

Equal Work, Unequal Pay

A research study reveals that increasing numbers of women are joining Chile's lucrative salmon industry, doing the same jobs as men but for less pay

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Developing countries like Chile generally have lower labour participation rates for women as compared to developed economies. Women's restricted participation in the labour market is a major reason for low household incomes. Furthermore, when women do secure employment, their incomes are in general lower than for men. This is true also for men and women working in the Chilean export manufacturing sector.

Labour economists have used different factors to explain the decisions of women to participate in the labour force. These include education and experience, the opportunity cost of not taking up employment, income of other salaried workers in the household, the existence of taxes and subsidies, the presence of children in the household, and the family. In addition, factors affecting access to labour markets—for example, the existence of

networking opportunities, and cultural factors such as *machismo*—have also been considered in recent studies.

Can there be territorially-specific factors that influence labour market access? If so, would they have implications for determining territorially-specific and gendered effects of national employment policies? These issues are discussed here in the context of labour participation of women in the salmon industry in Chiloé, Chile.

Between 1990 and 2008, national salmon production increased from 29,000 to 600,000 tons per annum, and Chile became the second largest salmon producer of the world, with exports reaching USD 2.5 billion in 2008. The successful development of the salmon industry was driven by a unique combination of hydro-biological conditions, counter-cyclical production methods, and low costs of production and transportation. Some commentators have also emphasized the comparative advantages of Chile's rather lenient environmental and labour regulations and liberal marine resource allocation regulations. The transformation of the salmon industry in Chiloé led to a rapid increase in women's employment.

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Former salmon workers from various companies in Puerto Montt, gateway to Chiloé. Many have now left the sector to seek better pay and conditions elsewhere. The increasing rate of women's participation in the labour market in Chiloé could be the result of these changes

Chiloé Island, with an area of 8,394 square kilometers, is the second largest island in Chile, after the Isla Grande de Tierra del Fuego, and the fifth largest in South America. In recent times, increasing numbers of women in Chiloé have been joining the labour force. The increasing rate of women's participation in the labour market in Chiloé could be the result of changes in cultural patterns, temporary migration of men, and the development of agriculture in the absence of male labour. These are not factors taken into account in most studies on women's participation in employment in the region, which have tended to focus only on changes in demand generated by the aquaculture industry.

Our data is obtained from a household survey that was designed and carried out in May and June 2009. The survey covered 856 households in both rural and urban areas. Households were selected using information and maps obtained from the 1992 population census. The survey collected past and current social, economic, and workforce information, as well as opinions of respondents on various topics related to the economic and social dynamics of Chiloé.

The research analysis is based on the assumption that women workers in the salmon industry are familiar with agriculture, fishing, the collection of seafood products and handicrafts. It indicates that factors such as age, number of years of schooling, the presence of children in the household and marital status are all important determinants for women taking up employment in the salmon industry. The analysis also shows the existence of gender-based salary bias within the salmon industry, with average salaries for men of USD 560 per month while female salaries are around USD 360 per month. This difference persists when we control the data by heterogeneity of labour, that is, the wage difference is not dependent on type of labour or different productivity levels between men and women.

The results suggest that in Chiloé, economic growth has not led to a decrease in wage gaps, even in the presence of economic, social, and cultural conditions that facilitate a higher level of participation by women in the salaried labour market. This finding supports the argument for specific, territorially-sensitive policies as being necessary for removing gender-based salary discrimination. ❏

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