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

Growth rate, population aged 15-64
Cultural and social transformation

Labor force participation rate, by sex

Men

Women

Fuente: INEC (2015)
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?

**Men**

- **Labor market**
- **House work**
- **Leisure and personal care**
- **Sleep**

**Women**

- **Labor market**
- **House work**
- **Leisure and personal care**
- **Sleep**

Fuente: Jiménez-Fontana (2015)
What happens to labor income profiles over time?

Labor income profiles 2004

- Labor income men
- Labor income women
**Labor income 2004**
- Men: 73%
- Women: 27%

**Labor income 2013**
- Men: 64% ↓
- Women: 36% ↑

**Labor income 2004 y 2013**
- Men 2004
- Women 2004
- Men 2013
- Women 2013
Average years of schooling by sex, Costa Rica, 1987-2015

av schooling men

av schooling women
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.
Including non monetary contributions in the LCD

Production of childcare

- Production of childcare, men
- Production of childcare, women
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)
Non-market life cycle deficit

![Graph showing non-market life cycle deficit with income units on the y-axis and age on the x-axis. The graph includes two lines: one for 'LCD no remunerado Wom' and one for 'LCD no remunerado Men'.]
Full life cycle deficit: Market and non market

Income units

Déficit
Surplus

LCD total Wom
LCD total Men
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

Gap/Debt
26,000 hours
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 ≈ 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?
Thank you

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