

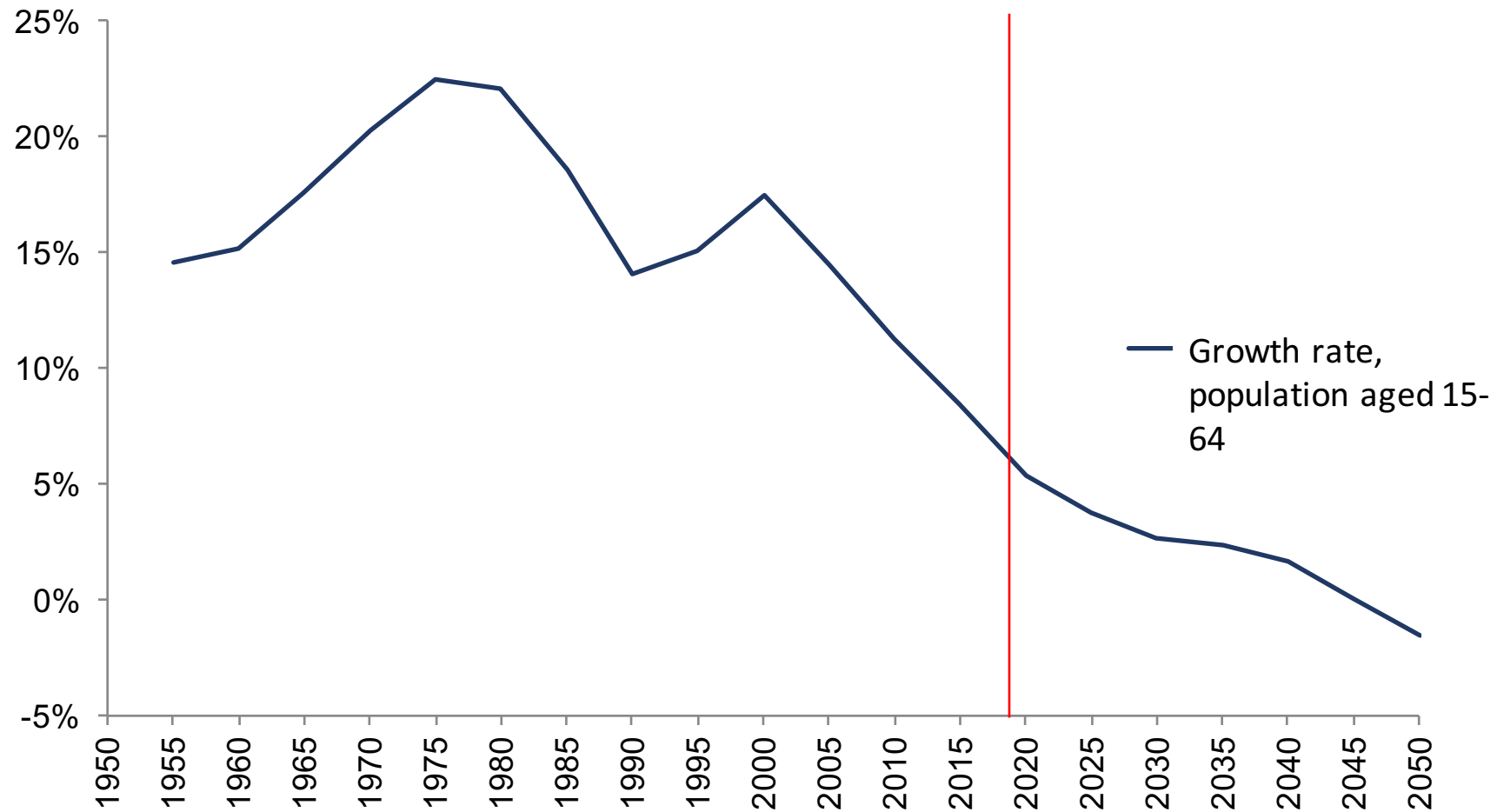
Gender inequality in intergenerational flows in Costa Rica

Conference: Macroeconomic Aspects of Intergenerational Transfers
Saly, Senegal. June, 2016

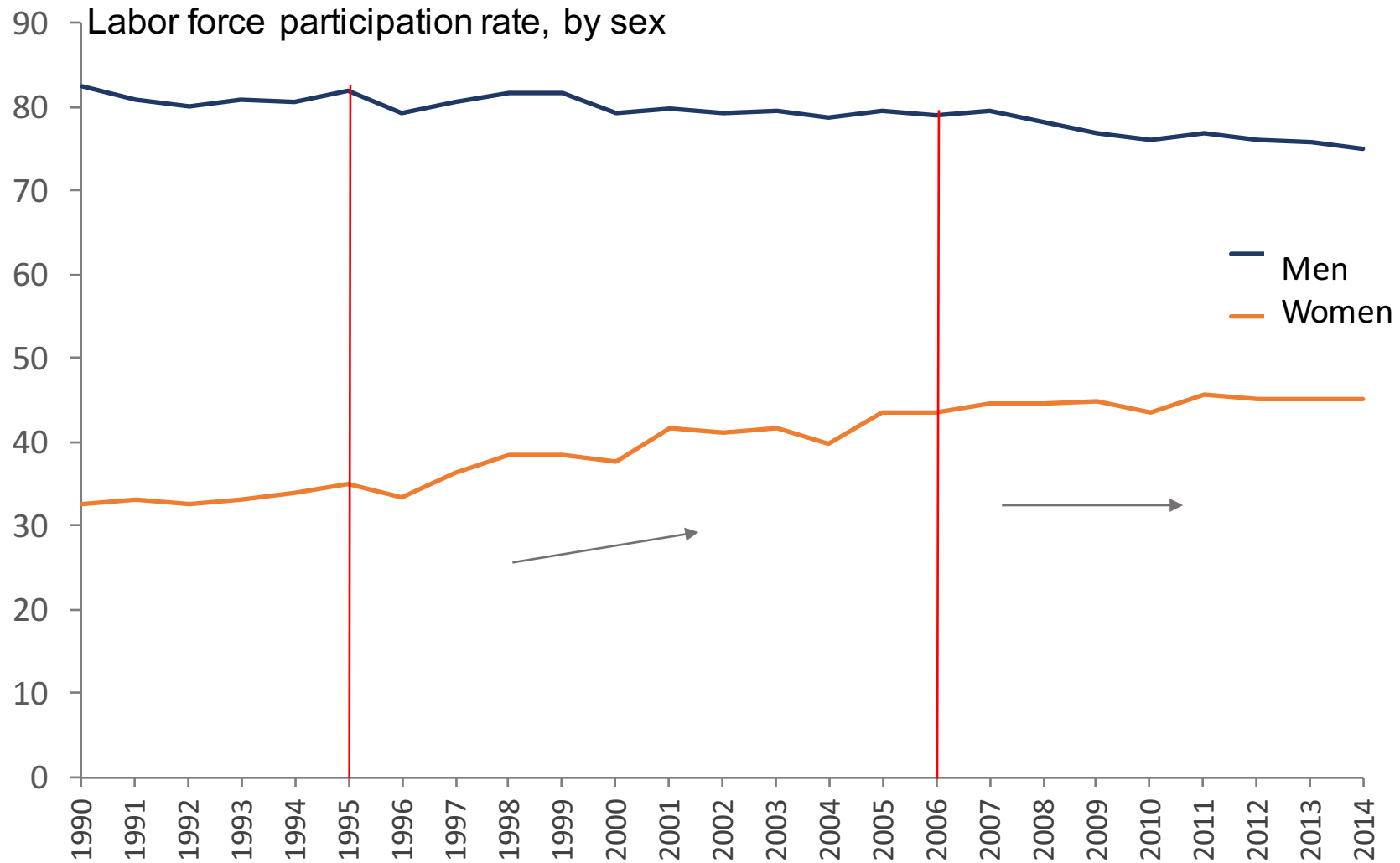
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Background: Ending the demographic dividend



Cultural and social transformation



Why is this important?

Humans rights

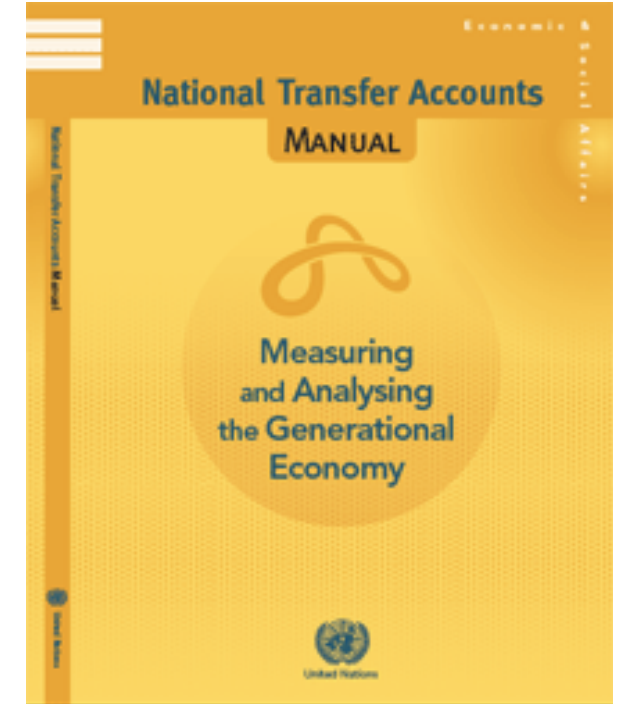
- Freedom to choose to work in the labor market or not:
Reduce the constraints that limits opportunities in the labor market

Economic implications

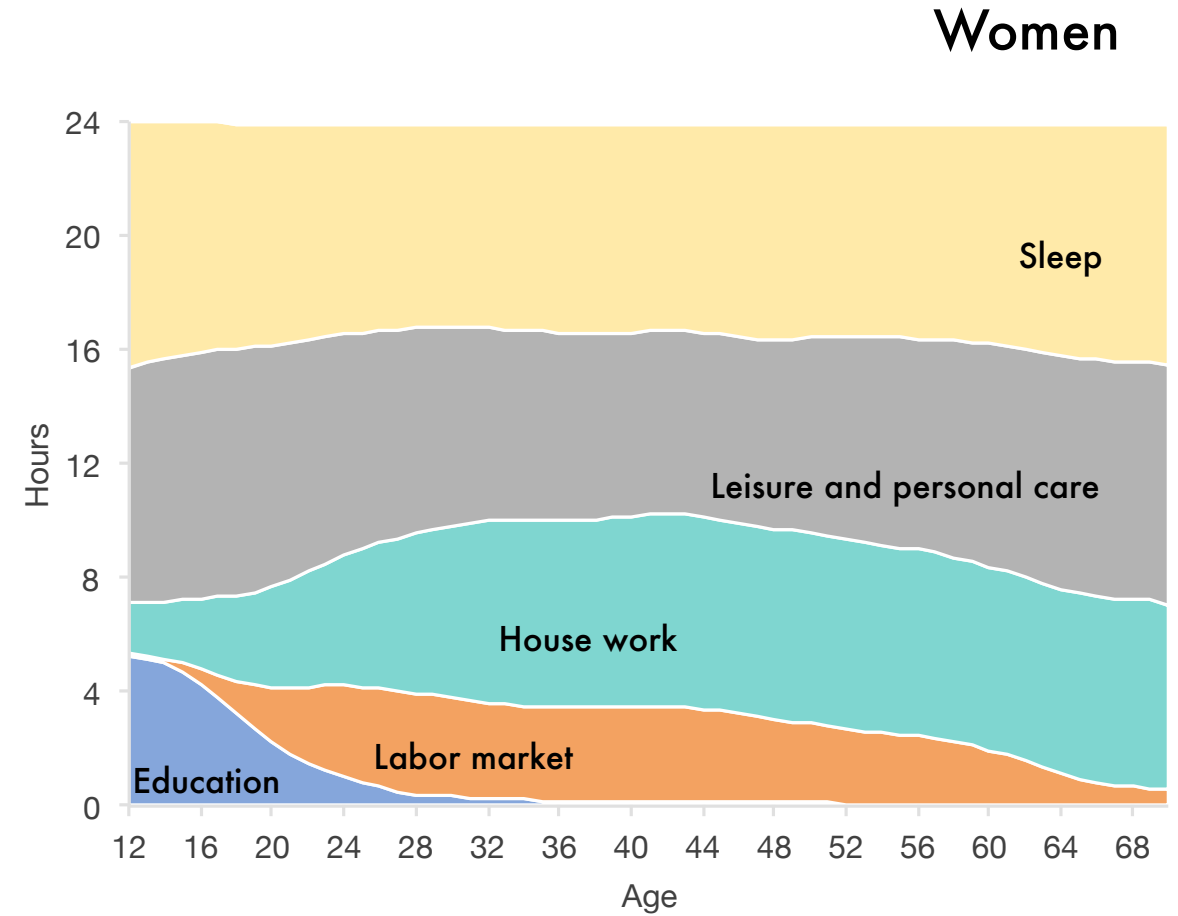
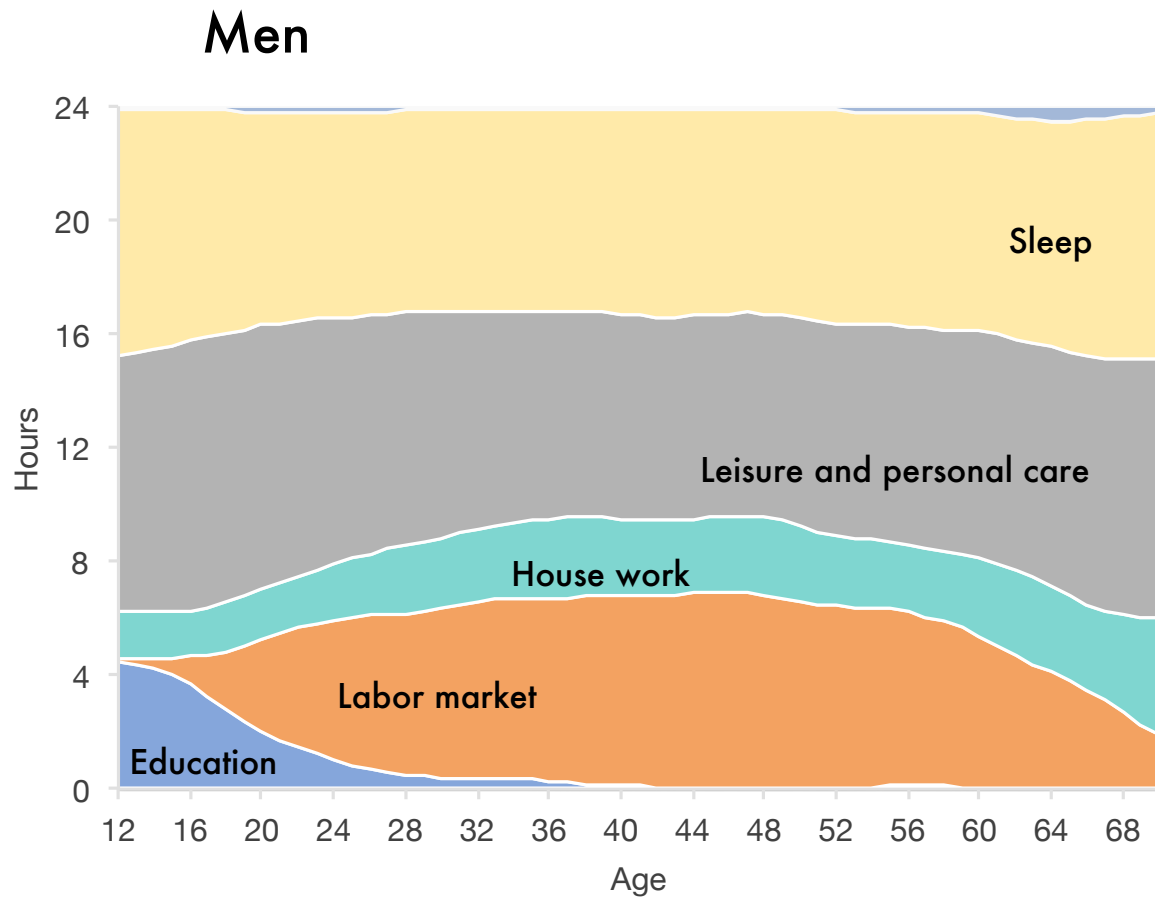
- Gender dividend
- Reduce negative impacts of aging (public finances)

Data and methods

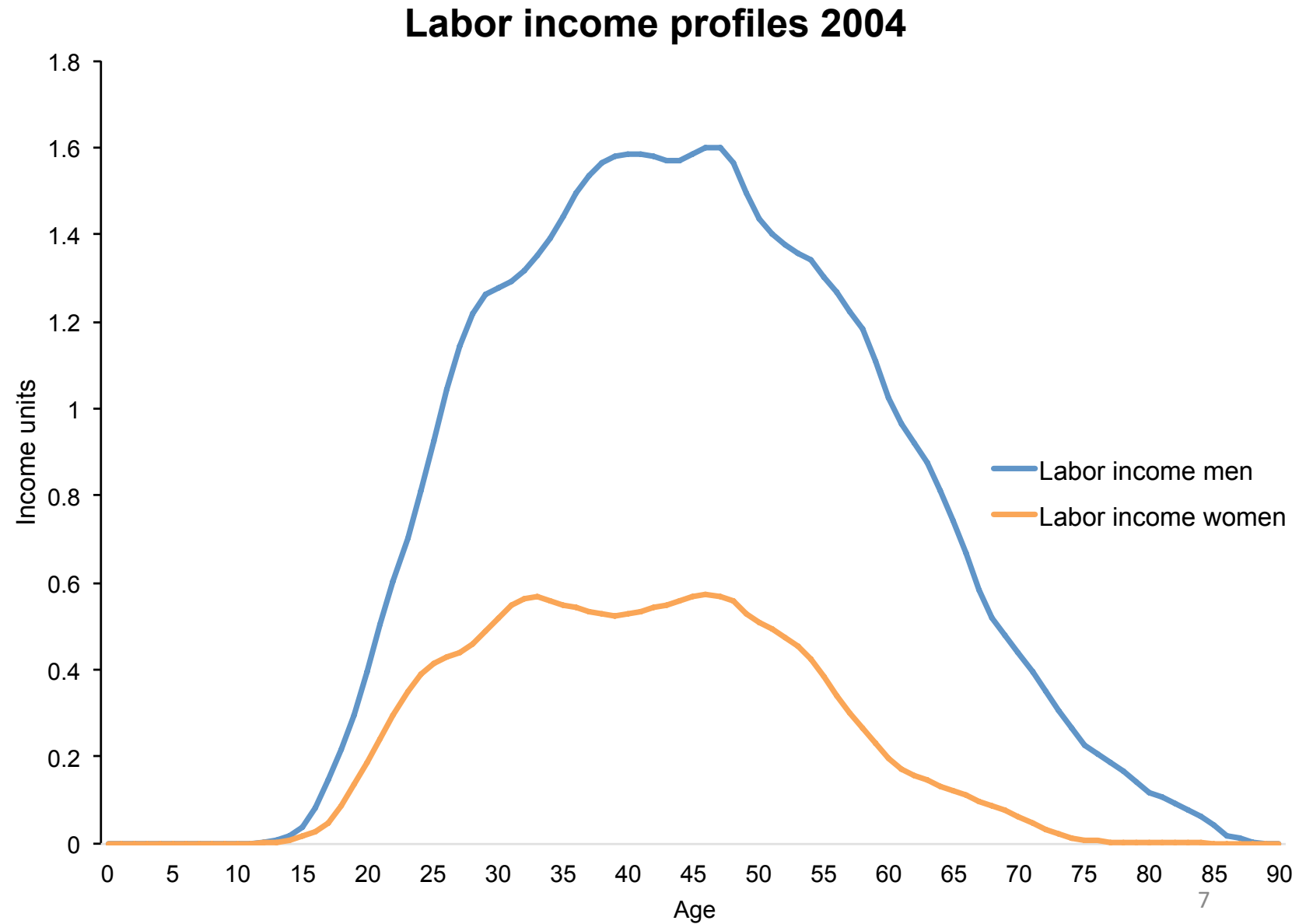
- Household income surveys
 - 2004 and **2013**
- Time use survey **2011**, Metropolitan Area
- Preliminary



How do men and women distribute their time in Costa Rica?



What happens to labor income profiles over time?

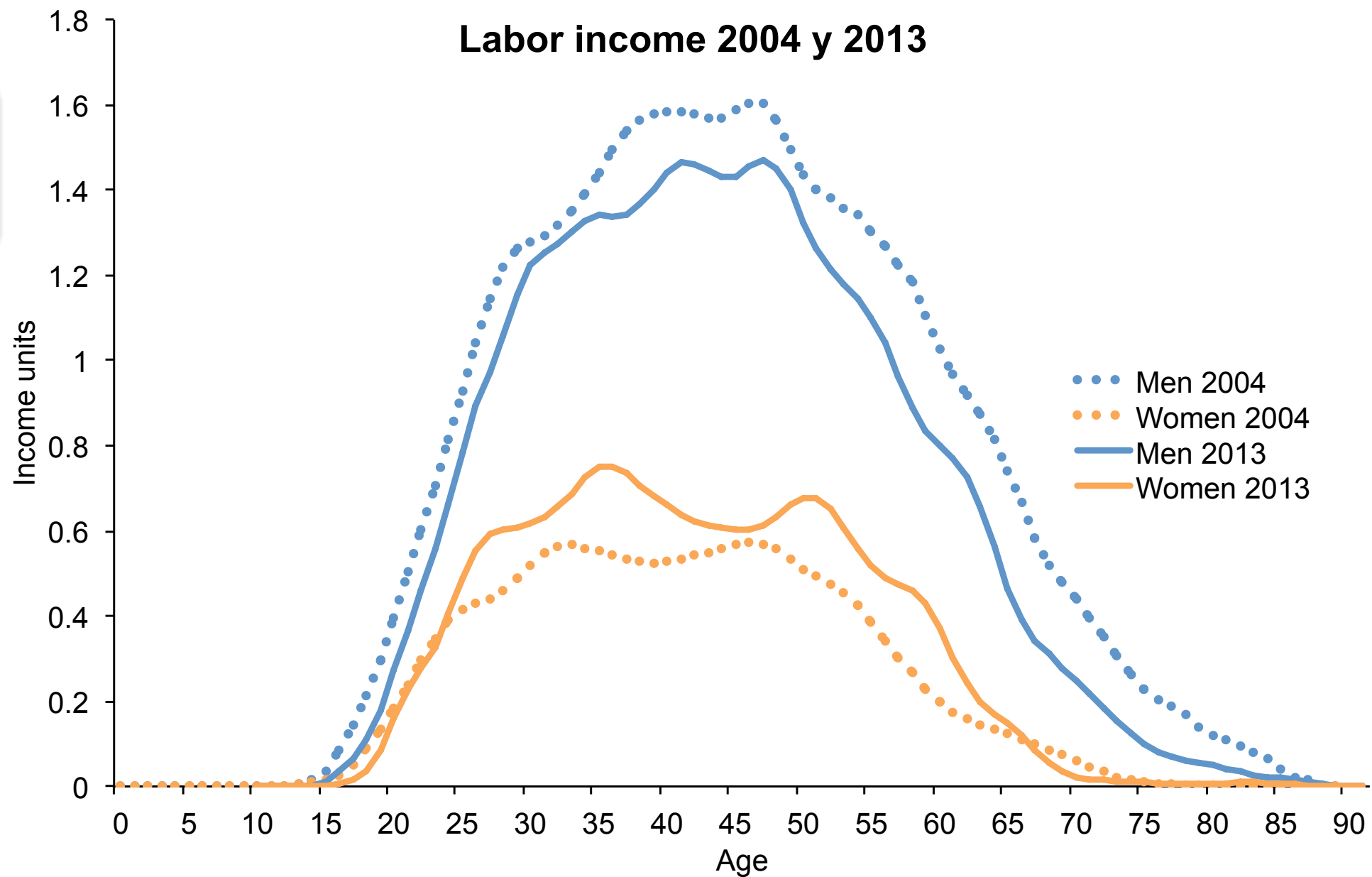


Labor income 2004

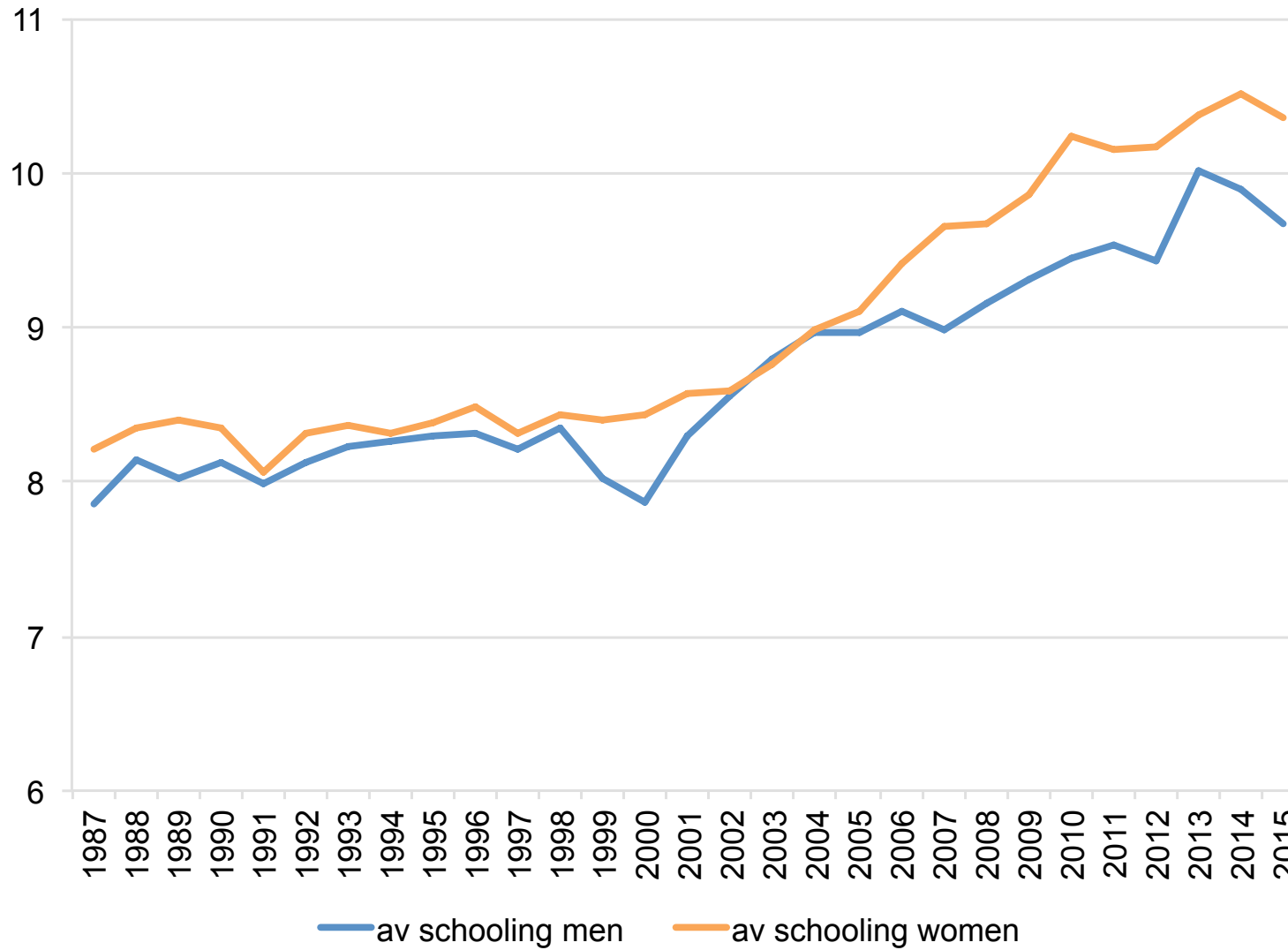
- Men: 73%
- Women: 27%

Labor income 2013

- Men: 64% ↓
- Women: 36% ↑

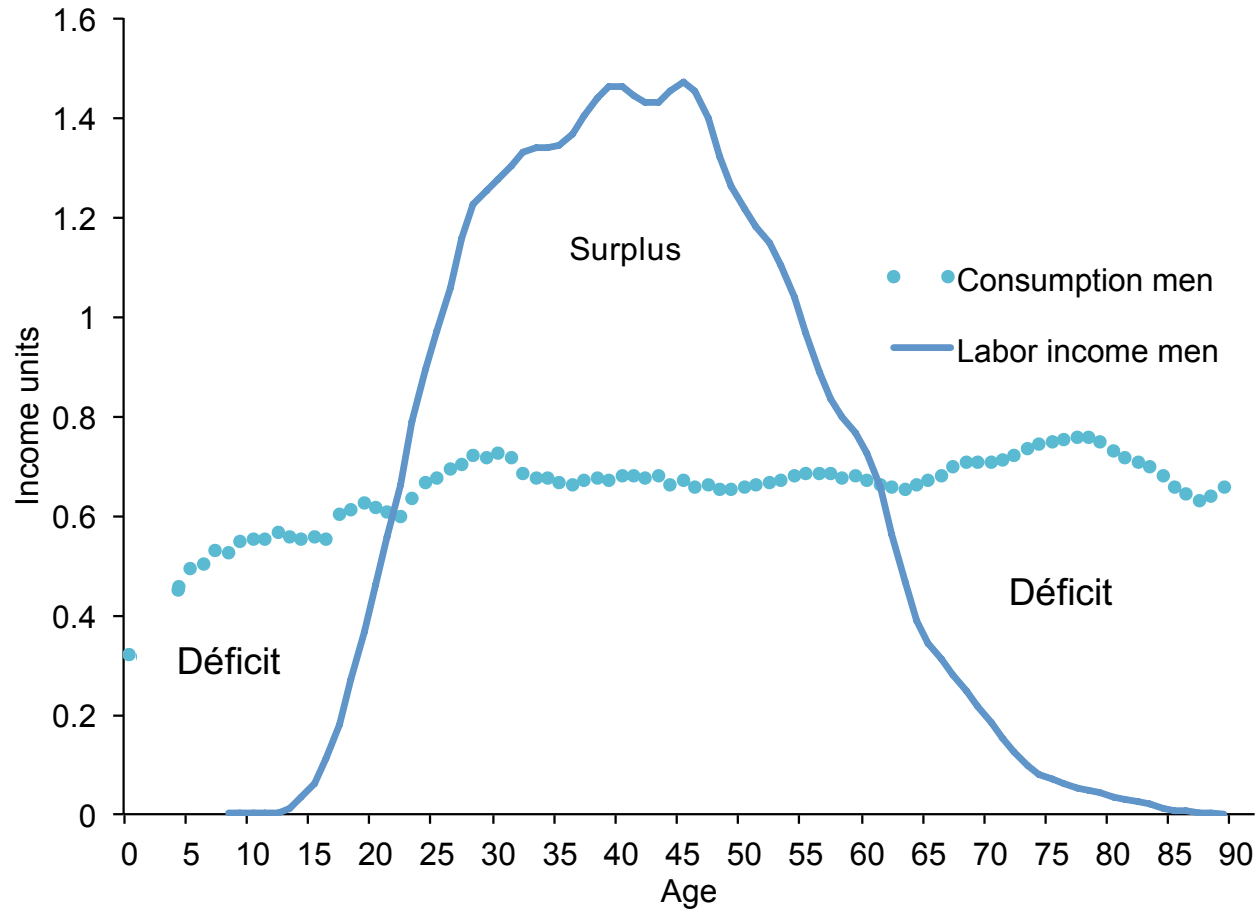


Average years of schooling by sex, Costa Rica, 1987-2015

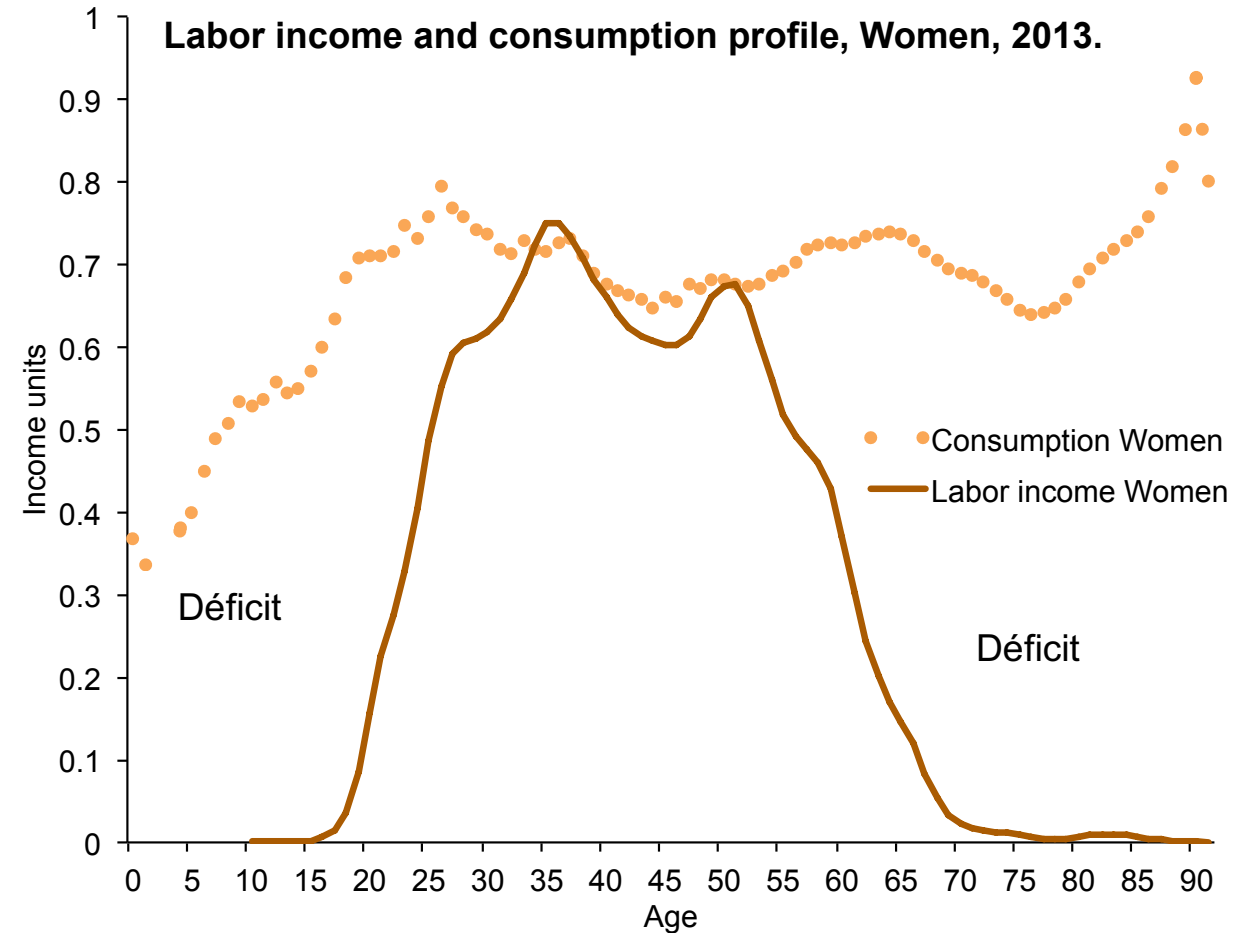


How are the life cycle deficit profiles by sex in Costa Rica?

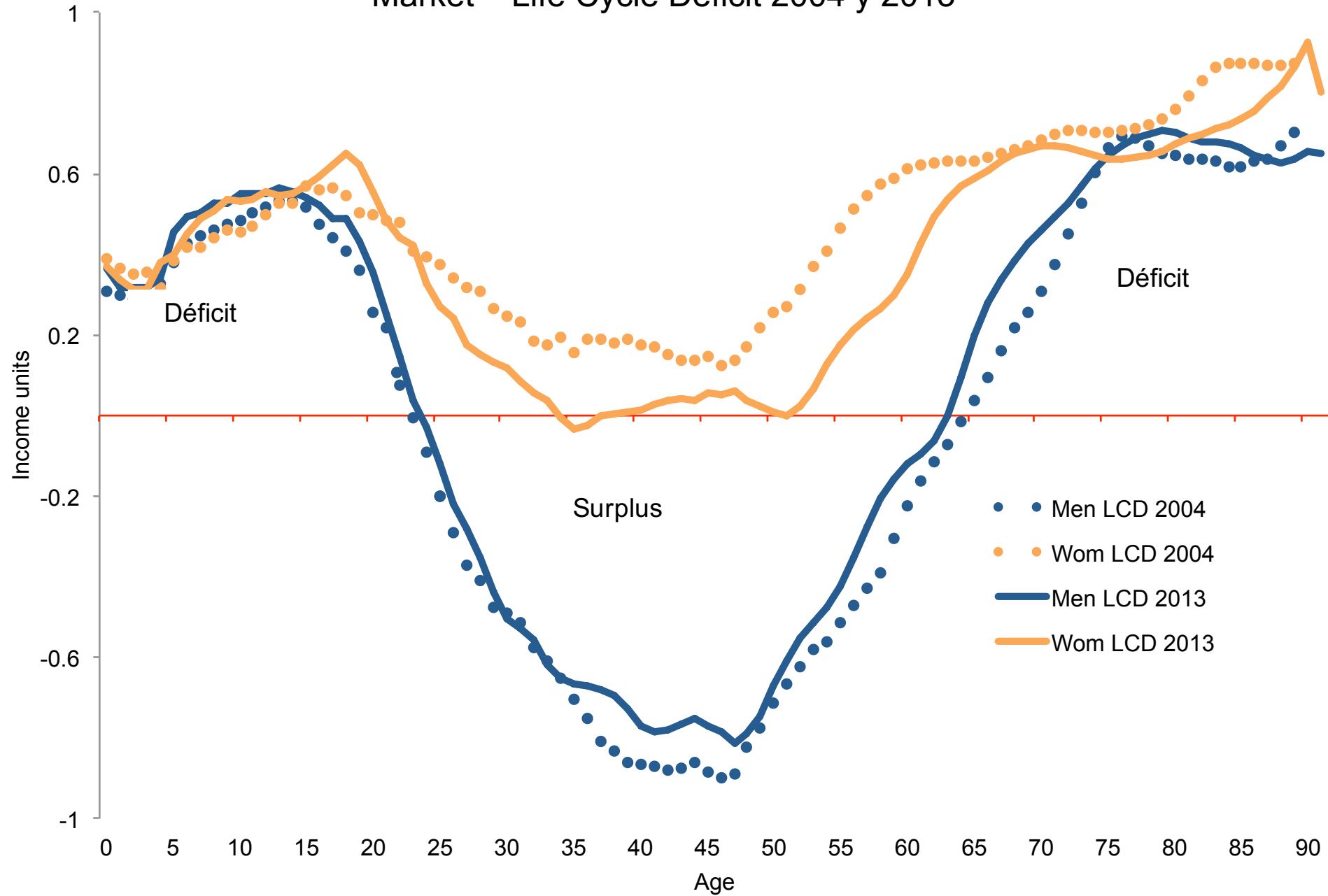
Labor income and consumption profiles, Men 2013



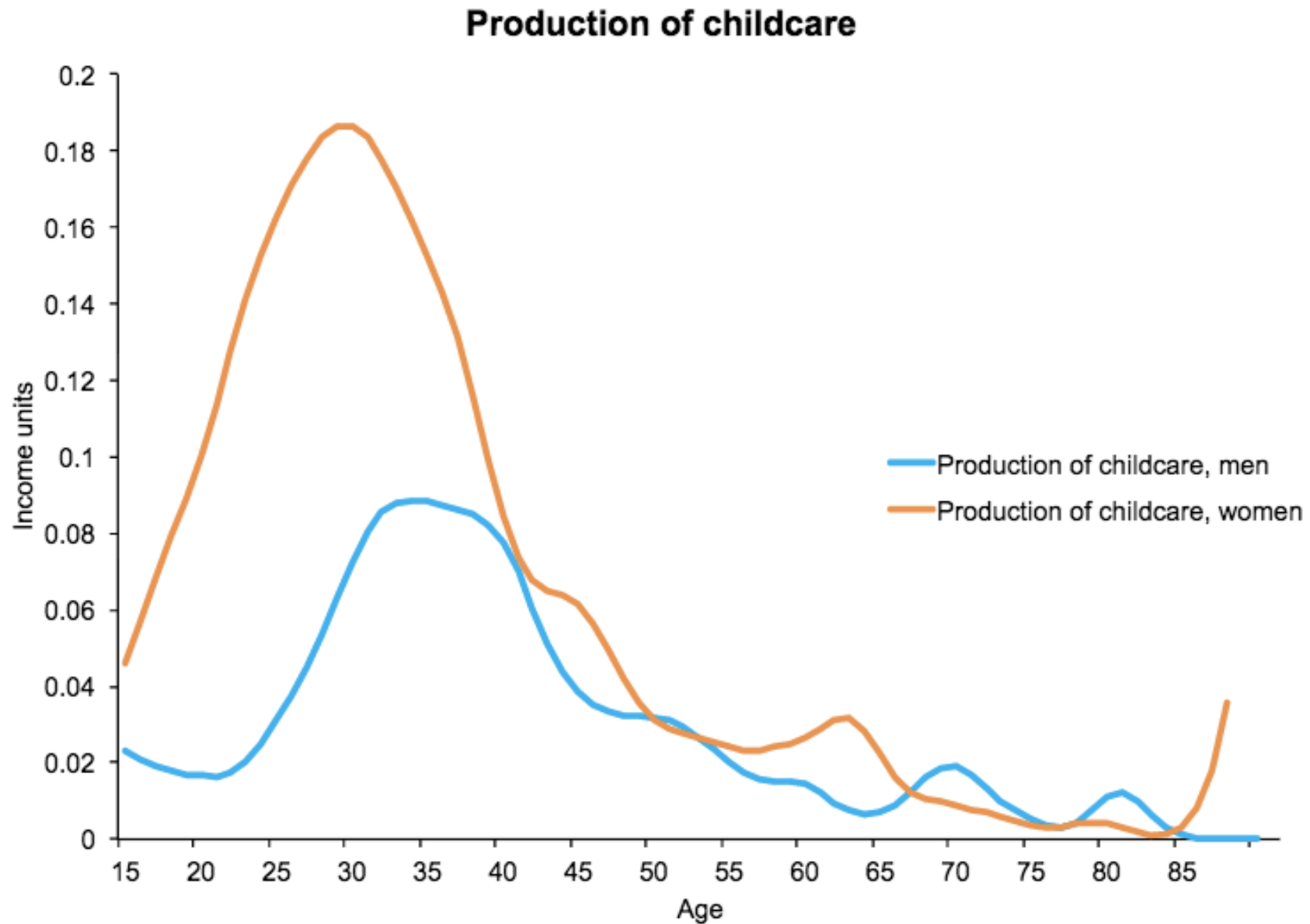
Labor income and consumption profile, Women, 2013.



Market – Life Cycle Deficit 2004 y 2013

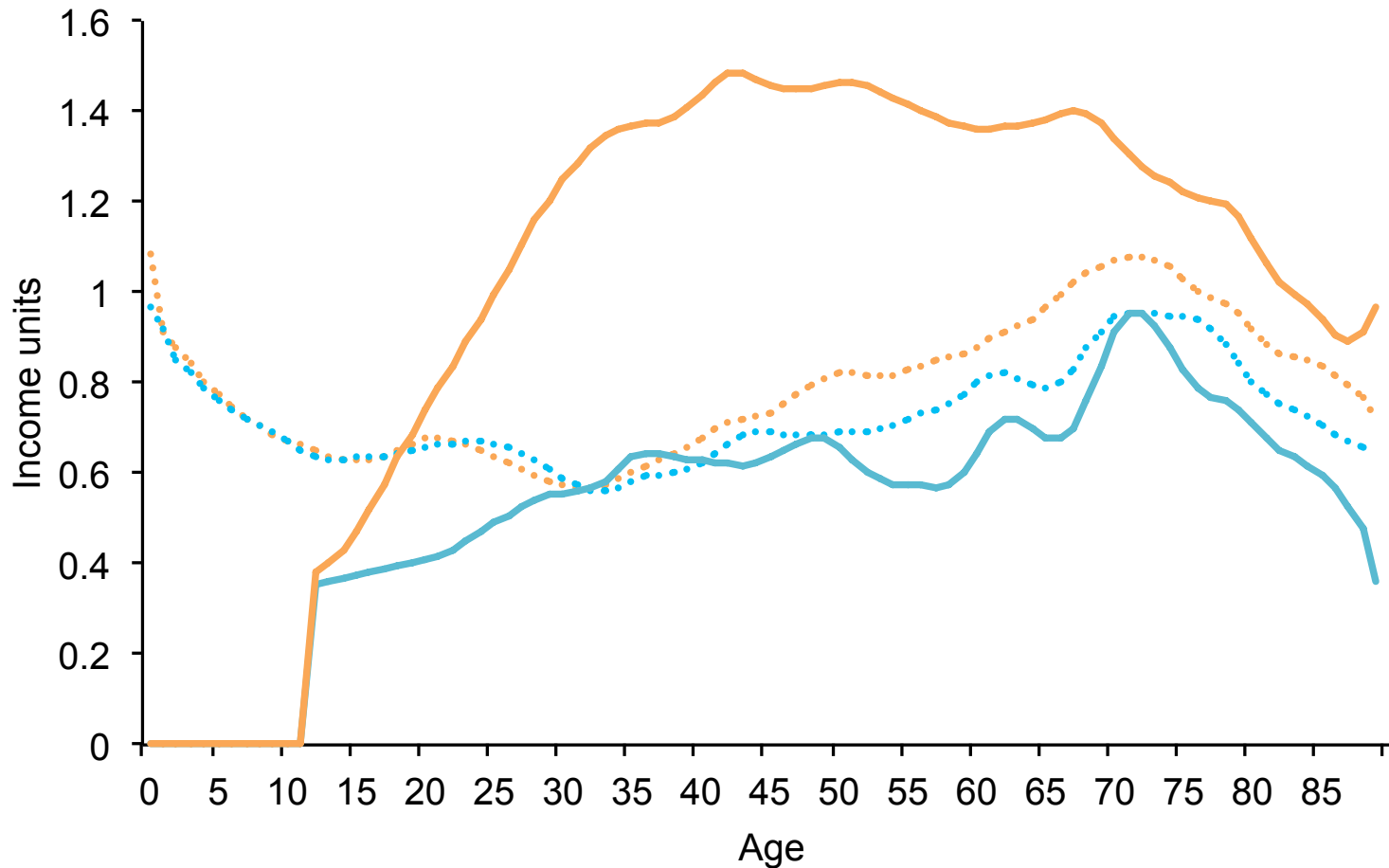


Including non monetary contributions in the LCD



Including non monetary contribution into the LCD

Non remunerated production and consumption, 2011



Women:

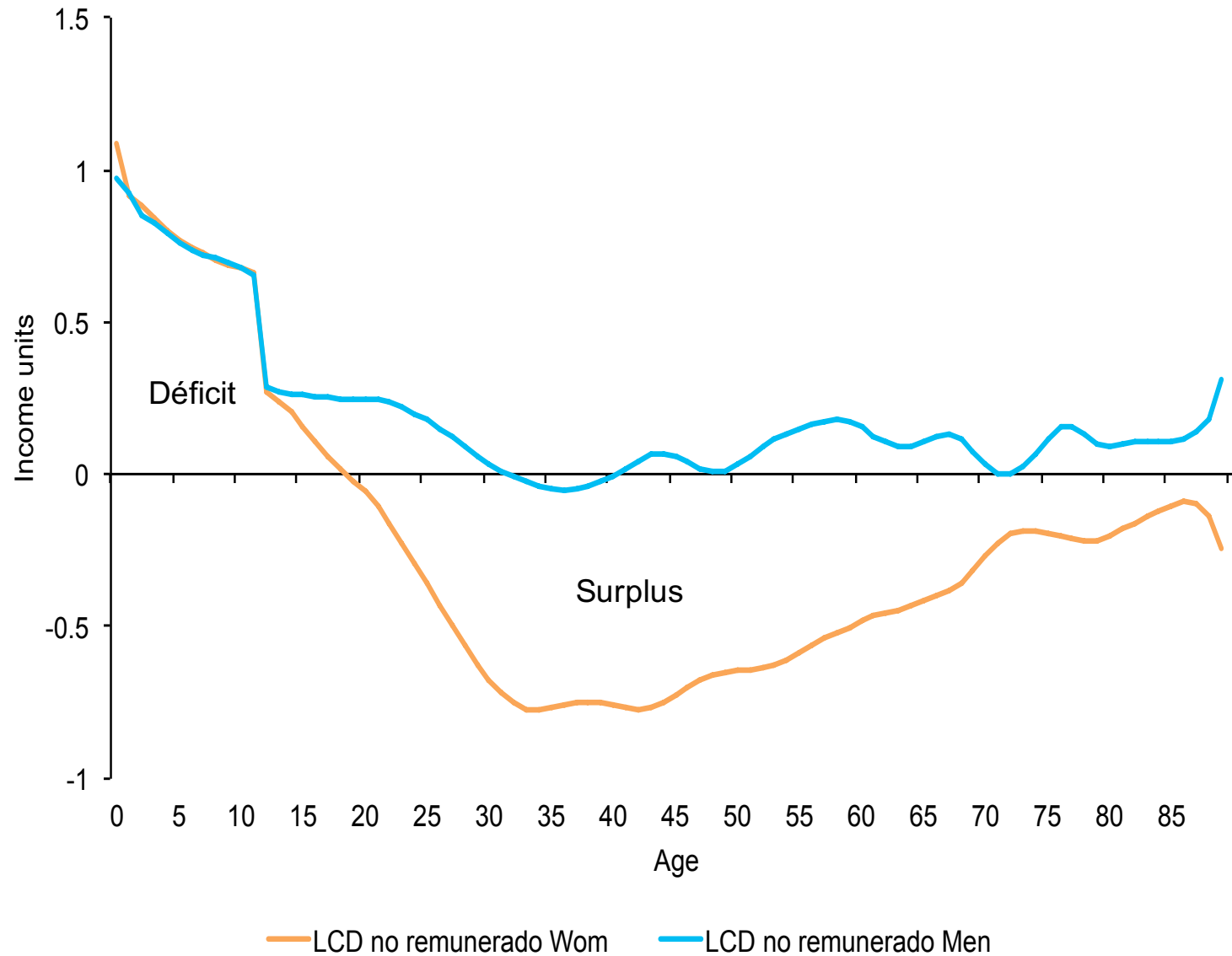
Invest 5 hours and 35 minutes on
hh production

74% of non remunerated
production

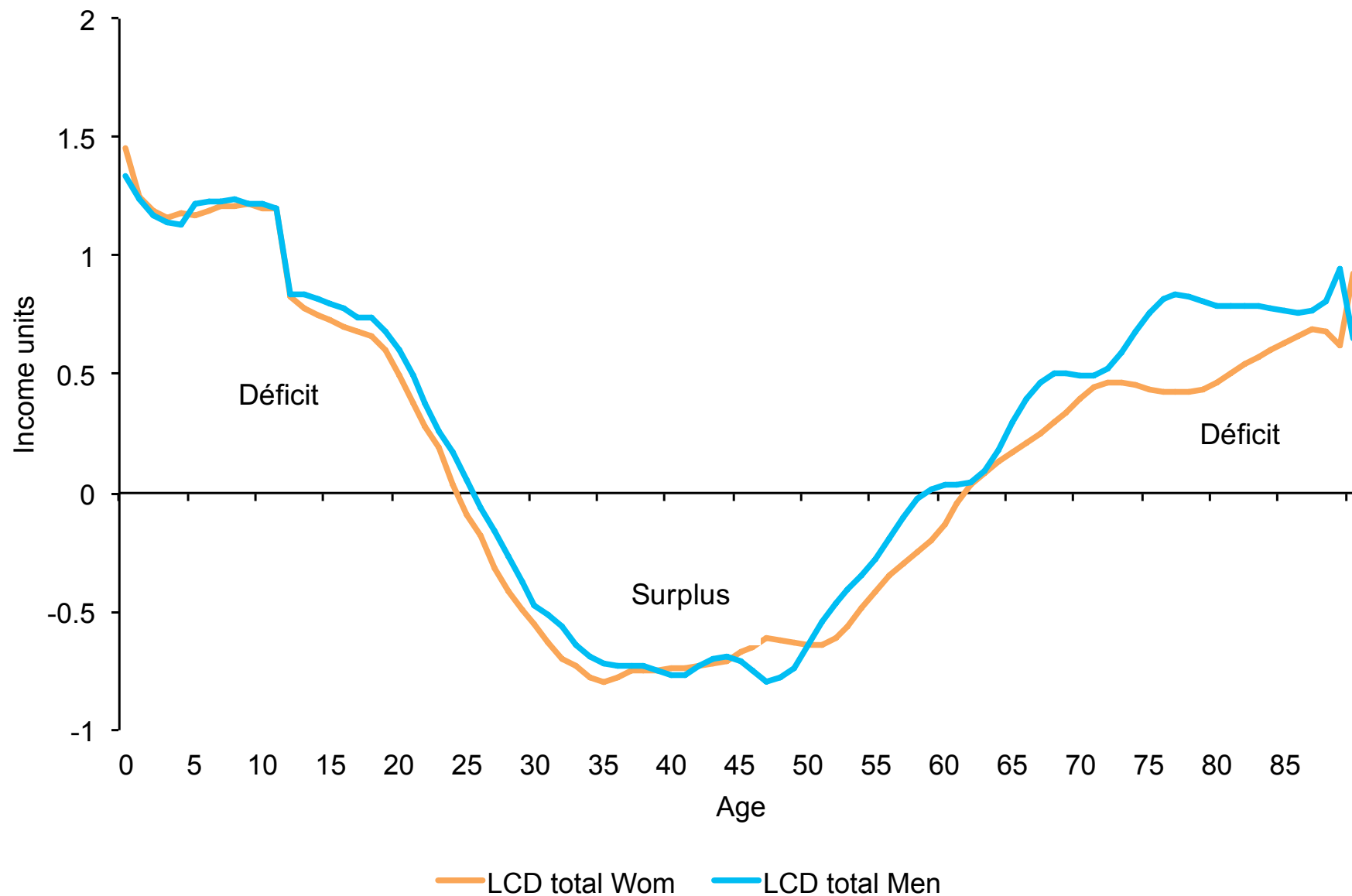
Total non market production 13%
GDP (Metro)

..... Female total consumption Male total consumption
—— Male total production —— Female total production

Non-market life cycle deficit



Full life cycle deficit: Market and non market



What is the “cost” of an increase in FLFP?

Increase 4pp female labor force participation

Women not working → market

Theoretical scenario

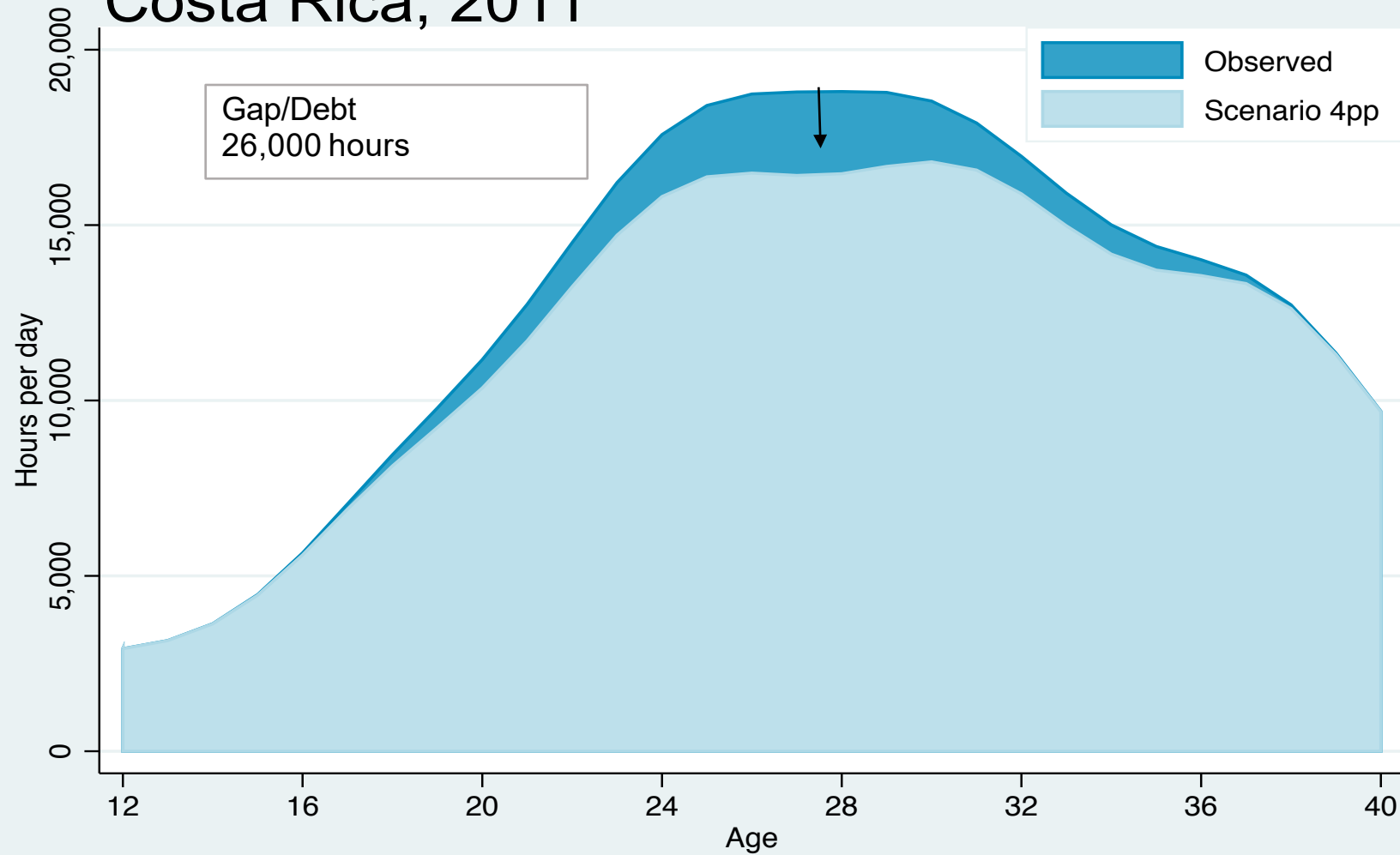
Impact on time use

Reduce individual time dedicated to household production



Average performed by a woman of the same age who works in the market

Female aggregate childcare production, Costa Rica, 2011



Conclusions

- Reduction of labor income gender gap, 2004 and 2013
- **Challenge:** Reduce barrier that household production presents in order to increase women's participation in the labor market
- **CWW is important:** Public policies cannot be based on the assumption that women can “migrate” from having the primary responsibility for house work to becoming active market workers (two full-time jobs)
- What can be done?

1. Delegate to the market:

High cost, so not available to all women. Wage \approx price of childcare

2. Public policies

- Costa Rica has a public childcare network that is only available to women in poverty: no national coverage
- Entrepreneurship as an alternative: Might increase share in informal sector
- Programs to encourage greater sharing of house work
 - Implies changing social and cultural norms
 - Public campaigns: Long-run effects

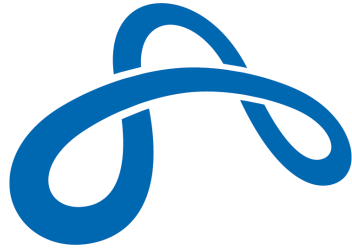
3. Change legislation

- The law allows only four months of maternity leave
- Paternity leave: Reduces discrimination against women in the labor market and may reduce the imbalance in house work. High cost: Difficult fiscal situation: Fiscal deficit of 5.9%

Conclusions

Public policies aimed at reducing gender imbalance in housework might be a preventive measure

- In Costa Rica's accelerating aging process, who will take care of the elderly population?
- Are we going to lose the opportunity of the gender dividend?



NATIONAL TRANSFER ACCOUNTS

Understanding the generational economy



Thank you

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