

Eliciting women's willingness to take a job: evidence from displaced and extremely poor women in Cali, Colombia¹

by Susana Martínez-Restrepo,² Juan Camilo Mejía³ and Erika Enriquez²

Despite significant reductions in poverty in the last decade, by 2013 it was estimated that 9.1 per cent of Colombia's population (4.4 million people) lived in extreme poverty, 52 per cent (2.3 million) of whom were women (DANE 2013). Moreover, while female labour force participation in urban areas is 57.8 per cent, male labour force participation in the same area is 74.5 per cent (ibid.). Only 31.9 per cent of extremely poor women in urban areas participate in the labour market. Job informality among extremely poor women can reach as high as 90 per cent (ibid.).

A previous study (Martínez-Restrepo, Mejía, and Enriquez 2015) revealed that while many women living in extreme poverty found paid work empowering, their husbands would not allow them to work. Therefore, this article aims to understand how women's interactions with their husbands affect female labour participation decisions. How do women negotiate with their husbands about whether or not they could have a paid job? What factors influence the preferences of both husbands and wives? Does this differ by whether the job is formal or informal? To answer these questions, we performed an experimental behavioural analysis of labour market preferences and decisions among married women living in extreme poverty or displaced by violence in Cali, Colombia. To interpret these women's labour preferences and choices, we measured their willingness to take a job given several constraints: the cost of childcare, the cost of travel, hourly wages, and the number of hours worked.

Recently, experiments have emerged as an alternative for studying household decision-making and intra-household bargaining. We modelled our experiment based on Bursztyń and Coffman's design

(2012), focusing on women's willingness to accept (WTA) a formal or an informal job, which measures the minimum monetary amount that women are willing to receive for selling their labour in either the formal or the informal market. A trade-off between these two sectors emerges because, while formal jobs are often seen as more stable and of higher quality, they also allow less flexibility and require long displacements across the city. To perform the analysis, we used an ordered probit model comparing the probability of taking job offers with higher earnings and more hours, by women with husbands present and women without husbands present.⁴

The experiment

The experiment was created among randomly selected women beneficiaries of Red UNIDOS (a government programme aimed at eradicating extreme poverty) living in Cali, Colombia. A total of 255 women living in extreme poverty and displaced by violence from other areas of the country participated. All randomly selected⁵ women had to be either married or in a partnership and to have children younger than 18. The

treatment group comprised 123 married women with their husbands present in the experiment, while the control group comprised 132 married women without their husbands present at the site. Couples were invited to negotiate when presented with different hypothetical scenarios of labour choices.

In the experiment, women had to establish their WTA a job given a wage, a number of hours worked and the cost of childcare and transportation. For each hypothetical scenario, women needed to take into consideration: 1) an increasing wage, given an increasing number of hours away from the home, including commuting time; 2) a constant USD1.5 cost of transportation; and 3) the cost of childcare and supervision. In the first hypothetical round, all of the 'jobs outside the home' are informal, and in the second hypothetical round, all of the jobs are formal and include health and pension benefits.

First, we explained that they would have to choose between a constant wage of USD6 per day for a low-productivity, stay-at-home job (selling food, weaving etc.)



Photo: Adam Cohn. Woman works as a fruit vendor, Piedecuesta, Colombia <<https://goo.gl/P16Gfg>>.

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Photo: Pedro Szekely. Costumers at work in Jardin, Colombia, 2014 <<https://goo.gl/7H3YdT>>.

and accepting a job, taking into account different scenarios with a constant rate of transportation (USD1.5) and an increasing cost of childcare (free or USD1 to USD3.5). The experiment was repeated wboth for an informal and a formal job. This methodology was carried out for each of the different salaries offered until the ‘breaking point’ was found—i.e. until each woman stated that she would prefer to leave the house at a certain income level instead of staying at home earning USD6. If there was no breaking point even at the highest possible salary, we considered that she would not accept any job. Both formal and informal jobs had the same constraints and offered the same wage per hour.

When offering the formal job, the following was stated: “Now we are going to decide whether you want to take a job, but this time it is a formal job. This means you would be offered and pay into

a pension plan, paid vacation days, paid sick leave and health insurance with an EPS instead of a SISBEN.”⁶ The treatment group—women with their husbands present—were encouraged to talk about and negotiate over the decision. Table 1 shows the scenarios provided to the treatment and control groups for formal and informal jobs.

Results

Having a husband and negotiating with them does affect women’s willingness to take on a job, particularly a formal one. Table 2 shows that women who negotiated with their husbands (the treatment group) were less willing to take a part-time formal daily job outside their homes than married women whose husbands were not present at the experiment (the control group). No significant differences were observed between the treatment and the control groups when it came to informal jobs. Women were less likely to accept a formal

job when the cost of childcare increased to USD1 and USD3.5 per day. Finally, women who negotiated with their husbands were more likely to stay at home in every single scenario, suggesting that child-care costs and job flexibility do matter in a couple’s preferences.

How to explain these results? Intuitively, one could argue that there is a preference for formal jobs, as they often provide health coverage, pension benefits and more stability. However, the results show that women exhibit lower acceptance of formal jobs than informal jobs when negotiating with their husbands. One possible explanation could be that formal jobs take away some of the time-use flexibility offered by many informal jobs. The cost of childcare is certainly important in the equation, since it increases the opportunity cost of working, and child-care services are not necessarily of high quality.

TABLE 1: Experiment scenarios with increasing cost of childcare for a formal and informal job per day

Hours worked	Travel time (hours)	Income (USD)	Travel cost (USD)	Scenario 1		Scenario 2		Scenario 3	
				Child-care cost (USD)	Available money (USD)	Child-care cost (USD)	Available money (USD)	Child-care cost (USD)	Available money (USD)
4	2	6	1.5	0	4.5	1	3.5	3.5	1
5	2	8	1.5	0	6.5	1	5.5	3.5	3
6	2	10	1.5	0	8.5	1	7.5	3.5	5
7	2	12	1.5	0	10.5	1	9.5	3.5	7
8	2	14	1.5	0	12.5	1	11.5	3.5	9
9	2	16	1.5	0	14.5	1	13.5	3.5	11

Source: Authors’ elaboration.

TABLE 2: Willingness to accept a job, treatment group

Income offered			Scenario 1		Scenario 2		Scenario 3	
			Free childcare		Child-care cost = USD1/day		Child-care cost = USD3.5/day	
Hours worked	Work at home (USD)	Work outside the home (USD)	Informal job	Formal job	Informal job	Formal job	Informal job	Formal job
4	6	6	-0.00676 (0.00592)	-0.0908* (0.0546)	-0.00544 (0.00572)	-0.104** (0.0491)	-0.00659 (0.00629)	-0.0543* (0.0297)
5	6	8	-0.0310 (0.0228)	-0.0126 (0.00812)	-0.00455 (0.00478)	-0.0162* (0.00876)	-0.00186 (0.00238)	-0.0201* (0.0119)
6	6	10	-0.0312 (0.0228)	-0.00532 (0.00393)	-0.0299 (0.0272)	-0.0156* (0.00826)	-0.00514 (0.00504)	-0.0268* (0.0152)
7	6	12	-0.0143 (0.0106)	0.000120 (0.00141)	-0.0179 (0.0165)	-0.00426 (0.00352)	-0.0262 (0.0215)	-0.0166* (0.00957)
8	6	14	-0.00185 (0.00184)	0.00427 (0.00349)	-0.0103 (0.00956)	0.00397 (0.00362)	-0.0255 (0.0209)	-0.00625 (0.00449)
9	6	16	0.000829 (0.00134)	0.00523 (0.00377)	-0.000696 (0.00101)	0.00368 (0.00250)	-0.0129 (0.0107)	0.00272 (0.00295)
10	6	Always stays at home	0.0843 (0.0598)	0.0990* (0.0587)	0.0688 (0.0619)	0.132** (0.0607)	0.0781 (0.0629)	0.121* (0.0628)

Note 1: These results showing WTA a job in the treatment group were obtained while controlling for displacement by violence, age, number of children under 18, number of people in the household, participation in Familias en Acción, educational attainment of the woman, informality, and the husband's labour participation.

Note 2: Statistical significance is noted at the 1 per cent (***) , 5 per cent (**) or 10 per cent (*) level. Standard errors in parentheses.

Source: Authors' elaboration.

Concluding remarks

The fact that women that negotiated with their husbands were less willing to accept part-time formal jobs, and more likely to stay at home, shows that every gender relationship involves the distribution of power between women and men (Agarwal, 1997) a number of economists have in recent years proposed alternative models. These models, especially those embodying the bargaining approach, provide a useful framework for analyzing gender relations and throwing some light on how gender asymmetries are constructed and contested. At the same time, the models have paid inadequate or no attention to some critical aspects of intra-household gender dynamics, such as: What factors (especially qualitative ones). However, it was not clear from the experiment whether men were more likely to influence women's WTA a job because they could advise women regarding opportunity costs (due to their greater exposure to the labour market) or out of jealousy and chauvinism. Regardless, the finding that men restrict women's opportunities to work is consistent with evidence from the qualitative component of the impact evaluation of Red UNIDOS among extremely poor and displaced women (Martinez-Restrepo, Mejia, and Enriquez

2015), in which women reported that their husbands would not allow them to have paid jobs outside their homes.

In addition, in Colombia, the low quality and the lack of trust in child-care institutions are often associated with women's preference for staying at home and taking care of their own children (ibid.). Violent deaths among adolescents are also a major concern for mothers living in urban slums, where children and adolescents are exposed to gang violence, drug trafficking and drug consumption (ibid.).

Although this experiment presents results of hypothetical scenarios for women, it provides crucial evidence regarding the process of intra-household bargaining over job decisions and formal job preferences, particularly for families with children and constraints regarding income and access to transportation and childcare. ●

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1. This article is based on Martinez-Restrepo, Mejía, and Enriquez (2016).
2. Fedesarrollo.
3. Fedesarrollo and Los Andes University.
4. For more details about the methodology, see Martinez-Restrepo et al. (2016).
5. The Red UNIDOS operator in Cali provided a list of all programme participants who were married and with children under 18. We randomly selected women and offered a stipend equivalent to a daily wage to participate in the experiment.
6. The EPS is the contributory health care system in Colombia, and SISBEN is the subsidised one. Because of their condition of extreme poverty and forced displacement, and the fact that they were beneficiaries of Red UNIDOS, these women had access to the SISBEN system.