responsibilities for children. The majority of the women were between 20 and 40 years of age. Ninety-five percent of them had children and 30 percent took the children to work (Vigier, 1986).

Table 7, from Vigier's evaluations, documents the feminization of the PAIT: women comprised from 76 percent of the 25,000 monthly participants in 1985 to 84 percent or 60,000 monthly participants in 1986 (Vigier, 1988). Fifty-seven percent of the women workers in the PAIT were heads of families in 1985 and this number increased to 73 percent in 1986. About 33 percent of the women workers in the PAIT were economically inactive before joining the program; however, in terms of prior occupations, only nine percent of the women and seven percent of the men declared that they had no prior occupation. The primary occupations reported by the women who joined the PAIT were domestic workers, street vendors, seamstresses and knitters. Men and women workers in the PAIT took different work: women were more often garbage collectors while men were more often sanitary workers.

On the supply side, the PAIT included in its design stage the objective of reaching women with at least 30 percent of the jobs generated. Programs that explicitly target women usually reach them. Other program characteristics that contributed to overshooting the 30 percent female target include, first, the fact that the PAIT was designed and promoted as a community development activity, and was implemented by a community development organization. This feature implicitly targeted women since they are the primary unpaid or volunteer workers in community development activities carved out by the church and other welfare organizations. The PAIT enabled poor women to substitute paid for unpaid work in community participation. In addition, the PAIT did not require prior training, allowed

flexible work hours, recruited workers from nearby neighbourhoods so that there were no transportation costs, and allowed women to bring their children to work. These features all made it an attractive work option for poor women, who spontaneously organized community childcare centres to accommodate their double market and home work responsibilities. By 1986 about 4,000 children attended PAIT organized childcare centres.

On the demand side, the low salary offered by the PAIT attracted more women than men both because underemployment and low wages affected them more so than they affected men workers, and because they suffered more directly the family consequences of economic contraction. The PAIT was a timely response to women's income generation needs in times of economic crisis. Vigier (1988), however, also suggests the high percentage of female workers can only be explained by men's rejection of the PAIT. This rejection was probably a function of low wages, a stigma associated with poverty programs, and a stigma associated with the PAIT's feminization.

Vigier's (1986) work documents possible program impacts on women. She mentions both earning a regular wage (that enables women to plan family expenditures) and the greater visibility of women's childcare and health needs as positive program impacts. As a negative program impact, Vigier mentions the fact that women ceased to participate in volunteer community activities that included skills training and other personal growth activities (1986). In addition, negative PAIT outcomes for women (and men) included the temporary nature of employment, the lack of social security benefits, the lack of training, and a stigma associated with participating in a targeted program for the poor that was not centred around 'quality' employment. Graham (1991) added to this list possible conflicts between husbands and wives derived from women's newfound economic independence.

The PAIT scores well, however, when one follows the criteria presented here to judge project effectiveness. The PAIT offered women paid work at a reduction in the hours worked in the marketplace. Sixty-five percent of the workers improved their incomes, and half of these cut back on their work hours (Vigier, 1986). In addition, the PAIT accommodated women's childcare needs. By substituting paid work for unpaid community participation, it likely benefited rather than harmed women and children by allowing women to have more time for home production and childcare. Volunteer community participation may be beneficial for communities, but can have high costs for women, as Anderson (1989) has documented in the case of poor women already balancing too many responsibilities in Lima's low-income neighbourhoods. Seventy percent of the PAIT workers spent the income earned in increasing the quality of food for family consumption suggesting a positive nutritional impact of PAIT wages (Vigier, 1986). On balance, from the perspective of poor women's strategic needs the PAIT seems to have been an effective anti-poverty intervention, while it lasted. The major problem was the temporary nature of both the work and the program. It is quite likely that a major reason for the PAIT's termination was precisely who it benefitted: poor urban women, a powerless constituency, that did not have enough political clout to keep alive a transfer program targeted to them.

### **5.3 *The PEM and the POJH in Chile: Reinforcing sex discrimination in the pricing of women's and men's labour***

Chile characterizes itself for having almost parity in the educational attainments combined with a wide wage differential in the salaries of females and males in the region. Female salaries were 65 percent of male salaries in the 1980s (Psacharopoulos and Tzannatos, 1991). In the early 1980s, the government likely reinforced this sex differential in pay by establishing and supporting two parallel emergency programs: the PEM, a program self-targeted to female workers that paid half the wages of a second program, the POJH, that was explicitly targeted to male heads of households.

The Minimum Employment Program (PEM) was set up by the Chilean government in 1975 in the midst of a severe economic recession to help the unemployed. It was set up as a temporary compensatory program but ended up functioning for more than a decade. Because it was conceived as a subsidy to the unemployed, the pay was lower than the minimum wage and the real PEM wage diminished over time. By 1980 it was 62 percent of what the real wage had been at program initiation, while the working day had risen from half to almost a full work day (Clavel et al., 1987). The PEM was established by the central government and implemented by the municipalities, combining centralized and decentralized operating features. A committee presided by the mayor was formed within the municipalities to run the program. Early on, PEM workers were supposed to undertake minimum work so as not to interfere with the marketplace. However, as the program grew, an important portion of PEM workers were assigned to work in government agencies, such as schools and hospitals, providing cleaning services. As program participation rose, the perception that PEM

work was unproductive and stigmatized also increased. (It is ironic that street cleaning, which is what many PEM workers did, was perceived as unproductive, make-do work in a city, such as Santiago, where street cleaning can help counter the serious debilitating effects of air pollution on people.)

Participation in the PEM was counter-cyclical and increased in periods of economic contraction. The number of workers registered in the PEM was the highest in 1983 with an average of 389,000 workers per month. As Table 8 indicates, the percentage of women working in the PEM grew over time, from 35.6 percent in 1980 to 52.3 percent in 1982 and to 72.6 percent in 1987. High proportions of the women were classified as economically inactive prior to joining the PEM (in 1982, 67.5 percent of the women workers). Table 9 shows that women PEM workers had higher education than male PEM workers, were slightly older, worked at the PEM for a longer period of time, and were somewhat more disabled. In 1983, 23.6 percent of PEM workers and 76 percent of PEM families received some additional income (Clavel et al., 1987).

In response to the feminization of the PEM, in September 1982 the government established a parallel program, the POJH, or the 'employment program for heads of households', with the purpose of reducing the unemployment rate and of eliminating the "*deficiencies of the PEM with respect to the target population*" (Clavel et al., 1987, p.15). Concerned that the PEM was reaching secondary female workers who were complementary rather than main household earners, and who would be better-off staying at home with the children, the state restricted access to the POJH to heads of households with an occupation or adequate work experience. POJH provided work in social infrastructure projects such as road repairs, cleaning of sewage and painting; the work was carried out by working crews comprised by labourers, supervisors and project heads. The POJH wage was double that of the PEM for an average seven hours of work. In 1983, the PEM salary was 2,000 pesos and the POJH basic salary was 4,000 pesos. That year, the cost of a basic consumption basket was estimated at 8,000 pesos (Wurgaft, 1988). At its height in 1983 the POJH registered 225,000 yearly workers. As the salaries and the structure of work suggests, fiscal expenditures were higher for the POJH when compared to the PEM. The PEM started in 1975 with an initial average cost of 7,880 pesos per worker and it was lowered to 3,713 pesos per worker in 1986. The POJH started with an initial average cost per worker of 17,638 pesos in 1982 was lowered to 8,129 pesos per worker in 1986 (Clavel et al., 1987, pp. 13 and 21). Table 8 summarizes these costs as well as the earnings of workers in 1987, and the hours worked. In that year, PEM beneficiaries worked, on average, slightly more rather than fewer hours than POJH beneficiaries. In 1987, 71.9 percent of the beneficiaries of the POJH were men, mostly young with low educational status. While the intention was that the program would only include people who were heads of households, only 44.9 percent of POJH beneficiaries fulfilled that requirement (Heindl, 1989).

Higher POJH wages attracted men to the program, but it is not clear that more than double the cost per worker was justified on either equity or social effectiveness grounds, particularly since a majority of the workers were not heads of household. It is also not clear that PEM work was less 'productive' than POJH work or that PEM workers worked less. The impact of the PEM and the POJH on women workers is unknown. Overt time, both programs were viewed by the poor as ineffective attempts by an authoritarian government to appease the poor in the face of severe economic crisis. PEM and POJH work became stigmatized and a lasting perception among the poor is that 'people sank' when doing PEM or POJH work (Dasso and Barraza, 1993, p.52). This is one view. On the other hand, the PEM reached large numbers of women and provided them with work for pay. It is likely that many of the women who were 'inactive' before joining the PEM, stayed in the work force post-PEM. In an analysis of women's participation in the labour force of Santiago, Pardo (1989) finds that this participation is positively related to declining incomes of the heads of household, but not to male unemployment rates. This could be due either to the fact that there is no 'added worker' effect of women in the face of economic downturns or that women who joined the work force (and the PEM) as a result of the economic downturn thereafter stayed in the labour force.

Approximately 28 percent of the POJH workers were women and there is reason to assume that these women were, more so than men, heads of families. Municipal mayors estimated that 80 to 85 percent of women POJH workers were single mothers. In telling interviews conducted to evaluate the social impact of the POJH, mayors were unanimous in agreeing that the POJH benefited single mothers with children who were able, through the program, to break the cycle of poverty that engulfed them and their children. "*Unlike the social safety network, POJH helps these women with money that contributes to solving their basic food needs. This enables the women not to rely on a partner for subsistence and results in (positive) changes in their social behavior*" (Clavel et al., 1987). These remarks suggest that, by providing a wage, the POJH addressed the strategic needs of poor mothers and their children in a way that social welfare programs were not able to do. The question is if the very low PEM wages helped or hindered poor women in meeting their short-term strategic needs.

There is little doubt that the programs did nothing to help counteract pay differentials by sex in the Chilean economy.

#### **5.4 The FSE and the FIS in Bolivia: Social welfare for women and employment for men**

In 1986 Bolivia launched the Social Emergency Fund (FSE), a compensatory mechanism to improve both social sector efficiency and equity. The FSE ended in 1990 and the following year (in March of 1991) Bolivia began implementation of the Social Investment Fund (FIS). Following on the success of the FSE, there are currently ten such funds in operation in Latin America and the Caribbean (Wurgaft, 1992). The FSE was established in response to a severe economic crisis, a drastic adjustment program and Bolivia's rapid deteriorating social conditions. These conditions fostered women's increased participation in the urban economy. In large cities, the proportion of women in economic activity rose from 26.9 percent of the economically active population in 1976 to 44.1 percent in 1989 (Montaño, 1993, p.94).

The FSE operated as a financial intermediary and channelled approximately \$194 million in four years from donor agencies and the state to the poor through private contracting companies and a wide-range of non-governmental organizations. The fund was set up as an autonomous institution that operated in a decentralized fashion, was demand driven, and by-passed the normal bureaucratic procedures of line ministries. It had four main components: employment generation to build economic or social infrastructure, social assistance or welfare, credit for production and technical assistance. Approximately 82 percent of the FSE funds went into the first infrastructure component. By the end of 1990 the FSE had financed around 2,900 projects for a total of about US\$118 million and had reached an estimated 1.5 million beneficiaries. It had created approximately 547,000 person months of direct employment. Main beneficiaries included the mostly male construction workers that benefited from the employment generation; the women who received the social assistance; and the private construction companies and nonprofit organizations that executed the projects (Zuckerman, 1990; Buxell, 1991).

Wages were not fixed like in the former emergency employment programs, but approximated those in the Bolivian labour market. Workers were hired by subcontracting on a verbal and temporary basis. By not fixing wages to a set predetermined level, the Bolivian emergency employment program did not guarantee that the workers would come from the poorest groups. However, in two different evaluations of the FSE's impact, it was found that about 80 percent of the families relied solely on workers earnings, suggesting that most beneficiaries were poor (Castaños et al., 1988).

According to one evaluation, more than 97 percent of the FSE workers were men, 44 percent had prior work experience in construction, and 21 percent were former miners (Buxell et al., 1991). Nevertheless, there were reports from the evaluators that women worked in some of the employment projects financed by FSE, but their participation was contingent on the construction company or implementing NGO, and no records were kept. In the case of a food-for-work program implemented by Caritas in Potosí, where records of workers were kept by name, it was found that between April 1988 and March 1991 there had been 3,291 workers in the project of which 42.5 percent were women (Buxell, 1991, p. 29). Because the FSE did not have a special policy with regard to women, information on women workers did not get registered and there was no protection for them. Castaños observes that when women worked in the FSE, they worked in exploitative conditions and were paid the least.

Poor women's access to the employment generated by the FSE was constrained both by the level of wages and the nature of the implementing agencies. Market wages and construction companies that were not structured to hire women workers restricted women's access to the FSE. It may also be true, however, that the large informal sector in Bolivia offered women alternative work opportunities. Compounding these factors was the lack of a specific policy toward women that did not alert agencies that demand driven funds, in and of themselves, are more gender aware or can benefit women more so than supply oriented interventions. The nature of the demand is filtered by or is contingent on the executing agencies. If these agencies work with women, such as the Bolivian church-based organizations that implement food-for-work programs, it is more likely that the demand driven fund will respond to poor women's practical or strategic needs. Men-based organizations, such as labour unions and traditional cooperatives, as well as private construction companies, will generally submit projects for funding that do not include women. Women's access to the employment portion of the FSE may have been further restricted because the FSE included a small social welfare component (less than ten percent of FSE funds) that addressed women's practical needs, and therefore relieved pressures on the government to do something for poor women.

Following the success of the FSE, the FIS was established in 1991 to channel fiscal investment into health and education. The objective of the FIS is to finance anti-poverty interventions by improving access to and quality of health and education for the poor. FIS finances social infrastructure, service provision and education, both formal and non-formal, and works largely through private and public executing agencies, such as regional development corporations, NGOs and neighbourhood associations. A recent mid-term evaluation of the FIS shows that 65 percent of the approved projects for a total of \$61 million are for rural areas and 25 percent or \$49 million are for urban areas (World Bank, 1993a). The FIS has targeted women under the non-formal education component with literacy and skills training and has hired the services of a specialist to incorporate a gender dimension into FIS projects.

In 1992, the FIS funded non-formal education projects for women for US\$3 rather than a \$2 million original target. Forty-three percent of these projects included skills training. The rest were only literacy or post-literacy programs, responding to the fact that 7.2 out of every ten illiterates in the country are female. The capacity of FIS funds to meet women's income-generation needs is dependent on the capacity of the executing agencies. There are at least 40 registered women-based NGOs in Bolivia and many, including Pro Mujer, are beneficiaries of FIS funds. A recently formed organization, Pro Mujer's training programs for poor women in El Alto have multiplied with FIS funds. Pro Mujer has trained in two years about 4,000 poor urban women and provides credit through community banking so that women can use the skills learned in income-generation. As the other women-based NGOs, Pro Mujer seems to be a highly committed organization that seeks to address poor women's strategic needs. The capacity of Pro Mujer, and therefore the capacity of the FIS, to meet the needs of poor women is, however, contingent on Pro Mujer's technical and institutional growth. Unfortunately, the FIS funds are project-specific and cannot be used to further the institutional and technical growth of non-governmental organizations, which is a particular need of the responsive but newly constituted women-based organizations in Bolivia (and elsewhere in the region).

#### **5.5 *The FOSIS in Chile: Meeting women's demands filtered by executing agencies***

The comparatively smaller Chilean Social Solidarity and Investment Fund (FOSIS) is another example of how, in the case of demand driven funds, poor women's strategic and practical needs are mediated by the capacity of executing agencies. FOSIS has operated in Chile for two and one-half years; its 1993 budget is about US\$40 million and it has financed about 4,000 projects in four areas which include micro-enterprise development programs, youth, peasants and indigenous populations, social and community development and development of poor localities. This last area was added to increase the fund's capacity to reach the poor by geographical targeting. The fund has no specific policy towards women; therefore, its responsiveness to the needs of poor women is left entirely to the interest, capacity and orientation of the agencies that apply to or compete for FOSIS funds. A cursory review of projects financed through August 1992 suggests that women's strategic needs are better addressed by the fund in Santiago, where nongovernmental and women-based organizations predominate, as compared with the smaller secondary cities, where the presence and capacity of this sector is much reduced. In Santiago, FOSIS benefits women by financing micro-enterprise interventions and skills training programs for adolescent mothers and poor women heads of families. In the smaller, more isolated cities across the country FOSIS finances projects presented by the municipalities, church groups, and neighbourhood associations that, in the case of women, seem to be directed to meeting their practical rather than their strategic needs. This observation is supported by FOSIS' recent experience with the geographical targeting of poor groups. 'Among All' is a sub-program whose objective is to promote the participation of grassroots groups through projects that require communities to volunteer labour in the construction or repair of social infrastructure. Currently, the sub-program finances projects in 320 localities and includes women's active participation through mother clubs and parent teacher associations. None of the projects, however, has addressed gender needs. In response to this, FOSIS staff coordinating the sub-program proposed a budget line item in FOSIS' budget proposal that would encourage the development of projects for women. Unfortunately, this budget line item was not approved by the government.

#### **5.6 *Rating the effectiveness of wage-employment approaches***

The review of the experience suggests that demand driven social investment funds are not necessarily more effective in terms of addressing poor women's strategic needs than supply oriented emergency employment programs. The participation of women in the emergency employment programs depends on these programs' design features. Women's participation in the social investment funds depends on the nature and capacity of the executing agencies that access these funds. Table 10 summarizes potential costs and benefits to men and women of participating in self-targeted employment

programs. Direct benefits to participants equal the amount of transfer (or wage paid) minus participation costs. These costs include the income from alternative work that participants forego by joining the schemes and psychic costs, as well as costs from alternative uses of time and from overcoming social restrictions against participation (in the case of women). The table also summarizes expected costs for the agency or the program and hypothesizes gender differences in terms of costs and benefits. The table suggests that the benefits of targeting poor women with these programs may be greater than the benefits of targeting poor men with the same amount of transfer. It also suggests some of the reasons why women flocked into the PEM and the PAIT but stayed away from the POJH and the FSE. The PEM and PAIT offered lower wages and were therefore less costly to women in terms of foregone income; they were also less psychologically costly to women who can cope better than men with the stigma of participating in an employment program for the poor that is both devalued and feminized. The feminization of both programs probably raised program costs to potential male participants. The potentially higher time costs from participation for women when compared to men were reduced in the programs because of access to childcare, proximity between the home and the workplace, and flexibility in work schedules. The PAIT seems to have addressed women's strategic needs more effectively than the PEM in the short term both because it paid comparatively higher wages and provided childcare alternatives. The very low wages of the PEM may have reinforced rather than disrupted the cycle of poverty between poor mothers and their children. However, the PAIT's brief existence, made briefer because it was feminized, argues against its responsiveness to women's strategic needs in the long term.

Striking observations from these employment experiences are, first, how they capture poor women's need for employment and income in times of economic downturns, and second, how program characteristics, to a large extent, determine the extent of women's participation. Governments can design emergency employment programs that either promote or discourage women's participation and either reinforce or challenge sex discrimination and sex stereotypes in the labour market. A gender-aware design would provide a sufficiently varied range of employment options and executing agencies so as to include women but not completely feminize the program; consider utilizing women-based intermediaries and work options that include home-based production; provide work close to the home, set flexible hours, and include options for childcare; define an explicit policy to reach women and gather statistics disaggregated by sex; provide skills training; and avoid setting different wage structures for men and women or, worse, separate programs for them. Policymakers should also review accepted notions that women are secondary workers, earn 'complementary' wages and undertake work that is less productive than men's.

The experience of the FSE highlights the importance of the nature of the executing agency in insuring women's participation and of keeping statistics disaggregated by sex. The case of the PEM and the POJH highlight the importance of having an explicit gender policy to frame the use of statistics disaggregated by sex in program monitoring. The capacity of the implementing organizations is key to make demand driven funds responsive to the strategic needs of poor women. Because the capacity of organizations in the public and nongovernmental sectors to address the needs of poor women is limited, these funds should allow charging overhead to cover these capacity building costs.

## **6. Concluding Remarks**

There is much governments and donors can do to promote employment for women among the urban poor and, therefore, to fight poverty and inequality in the region. Micro-enterprise interventions and compensatory strategies, as this review has shown, are seldom gender neutral; they have differential impacts on men and women, can either include or exclude women, can address either their strategic or practical needs, and can be moulded to be gender friendly and socially effective.

Employment promotion programs that include women without excluding men (therefore, without feminizing the program), and that address women's strategic needs by increasing women's incomes, saving time, and providing childcare options are likely to help contain the cycle of poverty between mothers and their children. Critical elements in program design to address strategic gender needs effectively are explicit gender objectives and a policy to achieve these objectives; gender disaggregated statistics to monitor program implementation and measure impact; executing agencies which can attract and work with women participants; and budget allocations to strengthen the capacity of institutions to implement and monitor gender responsive employment programs for the poor. Government and donors need especially to invest in the growth of women-based NGOs that can work with women among the urban poor.

The reach of these interventions is restricted, however. Their impact is short-lived and while they can help contain the cycle of poverty between mothers and children, they cannot in themselves

transform women's economic activities. Changes in the policy environment are required to accomplish the latter. These include the direct and indirect friendly policies to promote women-owned and women-operated enterprises mentioned in the text as well as labour-intensive economic growth policies that expand employment opportunities for women among the poor. This will require government's investments to upgrade women's skills in traditional as well as non-traditional occupations that can compete in national as well as export markets and as a series of complementary measures, including overhauling social security systems, establishing regulatory frameworks for industrial growth, and legislating on childcare options.

If appropriately designed, however, the short-term interventions reviewed here have the potential of helping to transform societies by contributing to challenging sex-stereotypes and sex-discrimination in the labour market. To take-up this challenge, policy makers need to revise the accepted notions that women are secondary workers, that their earnings are complementary, and that their work is less productive than men's work. All these notions are highly questionable in the case of women among the urban poor in the region, as the data presented in this review has documented.

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**Table 1. Social Indicators of the Quality of Life for Females in Latin America and the Caribbean (Grouped by Percentage of Urban Population)**

Country by % of Urban Population	Life Expectancy of Females at Birth <sup>1</sup>		Total Fertility Rate <sup>1</sup>		Female Students as % of Total Enrollments in Primary Education <sup>2</sup>	
	1970	1991	1970	1991	1970	1985
<b>High (71% or More)</b>						
Argentina	70	75	3.1	2.8	49	49
Brazil	61	69	4.9	2.8	50	48
Chile	66	76	4.0	2.7	50	49
Colombia	63	72	5.3	2.7	50	50
Mexico	64	73	6.5	3.2	48	49
Peru	56	66	6.0	3.4	46	48
Trinidad & Tobago	68	74	3.6	2.8	49	50
Uruguay	72	77	2.9	2.4	48	49
Venezuela	68	73	5.3	3.7	50	49
<b>Medium (41-71%)</b>						
Bolivia	48	61	6.5	4.8	41	47
Costa Rica	69	78	4.9	3.2	49	48
Dominican Republic	61	69	6.3	3.1	50	50
Ecuador	60	69	6.3	3.7	48	49
El Salvador	60	68	6.3	4.1	48	50
Honduras	55	68	7.2	5.0	50	50
Nicaragua	55	68	6.9	5.1	50	52
Panama	67	75	5.2	2.9	48	48
Paraguay	67	69	6.0	4.4	47	48
<b>Low (40% or less)</b>						
Guatemala	54	67	6.5	5.4	44	45
Haiti	49	56	5.9	4.7	44	47

**Sources:**

<sup>1</sup> World Bank: *World Development Report 1993* (Washington, DC, 1993).

<sup>2</sup> Marlaine E. Lockheed and Adriaan Verspoor: *Improving Primary Education in Developing Countries: A Review of Policy Options*, Education and Employment Division, Population and Human Resources Department (Washington, D.C., The World Bank, 1989), Annex: Table 2.

**Table 2. Total Fertility Rates by Groups for Selected Countries**

Indicators	Country and Year of Study					
	Panama (1976)	Guatemala (1976)	Honduras (1979-80)	Chile (1980)	Paraguay (1979)	Cuba (1977)
<b>Socio-economic group</b>						
Non-wage agricultural	6.3	7.2	8.4	3.5	7.0	2.3
Middle-income	2.8	3.8	3.8	2.3	3.2	1.9
<b>Residence</b>						
Rural area	5.4	7.1	8.2	3.6	6.6	2.7
Capital city <sup>1</sup>	2.8	3.9	3.8	2.4	2.7	1.7
<b>Years of education</b>						
0-3 years	6.1	6.9	7.6	3.4	5.7	3.2
7 and more years	2.8	3.3	3.4	2.5	3.4	1.5
<b>Average rate across groups for year study</b>	4.1	6.3	6.3	2.7	5.1	2.3

**Note:** <sup>1</sup> Honduran figure is for all cities.

**Source:**

CELADE: "América Latina: Indicadores Demográficos Sociales y Económicos de la Población Femenina." *Boletín Demográfico* (Santiago, Centro Lationamericano de Demografía, 1987) Año XX, No. 39, p. 33.

**Table 3. Trends in Total Fertility Rates by Groups for Costa Rica (1981-1985)**

	1981	1985
<b>Income Level</b>		
Low	4.5	5.1
Middle	3.3	2.9
High	2.5	2.2
<b>Residence</b>		
Urban	3.2	3.0
Rural	3.9	4.1
<b>Years of Study</b>		
Less than 3	4.6	5.9
3 to 6	3.8	4.0
7 and More	3.0	2.6

**Source:**

Ana Isabel Garcia and Enrique Gomáriz: *Mujeres Centroamericanas: Ante la Crisis, la Guerra y el Proceso de Paz. Tomo I, Tendencias Estructurales: Información estadística por sexo* (San José, Facultad Latinoamericana de Ciencias Sociales (FLACSO), 1989).

**Table 4. Social Indicators of the Condition of Low-Income Women**

Country	Illiteracy Rate (in %) (1990)	Maternal Mortality Rate (per 100,000 live births) (1988)
Argentina	5	140
Bolivia	29	371
Brazil	20	140
Colombia	14	200
Costa Rica	7	18
Chile	7	40
El Salvador	30	148
Guatemala	53	-
Haiti	53	600
Honduras	29	221
Mexico	15	200
Panama	12	60
Paraguay	12	300
Peru	30	165
Uruguay	4	36
Venezuela	10	55

**Source:**

World Bank: *World Development Report 1993* (Washington, DC, 1993).

**Table 5. Female Headship in Selected Countries as Percentage of Total and Urban Households**

Country	Year	Total (%)	Urban (%)
Brazil	1960	10.7 <sup>3</sup>	14.0 <sup>3</sup>
	1970	13.0 <sup>1</sup>	15.7 <sup>1/3</sup>
	1986	18.4 <sup>4</sup>	20.6 <sup>4</sup>
Costa Rica	1982	17.0 <sup>1</sup>	-
	1984	17.5 <sup>3</sup>	22.7 <sup>2</sup>
Dominican Republic	1980	21.7 <sup>1</sup>	26.1 <sup>1</sup>
	1985	-	38.0 <sup>1</sup>
	1987	26.1 <sup>1</sup>	-
Honduras	1974	22.0 <sup>2</sup>	28.0 <sup>2</sup>
	1986-1987	20.0 <sup>2</sup>	25.0 <sup>2</sup>
Mexico	1977	13.6 <sup>1</sup>	-
	1980	14.0 <sup>1</sup>	-
Peru	1970	14.1 <sup>1</sup>	14.5 <sup>1</sup>
	1981	22.0 <sup>1</sup>	23.1 <sup>1</sup>

**Sources:**

- <sup>1</sup> Felix Acosta: "Análisis Demográfica de la Jefatura de Hogar Femenina en Mexico." Paper prepared for joint ICRW/Population Council series on *Family Structure, Female Headship and Maintenance of Families and Poverty* (forthcoming).
- <sup>2</sup> Ana Isabel García and Erique Gomáriz: *Mujeres Centroamericanas: Ante la Crisis, la Guerra y el Proceso de Paz. Tomo I, Tendencias Estructurales: Información estadística por sexo* (San José, Facultad Latinoamericana de Ciencias Sociales (FLACSO), 1989).
- <sup>3</sup> Thomas W. Merrick and Marianne Schmink: "Households Headed by Women and Urban Poverty in Brazil." In M. Buvinić, M. Lycette and W. McGreevey, eds.: *Women and Poverty in the Third World* (Baltimore, The Johns Hopkins University Press, 1983).
- <sup>4</sup> Ricardo Paes de Barros, Rosane Pinto de Mendoca and Louise Fox: *Female Headed Households, Poverty and the Welfare of Children in Brazil*. Paper prepared for The World Bank (1989).

**Table 6. Family Income of Participants in Emergency Employment Programs**

	PAIT <sup>2</sup>	PEM <sup>3</sup>	POJH <sup>3</sup>	
<b>Poverty level</b>				
% destitute <sup>1</sup>	65	80	70	
% poor	35	20	30	
<b>Program's earnings as proportion of family income</b>				
				FSE <sup>4</sup>
only income	21.5	24.0	31.6	51.0
up to 50% of family income	65.5	48.3	54.0	74.0
<b>Notes:</b>				
	<sup>1</sup> destitute = cannot cover minimum consumption basket; poor = income up to twice that of destitutes			
	<sup>2</sup> December 1985			
	<sup>3</sup> August 1983			
	<sup>4</sup> April 1988			

**Source:**

José Wurgaft: "Lecciones de los Programas de Empleo. Una Vision de Conjunto." In PREALC, *Empleos de Emergencia*. (Santiago, Organizacion Internacional del Trabajo (OIT), 1988).

**Table 7. Characteristics of Male and Female Participants in the PAIT, Peru**

	1985		1986	
	Men	Women	Men	Women
No. monthly participants (x)	6,000	19,000	10,000	60,000
%	24	76	16	84
% head of family	43	57	26	73
% no occupation before PAIT	-	-	7	9
% inactive before PAIT	-	-	13	36
% earning less before PAIT	-	-	45	60
% single, divorced, separated or widowed	-	-	64	39
% family income 2699 intis or lower according to sex of participant (lower 20%)	-	-	45	62
Garbage pickers in PAIT (%)	6.7	23.5	-	-
Sanitary workers in PAIT (%)	17.3	1.2	-	-

**Note:** x = average

**Sources:**

María Elena Vigier: *La Participación de las Mujeres en el Pait* (Lima, Peru, 1987).

María Elena Vigier: *El Impacto del Pait en el Empleo y los Ingresos: Lima Metropolitana 1986* (Lima, Proyecto Planificación del Mercado Laboral, Organización Internacional del Trabajo (OIT), Febrero 1986).

María Elena Vigier and Peri Paredes: *Los Trabajadores del Programa Nacional de Apoyo al Ingreso Temporal de Lima Metropolitana*, Documento de Trabajo (Lima, OIT/PNUD/INP, Enero 1986).

**Table 8. Characteristics of Emergency Employment Programs in Chile**

	PEM		POJH	
	1980 <sup>1</sup>	1982 <sup>2</sup>	1987 <sup>3</sup>	1987 <sup>3</sup>
No. of Monthly Participants (x)	190,423	226,799	40,653	75,775
% Women	35.6	52.3	72.6	28.1
% Men	64.4	47.7	27.4	71.9
Hours Worked Last Week	-	-	31.7 hours	30.0 hours
Monthly Earnings (x)	-	-	3,058 pesos	5,449 pesos
Cost per Beneficiary (x) <sup>4</sup> (in 1987 pesos)	-	-	3,713 (1986)	8,129 (1986)
	-	-	3,106 (1987)	6,734 (1987)

**Note:** x = average

**Sources:**

- <sup>1</sup> Klaus Schmidt-Hebbel: *El Programa del Empleo Mínimo en Chile: 1975-1980* (Santiago, Banco Hipotecario y de Fomento de Chile (BHC), Departamento de Estudios, 1981).
- <sup>2</sup> Hernán Cheyre and Esteban Ogradnik: "El Programa de Empleo Mínimo: Análisis de una encuesta." In *Empleo: Recopilación de Artículos de la Revista de Economía* (Santiago, Universidad de Chile, 1987).
- <sup>3,4</sup> Carlos G. Clavel et al: *Estudio Sobre Programas Especiales de Empleo: Tomo I* (Santiago, Departamento de Economía, Universidad de Chile).

**Table 9. Characteristics of Male and Female Participants in Minimum Employment Program (PEM), Chile**

	1982		1983	
	Male	Female	Male	Female
No. Monthly Participants (x) <sup>1</sup>	108,183	118,616	159,859	181,719
% women	-	52.3	-	53.2
% unemployed	75.0	32.5	78.9	43.1
% primary education or less	60.9	49.5	63.3	59.1
% age 18-29	46.8	48.4	53.5	47.5
% disabled	24.0	22.2	22.0	25.0
% in PEM for 6 months or less	39.5	35.2	28.8	25.9

Note: <sup>1</sup> (x)=average (from Clavel et al., 1987)

**Sources:**

Hernán Cheyre and Esteban Ogradnik: "El Programa de Empleo Mínimo: Analisis de Una Encuesta." In *Empleo: Recopilacion de Articulos de la Revista de Economía* (Santiago, Universidad de Chile, 1987).

Carlos G. Clavel et al.: *Estudio Sobre Programas Especiales de Empleo: Tomo I* (Santiago, Departamento de Economía, Universidad de Chile, 1987).

Esteban Ogradnik and Luis Riveras: "Encuesta al Programa de Empleo Mínimo." In *Empleo: Recopilacion de Articulos de la Revista de Economía* (Santiago, Universidad de Chile, 1987).

**Table 10. Costs and Benefits of Anti-Poverty Targeting by Sex**

Targeting Men	Targeting Women
<b>Costs to Participants</b>	
- forgone income	- lower
- psychic costs	- lower
- alternative uses of time	- higher
- social restrictions	- higher
<b>Costs to Agency/Program</b>	
- wages paid/goods delivered	- lower
- administrative costs	- same or higher
- screening errors	- lower <sup>1</sup>
a. leakages to non-poor	
b. failure to capture poor	
- political economy costs (excludes rich)	- higher (excludes rich and men)
- perverse incentives	- perceived as higher (breaks up families)
<b>Benefits</b>	
- direct benefits equal to amount of transfer minus participation costs	- same
	- indirect benefits = making visible women's economic participation
- benefits for children from transfer to participant	- greater benefits for children with same amount of transfer

**Note:** <sup>1</sup> This is the case if women are over-represented among the poor

Figure 1. Percentage of Women-headed Household among All Households in Selected Cities, by Class

