

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	Mexico/CID
▪ TC Name:	Increasing Labor Force Participation and Quality of Female Jobs in Mexico
▪ TC Number:	ME-T1301
▪ Team Leader/Members:	Claudia Piras (SCL/GDI), Team Leader; Monserrat Bustelo (SCL/GDI), Alternate Team Leader; Andrea Bergamaschi (EDU/CME); Tzitzí Moran (LMK/CME); and Lina Uribe (SCL/GDI)
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Client Support
▪ Reference to Request ¹ : (IDB docs #)	Being requested
▪ Date of TC Abstract:	August 15, 2015
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	Mexico
▪ Executing Agency and contact name (Organization or entity responsible for executing the TC Program) {If Bank: Contracting entity} {If the same as Beneficiary, please indicate}	Inter-American Development Bank (IDB), SCL/GDI, Claudia Piras
▪ IDB Funding Requested:	US\$200,000
▪ Local counterpart funding, if any:	US\$0
▪ Disbursement period (which includes execution period):	36 months (30 months)
▪ Required start date:	November 1, 2015
▪ Types of consultants (firm or individual consultants):	Individuals
▪ Prepared by Unit:	Gender and Diversity Division (SCL/GDI)
▪ Unit of Disbursement Responsibility:	Social Sector (SCL/SCL)
▪ Included in Country Strategy (y/n);	No
▪ TC included in CPD (y/n):	No
▪ GCI-9 Sector Priority:	Strategy on Social Policy for Equity and Productivity

II. Objective and Justification

- 2.1 Despite Mexico's progress in closing gender gaps, substantial differences remain. Mexico ranks 80th out of 142 countries in the World Economic Forum's Global Gender Gap Report 2014. The main challenges are concentrated in the economic participation and opportunity score, placing Mexico in 120th position among 142 countries, and clearly below countries of its income level.²
- 2.2 Improvements in girls' education have reduced the gender gaps in participation and earnings, but their levels remain pervasive, particularly when Mexico is compared to other OECD countries. On average across OECD countries, the gender gap in labor force participation for the working-age population narrowed from 19 percentage points (ppts) in 2000 to 14 ppts in 2013; while in Mexico the gap decreased from 47 ppts to 37 ppts over the same period. Further, there is a substantial gender wage gap: women earn 15% less than men on average, even when individual characteristics are taken into

¹ A copy of the Letter of Request, Programming/Portfolio Review Mission Aide Memoire or Report requesting the TC should be submitted with the Abstract.

² World Economic Forum, Global Gender Gap Report 2014. Geneva.

account. Additional evidence from the World Economic Forum's Executive Opinion Survey 2014 confirms it. Mexico ranked 116th out of 131 countries when asked: "In your country, for similar work, to what extent are wages for women equal to those of men?".³

- 2.3 According to the OECD⁴ and other studies of Mexico⁵ the gender wage gap is partly the result of women being concentrated in traditionally female, low-paid sectors, including health, welfare, education, and administrative jobs.
- 2.4 In spite of achieving the same years of education of men, Mexican women continue to face many cultural barriers. One of the policy recommendations to reduce labor market gaps is to raise awareness among young men and women, parents, teachers and employers about gender-stereotypical attitudes towards academic performances and the likely consequences of overall educational choices for employment and entrepreneurship opportunities, career progression and earnings.
- 2.5 Nonetheless, there is still very limited rigorous empirical evidence –worldwide and in particular for the LAC region - of *what works to encourage Female Labor Force Participation (FLFP) and entry into better jobs*. Even less is known about how to address gender-stereotypes and promote non-traditional fields of study among young women.
- 2.6 The objective of this technical cooperation is to contribute to closing the knowledge on the effectiveness of interventions that can be implemented in Mexico to improve women's labor market outcomes. The technical cooperation specific objectives are to:
 - i) Provide solid evidence that will help to inform the design of programs that enhance female labor market opportunities.
 - ii) Promote a policy dialogue with policymakers to enhance the capacity of the public sector to promote gender equality in the labor market.

III. Description of Activities and Outputs

- 3.1 Component 1. *Interventions to expand female labor force participation and increase the quality of female employment*. The objective of this component is to identify promising policies to reduce the gender gap in labor market outcomes. One of the main gender gaps is related to occupational segregation, which in turn is linked to segregation in education fields. This technical cooperation will finance an experimental evaluation in Mexico to help examine the impact of providing information about returns in non-traditionally female sectors on women's training choices and their labor supply outcomes. The idea is to test if providing information on labor market opportunities of different majors or technical careers to high school students and their families affects their decision in terms of the choice of field of study.
- 3.2 The resources of this technical cooperation will be allocated to the design of the evaluation, the implementation of the intervention, data collection, and data analysis.

³ World Economic Forum, Closing the Gender Gap: the Gender Parity Taskforces. March 2015.

⁴ OECD-ILO-WB-IMF. Achieving stronger growth by promoting a more gender-balanced economy. Report prepared for the G20 Labour and Employment Ministerial Meeting Melbourne, Australia, 10-11 September 2014.

⁵ Arceo-Gomez and Campos-Vazquez (2013) study the evolution of the gender wage gap in Mexico and conclude that in urban areas and for the upper half of the distribution, most of the gap is explained by differences in characteristics.

The expected result of Component 1 is an improved understanding of policy options to improve gender equality in labor markets.

- 3.3 Component 2. *Knowledge dissemination*. The objective of this component is to share lessons learned and policy recommendations with policymakers and the academic community in the Mexico, and the LAC region. An in-country seminar will be organized to disseminate and share the results of the studies with the government, academic institutions, and NGOs. Additionally, the study will be considered for publication by the IDB and disseminated by blogs and newsletters to a broader audience inside and outside the Bank; it will also be considered for a session in the Regional Policy Dialogue organized by the IDB on the topic. The expected result of Component 2 is to share new knowledge and policy recommendations with regional policymakers to improve gender equality in labor markets.
- 3.4 The objectives of this technical cooperation are strongly aligned with the IDB's Operational Policy on Gender Equality in Development, which calls upon the Bank to foster greater gender equity and women's economic empowerment throughout LAC. This technical cooperation is also in line with the GCI-9 Priority of Social Policy for Equity and Productivity and is consistent with the IDB Country Strategy with Mexico, 2013-2018 (GN-2749).

IV. Budget

Indicative Budget

Activity/ Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding (US\$)
Component 1	Interventions to expand female labor force participation and increase the quality of female employment	170,000	0	170,000
Component 2	Knowledge dissemination	30,000	0	30,000
Total		200,000	0	200,000

V. Executing Agency and Execution Structure

- 5.1 The Gender and Diversity Division (SCL/GDI) will be responsible for the direction, supervision and coordination of this technical cooperation. Given the experience of the SCL/GDI in the topics included in this technical cooperation, this Division will be responsible for the procurement and supervision of the products included in this technical cooperation.

VI. Project Risks and Issues

- 6.1 The main risk associated with this technical cooperation, as with all studies that involve the collection of microdata, is a risk that the field work may suffer delays.

VII. Environmental and Social Classification

- 7.1 Based on the nature of this operation, there are no expected negative environmental or social impacts. This technical cooperation has been classified as category C.