

# Firms, Jobs and Gender

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## This session: Firms, Jobs and Gender

- **Four papers** leveraging high-frequency data to explore labor market dynamics.
- **Two key themes:**
  - ▶ **Supply-side barriers to female labor force participation:**
    - ★ Childcare expansion (Uzbekistan): 3x facilities in 3 years
    - ★ Digital access (LAC): Role of internet in COVID-19 resilience
  - ▶ **Labor supply resilience to shocks:**
    - ★ Seasonal employment patterns across 6 SSA countries
    - ★ Small business responses to COVID-19 shocks
- **Methodological innovation:** Phone high-frequency data uncovers new labor market dynamics.
- **Common approach:** Combine HF data with source of variations for causal analysis
- **Common challenge:** Not always the same level of observation!

# Female labor force participation: Childcare & Digital Access

## Childcare Expansion in Uzbekistan (1/2)

- **Question:** Can childcare expansion increase female labor force participation?
  - ▶ Low initial FLFP: 30-40% despite high education levels
  - ▶ Multi-generational households: 60% of families
  - ▶ Rapid policy expansion: Preschool facilities tripled (2018-2021)
  - ▶ Natural experiment leveraging variation in district-level expansion
- **This paper:** Looks at the rapid expansion of pre-school targeting kids of 3 to 6 yo:
  - ▶ 12pp increase in female labor force participation
  - ▶ Effects strongest for:
    - ★ Education-focused families
    - ★ Low/middle income households
  - ▶ The benefits extend beyond mothers to other members of the female household [same magnitude].
  - ▶ Smaller gains in employment.

## Childcare Expansion in Uzbekistan (2/2)

- **Some thoughts on analysis:**

- ▶ Pre-trends: Divergent coverage patterns pre-2018 + early adopting districts may differ systematically
- ▶ COVID-19 overlap complicates interpretation
- More transparent tables and graphs?
- ▶ Can not observe actual preschool enrollment → Any way to recover this from the survey?
- ▶ The lack of a direct enrollment-employment link may hide some important heterogeneity.

- **Leveraging this large scale policy for future research?**

- ▶ Examine intensive margin labor adjustments
- ▶ Study effects on actual wages and job quality
- ▶ Investigate long-term impacts on child outcomes

⇒ Push to (i) design childcare expansion considering extended family structures; (ii) address barriers beyond time constraints as smaller employment gains [complementary interventions?].

## Digital Development and Gender Gaps in LAC (1/2)

- **Question:** How does digital access impact gender employment gaps and may help cope with labor market shocks?
  - ▶ Pre-COVID gender gap in LAC: 30pp employment gap
  - ▶ Digital divide: 67% internet access but strong urban-rural gap
  - ▶ COVID-19 accelerated digital transformation needs
- **Key Findings:** Combining high-frequency phone surveys across LAC and macro-level data:
  - ▶ Women more likely to lose their jobs because of Covid.
  - ▶ Internet access reduces job losses, particularly for women.
  - ▶ Stronger effects in households with:
    - ★ Limited childcare resources.
    - ★ High service-sector employment.

# Digital Development: Methodology and Challenges

- **Key Challenges:**

- ▶ Endogeneity of internet access.
- ▶ Attrition and sample selection in phone surveys [may also affect the independent variable].
- ▶ Binary employment measure limits analysis.

- **Future Directions?**

- ▶ Study intensive margins and long-term impacts.
- ▶ Investigate intra-household bargaining under digital access: what frictions are we aiming to alleviate?
- ▶ Evaluate infrastructure-skills complementarities

⇒ Results suggest targeted policies combining digital access with institutional support could help reduce gender inequalities.

## Labor supply resilience to shocks:

Responses to seasonal shocks and COVID-19 in sub-Saharan Africa



## Seasonal Labor Adjustments in sub Saharan Africa (1/2)

- **Question:** Seasonality affects agriculture labor demand. How do households adapt?
  - ▶ 6 countries: Burkina Faso, Ethiopia, Malawi, Nigeria, Tanzania, Uganda
  - ▶ Monthly phone surveys: 2020-2022
  - ▶ Linked to agricultural seasons using FAO data
- **Main Findings:**
  - ▶ Employment drops 2.9pp in off-agricultural season
  - ▶ Country heterogeneity:
    - ★ Largest effects: Burkina Faso, Nigeria
    - ★ Limited impact: Tanzania, Uganda.
  - ▶ Nonfarm enterprises serve as a consistent fallback for off-season income.
  - ▶ Urban employment shows (surprising!) pro-cyclical pattern.
  - ▶ Seasonal underemployment correlates with lower welfare: poverty & food insecurity.

## Seasonal Labor Adjustments in sub Saharan Africa (2/2)

- **Some thoughts on analysis:**

- ▶ Binary employment measure may miss intensity margins and heterogeneity in job quality
  - ★ Collect recall hours data to examine intensive margin adjustments? Type of jobs taken in the lean season?
- ▶ Leverage LSMS baseline data more extensively to validate HFPS employment measures
  - ★ It may help with discussing sometimes conflicting and/or hard to rationalize results.
- ▶ More granular climate shocks: could you use satellite rainfall/temperature data?

- **Results open exciting directions for future work:**

- ▶ Link to climate change adaptation given seasonal dependence
- ▶ Policy design to smooth seasonal fluctuations: Role of credit vs. time constraints vs. labor market frictions in driving seasonal patterns?
- ▶ Long-term effects on poverty cycles and human capital investment.

⇒ Policy targeting and design need to consider: (i) context-specific seasonal support (eg enable non-farm firm development); (ii) heterogeneous household constraints.

## Small Business Dynamics (1/2)

- **Question:** How do small businesses adapt to economic shocks in developing contexts?
  - ▶ High-frequency phone surveys across 6 SSA countries
  - ▶ Allows to distinguish temporary vs. permanent closures
  - ▶ Links to pre-COVID baseline information.
- **Main Findings:**
  - ▶ Starting a non-farm business can help cope with shocks.
  - ▶ 1.6% monthly closure rate (19% annual)
  - ▶ Temporary closures are a strategic response to income shocks.
  - ▶ Higher vulnerability:
    - ★ Rural businesses
    - ★ Inexperienced entrepreneurs

## Small Business Dynamics (2/2)

- **Some thoughts on analysis:**

- ▶ Attrition bias from phone surveys?
- ▶ Better understand the business models of these small firms: longitudinal tracking of businesses? Link survey data with administrative firm records?

- **Future directions?**

- ▶ Analyze working capital in the survival dynamics of firms.
- ▶ Quality of reopened businesses.
- ▶ Gender dimensions of adaptation and business closure

⇒ Clear differentiation between temporary and permanent closures that pushes to rethink how we measure it and programs supporting small firms

## Wrapping up

- **Common Takeaways:** High-frequency data reveals critical labor dynamics and policy opportunities
  - ▶ Policies targeting constraints (childcare, digital access) increase female participation.
  - ▶ Resilience strategies (non-farm work, temporary closures) mitigate shocks.
  - ▶ Context matters: Type of shocks, institutions, and labor market structure shape responses.
- **Avenues:**
  - ▶ Try to better account for: labor intensive margin? within household dynamics/norms? (potentially non-random) attrition in phone surveys?
  - ▶ Future research could deepen insights into job quality, transition dynamics, and long-term outcomes.
  - ▶ Documenting context-specific constraints is key to better understanding what programs can strengthen resilience and gender equity.

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**Thank you! More thoughts or questions?**