

# **Work-Family Balance Issues in Latin America: A Roadmap to National Care Systems<sup>1</sup>**

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The persistent and increasing entrance of women into the labor market is one of the defining characteristics of recent developments in Latin American countries. In the last two decades, female economic participation rate grew from 42% to 52% (while male economic participation rate kept stable at 78%). This tendency is being accompanied by substantial changes in household compositions, including an increase in diversity, a decrease in the number of children, growing life expectancy, and the increased prevalence of both single-parent and dual-earner families.

These changes create an inevitable tension with regard to the need to meet the demand for care of household dependents (children, the elderly, and the sick or the disabled). This tension occurs because the increase in women's participation in the labor force was not accompanied by an equal transformation in the social organization of care.

Indeed, in Latin America the social organization of care is largely sustained by unpaid home care work, disproportionately performed by women. This occurs for three main reasons. First, the prevailing social view is still that home is the "natural" care environment (especially for children), and that the responsibility of care "naturally" falls on women. Second, there has been weak government participation in terms of the regulation and provision of care services. Third, in a profoundly unequal society where private care services are expensive, access to them is remarkably segmented and stratified.<sup>3</sup>

## **1. Reasons to Address the Issue of Work-family Balance in Latin America**

Addressing the issue of work-family balance should become a top priority for the Latin American public policy agenda in several ways.

First, improving work-family balance increases distributive justice. Several inequalities, such as gender, socio-economic (or class), and inter-generational inequality, meet and synergize in the area of care. Current social organization of care in the region is unfair because it puts pressure on the intensity of women's time (and ultimately, on their quality of life), particularly for poor

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<sup>3</sup> For an overview on the social organization of care in Latin America see OIT-PNUD (2009).

women. Any strategy that aims to tackle the structural causes of poverty and the dissemination of inequality should essentially take care of care and work-family balance issues.

Second, work-family balance should be a top priority because it addresses issues of systemic efficiency. The extreme burden of women's domestic and care responsibilities is one of the main barriers that hinder their participation in the labor market. This entails economic losses not only for women themselves, but for the entire social and economic system. This happens on one hand, because female labor force is being underutilized, and thus systemic productivity is reduced<sup>4</sup>. This is to say, the economy reaches lower production levels than those it could have achieved if it had made full use of women's labor force. This is a significant factor, as evidence shows that women have substantially improved their human capital, increasing their level of education (i.e., their educational investment). Therefore, the loss in systemic productivity triggered by the exclusion of women from the labor market is getting bigger as women become more integrated into the educational system.

On the other hand, the underutilization of female labor force also entails a loss of income at the household level, leading to a reduction in the household's consumption capacity, and adversely affecting the quality of life. This becomes even more important when considering the role women's income play as part of surviving strategies of most vulnerable households, and as an exit mechanism to emerge from poverty.

Third, ignoring the issue of care and work-family balance puts additional pressure on tax policies, which must allocate a portion of public spending to tackle issues derived by the tension in care organization, such as lower household incomes, greater difficulty in breaking the cycle of poverty, social unrest, and conflict caused by neglected children and adolescents. Thus, arguing that fiscal constraints interfere in the development and implementation of care and work-family balance policies, fails to stand up to serious scrutiny, when confronted with the cost of the lack of adequate care policies.

## **2. Specific Latin-American Core Problems**

In Latin America, the issues of organization of care and work-family balance face similar challenges as in other regions of the world: government resistance to addressing the problem, the dominance of conservative, sexist, and patriarchal approaches to the organization of care, and the undervaluation of care work and those performing it. In addition, the region features certain specific aspects that further complicate dealing with the issue.

The composition and dynamics of Latin American labor market is one of those aspects. Labor informality, or any form of capital-labor relationship that is non-compliant with labor law, is a long-lasting, structural component. By 2010, 35% of total employed population in Latin America,

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<sup>4</sup> For a deeper look at the economic arguments in favor of work-family balance policies see Rodríguez Enríquez et al (2010).

could be categorized as informal. This average participation might grow up to 60% in some countries (as in the case in some countries in Central America).

Thus, the aim of organizing care and facilitating work-family balance through legislation or by offering care services at the workplace has a poor outlook, and it will most likely have only a small impact. Legislation only affects formal sector of the economy, leaving out almost half of the working population. Small-sized production firms with low productivity levels typically experience great difficulty in providing any form of care service. The variety of precarious and informal forms of employment makes it impossible to supervise labor conditions and compliance with the labor law.

Other feature in the region is the poor development of values associated with corporate social responsibility. While the very notion of corporate social responsibility is controversial and merits in-depth discussion, it undeniably provides a useful strategy to promote care services at production units. In Latin America, only big multinational companies employ this strategy, which is alien to most local productive organizations. Furthermore, given the low productivity level of some sectors, even if corporate social responsibility is perceived as valuable, it will ultimately prove unfeasible.

The relevance of paid domestic work is another specific feature of the region. Hiring paid caregivers is a widely diffused strategy in high and medium-high socio-economic households. It is indeed the most common work-family balance mechanism used by middle-class women who have dramatically increased their participation in the labor market during the last decades. In addition, paid domestic work represents an important source of labour opportunities for women with a low educational level. In fact, with great variation among countries, nearly 20% of the economically active female population is occupied in this sector. Therefore, creating strategies that improve work-family balance mechanisms outside of household domestic service must automatically include strategies to improve labor prospects for women that today can only find employment opportunities in this sector. In addition, creating effective mechanisms to regulate paid domestic work and promote the rights of domestic workers, are other key factors to be considered.<sup>5</sup>

The issue of migration also plays a key role in Latin America. This is true on one hand, because migration dynamics create special demands to organize care in the country of origin. The care of children, adolescents and the elderly in the households of migrating adults must somehow be assigned to someone else. Nowadays we find global care chains, where people (particularly, women) migrate to work as caregivers in recipient countries, and assign the care of their dependents to other household members in their country of origin (in general, grandmothers, aunts, neighbors). In a way, this raises the need to add a transnational dimension to the debate on how to organize care and find proper work-family balance.<sup>6</sup>

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<sup>5</sup> The recent approval of ILO Convention 189 provides a promising framework for progress in this direction.

<sup>6</sup> On this issue, check Pérez Orozco (2009a and 2009b).

Finally, the structural weakness of States in the region is another important aspect to consider when creating strategies, and public policies designed to facilitate an adequate work-family balance. Once again, differences among countries are highly noticeable. One can argue that in many countries (particularly in Central America and some Andean countries), fiscal restrictions are huge, and the institutional weakness is much too evident. This is not a minor detail, when the goal is to strengthen regulations that allow the working population to have adequate work-family balance and at the same time guarantee all people the right to receive care.

However, the last decade has presented a more optimistic outlook in the region. The decline of the market regulation paradigm and of structural adjustment programs, are clear indicators of a friendlier environment in which to promote public policies. In fact, the ideological orientation of many governments in the region is proof of a re-appreciation of the legitimacy of the State's intervention, and the State's social responsibility. Likewise, the consolidated economic growth during the last decade has significantly helped to balance fiscal accounts and reduce national debts (again, with great variation among countries), making it easier to cover the costs of creating alternatives to better achieve work-family balance. Therefore, this seems to be the right time and scenario to discuss alternatives and strategies in this area.

### **3. Best Practices and Possible Alternatives**

So far, the State's response to care demands and the need to attain work-family balance has been weak in all countries of the region.

With regard to legislation, legal protection for the working mother is virtually the only regulation in force. The law establishes a pre-natal and post-natal maternity leave and protection against detriment or dismissal during that period<sup>7</sup>. Most countries also protect breastfeeding during some months, allowing paid break times to this end.

While fathers' right to participate in childcare is weakly recognized, paternity leave is definitely uncommon in the region. In a dozen of countries in the region, fathers have the right to a paid

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<sup>7</sup> "Despite the fact that in the majority of Latin American and Caribbean countries maternity leave is below the minimum (of 14 weeks) established by ILO Convention 183, almost all legislation provides for 12 weeks of maternity leave, in accordance with the previous agreement, Convention 103. This is with the exception of Antigua and Barbados, which allows for 6 weeks, and Honduras, which allows for 10. They also comply with the instruction to allow for at least 6 weeks of post-natal rest. The longest leaves are provided in Chile, Cuba, and Venezuela (18 weeks), and Brazil (180 days). Generally, extension of leave is guaranteed in the case of maternal illness." (OIT-PNUD: 2009, 89).

paternity leave, which ranges from 2 to 5 days in most cases<sup>8</sup>. Parental leave in case of a child's illness is very limited or almost non-existent in most countries.<sup>9</sup>

In some countries employers are obliged to provide nurseries and day care centers at the workplace. However, this rule only applies based on the number of female employees at the company<sup>10</sup>. In addition, most cases show a lack of compliance with this law. Also, as previously mentioned, this law only protects employees working in the formal sector, leaving out half of the working population.

Consequently, public initiatives on care are crucial to both guarantee the right to access care and also facilitate work-family balance. In this area, Latin America's conditions are extremely unsatisfactory, but certain elements may signal future improvements.

### **3.1. Insufficient Supply of Public Care Services**

The provision of care services by the public sector can be categorized in two groups. On one hand, there are services that are linked to formal educational. On the other hand, there are programs that take the form of assistance, and are focused on attending to the needs of the most socio-economically vulnerable households.

In terms of schooling, countries in the region are making progress in extending the coverage of basic educational services, and in several countries the rate of schooling at that level is close to 100%, with government playing an important role in managing the process. However, when one considers the supply of education to be a mechanism supporting work-family balance, there are still two weak points in this arena.

First, the school schedule is not usually compatible with working hours, because in the majority of cases only half day school schedule is offered. Second, school coverage is very deficient for those under the age of compulsory education (5 years old in most cases). Nevertheless, the coverage of preschool education has improved recently, and some countries are implementing initiatives to lengthen the school day.<sup>11</sup>

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<sup>8</sup> In Ecuador this leave can be extended up to 10 days, in Venezuela it can be extended up to 14. In Argentina government employees have the right to take up to 15 days of parental leave, at some sub-national levels. In practice there is a low rate of use of these extended leaves.

<sup>9</sup> "The only country that guarantees parental leave immediately following a period of maternity leave is Cuba. There, parents can decide which parent will stay at home caring for their child until he turns 1 year old. In return, they receive compensation equal to 60% of maternity leave benefits. This practice is being increasingly adopted in Europe. In addition, Cuba also guarantees 1 paid day off per month to bring your child to their checkups. This right is also guaranteed in Venezuela." (OIT-PNUD: 2009, 92).

<sup>10</sup> This is with the exception of Bolivia, Ecuador and Paraguay.

<sup>11</sup> "Chile is a pioneer in this field, as in 2006 there were already more than 7,000 establishments throughout the country that had implemented a longer school day. In Costa Rica, the pilot program "Second House" attempted a similar modality and achieved good results. In both cases, infrastructural support was an enormous advantage. In the English Caribbean, for example in Granada, there are similar plans to extend school hours." (OIT-PNUD: 2009, 101)

The lack of public provision of care services for younger children, and of quality, full-time services means that the best educational coverage comes from the private sector. The cost of such services makes their accessibility extremely segmented, and practically impossible to reach for the lower-income sectors of society. This only serves to deepen the level of inequality, both for the smaller possibility that children from these sectors of society have of receiving early education, which would stimulate their development, as well as for the fact that these children's mothers face greater obstacles to labor market participation.

For those excluded from formal early education, and therefore from the mechanisms that facilitate work-family balance when young children care is needed, governments in the region develop assistance-based responses, aiming to address the issue of child poverty.

In many cases, these are initiatives in which the State collaborates with community organizations, which actually run the programs. These nurseries and maternity services have strong traditional roots, and are at once a mechanism to help mothers from low-level socio-economic households achieve work-family balance and a source of job opportunities for women from these same sectors, who often become the paid caretakers employed at such institutions.<sup>12</sup>

### **3.2. A Few Good Examples**

Despite the lack of care services offered to facilitate work-family balance, there are a few good examples to note that show how the issue is slowly gaining space on the public policy agenda and how real progress can occur.

The Chile Grows with You Program (*Chile crece contigo*) is one of the initiatives that demonstrates both the possibility of developing effective policies in the area, as well as their relevance and usefulness. The program is a Comprehensive Protection System for Early Childhood, created in 2006, whose central axis is the creation of free nurseries for children under the age of two, with the aim of supporting both the children's development and their mothers' participation into the labor market. The program focuses on the most vulnerable 40% of the population. An estimated 3,500 nurseries, providing care to 70,000 children, have been opened under the framework of this program.<sup>13</sup>

Another notable example comes from Uruguay, where the government has made the reorganization of care a priority. In May 2010 a working group was created by Presidential order to

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<sup>12</sup> "The public childcare programs of the Colombian Family Welfare Institute (ICBF), which provide the best coverage, arose from women's initiatives in poor neighborhoods, where women cared for their neighbors children while the mother went to work. In Peru, the Wawa Wasi program, run under the Ministry of Social Development, aims to care for children while their mothers work and simultaneously generate employment for caretakers. They currently care for 53,000 children under the age of four, from 8 in the morning to 5 in the afternoon... other similar programs are Mexico's Nurseries and Day Care Program, Community Homes in Costa Rica, and Maternal Companies in Honduras." (OIT-PNUD: 2009, 103)

<sup>13</sup> Information on Chile Crece Contigo can be found at <http://www.crececontigo.gob.cl/>.

coordinate the design of a National System of Care.<sup>14</sup> Since then, the group has made progress in the production of relevant information about care needs and the discussion on system design. They have made very solid progress developing the tools that will be used to create awareness of the issue and spread relevant knowledge, based on the notion of equal distribution of care responsibilities. Currently, they are developing a legal framework for the National System of Care, as well as starting with some pilot experiences in home-based care and in long residence units for the elderly.<sup>15</sup>

Costa Rica provides another case of a country in the region that has done pioneering work in terms of placing the issue on the national public policy agenda. The first steps were taken under the framework of the National Plan for Equality and Gender Equity (PIEG), which proposed, as one of its strategic objectives, to promote care as a social responsibility. For that, the government committed itself, to build care infrastructure and to promote culture changes for co-responsibility between women and men. The National Development Plan 2006-2010 established the goal of building and reconditioning the Nutrition and Integral Care Centers (CEN-CINAI), in order to serve to 34.712 children. Specific budget allocation was given for that purpose. Unfortunately, despite the priority given to this matter, advances in this area were poor. However, care as a social responsibility and the need to improve family-work balance initiatives consolidated as a policy aspiration.

In 2010, the new government established as a matter of public interest the creation of a National Care and Child Development Net (*Red Nacional de Cuido y Desarrollo Infantil*). Many social actors will be part of this net: existing care services; every social actor, both public and private, with specific mandate or with interest in care issues; representatives of children and parents; care professionals; government institutions and NGOs. In order to make this possible, the existing Social Assistance Institute was transformed in the Ministry of Family and Social Welfare. The focus of initial actions of this brand Ministry is located in expanding child care centers and on deepening elderly people care services.<sup>16</sup>

### **3.3. Advances at Corporate Level**

Initiatives at the enterprise level in Latin America are scarce and disperse. As mentioned above, they are taken mostly by large enterprises, many time multinational ones. Those initiatives are

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<sup>14</sup> The group is composed of representatives from the Ministries of Social Development, of Public Health, of Work and of Social Security, of Education and Culture, of Economics and Finance, the Office of Planning and Budgets, the Bank of Social Welfare, the National Statistics Institute, Uruguayan Institute of Children and Adolescents, and the Administration of State Health Services.

<sup>15</sup> To learn more about the Uruguayan case see Fassler (2009) and Rico (2011). Also see [www.sistemadecuidados.gob.uy](http://www.sistemadecuidados.gob.uy).

<sup>16</sup> To learn more about the case of Costa Rica, see Lexartza Artza (2010).

presented as part of actions in the field of Corporate Social Responsibility, rather than as actions foster in order to promote workers rights.

Most frequent initiatives have to do with flexibilization in working hours, where the technical characteristics of the work performed allow for that. The possibility of performing working activities at home some days during the month is the usual way of implementing this. The creation of “banks of hours”, is a methodology used in some enterprises, where workers (both male and female) can take credit of hours that are latter on “repaid”. Some extension of maternity leave, or the possibility of an incremental reincorporation to work after giving birth, is also performed at some corporations. The positive impact of this type of actions, in terms of individual performance at work is highlighted. Still these initiatives at corporate level do not make up a strong corpus, but are rather unusual.

Since 1999, the IESE Bussiness School at Navarra University develops the IESE Family-Responsible Employer Index (IFREI). To build it, they conduct surveys at the enterprise level that reviews work-life balance initiatives. Since 2005, the index was extended to other countries in the work, including Colombia, Brasil, México, Ecuador, Guatemala, Perú and Argentina. The review of the information gathered to build the index in these countries, provide some illustrative examples of work-family balance initiatives at the corporate level in Latin America.<sup>17</sup>

#### **4. Steps forward on the Path to Work-family Balance**

Latin America presents a favorable context for public policy action that, when performed in association with both private and community groups, allows for improvement in the organization of care and facilitates work-life balance. The goal in this area should be to provide conditions that allow each person to choose how to create their own work-family balance. Creating a balance of social co-responsibility that promotes decent working conditions for all men and women may be a good beacon to work towards.

The good examples cited here can provide valuable lessons along this path. Additionally, the following items are put forth as concrete recommendations that can be taken into account:

- Generate social awareness about the need and convenience of advancing toward a more fair and equal social system of care. Generate information that shows the social and economic benefits of work-family balance schemes.
- Promote strategic alliances between the State, employers, unions and community organizations that enable the design of integrated and sustainable activities, created with social consensus.

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<sup>17</sup> First result of the implementation of the IFREI in Latinamerican countries can be found in Hendriks et.al. (2006).



- Further extension of maternity leave, paternity leave, and parental leave, with financing mechanisms that prevent any kind of discrimination. Develop mechanisms to extend the coverage of these regulations to informal employment sectors.
- Promote the flexibility of time and work organization in the public and private sectors in order to accommodate household needs. Perform studies that show the positive effects that these types of measures have on productivity, to facilitate their incorporation into the business world. Generate mechanisms that facilitate the implementation of work-family balance measures in small and mid-sized companies.
- Prioritize social investment in care services. Promote initiatives for the gradual extension of the school day, as well as the gradual extension of early childhood education (from 45 days to 5 years old). Expand the supply of child care (nurseries) and campaign to promote family trust in these institutions.

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