

# Gender Systems and Women's Labor Force Participation in the Salmon Industry in Chiloé, Chile

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**Summary.** — This paper, which follows the emergence of the salmon industry in the 1990s in Chiloé, Chile, demonstrates that factors restricting women's participation in labor force and wage differences between women and men are related to the gender systems operating in Chiloé. Results indicate that these systems reflect the territory's demographic and agrarian history and that local gender systems have a positive influence on women's participation in the labor market, though this is not accompanied by decreased salary discrimination in the salmon industry. The implication is that territory-specific and gender factors must be considered in national employment policies.

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**Key words** — female labor participation, gender systems, income differences, culture, Latin America, Chile

## 1. INTRODUCTION

The factors affecting women's participation in the labor force can vary from territory to territory. Economic growth tends to be more concentrated in areas characterized by agglomeration economies (Fujita, Krugman, & Venables, 1999; Krugman, 1980) and therefore tends to result in territorially differentiated labor market dynamics that include more women in the labor force in some territories than in others. Strategies that women use to become incorporated in the labor force, in particular their use of their social networks, also vary from territory to territory; this effect is seen even at the global level in economies that are increasingly interconnected (Castells, 2010). As a result, factors related to economic agglomeration, cultural elements, and characteristics of social networks as an expression of social capital help generate economic growth, poverty reduction, and income distribution in different ways in different territories. The gender system is one specific set of institutional characteristics strongly influenced by cultural attributes (Espino & Underhill-Sem, 2012; Fernández, 2013; Ridgeway & Kricheli-Katz, 2013). These gender systems often are the result of institutions that are endogenous to the territory, which explains their spatial variability.

This paper asks to what extent factors restricting women's participation in labor force vary geographically. Could territorially specific factors influence access to the wage labor market? If so, what would be the implications for thinking through the territorially specific and gendered effects of national employment policies?

By "labor force participation," we refer to transition into the salaried labor market. In addition the paper fully recognizes that when women are not part of the salaried labor market they are usually engaged in multiple activities that are also considered "work".

Except for a few periods of crisis, over the last 40 years Chile has experienced sustained and rapid economic growth, with increasing incomes and falling poverty rates and unequal income distribution (Bravo & Valderrama Torres, 2011; Contreras, 2003). This has coincided with the implementation of economic policies based on the opening of the economy to

trade and capital flows, the state's withdrawal from investment decisions, legal stability, and respect for property rights enshrined in the constitution, a strong commitment to macroeconomic equilibrium and deregulation of labor markets (Ffrench-Davis, Leiva, & Madrid, 1992). The results of this development strategy were high economic growth and a sharp and persistent drop in the poverty rate, but with income disparities not only among individuals, but also among municipalities (Modrego, Ramírez, & Tartakowsky, 2009). These patterns are particularly marked on the Chilean island of Chiloé, because of the profound structural changes in its economy following the establishment of the aquaculture industry during the 1980s. Chiloé, however, is not the only place where changes in investment strategies and economic innovation can be seen. In the 1980s, export agriculture in Chile's central valley and forestry in the southern central zone had already shown strong growth in investment and an increase in employment and women's participation in the labor market, changing gender relationships in Chile's rural sectors, albeit more so in fruit production than forestry (Barrientos, Bee, Matear, & Vogel, 1999; Valdés & Araujo, 1999).

Besides creating conditions for the expansion of domestic and foreign investment, the development model spurred significant changes in the institutional structure of labor. Labor rights decreased, creating a job market that was more dynamic and competitive, but also more precarious, with a particular impact on women's employment (Todaro, 2000). Finally, globalization yielded extra-regional benefits, but exacerbated social differentiation, increasing the cost of global integration at the local level (Barton & Murray, 2009). This is a result of globalization processes based on neoliberal regimes, and is distinct from processes shaped by social democrat regimes, such

\* The research that led to this article was supported by Rural Territorial Dynamics program of Rimisp-Latin American Center for Rural Development, thanks to generous funding from the International Development Research Centre (IDRC, Ottawa, Canada). We are grateful to three anonymous referees for helpful comments and suggestions. Any errors are of our own responsibility.

as Norway's, where the decision was made to create territorially balanced growth (Phyne, 2010).

The island of Chiloé is divided into ten municipalities. Six of them—Castro, Dalcahue, Chonchi, Curaco de Velez, Puqueldón and Quinchao—are located in the central part of the island and are most directly related to development of the aquaculture industry. These six municipalities have 79,000 inhabitants, 48% of whom live in rural areas. Castro is the municipality with the largest population on the island (29,000 inhabitants) and is the administrative center of the Province of Chiloé.

The new industry was introduced in a region with an incipient wage labor market, where the majority of the population engaged in subsistence agriculture, small-scale fishing, and seasonal migration. Except for a small dairy industry, there was no agroindustrial development in Chiloé in the 1950s. The main agricultural products were potatoes, wheat, oats and garlic, and animal production such as lamb; the main processed products were flour and *chicha* (an alcoholic drink made with apples) (Barret, Caniggia, & Read, 2002). Between September and March, men migrated to Argentinean Patagonia and Punta Arenas, Chile, to work in shearing, an exclusively male occupation. While the men were gone, women in Chiloé performed various farm tasks, such as planting potatoes, fertilizing wheat, caring for animals and gathering wood, as well as reproductive labor, but when the men returned to Chiloé, the traditional gender division of labor re-emerged with women ceasing to be active in field work for crop production (Grenier, 1984; Mansilla, 2006). With this seasonal male migration, the rate of female participation in Chiloé's labor force was only 26.5%, according to the 1982 Census. Barret *et al.* (2002) described Chiloé's rural community as homogeneous in cultural and class terms, with significant traditions of reciprocity and solidarity and with Catholicism as the predominant religion.

Our data show that the female/male sex ratio in central Chiloé rose from 1.0 in 1990 to 1.04 in 2009, and the marriage rate decreased from 0.76 in 1990 to 0.72 in 2009. One possible explanation for this change is that with industrial development in Chiloé, more men than women have arrived on the island; households of male-female couples have decreased and households headed by single women have increased.

The accelerated industrialization led to significant population growth in the territory, rapid increases in income (but without improved income distribution), and a considerable reduction in poverty, from 38.6% in 1990 to 12.4% in 2009. It is also argued that modernization processes have been accompanied by considerable environmental and cultural changes and impacts (Baldacchino, 2011, p. 154).

Development of the aquaculture industry in southern Chile, especially in Chiloé, followed experimentation and innovation initiated by the public sector and later sustained by the Fundación Chile, a private philanthropic body.<sup>1</sup> During 1990–2008, national salmon production increased from 29,000 to 600,000 tons a year, and Chile became the second-largest salmon producer in the world, with exports reaching US\$2.5 billion in 2008 (Salmon Chile, 2008). According to Barton (1998), the successful development of the salmon industry was driven by a unique set of hydro-biological conditions, counter-cyclical production methods, and low costs of production and transportation. Other authors have emphasized the comparative advantages of rather lenient environmental and labor regulations (Barret *et al.*, 2002) and liberal marine resource allocation regulations (Izuka, 2004; Katz, 2006).

The rapid changes that unfolded in Chiloé have had a strong influence on employment. Men stopped their seasonal out-

migration and began to join the emerging aquaculture industry, and young people and women were incorporated into the labor force on a massive scale. For example, women's participation in the labor force in the municipality of Ancud—the second most populated municipality in Chiloé—rose from 26.6% in 1996 to 48% in 2009. During the same period, women's participation in the labor force nationwide increased from 36.5% to 43% (CASEN, 2009). Different types of job emerged with the industry. Women became involved in different activities, with the main ones being administrative positions and industrial processing of salmon (Schurman, 2001).

Developing countries such as Chile tend to show lower labor participation rates for women compared to wealthy economies (Barrientos, 1997; Lovell & Vera-Toscano, 2004). Furthermore, limited participation by women in the labor force is a major reason for low household incomes (Contreras & Gallegos, 2011; Ferrada & Zarzosa, 2010; Psacharopoulos & Tzannatos, 1989). For example, in 2013 the rate of labor force participation for women from the first (poorest) decile was only 23%, while that of the tenth (wealthiest) decile was 63% (CASEN, 2009). One of the main strategies for combating poverty in Chile, therefore, has been to increase the rate of women's participation in the labor force (Abramo, Valenzuela, & Pollack, 2000).

This paper provides evidence for the factors that allowed the women of Chiloé to enter the labor force after the establishment of the salmon industry. The analysis is based on the assumption that women workers in the salmon industry were familiar with productive tasks, as they had already worked in agriculture, fishing, the collection of seafood products and handicrafts, because of the social, economic, and environmental characteristics of the territory, mainly because women assume both productive and reproductive roles during much of the year, when men migrate seasonally to Patagonia.

We assume that it shows that these relationships between women and production are crucial for establishing cultural systems that facilitate women's participation in the labor force, along with variables that typically explain women's participation in the work force, such as age, number of years of schooling, the presence of children in the household and marital status. It also shows the influence of the gender system on women's participation in the labor force.

These attributes were identified in this study by a field survey that was designed to establish whether they existed before the arrival of the salmon industry in Chiloé, and therefore before the point at which women entered the labor force. The evidence suggests that knowledge of agricultural work is the key factor that positively influences women's participation in the labor force. In contrast, knowledge of fishing, collection of seafood products or handicrafts decreases the likelihood that women will participate in the labor force.

This result is consistent with analyses of behaviors sustained by gender systems (Acker, 1992; Ridgeway & Correll, 2004). Both handicrafts and collecting seafood products have always been considered "women's work" in Chiloé, so these practices do not change the discourses or the domains with which women have traditionally been linked, namely the household and reproductive tasks. Women who play a role in agriculture, however, are seen as taking up new practices, moving beyond their traditional roles to perform tasks previously limited to men. This broadening of women's traditional roles helped with their inclusion in the work force when there was a sudden increase in demand for labor as a result of accelerated industrial development on the island.

We also provide evidence of a gender-based wage bias in the salmon industry by analyzing the breakdown of incomes. The

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