

# Gender Dignity in the Colombian Labor Market (2000-2013)\*

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## Abstract

The following research paper seeks to observe how gender equality has evolved in the Colombian labor market over the past 13 years, during which the Government has signed thirteen free trade agreements<sup>1</sup>. The paper focuses at the central research question: *How has it benefited the woman in the Colombian labor market with economic globalization?* To answer this research question, we will show what the behavior of macroeconomic variables GDP, unemployment, industrial growth rate and population growth rate has been. From this frame of reference we will make a statistical analysis of the behavior of the labor market by gender in Colombia so as income levels as of schooling. The database of statistical information is provided by the General Household Survey conducted by the Department of National Statistics, DANE.

## Keywords

Formal and Informal Employment, Gender Dignity, Distributive and Commutative Justice, Labor and Non-Labor Incomes

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## 1. Introduction

For the strongest gender subjecting the weakest, they used initially the physical strength; condition of subjection

\*Essay of postdoctoral research about the New Public Management in the municipality of Sabaneta, Antioquia. Investigation performed in the VU University Amsterdam in Netherlands under the direction of honorable PhD Alfons Van Marrewijk.

<sup>1</sup>According to the Ministry of Commerce, Industry and Tourism from 2000 to 2013 Colombia has concluded 13 FTAs, they are: FTA with Switzerland, Liechtenstein, Norway and Iceland. FTA with Mexico. FTA with the Salvador, Guatemala and Honduras. FTA with CAN. FTA with CARICOM. FTA with MERCOSUR. FTA with Chile. FTA with Panama. FTA with Canada. FTA with United States. And partial FTA with Cuba, Nicaragua and Venezuela. This initiative of fiscal policy for growth and economic development is to generate economies of scale to the domestic industry.

that with the passage of time it has been refined until overlap psychological and cultural almost imperceptibly (Beauvoir, 2002).

Among the most effective forms of psychological subjection, which still exist, there has been the religious faith—characteristic of the feudal era and scholasticism<sup>2</sup>, which combined with other cultural beliefs based on the ideological prejudice of the inferiority of women and superiority of men. They have become common, because they meant virtue, purity, nobility and fervor. Practice of social behavior covers almost all being humans believers and unbelievers (Mill & Taylor Mill, 2001).

The strength and the ability the human being to do violence have served mechanisms for the protection of community or the city. The natural union of the weakest around the strongest springs from the human condition of living in social groups to protect themselves, accompanies, assists, and defends the space for survival: life, family, children, tribe, food, domestic animals and property. Conservation needs, with the passage of time—over 3500 years—have improved to become socially standards of cultural legitimacy, of market or law (Amar & Borbón, 1994).

Contemporary society, for example, based on the foundations of gender equality penalizes abuse of power of man, obliged to respect the physical integrity of your spouse. Society demands to the political and social institutions to enforce gender freedom and respect their diversity, both in labor and electoral (Muñoz Cardona, 2009a: p. 197)<sup>3</sup>. However, the high volatility of the firms and employment in contemporary society caused by the high competition of market economies, advances in technology and the service economy have facilitated the entry of women into the labor market. Labor oversupply in the absence of clear policies to protect the dignity of gender has facilitated wage exploitation of women and the deterioration of the moral figure of the man inside the household (Muñoz Cardona, 2009b: pp. 98-100), as it will be demonstrated throughout this research essay.

Companies prefer to hire women and not men for financial reasons: reducing variable production costs and competitive prices, which has led to “*domestic work of man*”: the woman goes out to work and the man stays at home taking care of the household. What it means a greater social imbalance; especially if one takes into account the family and cultural tradition that has formed the man (Muñoz Cardona, 2009a: pp. 221-224)<sup>4</sup>.

Although the concept of gender equality is not limited to heterosexual relationships, there are other equally valid sexual orientations: gay, bisexual and transgender. This paper addresses only the heterosexual relationships for their analysis given that the author has not researched issues of sexual diversity.

## 2. Economic Indicators in Colombia over the Past Thirteen Years

After 4 years of economic crisis, Colombia came back to economic growth path in the 2000. The country is moving away from the shadow of a loss of democratic institutions, when the guerrilla was forced to deliver the take-off geographic zone demarcated for the peace talks, which is achieved decelerate abduction and forced displacement (Guáqueta, 2007). The U.S. Congress extends the benefits of tariff for Colombian products, registered in unilateral agreements: Andean Trade Promotion and Drug Eradication Agreement, ATPDEA, thereby improving exports<sup>5</sup>. The National Government dictated business policies as the alliance Enterprise-University-State, promulgated by Law 590 of 2000, MSME or entrepreneurship, Law 550 of 1999 and after the Law 1116 of 2006 Insolvency firms to rescue the verge of closure and was enacted the law financial market unification (Muñoz Cardona, 2009b: pp. 248-249).

<sup>2</sup>In chapters one and two of Genesis the subjection of women to man, begins with the ideological affirmation “Adam’s rib was made the woman”. The Moses book also says: “man can divorce his wife, even the man can stoning his wife for adultery”. Similarly, others myths see in the woman a being lower. The “Pandora’s Box” for example, sees in the women the source of evil or unhappiness in the world for her charms. If to this we add the feelings of helplessness of woman product of social prohibitions, such as: not being able to study, cannot to vote and to be political leader. We can have a cultural state of inferiority of the woman.

<sup>3</sup>In Colombia the women’s rights are enshrined in the Law 248 of 1995, through which the Inter-American Convention on the Prevention, Punishment and Eradication of Violence against Women was adopted. Law 984 of 2005 Elimination of All Forms of Discrimination against Women. Training in business or income-generating alternatives, to help in the prevention of forms of violence and discrimination against women according to the classification given by Law 1257 of 2008.

<sup>4</sup>It should also take into account the irascible capacity of men; this is, the use of physical violence and ability to resist the new social changes. It’s true what they say about some current feminists that women can be as or stronger than men. However, the woman can be by the feeling of fear easily silenced by brute force and institutional of man. The women are for nature more sentimental, prudent or cautious than man because are more family. The woman avoids the wars for her love at the children and the helpless or defenseless.

<sup>5</sup>The Andean Trade Preference Agreement has been a key element in the United States counter narcotic strategy in the Andean region, promoting export diversification and broad-based economic development that provides sustainable economic alternatives to drug-crop production, strengthening the legitimate economies of Andean countries and creating viable alternatives to illicit trade in coca. For more information. See: [http://www.mincetur.gob.pe/comercio/OTROS/Atpdea/ley\\_atpa\\_atpdea/ley\\_atpa2002\\_ing.htm](http://www.mincetur.gob.pe/comercio/OTROS/Atpdea/ley_atpa_atpdea/ley_atpa2002_ing.htm).

Between 2002 and 2013 Colombia has maintained a foreign direct investment, FDI, increased from 4% to 8% annually. Fiscal policy strategy, which seeks to stimulate the development, investment and employment. In 2013, FDI accounted for 4.5% of GDP (see **Figure 1**). The FDI has focused primarily on mining and oil exploitation by 46.7%, in electricity and water in a 2.8%. That is, between 2002 and 2013, 49.5% of FDI in Colombia have been directed to the exploitation of natural resources in energy sources. Only 15.9% was directed to the manufacturing industry. 10.4% to transport and communications sector, 9.4% to financial institutions, and the remaining 5.4% to other sectors (*El Tiempo*, 31/March/2014, Economy Section) and report of (Coyuntura Comercial, 2014).

Attempts public policy for economic growth which added another as the Democratic Security program have managed the economy to grow by more than 5%, as occurred between 2005 and 2007 (see **Figure 1**). For the years 2010-2013 the economy continues to grow above 4%, exceeding the international financial crisis of 2008 (Muñoz Cardona, 2009b: p. 244).

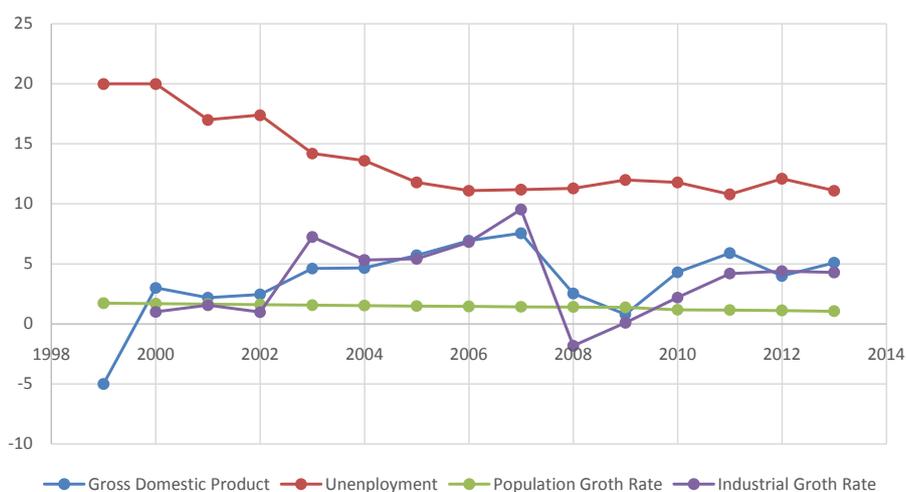
Excellent macroeconomic results achieved, thanks to the policy of diversification of destination for Colombian exports products to the international legal certainty respect for private property markets. That is, the signing of new trade agreements integration. We could be concluded according to **Figure 1**: The Colombian economy from 2000 to 2013 the population grew at an average annual rate of 1.4%, GDP grew at an average annual rate of 4.26%, unemployment at an average rate 13% annual, and annual industrial growth rate averaged 3.66%.

Similarly, in **Figure 1** we can see the relationship between GDP and unemployment. As GDP grows then unemployment falls and grows industrial production. In 2007, for example was the year of lower unemployment and higher economic and industrial growth.

We would venture to say, that each unit of GDP growth above 5% causes two points decrease in the unemployment rate. However, falls in unemployment in Colombia can also be explained by the decrease in population and low levels in creating of new enterprises (Echavarría & Villamizar, 2006)<sup>6</sup>. The Colombian population along the 21 century has been in decline, as confirmed by DANE. For the year 2000 the number of people per household was in average of five people per family by 2012 only three (DANE, 2012).

### 3. Labor by Gender Distribution in Colombia

In the decade of the 80s when entered Spain, Portugal and Greece to the European Union, and also the Berlin Wall fell, is given to start of the globalization internationally (Bakke & Peters, 2011). For the 90s began the era of globalization in Colombia and with it a service economy as said Antioquian businessman Nicanor Restrepo-Santamaría in his doctoral research in the University Lion of France “Antioquian Entrepreneurship and Society, 1940-2004” (Restrepo Santamaria, 2011).



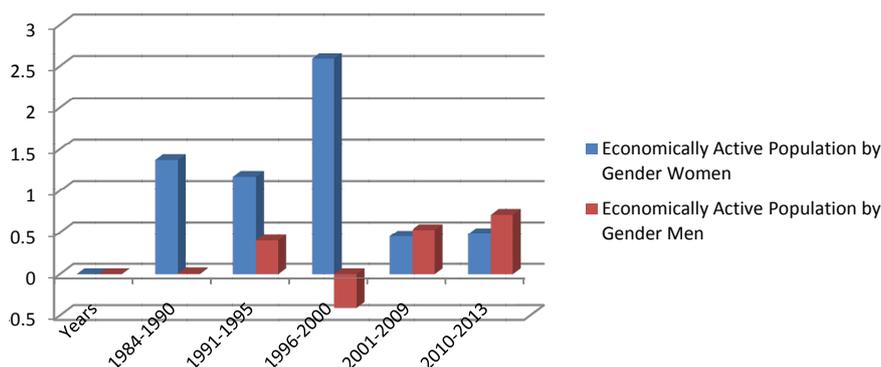
**Figure 1.** Macroeconomic growth rates. Source: Central Bank and National Administrative Department of Statistics, DANE.

<sup>6</sup>Mauricio Villamizar and Juan Jose Echavarría in the article “The Colombian fall industrialization” said: The industrialization process in Colombia was short-lived. The launch began in the early 1930s. However, the industry lost momentum since the 1960s in employment and production in the 1970s. <http://www.banrep.gov.co/docum/ftp/borra361.pdf>

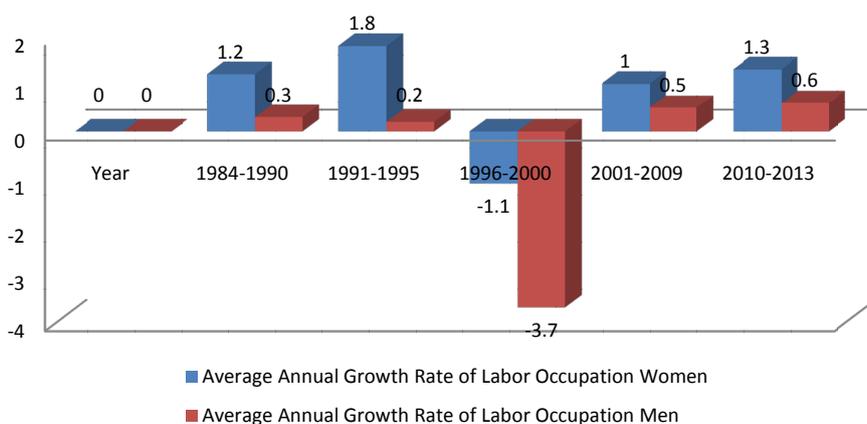
The rise of the service economy, stimulate female labor supply (see **Figure 2**). Increasingly are more women that lead their resume to labor market: commercial, banking and public services. They are the professionals who leave the university or the rural sector in search of work (Pineda, 2004), (DANE, 2012); like it show the behavior the Economically Active Population by Gender from 1984 to 2000 in the **Figure 2**.

Other the reasons that explain the growth of female labor supply in the 90s has been violence (see **Figure 2**). During the time of the violence particularly in the rural sector by: paramilitary, drugs-guerrilla and the illegal forces was stimulated the settlement of neighborhoods subnormal. Farming families that fleeing of violence in the field migrate to the city in search of employment. Mainly widows and orphans victims of violence. As the study tells National University professor Gonzalo Sánchez (2013)<sup>7</sup>. Similarly, violence in the city from drug trafficking and drug micro trafficking increasingly involves teenagers and young, forcing labor incursion of women in the mid-90s as shown in **Figure 2**. As well as showing the documentary on the neighborhood “La Sierra” in Medellin. <http://www.youtube.com/watch?v=Os5IhNyMQ7s><sup>8</sup>.

At the stage of the great economic crisis in Colombia, between the years 1996-2000, the average annual growth rate of male participation in the economically active population, EAP, is negative. Even the labor occupation rate, LO, is even more negative for the man than for women (**Figure 3**).



**Figure 2.** Economically active population by gender. Source: DANE. Household Survey 1984-2000, National Household Survey, 2001-2006 and Great Integrated Household Survey, 2007-2013.



**Figure 3.** Average annual growth rate of labor occupation. Source: DANE. Household Survey 1984-2000, National Household Survey, 2001-2006 and Great Integrated Household Survey, 2007-2013.

<sup>7</sup>Analysis on violence in Colombia covering fifty years 1958-2012. The report was prepared by a group of scholars coordinated by Professor Gonzalo Sánchez. This investigation comprises 21 specific reports and taken as reference in the analysis center for victims, their speeches, pains and stories.

<sup>8</sup>The drug activity ends in Colombia from the 90s, which marks the start of the economic crisis. The economic crisis in Colombia from 1996 to 2002, following the dismantling of drug cartels, rearrangement of the new forces of insurgent power (drugs-politics and drugs-guerrilla), breach of agreements and international APTDEA decertification of United States to Colombia.

In other words, the hiring labor that occurred at that time was mainly female workforce and not male. Strategy helped companies to exit the crisis. Since, as shown in **Figure 1** and **Figure 3** between 1996 and 2000, the Colombian economy declined in GDP at less of the (-5%), as shown in the **Figure 1**. So, employment rates for both men and women were negative, being less hard for women (Pineda, 2004).

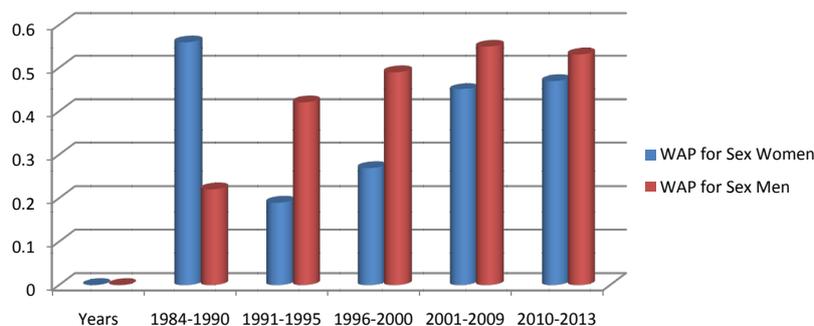
Observe, in **Figure 4**, that although there are more men than women available for work, the market captures more women workers than men, the main reasons may be the rise of the service economy, the increasing labor supply of women head of household, and the need to lower labor costs to compete with low prices in domestic and international markets.

Between 1984 and 1990 the working-age population is female, there were more female labor available. With the age of economic globalization and the rise of the service economy, the labor supply in Colombian begins to balance between men and women (**Figure 4**). That is, the female labor dispute starts with man job. More and more women offer their labor experience to the companies. They seeking to enter the labor market and compete for new opportunity of jobs.

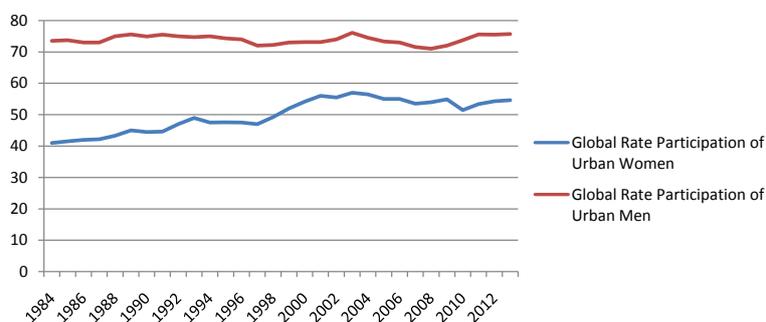
#### 4. Labor Force Participation Rate

According to the Department of National Statistics DANE, Colombia has a population rate by sex distributed approximately 51% to 52% in women and from 48% to 49% in men. Similarly, it is necessary to take into account that the Colombian population rate comes down (see **Figure 1**), one of the main reasons can be found in job growth of women and increasing their levels of study, as says the Antioquian economist Muñoz Cardona: *“The same individual freedom of search for self-realization has led individuals to self-government of their desires. They have voluntarily limited the number of children, such that both can continue their dreams of achievement, economic growth and freedom. Something that neither Thomas Malthus nor husbands Mill observed in their economy theories”* (Muñoz Cardona, 2009a: p. 226).

In **Figure 5**, we shows that while the overall labor force participation rate in men have remained relatively stable, with slightly downward trends, the overall rate of female labor participation have continued growing.



**Figure 4.** Working age population by gender. Source: DANE. Household Survey 1984-2000, National Household Survey, 2001-2006 and Great Integrated Household Survey, 2007-2013.



**Figure 5.** General participation rate urban for sex. Source: DANE. Household Survey 1984-2000, National Household Survey, 2001-2006 and Great Integrated Household Survey, 2007-2013.

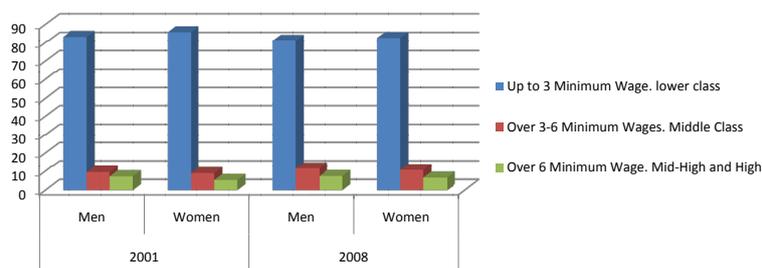
That is, more and more women enter the labor market. The question is: What is or what are the main reasons and how gender equity affected?

Some economists may be due the rapid growth of the service economy, where women workers are more desired. For others, follows a strategy of lowering production costs (Sennett, 1998), as the female workforce is equally competitive to that of men and is cheaper. Others argue that the reason is due to three facts: 1) Modernization of production processes which facilitates the entry of women to all labor fields. As had observed the professor Schumpeter (1971) in mid of century 20th before economic boom in the United States, what he called “Creative Destruction”. 2) The female population grows faster than the men. 3) Women have more sense of family responsibility and are more committed to the schedules and management program of the company (Ewig & Bello, 2009).

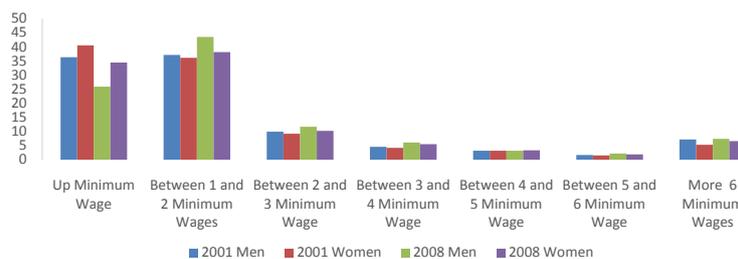
From the above reasons, the more we should draw attention is that which, in the words of John Rawls (2002), attentive to the criteria of distributive and commutative justice, because if two people know the same and have the same experience, why pay more to one that another? Acts of commutative injustice that generate social unrest and affect gender equality relations, as attentive to the rights of dignity that every human being have<sup>9</sup>.

According to Figure 6 over 82% of the Colombian population earns between 1 and 3 minimum wages, this is poor. The 18% of them are below the poverty line because earn less than minimum wage (Muñoz Cardona, 2009b: pp. 108-109)<sup>10</sup>.

According the Figure 7, the Colombian population of level middle socioeconomic represents 11% and the



**Figure 6.** Percentage distribution by wages and gender. Source: DANE. Household Survey 1984-2000, National Household Survey, 2001-2006 and Great Integrated Household Survey, 2007-2009.



**Figure 7.** Percentage distribution of the population according to minimum hourly wage and sex. Source: DANE. Household Survey 1984-2000, National Household Survey, 2001-2006 and Great Integrated Household Survey, 2007-2013.

<sup>9</sup>One of the most controversial elements of Rawls’s theory is the so-called “difference principle” (Rawls, 1997) according to which inequalities are only justified insofar as they serve to maximize the position of the least well-off members of society. Income disparities are not inherently problematic, for Rawls or for President Obama; they are unjust only when they come at the expense of the poor. Recent research shows this is exactly what is happening: as the pie is expanding, only the rich are getting an extra slice while the poor and middle class are stuck with the same portion, or less. Rawls’s principle may be too demanding, but its gist provides an excellent heuristic for policymakers (Rawls, 1996). Whether President Obama’s myriad policy suggestions fit the bill is for Congress to decide, but the vision he heralded in his speech—the imperative to build real equality of opportunity for all Americans—has never been more successful.

<http://www.economist.com/blogs/democracyinamerica/2013/02/equality-opportunity>. The Economist, New York, Feb. 19 of 2013.

<sup>10</sup>The Unsatisfied Basic Needs Index, NBI, is the official measure of poverty used in Colombia by the National Government. The index NBI define a home poor if has suffering at least one of these deprivations, and is destitute if you have at least two: 1) overcrowding. (More than 3 people per room). 2) Families living in houses on wood, cardboard or tin. 3) Absence of domiciliary public services. 4) Children without study between 6 and 12 years. 5) High dependence of the householder with wages at or below the legal minimum. The index NBI doesn’t evaluate the future expectations of improvement in the quality of life of people by study, monetary savings and real assets. It also ignores the possibility of access to health, environment and quality of private security like the life insurance and housing.

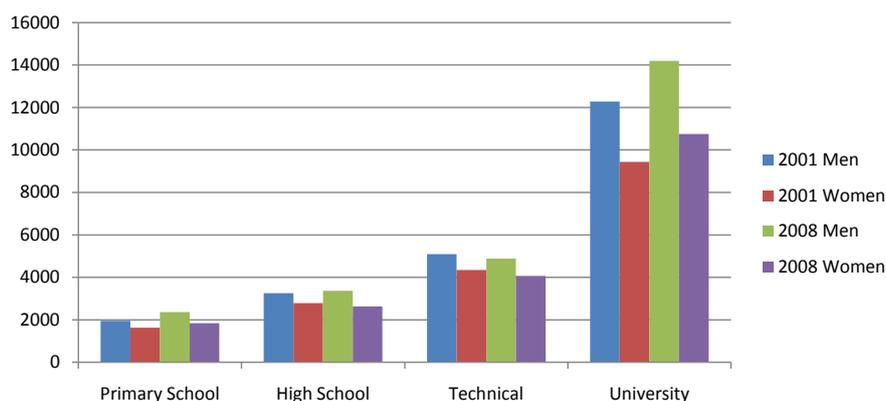
population of level high socioeconomic represents 7%. In other words, Colombia is a country of mostly poor, implying precarious social relations caused by the economic cares of subsistence (Carrillo, Ripol, & Schvaneveldt, 2012). Note, for example (Figure 7), which in population income distribution more women earn less than minimum wage. In 2001 the gender wage gap was 5% for 2008 is 10%. This implies that female labor exploitation does not decrease, by the contrary is increasing.

Similarly, it can be seen (Figure 7) that to the extent that wage payments are greater than 2 minimum wages, labor distribution improves the gender inequality gap closes, as corroborated by the report of CEPAL (2008).

Both Table 1 and Figure 8 show us that if growing education levels then increase wages. However, the gender wage payments keep their marked difference. That is, there are problems of commutative gender justice in the Colombian labor market. Women earn less than men so they have the same experience and level of studies (Carrillo, Ripoll, & Schvaneveldt, 2012).

Some labor economists supported in some studies reports, tell: not is really that men earn more than women, is that women choose to be professionals in careers in high demand for its academic facilities (Faguet & Sánchez, 2008), such as psychology, sociology, nursing, tourism and marketing. Thus, for example, a great number of women prefer to study accounting and no engineering, or prefer to study preschool but no robotic science, or prefer study fashion design before that be economist<sup>11</sup>.

The Study Center for Latin America and the Caribbean (CEPAL, 2008), say that the poverty rate of women between 20 and 59 years of age exceeds 30%, or more, to men of similar age. In Colombia, for example, in 2013 there were 4.5 million head of household women, for only half a million men in the same position. In addition, participation is less of them in paid work, increased casualization, horizontal segregation (stereotypes about oc-



**Figure 8.** Labor income average by hour and gender. Source: DANE. Household Survey 1984-2000, National Household Survey, 2001-2006 and Great Integrated Household Survey, 2007-2019.

**Table 1.** Income of gender by hour cost.

| Labor income hour average value and sex (Monetary values in Colombian pesos) |       |        |             |           |            |
|--|-------|--------|-------------|-----------|------------|
| Year   |       | School | High school | Technical | University |
| 2001   | Men   | 1952   | 3254        | 5088      | 12,278     |
|  | Women | 1631   | 2784        | 4350      | 9433       |
| 2008   | Men   | 2360   | 3370        | 4876      | 14,190     |
|  | Women | 1838   | 2632        | 4069      | 10,755     |

Note: Data: National Household Survey, 2001-2006 and Great Integrated Household Survey, 2007-2009.

<sup>11</sup>According to the Ministry of National Education, 2009 MEN for areas of knowledge with more graduates are: law, administration, accounting, and related, with 485,328 in total, followed by social and human sciences, with 137,662 and engineering, architecture, urbanism and related with 117,315 new professionals. Work Psychologist Patricia González says that women bring to companies some distinctive features, which can translate to attract more customers, as your intuition and the ability to run on computers, hence they choose a certain type more races have more to deal with people.

cupations considered typical of women) and vertical segregation (wage inequalities and limited access to positions of authority)<sup>12</sup>.

But perhaps what more should us call attention, is the percentage gender wage gap between 2001 and 2008. The wage gap increases when increasing levels of education. Fact that seems contradictory, but it is not, because in Colombia unemployment exceeds 13% in the poorest Departments. In the Chocó, for example, is 18%. There are few sources of employment for labor with higher levels of formation academic, since over 90% of Colombian companies are micro—from 1 to 10 workers. Labor market imbalances that prevent to improve wages by conversely they decrease.

Colombia lacks totally of an intermediate sector of innovation and technological creation which only allows at firms, in the short term, be competitive in prices of final goods, lowering wages (Kalmanovitz, 2001), (Ocampo, 2007a). Economic realities of infrastructure in a country like Colombia, favors the concentration of capital and wage inequality (Ocampo, 2007b). In turn, low wages discourage quality in education. Universities don't serve the needs of research, creation and innovation requiring the primary and secondary sectors of production for they be competitive in the international markets, as says Oppenheimer (2010).

According to **Figure 8**, the differences in gender wage rates increase with education levels. For levels between primary and technical education in 2001, the gender pay gap was 15%, for 2008 it was 20% on average. But the gender wage gap for professionals increased substantially; rate for 2001 was 23.46% and in 2008 was 38.23%.

According to the joint report of Study Center for Latin America and the Caribbean and International Labor Organization (CEPAL/OIT, 2014) in 2013, the overall labor participation rate for men was 75.7% and for women was 54.6%, while the employment rate was 71.2% and 48.5%, respectively. This means that 18.5 million women who pushed the labor market, managed only 9 million employed, while in the case of employed men managed 12.7 million. And this is add, that 57.8% of inactive men was mainly devoted to study, while 58.1% of inactive women was devoted to unpaid household chores, events that delve into gender inequality and future better paid job opportunities (Bozzoli, Brück, & Wald, 2013).

So far according to **Figure 6** and **Figure 8**, and **Table 1**, we can be concluded that in Colombia job growth for women is motivated by significant wage differences as has been observed for other countries in the European Union, as says the German professor Fritz (2011). For a company it is cheaper to hire a woman than a man with the same technical and professional skills. The firm can pay a women 16% to 24% less. That representing a major economy of variable costs for businesses.

But this price strategy of using female labor of equal quality to the cheapest man, not only occurs in Colombia; recently the president of the United States, Barack Obama asked Congress enact laws to protect the wages of women that is 23% less than the men, that is, an American woman is paid 77% of what is paid to a man. “*When women earn less than men that hurt his family, including their partners and children*”, Obama said in a speech at a women's forum held on Thursday, March 20, 2014 at the University of Valencia in Orlando, under the slogan “*equal pay for equal work*”.

(<http://t.noticias.prodigy.msn.com/internacional/impulsa-obama-mejor-salario-para-las-mujeres> taken on March 21, 2014).

But, let's delve into the problem, let us ask: if Colombia is a country of mostly poor, where 82% of the population earn between USD333.15 and USD999.45 per month, in other words between USD11.1 and USD33.31 a day<sup>13</sup>, and exist an average unemployment rate of 13%. How do people survive and preserve their dignity? Especially when the population density in the lower socioeconomic strata is greater and therefore the problems and social conflicts grow by lack of income to meet their needs, as says Waldron (2012).

## 5. Labor and Non-Labor Incomes

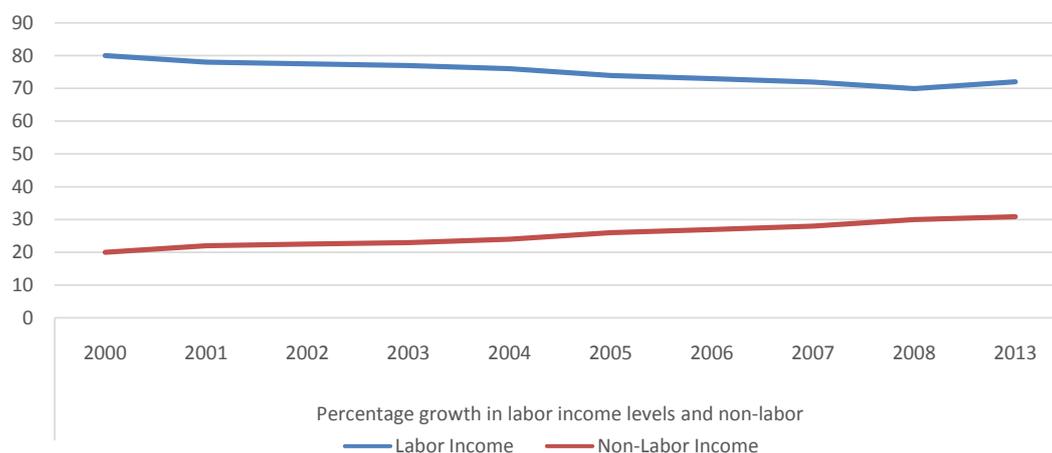
**Figure 9** shows what has been the behavior of labor and non-labor incomes in Colombia, in the first eight years of this century, the earnings are in decline, mainly because inflation is decreasing, then the annual wage increases are low. But in turn, the companies with the aim to be more competitive in price, pay lower wages.

The labor reform of 2003 in Colombia reduced extra payments of nightly surcharge in 4 hours. The regular

<sup>12</sup>Statement made on March 8 of 2014 on the occasion of the celebration of International Women's Day on Radio Santa Fe Bogota at 9:45 in the morning. For more information, visit the website:

<http://www.radiosantafe.com/2014/03/08/la-mujer-en-colombia-entre-la-pobreza-y-la-segregacion/> Accessed on 10 March of 2014.

<sup>13</sup>The minimum wage in the 2014 in Colombia is \$616,000 and change rate is of 1,849 for the day 6 of July.



**Figure 9.** Percentage growth in labor income levels and non-labor. Source: DANE. Household Survey 1984-2000, National Household Survey, 2001-2006 and Great Integrated Household Survey, 2007-2013.

work time going between six hours (6:00 am) and the twenty two hours (10:00 pm). Which favored the reduction of variable costs of enterprises, but decreased the labor income of the employee.

The labor incomes have decreased in a 10% in Colombia; passing from 80% to 70%. Similarly, non-labor income has increased in a 10%; passing from 20% to 30%. In other words, the families for not to drop their income and maintain their standard of living, are going the informal sector seeking other sources of income. They seek making complementary activities (Bozzoli, Brück, & Wald, 2013), such as: catalog sales, selling jewelry, cosmetics, clothing, street sales, internet, hairdressers, clothing alterations, manicure and pedicure door to door, etc.

The gender distribution work in the formal and informal sector we can see in Figure 10. As any other market economy country, in Colombia the public sector employment amounts at 11%. The largest employer is the private and informal sectors (Stiglitz, 2002).

Employment of the private sector depends largely industrial composition having the country. In Colombia, 99.47% is MSME sand 0.53% large enterprise, this is, Colombia is a bit industrialized country, the private sector generates between 45% and 57% of total employment demand. The official sector demand between 4% and 8% of total employment directly (Muñoz Cardona, 2009b: pp. 265-266)<sup>14</sup>.

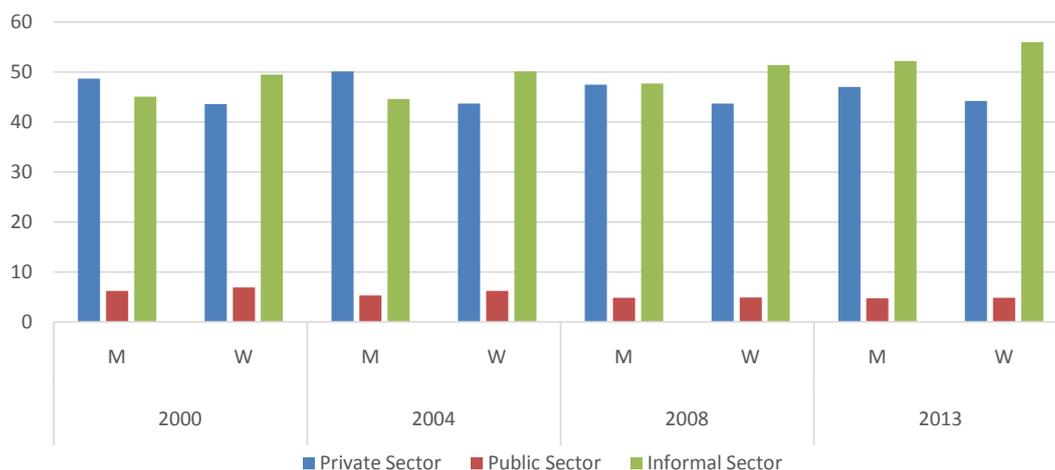
The employment by public sector in Colombia is between 10% and 11% of total employment. Of this total 70% or 80% are by “service contracts” for less than one year. The contractor must pay of their own income everything related to social security (Ewig & Bello, 2009). The deductions payments that making the workers can mean real contracts for less to legal minimum wage.

That is, the workers public sector of Colombia under the form of contract by providing services may earn less than legal minimum wage. To prevent deterioration of income, the law allows the contractor “freely” can stop to paying Professional Risk Insurance as long as they express it in writing. This fact can be considered as an abuse of the government to the workers of providing services, by the existence of imperfect labor markets as affirmed Bauman (2011).

Informal employment in Colombia represents between 46% and 55%, confirming the existence of a service economy, with 94.96% in microenterprises, this is little industrialized. In 2008 both the public and private employment decreased, which reactivates the informal economy (Muñoz Cardona, 2009b: p. 266). By 2013, informal employment than formal employment, which may show an even greater impoverishment of the Colombian.

“In Latin America, a number of families of mixed income as neighborhood stores and street vendors, small businesses do not carry a proper accounting. Including many micro-street sales are a result of the economic crisis in underemployment” (CEPAL, 2008: p. 11).

<sup>14</sup>The Association of Small and Medium Enterprises, ACOPI, notes that in 2003, MSMEs accounted for 96% of existing businesses in Colombia, contributing 49.6% of industrial employment, 25% of gross domestic product, 25% of total exports and 33% of export traditional. Moreover, they represent 92% of industrial establishments, generating 33% of total value added, 31% of the net investment and 45% of national industrial consumption. Data taken from the archives of Economy, document 292 of 29 September of 2005. Republic of Colombia, the National Planning Department, Economic Research Department.



**Figure 10.** Labor rate occupation by gender. Source: DANE. Household Survey 1984-2000, National Household Survey, 2001-2006 and Great Integrated Household Survey, 2007-2013.

The gender distribution in the formal sector the male population shows greater participation (Figure 10). In the public sector is very even distribution more equitable. In the informal sector the participation of women is higher than men's. In other words, more women are linked to the informal economy. Why? Look.

According to Figure 11, in the informal sector economic activity is the most important self-employment (Carrillo, Ripoll, & Schwaneveldt, 2012). The Men participates very little in domestic employment and family work, this can be explained by culture, "household chores belong more to women than to men, or the men are educated to work in the street and women for housework". This is seen more clearly with the problem of the double workday of women raised by spouses Mill (Mill & Taylor Mill, 2001).

In the informal sector the women are which more working in domestic work, on one hand because it is a work very poorly paid, high labor exploitation and disrespect for human dignity. Generally paid by the hours and are not affiliated to the social security health and pensions. I mean, the woman is easier to be exploited by households even because they work more than 8 hours daily (Wills-Herrera, Orozco, Forero-Pineda, Pardo, & Andonova, 2011). On the other hand, because within the family education in Colombia, the man is educated to know how to defend themselves on the street and women in how to manage the house (Beauvoir, 2002), (Mill & Mill, 2001). We have there, one of the cultural reasons that have given rise to the existence of dual labor exploitation of women in contemporary societies.

Similarly, in the informal sector, following the principles of Simone de Beauvoir, the man is the woman's employer, because he knows for example, how best to face the street. In street economic activities, raw strength and ability to do violence playing an important paper when having to defend territories and workplaces zoned as are: the sale of calls by mobile phone and cleaning windshields of vehicles in down town.

## 6. Conclusion

Women in Colombia improve their labor incomes if they improve their level of education, but always to a lesser extent than men. I mean, the Colombian women earn wages between 16% and 38% less than men.

Jobs in lower level academic training man are less exploited than that in the woman, and the woman is doubly exploited. In Colombia, both men and women are vulnerable to absence of social security or welfare state under the new hiring models in which the workers are themselves responsible for the payment of social security, as it occurs in the public sector, which contradicts the New Public Management, as Fritz (2011) says where the governments would be politically accountable in the contemporary society for the performance of the public sector, and its balance of benefits and compulsory contributions.

In Colombia, there is a feminization of poverty, which demands urgent public policies aimed at the standardization of wages, so that distributive justice is improved, but especially commutative justice "wage equal treatment of equals" (Ralws, 2002). Current reasons that may explain the feminization of poverty are:

- The existence of structural unemployment. The few existing labor sources are disputed by men and women



**Figure 11.** Labor distribution in the informal sector by gender and occupation. Source: DANE. Household Survey 1984-2000, National Household Survey, 2001-2006 and Great Integrated Household Survey, 2007-2013.

with equal skills knowledge.

- Increases in female labor demand mainly explained by the economic crisis and the need to reduce costs of hiring.
- The consolidation of the service economy. Hence studies on the business sector in Colombia Restrepo Santamaria Industrial Engineer (2011: pp. 179-180) and economist Muñoz Cardona (2010: p. 235), affirm: “the growth of service economies in Colombia has been facilitated by the increasing changes technology, the demand for female labor and cheaper labor costs”.

Economic globalization is not the main cause of the decline in wages. Low wages due more to the economic structure of the country, mainly based on microenterprise. This composition facilitates enterprise market conditions for the concentration of capital and monopoly power of firms. What facilitates even the existence of migration and loss the human dignity of the immigrants (Fernández, 2001); problems of citizenship generated by the existence of economic imbalances in destination countries.

No one can say that the Colombian economy is better because GDP grows by over 4% or because FDI increases to more than 7% or because business productivity grows at 3.5%; when unemployment is rising at a rate of 13% and the growth rate of labor income down by over 10%. Colombia suffers an accelerated impoverishment by the few job opportunities in the formal sector. This fact is remarkable when informal employment grows beyond formal employment, especially when 49.5% of FDI is in the exploitation of energy resources, which depletes the soil and the future availability of natural resources for the agriculture production and manufacturing production.

Colombia does not grow if FDI grows. Colombia grows if there are new job opportunities and better wages, if more natural resources are preserved for future generations, if the design and business innovation grow, if more medium firms and greats company that microenterprise grow.

Low payment business competitiveness and lack of university-business integration best explain the lower wages in Colombia (Oppenheimer, 2010), (Acemoglu & Robinson, 2012). Globalization is not the cause in wage inequality. Rather it is the economic structure Colombian bit competitive. The absence of competitive markets is the cause of monopolistic power of firms and lower wages payments.

The low competitive capacity of businesses generates higher wage imbalances in the labor market and, above all greater displacement of the male workforce, which disrupts the social order, to the point of being able to talk about the domestic work of man. The man begins to lose their role as breadwinner household passes to make the domestic work of house; the women on the contrary, becomes economic sustaining of household, in other words in the economic support of household, the source of incomes.

The few sources of employment in Colombia are increasingly competed for existing male and female labor supply, which further lower labor. Phenomenon coupled with market preferences for hiring women workers is generating cultural changes that transition can become a cause of violence, before the domestication of human

labor.

The informal labor market in Colombia during the period 2010-2013 grew more than the formal labor market. This implies further impoverishment of the economy. The GDP growth, foreign investment and industrial production do not mean absolute growth in terms of social welfare; rather it can mean increases in the concentration of capital and social inequality in terms of wages payments. The few labor sources facilitate the social and institutional practices of gender discrimination (Crawford Brough, 2000). Hence the importance of the so-called attention citizen who makes Martha Nussbaum for the future of democracy and good performance of the new public management is:

“All modern democracies are societies whose members not only differ greatly in many aspects, such as religion, ethnicity, physical abilities, social class, wealth, gender and sexuality, but also as voters make decisions on issues which will have significant impact on the lives of those others. (...) Neither democratic system can be stable nor it has the support of educated citizens for that purpose” (Nussbaum, 2010: p. 29).

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