

THE FEMALE LABOR FORCE IN ARGENTINA, BOLIVIA, AND PARAGUAY

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The objective of this essay is to suggest an interpretation of the economic behavior of women in three developing economies; this involves an evaluation of the role of the sociodemographic determinants of the female labor supply vis-à-vis the role of the variables that affect the demand for their labor. A comparative study¹ of the female labor force in Argentina, Bolivia, and Paraguay constitutes the basic source of empirical evidence for this paper; the purpose here is to integrate into a more general framework some of the findings of that study and infer more general propositions regarding the patterns of female employment in structurally heterogeneous economies.

Developing economies are characterized by intersector and interfirm structural disparities that also show at the level of the labor markets (Foxley and Muñoz 1977). The conditions of labor absorption, training, and wages differ profoundly among those markets, and there exists a marked trend among underprivileged groups to swell the informal sector, which absorbs the surpluses of labor that cannot be productively employed by other sectors (Tokman 1976). The available empirical evidence on differentiated labor markets leads us to postulate that the socioeconomic level of the household unit is the prime determinant of the specific labor market into which different people are likely to be incorporated (Sautu 1978a). Thus, we may expect that whenever women work, lower-class, uneducated women are likely to perform unskilled, low-income jobs in the informal sector, whereas middle-class, more educated women are likely to be incorporated into modern activities.

As a consequence of these arguments, the following propositions are put forward as a framework for the discussion of women's work: The participation of lower-class, uneducated women is primarily determined by supply factors;² and the better educated, middle-class women participate in economic activity basically as a response to demand factors. As a general rule, one may therefore expect that women in the former group join the labor market when their economic contribution is needed for the maintenance of the household; and women in the latter group do so when the availability of jobs increases and labor conditions improve. The overall pattern of female participation depends on the behavior of different groups of women and on their respective proportion of the total potentially active female population.

In section 2, the post-World War II patterns of change in women's activity

rates are examined. Family composition and educational attainment are analyzed as two major determinants of the female labor supply.³ The role of the demand for female labor is discussed separately for different types of jobs and sectors of economic activity. Section 3 presents some considerations on the future behavior of the female labor supply and of the prospects for their productive employment in the three countries studied.

SOCIOECONOMIC BACKGROUND

In spite of differences of degree, neither Argentina, nor Bolivia, nor Paraguay has broken its ties with underdevelopment. It is not a problem of income per capita or standard of living (Argentina is well above the other two), but of an incapacity to sustain a long-term process of economic growth. Moreover, technological change, whenever it takes place, is concentrated in certain privileged, high-productivity, high-income sectors, thus reinforcing structural inequalities.

The coexistence of intersector and interfirm disparities in capital accumulation, technology, organization, and human resources is a feature of developing societies shared by the three countries under study. This structural heterogeneity shows at the level of economic production and power relations, and also at the level of income distribution and the labor market. Patterns of employment and training, wages, and conditions of work differ by sector and also by firm within a given sector. Moreover, trade union bargaining power differs significantly (Prebisch 1976).⁴

Developing countries have not followed the patterns of industrialized countries as regards sectorial change in the distribution of the labor force. After World War II, Latin American countries, undergoing industrialization, succeeded in developing labor-intensive, small-scale production of consumer goods, thus absorbing surpluses of manpower liberated from the agricultural sector. However, in the fifties and sixties, even high rates of growth in manufacturing—as is the case of Argentina—failed to generate equivalent increases in the rate of absorption of labor. The share of the growing labor supply used by the manufacturing industry has systematically decreased, whereas the share used by services and other less productive sectors has increased, as has the rate of open unemployment.

The swelling of the informal sector is more and more a distinctive feature of economies that never develop. Their failure to do so explains why labor surpluses create employment in the unorganized services and petty trades, why seasonal movements of landless peasants and impoverished small farmers (*minifundistas*) continue in the midst of affluent plantation economies, why public services are overcrowded, and why local crafts are sold side-by-side in the market with sophisticated import goods, etc. Argentina, Bolivia, and Paraguay all share the persistence of structural heterogeneities; their differences, however profound, are a matter of degree. The former has reached a higher level of development than the other two, but as far as structural characteristics are concerned, the above paragraphs are a valid description of her present socioeconomic situation.

The northeast and northwest provinces of Argentina and their neighboring states of Bolivia and Paraguay constitute a region with many features in common: plantation economies prevail, based on the coexistence of latifundia and minifundia, which, together with their peculiar conditions of production, define the patterns of employment and the mobility of labor; and landless peasants, small farmers, and underemployed dwellers of small towns and villages and their families supply labor to the plantation sector—frequently they move from region to region following the harvest of different crops, from tobacco or cotton in the far north to grapes and apples in the west and far south, with an intermediate stay in the center for harvesting sugar cane.⁵

However, there are major dissimilarities: the structure of the gross domestic product and the sectoral distribution of the labor force differ significantly—Argentina is among the more highly developed of the region, the other two are among the least developed (Paraguay ranks above Bolivia). Argentina is also an urban country; since World War II, manufacturing has become the most dynamic sector, although it has failed to absorb increases in the supply of labor. Important as it is in the export market, agriculture long ago lost its predominant position in the whole economy and its share of the economically active population has decreased over the decades. On the other hand, Bolivia and Paraguay are still eminently rural countries in which agriculture is an important source of income; this activity is also complemented by the production of local crafts. Bolivia stands out because of its mineral resources, which are more important than agriculture to the gross domestic product. The Argentine population is in a rapid process of ageing and has a low rate of growth in spite of receiving immigrants from neighboring countries; the illiterate rate in 1970 was 7.4 percent of the population fifteen years of age and older. However, the other two countries have young populations, due to still high birth rates; both are countries of emigration, although the number of emigrants is larger in the case of Paraguay; and, as regards illiteracy, Bolivia stands behind Paraguay—the rates are, respectively, 29.2 percent (1975) and 19.9 percent (1972).

RECENT TRENDS IN THE ECONOMIC BEHAVIOR OF WOMEN

There has been a drastic decrease in women's activity rates in Bolivia, in contrast to an upward trend in Argentina. Paraguay, in its turn, is at the midpoint of a slightly descending trend. In Bolivia, there has been an overall reduction in the propensity to work of women of all ages: between 1950 and 1975, all age-specific activity rates decreased between 40 to 50 percent; in spite of possible measurement errors, we think that such a difference reflects an actual fact. Though the paucity of data does not allow us to make inferences about changes in the rural-urban differentials, the 1975 demographic survey indicates that rural age-specific rates are only slightly higher than urban rates (Torrez 1977). Changes in women's participation in Paraguay seem to be taking place in the rural sector: the refined activity rates (twelve years and over) of urban women remained unchanged between 1962 and 1972—31.2 and 31.3, respectively—whereas for rural women they fell from 17.1 to 13.3. Age-specific rates indicate that all rural age

groups decreased their propensity to participate, though such a decrease is larger among women over thirty years of age (Brizuela and Shoemaker 1978).

After a sharp fall in crude activity rates since the mid-nineteenth century, it is possible to observe between 1960 and 1970 an increase in Argentine females' propensity to work. Such an upward trend most probably is due to the higher participation of urban women, because only a small proportion of active women are in the rural sector and therefore their weight in the overall rate is negligible. A cohort analysis (1945–70) carried out by Recchini and Wainerman (1977) indicates that the participation of younger women is increasing not only because a larger proportion of each successive age group works but also because they remain longer in the labor market. Moreover, from the 1915–20 cohort to the 1930–35, there has been a process of reentry into the labor market; married women in their late thirties and forties are responsible for this process, which began in 1960.

Wainerman (1978), in her analysis of Argentina and Paraguay (there are no equivalent data on Bolivia), shows that family composition (a combination of marital status and number of children) and level of education affect in opposite directions the propensity of women to work, as well as the length of time in the labor market. Marital status and the number of children negatively affect activity rates. Other things being equal, the presence of a spouse in the household is a more important deterrent than the number of children. However, the effect of family composition is less than that of educational level. Thus, for every age group and every family situation, the higher the education of women, the higher their activity rate. The only exceptions are young women who are still at college or at the university. Wainerman concludes that a high educational level may even overcome the inhibiting effect of being married and having more than two children. Thus, the difference in activity rates between women in favorable family situations (no spouse and no children) and those in unfavorable ones (spouse and more than two children) is smaller among the better educated than among the least educated. Those patterns are applicable to both Argentine and Paraguayan females, even though, for equivalent levels of education, the effect of family composition is less among the latter.

As regards Bolivia, data from the 1975 population survey show that among women born before 1915, the better educated had lower activity rates than the least educated; this pattern partly reproduces in the following generations. Women born between 1916 and 1950, if they are illiterate, have a higher propensity to work than if they had an elementary education. However, high school and university women have started to increase their propensity to work above the level of both women who are illiterate or who attended only elementary school.

In the three countries under study, available data would indicate that in the growth of the female labor supply the role of education is more crucial than that of being married and having children. The best example is in Argentina. Since World War II, the expansion of primary and secondary education has benefited women comparatively more than men, thus contributing to equalize their educational level and chances of gainful employment. However, two dif-

ferences between the sexes remain: the illiteracy rate is greater among women; and the proportion of university graduates is smaller, though the younger generation of women is rapidly catching up with men (Sautu 1978b). Although the overall level of education (basically literacy) is increasing in Paraguay and the sex gap is narrowing, there is still a great difference in both when compared with the Argentine standards, and even more so in the case of Bolivia, where the rate of illiteracy among women is very high. In these two countries, educational opportunities have not increased sufficiently to affect to a great extent the growth in the supply of female urban labor (which grew only slightly).

The growth of tertiary activities accounts for the important increase in the female activity rates in Argentina and the slightly upward trend in the urban rates in Paraguay (Sautu 1978a). The growth in services, finance, and commerce accounts for nearly 90 percent of the expansion in the employment of Argentine women between 1960 and 1970 (the previous decade the equivalent figure was 70 percent); thus, a large proportion of women began their work experiences directly in the tertiary sector. A similar situation is found in Paraguay, where the small increase in the urban female labor force was absorbed by services and commerce (agriculture decreased and manufacturing remained stable). The industry classification system leads to the inclusion of different socioeconomic realities in the same sector, thus confusing the variables that may explain the growth in the demand for female labor. In Argentina, women's employment increased in the professions, in teaching, and in administrative and clerical positions. Their contribution to the growth of educational and cultural activities and health services is larger than that of men; but women also constitute the vast majority of the domestic service. Argentina is a case in which the complexity of the economic system explains the increase in the demand for administrative, professional, and technical labor. The expansion of educational opportunities for women increased their chances of finding gainful employment. However, the larger growth in women's employment is taking place in occupations whose wage levels are deteriorating—such as teaching and government services. On the other extreme of the occupational structure, the incapacity of the whole system to create larger opportunities for the productive employment of uneducated women—or for educating them—accounts for the persistence of their work in domestic and other personal services.

Argentine women have been losing ground in the manufacturing sector—except in administrative jobs. The new technologically advanced industries absorb male labor, and the modernization of traditionally female activities, such as the making of textiles, have replaced women by men. In Paraguay, the majority of women work in personal services, petty trades, and crafts. The newly established industries, such as meat packing, oil, and processing fruits, occasionally hire women for seasonal work; however, the slight increase in their demand has not overcome the negative effect due to the decline in crafts production, which is a typically female activity.

Neither Paraguay nor Argentina offers women many opportunities for gainful employment in agriculture. Large holdings do not contract stable female labor; women help the male members of their families during the harvest season,

but they are not included in the payroll. In smaller holdings, the sexual division of labor does not include as "productive" the tasks performed by women, such as the cultivation of the vegetable garden and the breeding of poultry. As regards Bolivia, the sharp decline in activity rates for women may be due more to a change in their legal status than in their actual situation. The Revolution of 1952 abolished the feudal system of land tenure and the peasant's obligation to work unpaid on the *hacienda* of the landowner; that duty affected both men and women. Today, as a rural country where small holdings are important, the whole peasant family participates in the cultivation of the land. Moreover, women also assume the task of selling the farm produce in the local market.

In brief, in the three countries, the main determinant of rural females' work is their family's probability of capital accumulation, which in turn is associated with the size of the landholding and the system of land tenure. Large landholdings do not employ either family or nonfamily females. The more technological an exploitation, the smaller its employment of women workers. As the size of the landholding decreases, wage labor decreases and therefore family labor and women's participation increase. Eventually, when the plot of land is under the subsistence level, males and females work in the fields and, during the slack season, abandon their homes and seasonally migrate to engage as wage laborers in the wealthier farms and plantations (Sautu 1978c).

The evidence presented so far indicates that the downward trend in the Bolivian activity rates may be due to the combined effect of supply and demand factors affected by a revolutionary change in the legal and social status of property and labor (peasants retained as proprietors the subsistence plot they worked before as tenants). The slightly descending trend in Paraguay seems to reflect a transition period in which older women are reducing their participation and the effect of education among the younger is not yet significant. The reduction in the supply of female labor takes place in a period when new employment opportunities are basically male oriented; that is the case with the new farm colonization or the construction of water-power stations. In Argentina, after 1958, the rapid increase in finance, banking, and educational and administrative services offered educated women opportunities for gainful employment, thus explaining the upward trend in activity rates. This process contrasts with the persistence of domestic and other personal services that show the presence of a supply that cannot be employed productively by other sectors.

PROSPECTS FOR THE 1980S

In discussing Bolivia, attention should be focused on the prospects of rural development projects, as the majority of the Bolivian population lives in small communities. Such projects aim at increasing agricultural production and improving market facilities and the local processing of farm produce, as well as at the development of human resources. If the rural development projects are successful, women may find a new source of more productive employment, either in their present community or, most probably, in resettlements in the lowlands. In the best case, one can expect an improvement in the income situa-

tion of peasant women (and also men); in the worst, more realistic case, no significant change will take place. As regards other sources of employment, they seem unlikely.

In Paraguay, female participation in the labor force may eventually increase in the urban sector; provided some expansion in educational and health services, in commerce and finance, educated women may find more opportunities for productive employment. However, expectations cannot be very high, due to the underemployment of educated men who, because of their sex, probably have better chances than women with equivalent education. The informal sector—petty traders, craftswomen, seasonal laborers in the food industry, etc.—seems to constitute still the most probable source of employment for uneducated women. Moreover, domestic and other personal services are bound to swell the already large group of the underemployed. Unless the rate of growth in colonization programs increases significantly, thus reabsorbing into the rural sector the surpluses of the labor force, the downward trend in women's participation will continue into the next decade. Such a decrease is one of the effects of the deterioration of the traditional agrarian economy and of the slow rate of growth of the other sectors.

Compared to Bolivians and Paraguayans, Argentine women enjoy a privileged situation. There is a high probability that the finance and commercial sectors and educational and health activities, to mention only a few, will continue to increase the rate at which they absorb female labor. If those sectors expand, as may be expected, there are two reasons to believe that more women will be employed: first, as educational opportunities for women continue to grow, the supply of female labor will also increase; second, these activities demand qualified clerical labor at a level of wages lower than that in manufacturing—therefore women have been and will continue to replace men.

Manufacturing does not seem to be an important source of employment for women. As textiles and foodstuffs lose ground within the sector, the chances for women are decreasing except in electronics and pharmaceutical production. Moreover, as women continue holding a quasi-monopoly on computing and sophisticated administrative techniques, they have better chances of increasing their participation in white-collar jobs even in the more technologically advanced industries.

What will happen with the less educated women who now work in the domestic service remains to be seen. More than any other occupation, the future course of domestic service depends on the rate of economic development. As family income increases, the behavior of the less educated women, who are now domestic servants, will differ according to their marital status: young single women will maintain their present high activity but probably in other activities; older or married women will decrease their propensity to participate. There is a crucial difference between the future behavior of the less educated women and that of the more educated. If the country succeeds in achieving a reasonable rate of economic development, even married educated women will increase their participation, either prolonging their participation in the labor market or re-entering when their children begin school. Increases in family income will cause

the less educated women to withdraw from the market when they get married and have children.

SOME FURTHER THOUGHTS:

A SET OF PROPOSITIONS DEDUCED FROM THE CASES STUDIED

The economic behavior of women in three Latin American countries has been described briefly; an attempt was also made to reach some specific conclusions on the role of supply and demand factors in the determination of female patterns of employment. While these conclusions are of some interest in themselves, they are obviously limited in a number of respects. Besides applying to specific countries, they account for only a limited number of socioeconomic variables. This raises the issue of the extent of the generality of the research results and of their usefulness as a guide for further research. In spite of their limited scope, some general propositions can be deduced from the cases studied. Though these do not constitute a coherent theoretical framework, they may be considered a first step in an endeavor to understand the economic behavior of women in developing countries.

In relation to the supply of female labor, other things being equal:

1. There exists an upward trend for younger generations to increase their propensity to work and remain longer in the labor market.
2. There exists an inverse relationship between the socioeconomic position of the family and the females' propensity to participate. The lower the status of the family, the greater the need of women to work even in the case of mothers with many children.
3. There exists a direct relationship between the educational level of females and their propensity to participate.

In relation to the demand for female labor, other things being equal:

1. The higher the technological level of an industry or firm, the lower its absorption of women. Labor-intensive, less modern activities and firms employ proportionally more women than those that are capital-intensive and technologically modern. Moreover, whenever a firm undertakes a process of technological innovation of a traditionally female activity, women are replaced by men.
2. Given some equivalent male-female skill endowment, women incorporate into occupations with lower status, wages, and potential career attainment than those of men.
3. Whenever an activity or occupation suffers a process of deterioration in income potential, while retaining a demand for skilled labor, it replaces men by women.

Finally, in relation to the interplay between supply and demand factors, other things being equal:

1. The older a generation, the better the conditions of the labor market must be in order to increase women's propensity to work.
2. The higher the educational level of a female, the stronger the effect of demand factors vis-à-vis supply factors.

3. The lower the socioeconomic status of a female's household, the stronger the effect of supply factors vis-à-vis demand factors.

NOTES

1. The project was carried out by several research teams in the countries studied (CENEP—Argentina, CIS—Bolivia, CPES—Paraguay) under a grant from the International Development Research Centre (Canada).
2. One of the features of the informal sector is that employment is supply-determined (Bhalla 1973).
3. The socioeconomic status of the household could not be measured because the sources of data are censuses. Though the educational level of the females is only an indirect indicator, it is highly correlated with family class position.
4. Though income and labor condition differentials may also be attributed to differences in the demand for skills and capacities, in developing countries, structural heterogeneity accounts for the larger portion of those differentials.
5. The term "plantation" is used rather loosely, as in fact we are referring to the growing of tropical crops and the cultivation of different sorts of fruits, though the latter takes place on medium- and small-scale, sometimes technologically modern farms. Their common feature is that all hire migrant casual labor during the harvest seasons.

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