

*Female Labor Regularization Through Cultural Change: The Role of Social Coops*

M. R. Garofalo, University of Salerno ([garofalo@unisa.it](mailto:garofalo@unisa.it))

M. Marra, CNR-University of Salerno ([mita.marra@cnr.it](mailto:mita.marra@cnr.it))

This paper examines at the macro-regional level how social cooperatives employ female workers across very differentiated areas of the South of Italy, providing a path toward work regularization over time. Although the contention is that a significant share of employment within social coops is informal with relatively low wages, within this labor market segment, we observe rather frequent forms of work regularization as opposed to private sector organizations, specifically across economically lagging regions of the South of Italy. In these regions, the persistent lower productivity equilibria are associated with less competitive markets and high variation of profitability and employment conditions, ranging from illegal, irregular, semi-regular, and regular contractual arrangements (Istat, 2005; Marchese and Meldolesi, 2005; Marra, 2009). The poverty trap condition, which characterizes these contexts, lies both in the below the minimum threshold level of capital (Azariadis, 1990) as well as in the slower rate of capital accumulation (Galor, Weil, 1999) with weak policy and market mechanisms (Hoff, Stiglitz 2000). In such circumstances, social traps persist within the family asymmetric distribution of roles and resources and within the labor market gender stereotyped specialization (Seguino 2008; Istat 2004).

Findings confirm the existence of these disparities both within households and the labor market. Yet, social coops show a significant propensity to recruit women, tapping into latent or underutilized resources that are non tradable across manufacturing sectors as well as across more advanced areas, both in the South and the North of Italy. Social coops offer relational goods (Gui and Sudgen, 2000), such as the experimentation with work-life balance schemes. We contend that growing female employment within social coops can be explained in light of at least two, mutually reinforcing, incentives. From the individual standpoint, women choose to work in social coops because of greater time for family care and better work-life balance opportunities (see Garofalo, Marra, 2007; Legacoop, 2002). From social coops' standpoint, female employment through differentiated work arrangements allows for higher flexibility of working time and tasks in relation to beneficiaries' heterogeneous needs. These two factors interact with each other since oftentimes social coops provide services to the very women, who work in welfare activities. Indeed, the interactive and iterative nature of such processes has been acknowledged by different strands of literatures on, for instance, (i) motivations and preferences heterogeneity (Bruni, 2006; Folbre, Nelson, 2002; Gintis, Bowles, Boyd and Fehr, 2005), (ii) multi-stakeholders organizations, and (iii) the welfare system reform in relation to European social model and labor market activation policies (Atkinson, 1998; Esping-Andersen, 2002; Ferrera, 2005; Bettio, Plantenga, 2004; Granaglia, 2007).

Yet, crucial is the understanding that the regularization process taking place within social coops in the Italian Mezzogiorno offers multiple work solutions, which contribute to increasing female employment. This is particularly relevant since the official employment rate in the South of Italy is still anchored to less than 30 percent of active female labor force, which is by any means too far from the 60 percent target set by the European Strategy for Employment (SEO) for 2010. However, the emergence of formal jobs within social coops may accelerate or slow down depending upon the context-specific level of individual well-being, education, entrepreneurship, industrial specialization, and business support (ISTAT, 2007), as well as the overall capacity to take advantage of social expenditure to spread positive spill-over into and across communities. Developing such enabling conditions calls for an integrated approach to employment, welfare, and security policies

(Marra, 2009) to activate both coercion constraining and contract enforcement mechanisms (Greif, 2005).

Building upon empirical evidence, the aim of this paper is to put forward the hypothesis whereby social coops strengthen cultural change (Fernandez, 2007, 2009) by providing a channel for female participation in the labor market. Furthermore, by enforcing work-life reconciliation balances and flexible working conditions, social coops generate new relational goods, which in turn contribute to spreading rule of law and civiness not only among their members but also and more importantly across local communities. Social coops may favor work-life reconciliation schemes, working de facto as institutions, which promote development. According to this viewpoint, social coops favor institutional complementarity with with de jure institutions offering incentives for labor regularization (Acemoglu et al. 2000). Being rules cum beliefs (Aoki, 2008), the expected dynamic complementarity of social coops is their social embeddedness and the bundling with other agents and actions across different domains of the economy.

### *Selected References*

- Atkinson A.B. (1998), *Poverty in Europe*, Oxford: Basil Blackwell
- Azariadis, A. and D. Drazen, D. 1990. "Threshold Externalities and Development Economics", *Quarterly Journal of Economics* 105: 501-526
- Bettio F. and J. Plantenga .2004. "Comparing Care Regimes in Europe", *Feminist Economics* 10(1): 85-113
- Bruni, L. 2006. *Reciprocità. Dinamiche di cooperazione, economia e società civile*, Bologna: Il Mulino
- Esping-Andersen, G.Ed.2002. *Why we need a new welfare state*. Oxford: Oxford University Press.
- Fernandez, R. (2007) "Women's Rights and Development," Working Paper, available at <http://sites.google.com/site/raquelfernandezsite/working-papers>
- Fernandez, R. (2009) "Culture as Learning: The Evolution of Female Labor Force Participation," Working Paper, available at <http://sites.google.com/site/raquelfernandezsite/working-papers>
- Ferrera M. 2005, *The Boundaries of Welfare European Integration and the New Spatial Politics of Social Protection*, Oxford: Oxford University Press
- Folbre N. and J.Nelson .2002. For Love and for Money, "Journal of Economic Perspectives", 4:123-40.
- Garofalo M.R. and M. Marra .(2007). "Work-life Reconciliation from Well-Being to Development. Rethinking EU Gender Mainstreaming", paper presented at The Annual Conference of HD-CA, New York and MPRA paper No. 9598.
- Garofalo M.R. and A. Nese .2008. "Social Preferences and the Third Sector: Looking for a Microeconomic Foundation of the Local Development Path", ISSAN wp no 25, Trento
- Gintis, H., Bowles, S., Boyd, R. & Fehr, E. (Eds.). (2005) *Moral Sentiments and material Interests*, Cambridge MA: The MIT Press
- Granaglia E. 2007. "L'uguaglianza di capacità: un'innovazione terminologica o una nuova concezione di uguaglianza di opportunità?", *La Questione Agraria*, 4: 81-105
- Greif, A. (2005) "Commitment, Coercion, and Markets: The Nature and Dynamics of Institutions Supporting Exchange" in Ménard, C., Shirley, M. [Eds.] *Handbook of New Institutional Economics*, Springer, Printed in Netherland, pp. 727-786.
- Hansmann H. 1988. "Ownership of the Firm", *Journal of Law, Economics & Organization*, 4(2): 267-304

Hoff, K. and J.E. Stiglitz .2000. "Modern Economic Theory of Development". In G.M. Meier and J.E. Stiglitz Eds .Frontiers of Development economics, 389- 459. Oxford: Oxford University Press

ISTAT .2001. Primo Censimento sulle Istituzioni Non-Profit, Roma

ISTAT, 2005, La misura dell'occupazione non regolare nelle stime della contabilità nazionale, Roma.

Lega Coop .2002. La presenza delle donne nella cooperazione, Milano

Lindbeck A. 2002. "The European Social Model: Lessons for Developing Countries", Institute for International Economic Studies wp no714, Stockholm

Marra M. (2009) "Lavoro flessibile, inclusione sociale e legalità per una strategia integrata di emersione," in *Economia&Lavoro*, n. 1: 89-110.

Meldolesi L. and M. Marchese (2005) *Emersione al femminile*, Carocci Editore, Roma.

Seguino, S. (2008) "Gender, Distribution, and Balance of Payments (revised 10/08)," Working Papers wp133\_revised, Political Economy Research Institute, University of Massachusetts at Amherst.