Women at work: evidence from a randomized experiment in urban Djibouti

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Overcoming constraints to FLFP for unskilled women. What role for workfare?

• Consumption and income smoothing in response to large aggregate shocks:
  • Protective effect rural areas during covid-19  Hoddinott, Tafere (2020)

• Recent focus on rapid social protection response in urban settings:
  • urban unemployment/large informality: role for urban employment guarantee
    o DUET proposal India (Drèze 2020) , Ethiopia urban PWP (Franklin et al, in progress)

• Earmarking workfare to women: if you offer, will they come?
  • Intra-household decision making. What roles do social norms play?
    o Workfare and financial inclusion India (Field et al 2020)
Providing temporary employment opportunity

**Context:**
- 82% women illiterate at baseline 50% in all urban Djibouti
- 13% women active at baseline, mainly self-employment
- Limited social mobility: 50% have to ask permission to visit family, friends outside neighborhood

**Public work offer:**
- 50 days part time work (street cleaning, light labor-intensive work, small artisanal projects)
- Local neighborhood (minimize mobility constraints)
- Working conditions (minimize health hazards)
- Daily wage 1000 DJF (6USD) ~ 80% minimum wage

**Explicit gender focus: targeting women**
- Option to delegate to other household members
- Opened bank account in the beneficiary’s name
Experimental design: randomized phase-in

Target population: universe of beneficiary women participating in a community nutrition program

Measure impact:
- during intervention
- 9 months after the end of the intervention
1: Women respond with almost universal take-up

- 92% take-up, 71% women themselves
- 2/3 delegation occurs in favor of other females
- Work features easing outside/household work constraints: wage rate, part time, local neighborhood/scheduled breaks
2. Labor supply response is temporary

- Other members’ labor supply largely unaffected
- After program ends, women withdraw from the LF and revert to inactivity
3: Household tasks get temporarily reallocated

- No change is observed in women’s total work time: no “second shift”
- Women: ↑ time work outside offset by ↓ chores and personal care
- Other household members (and to a limited extent the husband), engage in household tasks
4. Income gains stay under women’s control

- substantial income gains (~25% foregone income), only partially consumed

- Intra-household transfers: women kept control of additional earnings (in line with informal Islamic law)
  - But holding own bank accounts does not seem to have been instrumental to it
5. Accounting for heterogeneity

- Adopt honest ML to determine the relevant dimensions (Chernozhukov et al 2020)
- Female employment (midline):
  - difference between those who benefit the most and the least is sizeable (~0.29)
  - Baseline characteristics. Higher gains among:
    - females not employed at baseline
    - those with a higher index of mobility
Main take-aways

- Women are willing (and able) to enter the labor market when offered
  - *had prevailing social norms been binding, would have detected less than (almost) full take-up*

- Gains concentrated on those not working at baseline + fade-out after program ends:
  - *lack of suitable employment opportunities as a key barrier to FLFP*

- Tailoring employment to women’s needs matters
  - timing, proximity, access to support group to reallocate household tasks) might also play an important role

- Social norms (mobility) *mediate* the impact on female labor supply