

# Work and Poverty During Economic Restructuring

*The Experience of  
Bogotá, Colombia*

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## 1 Introduction

Over the last 20 years 'globalisation' has continued apace and has consolidated an already highly integrated world economy (Dicken 1986; Mittelman 1994; Ould-Mey 1994; World Bank 1995; ILO 1995). Major changes have occurred in the operation of the world's capital markets, the location of productive activity, the role of transnational companies, the ways in which business enterprises operate and the functioning of labour markets. Globalisation has demanded that national and local economies be restructured in order to compete internationally; a process often known as liberalisation. Liberalisation has a major impact on employment and welfare. Those who approve of globalisation and liberalisation argue that these processes have brought major benefits in terms of employment creation and reduced poverty in Third World countries (World Bank 1995; Dornbusch and Edwards (eds.) 1991). In contrast, the critics of globalisation argue that greater international competition and internal liberalisation have led to higher unemployment, excessive casualisation of labour markets, economic instability and deteriorating living conditions for large numbers of people (Sassen 1991; Friedmann and Wolff 1982; Green 1995; Iglesias 1992).

My aim in this article is to consider the effects of liberalisation and globalisation on one Latin American city, Bogotá, over the last twenty years. I want to examine how patterns of employment and poverty have changed since the early 1970s as a result of economic restructuring. To what extent has restructuring generated work, have new jobs offered decently paid employment, has growing labour flexibility worsened working conditions, and have poverty and inequality increased or lessened?

The choice of Bogotá, as an exemplar of globalisation is both appropriate and inappropriate. It is apt insofar as it is the capital of a country that is widely regarded as an exemplary model of a well-managed Third World economy. In addition, recent national governments have been reforming the Colombian economy following neo-classical economic guidelines. At its crudest, recent national government policy has attempted to turn the Colombian economy into a Latin American version of an Asian 'tiger'. An attempt has been made to make

**Table 1 Selected Indicators of Colombia's Economic Development, 1970-1994**

Period	GNP growth	GNP per capita growth	Exports/GDP	Manufactures/exports	External debt (US\$b)	International reserves (US\$b)	Govt. deficit/GNP
1970-74	6.5	4.1	14.9	21.0	na	322	-3.2
1975-79	5.0	2.8	15.1	18.9	4.1	2029	1.5
1980-84	2.3	0.4	14.2	19.3	9.8	4162	-7.2
1985-89	4.1	2.2	17.5	22.7	16.4	3334	-1.2
1990-94	4.2	2.5	22.5	31.8	17.6**	6901	-0.1

\*\* 1990-93

Sources: Revista del Banco de la República (various years); Urrutia (1991: 26); Urrutia (1995 Table 3)

the economic system more efficient and to reduce the role of the state. Since Colombia's economy has managed to grow successfully for many years and has been broadly following neo-liberal management principles since 1990, I would suggest that what happens in Colombia in terms of employment, poverty and urban living conditions represents a best-case test of the New Economic Model (Scott 1995).

At the same time, Colombia is an inappropriate exemplar of globalisation and the New Economic Model insofar as it never plumbed the depths of the debt crisis in the way characteristic of most other Latin American countries. Both luck and good management meant that the national economy fared rather well during the 1980s (Table 1).<sup>1</sup> Recent attempts at liberalisation and modernisation are being superimposed on an economy that experienced little in the way of IMF-imposed austerity. Colombia is also an inappropriate exemplar in the sense that it is an extremely complicated country to understand. It is highly regionalised, there is a vast black economy, political and social violence are rife, and considerable areas of the country lie beyond the control of government.

Partly because of this complexity I am choosing to concentrate on Bogotá. What is happening in the national capital is a great deal easier to analyse than what is occurring in the country as a whole. It also has a further advantage for my purpose.

Since Bogotá has prospered even more than the Colombian economy as a whole, it represents a best-case scenario within a best-case scenario. If the poor have fared well in Bogotá, then the current optimism about the benefits of appropriate macro-economic management can be accepted less reservedly, at least in those countries where economic growth is associated with the liberalisation process. On the other hand, if the evidence shows that Bogotá's poor have gained little, the neo-liberal approach needs to be questioned forcefully. If liberalisation does not improve living standards in an economy that has been growing rapidly, it is likely to have an extremely negative impact in less successful Latin American countries. In short, within Latin America, the experience of Bogotá offers a partial test of the effectiveness of trickle-down economics in an expanding economy.

## 2 The Effects of Restructuring on Employment and Poverty

Those who fear globalisation worry that economic restructuring and labour 'flexibilisation' produce an increasingly casualised labour force. Rather than the informal sector declining during economic growth it actually expands (Lubell 1991; Roberts 1994; Standing 1989).<sup>2</sup> New forms of subcontracting may not 'create new jobs but may merely transfer them from the protected to the unprotected sector' (Portes 1990: 32-3). Such casualisation is bound to reduce the overall quality of work available to the working population (Lawson 1992).

<sup>1</sup> The only negative signs in Table 1 relate to the external debt. This has risen mainly as a result of attempts to develop infrastructure and natural resources. The rise in

gross domestic product and the increase in international reserves suggests that this debt is perfectly manageable.

What also worries many observers is a supposed deterioration in working conditions even within the formal sector. Restructuring leads to less job security both because many formal sector workers lose their jobs but also because new work processes affect the working conditions of those who retain their jobs (UNDP 1993: 37; Standing 1989). Global competition also makes it harder for the state to protect the labour force through legislation; a change that tends 'to erode the quality of formal-sector employment' (ILO 1995: 72).

The trend towards casualisation is seemingly reflected in the ways in which women are being recruited into the labour force. Recruitment into sectors that had previously ignored them, notably manufacturing, is encouraged by the willingness of women to accept worse terms of employment than men. Women are more likely to work part-time and without a formal contract.

Of course, feminisation of the labour force in Latin America is not a recent phenomenon; it has been occurring since the 1960s and is a process that is peculiar neither to periods of recession nor to the New Economic Model (Arriagada 1994; Psacharopoulos and Tzannatos 1992: 18). Feminisation is part of a well established trend brought about both by economic and social change; new forms of employment have been opening up for women, and because women have been freer from earlier cultural and social constraints, they have been able to take them. Declining fertility rates have freed more women for work both because they have their babies later and because mothers are less willing to give up their jobs once they have children (Psacharopoulos and Tzannatos 1992: 96). In this sense, restructuring is a cultural process; women are increasingly expecting to work outside the home.

Fortunately, where restructuring leads to a resumption in economic growth, it reduces the numbers of people living in poverty (Altimir 1994). Evidence from Argentina suggests that control of hyperinflation during the late 1980s substantially reduced the incidence of poverty. Where economic growth is rapid, poverty levels tend to fall faster.<sup>3</sup> In Chile, the New Economic Model has reduced poverty and inequality and most basic needs indicators have improved (Scott 1995: 93). Unfortunately, even when the new economic model has proved to be successful in stimulating growth and in reducing poverty, it has probably still accentuated inequality. Some writers would argue that this tendency is inherent in the very nature of the new global model (Mittelman 1994: 440-1; Hutton 1994; Krugman 1994).

### 3 Employment in Bogotá 1976-1995

Perhaps the most significant feature of the labour market in Bogotá is just how quickly the total number of workers has increased in recent years. In 1976, there were 1.1 million people in work, 20 years later the figure was 2.6 million. Because of this huge expansion, the unemployment rate in 1995 was lower than it had been in 1976, and very much lower than it had been in the middle 1980s. The combination of rising numbers of workers, rising participation in the work force, and falling rates of unemployment, is unusual in a world highly concerned about the impact of capital-intensive technology on employment creation.

#### 3.1 Labour participation

Why did Bogotá's labour force increase so rapidly? A major factor was clearly demographic growth; the city's population grew annually by 3.1 per cent between 1976 and 1995.<sup>4</sup> This rate of growth was sustained both by continued migration from the

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<sup>2</sup> Of course, there is no universally acceptable definition of informality. Clearly, local definitions of informal employment depend on how data have been collected. What is clear, however, is that informal employment is always small-scale and is not usually protected by labour laws (Rakowski 1994: 274).

<sup>3</sup> Although much depends on the specific circumstances. Some forms of economic growth are likely to be much more favourable to low-income groups than others.

Forms of growth that are labour-intensive are more likely to redistribute income to the poor than capital-intensive expansion.

<sup>4</sup> Not a high rate by African standards or by earlier Latin American standards. However, Bogotá is unusual insofar as the populations of few other major cities in Latin America grew by more than one per cent during the 1980s (Gilbert 1994).

**Table 2** Bogotá: Growth of the Labour Force, 1976–1995

	June 1976	March 1995	Annual Increase (%)
Total population (000s)	3,168	5,850	3.3
Population 12 years and over (000s)	2,291	4,481	3.6
Population 20–59 years (000s)	1,540	3,182	3.9
Economically active population (000s)	1,165	2,802	4.5
Employed population (000s)	1,066	2,625	4.9
Labour participation rate (%)	51.0	62.5	
Male participation rate (%)	68.9	77.2	
Female participation rate (%)	36.0	49.7	

Source: author's calculations from the Colombian Encuesta Nacional de Hogares

rest of the country and by the fertility of a still youthful population. In addition, large numbers of the city's inhabitants had grown up; a much higher proportion of *bogotanos* were now of working age. Between 1976 and 1995, the number of 30–59 year olds increased from 27 per cent to 34 per cent of the total population. This shift in the age structure raised the labour participation rate dramatically (Table 2).

In addition, the propensity of adults to work increased. The proportion of 30–59 year olds in work rose from 63 per cent in 1976 to 79 per cent in 1995.<sup>5</sup> The key factor underlying this rise was the increase in female participation. The proportion of adult women in work rose from 34 per cent in 1976 to 50 per cent in 1995. These trends appear to have continued throughout the period since 1976 both in good years and in bad. It is a clear secular trend supported by an economy growing consistently and generating large numbers of jobs.

### 3.2 Unemployment

The fear that unemployment will rise as the national economy is opened up to external competition and as restructuring cuts formal sector work is not supported by the evidence from Bogotá. The unemployment rate increased during the late 1980s but fell during the period of major restructuring during the 1990s. During the 1990s, there was a major improvement in the job situation. By March 1995, only 6.4 per cent of the Bogotá labour force were out of work compared with an average of 11.5 per cent during the 1980s (Table 3). Despite liberalisation and the vast increase in the number of people seeking work, unemployment rates have fallen. Much of the fall has little to do with restructuring in the sense that it was mainly brought about by a boom in the labour-intensive construction industry. Building activity increased dramatically during the early 1990s as a tax amnesty tempted Colombians to bring their capital back to the country and as drug monies were channelled into construction.

**Table 3** Bogotá: Employment and Unemployment, 1981–1995

Year*	Gross participation rate	Global participation rate	Female global participation rate	Unemployment
1976	37.6	50.5	35.6	9.4
1980	42.0	54.8	42.1	9.5
1985	44.3	59.7	46.0	13.4
1990	44.4	59.7	46.6	7.9
1995	47.9	62.5	49.7	6.3

\* March of each year

Source: Gómez and Pérez (no date: 2–3), Revista del Banco de la República January 1995, and ENH-87 author's calculations.

Gross participation rate: Economically active population (PEA) over total population.

Global participation rate: PEA/PET (Population of working age).

**Table 4** Formal and Informal Employment, 1976-1995

	1976	1984	1990	1994	1995
Population	3168	4034	4375	5620	5850
Occupied population	1120	1523	1805	2436	2625
Formal workers	nd	696	912	1196	na
Informal workers	nd	787	842	1240	na
% informal	nd	46.9	48.0	50.9	na
Permanent	935	1237	1419	1975	2113
Temporary	185	286	386	461	512
% temporary	16.5	18.7	21.4 <sup>1</sup>	18.9	19.5
	na	na	48.0	47.0	na

Source: Gómez and Pérez (no date: 141-6) and author's calculations from ENH-84 & ENH-87.

<sup>1</sup> Figure for 1991

Indeed, rather little of the expansion in jobs was linked to export production. With the exception of the labour-intensive cut-flower industry on the edge of the city, Bogotá generates rather little in the way of exports. Nevertheless, in terms of employment creation the city has performed much better than most other Colombian cities.

The level of unemployment in Bogotá clearly varies between different socio-economic groups. The bulk of the unemployed are young and very few men over 30 are unemployed. More women are unemployed than men. Education also has an influence, workers with a university education are much less likely to be unemployed than those with secondary education. More surprising is that those with primary education are more likely to be in work than those with secondary education. Perhaps, the household survival hypothesis does apply to those with minimal education; those who are sufficiently poor are forced to find a job.

### 3.3 Labour absorption

If the sectoral structure of Bogotá's labour force changed relatively little its composition changed markedly in other ways. During the 1980s and 1990s informal sector employment grew. The proportion of self-employed workers, for example, increased from 22 per cent in 1976 to 27 per cent 19 years later (Table 4).

<sup>5</sup> Participation rates did not rise at the same rate among different age groups; among 12-19 year olds the rate fell from 20 per cent to 17 per cent despite the general tendency for female participation to rise. More young people were clearly staying at school or going to college.

Rather surprisingly, most of Bogotá's new jobs during the late 1980s were created in the formal sector. During the 1990s, however, formal employment in the industrial sector grew slowly and it was informal manufacturing that expanded quickly. The pace of informalisation was even faster in the financial services sector, the number of formal jobs declining by one-third while the number of informal jobs grew almost four times.<sup>6</sup> However, informalisation was not a problem in two other sectors. In commerce, the huge increase in the number of supermarkets, shopping malls and department stores created more formal sector work, and in construction, the building boom in the affluent north of Bogotá led to large companies taking on more labour.

### 3.4 Changes in working conditions

Has the growth of informal sector work and increasingly casualised work in the formal sector eroded general working conditions? At first sight, the expansion of informal sector work would certainly suggest this; informal sector jobs in Bogotá pay less well than most kinds of formal sector work and offer less stable working conditions. However, Table 4 suggests that any deterioration has not been marked. The proportion of workers with some kind of social security cover increased slightly during the

<sup>6</sup> Labour moved from formal to informal posts in the same sector. Since there were initially few informal sector jobs, a relatively small decline in formal sector employment could support a high rate of growth in informal employment.

**Table 5** Period in Job by Category of Employment

Period in post	All workers		Private workers		Public employees		Self-employed	
	1990	1994	1990	1994	1990	1994	1990	1994
Less than 1 year	30.0	34.8	37.3	43.5	12.3	18.9	20.8	21.5
1-4 years	33.3	30.1	36.2	32.4	24.1	26.3	31.5	26.5
5-9 years	17.0	15.0	14.3	12.5	10.0	16.5	19.4	18.9
10 years +	19.7	19.9	12.2	11.4	38.5	38.3	28.3	33.1

Source: ENH-84

1990s and the proportion of workers in temporary employment, while higher in 1995 than twenty years earlier, fell during the 1990s. In addition, there was a substantial decline in the proportion of workers employed in particular kinds of low-paid work. The most notable shift in the labour force was the decline in the number of domestic workers from 10 per cent of the labour force in 1976 to 3 per cent in 1995. There was also a significant decline in the proportion of family workers.

Some Colombian observers believe that the labour market reforms of the Gaviria government (1990-94) led to a clear deterioration in working conditions. According to Sarmiento (1991: 265): 'protection against collective dismissals became more flexible, probation periods were increased to six months, and the duration of fixed contracts was increased to three years, with the possibility of indefinite renewal. At the heart of this reform, as with the process of structural adjustment, trade liberalisation and modernisation, lay greater exploitation of the work force.'

Since 1990, flexibilisation has been occurring across a range of industries and sectors in Colombia, profoundly affecting unskilled workers. In Bogotá, the number of temporary workers increased 41 per cent between September 1990 and September 1992; a period during which the total number of workers increased by only 16 per cent

(Fedesarrollo 1993a: 23). However, this trend did not persist. During the next three years, the number of permanent workers increased more rapidly. In March 1995, temporary workers made up one-fifth of the labour force (ENH-87); a higher proportion than in 1976 but a lower proportion than in 1990

(Table 4). Of course, under the new labour legislation, permanent work is much more temporary than it was.

Table 5 provides further support for the contention that job security has been in decline since 1990. Even if the proportion of workers in post for ten years or more did not change between 1990 and 1994, the proportion holding jobs for less than one year rose from 30 to 35 per cent. In 1994, therefore, only one in every three workers had been in post for more than four years. To some extent, such a shift is compatible with the major expansion in jobs that occurred after 1990. With the entry of large numbers of workers into new jobs, the proportion of recently recruited would increase. What is surprising is that the recent recruits are mainly concentrated among private and government employees, they are not among the self-employed.

Too much should not be made of this outcome of casualisation in the labour force insofar as Table 5 suggests that the ebb and flow of jobs has long been a feature of the Bogotá labour market. Permanent workers lose their jobs and pick up new ones; temporary workers find jobs in a permanent capacity and vice versa.

Since 1990, therefore, two contrasting trends have been in operation in Bogotá. On the one hand, the combined effect of economic growth and falling rates of unemployment has been to improve average incomes and to cut the numbers of workers in particularly low-paid work; on the other, for those previously employed in the formerly highly protected formal sector labour-market casualisation and trade liberalisation have worked in the opposite direction.

**Table 6 Bogot: Low Paid Workers, 1976–1995**

	Percent of workers earning less than minimum salary				Percent of workers earning less than two minimum salaries			
	Total	Salaried	Domestics	Own account	Total	Salaried	Domestics	Own account
1976	18.8	7.3	93.5	23.4	49.8	45.2	98.0	52.4
1980	19.7	10.6	94.1	28.4	57.2	60.0	96.4	50.8
1984	22.2	9.4	91.4	42.9	66.4	66.3	99.1	73.0
1986	19.4	10.5	89.6	33.9	na	na	na	na
1988	19.1	9.9	88.8	35.0	61.4	65.6	96.7	60.4
1990	18.4	9.6	80.5	29.7	58.4	61.3	95.1	53.0
1995	22.9	17.4	74.4	30.7	67.0	51.6	98.3	63.8

Source: Gomez and Perez (no date: 81) and author's own calculations for March 1995.

### 3.5 Feminisation of the labour force

The experience of Bogot, in recent years, fully reflects the trend across Latin America. The female participation rate rose from 34 per cent in 1976 to 50 per cent in 1995 (Table 3); a period during which male participation rose only from 69 per cent to 77 per cent (Gomez and Perez, no date: 11 and EH-87).

Given the general tenor of some feminist writing, it is perhaps surprising that increasing rates of female participation in Bogot do not seem to have forced women into the worst jobs. In 1994, for example, women made up a slightly higher proportion of the formal sector than they did of the informal sector (47 per cent compared to 45 per cent). In 1994, it is true that there was a higher proportion of women in temporary work than men, but the following year the difference was less than one percentage point. In terms of social security, women were more likely to be covered than men.

Women workers are less concentrated in the worst jobs than they were. There is still a clear sexual division of labour in Bogot but it is by no means as marked as it was. Today, women dominate adminis-

trative work and manual employment in the service sector; men dominate manual work in the industrial sector. Between 1976 and 1995, there was a substantial shift in the jobs performed by men and women. The huge sexual imbalance that had existed in high-level professional activities and in

manual industrial jobs in 1976 had greatly diminished by 1995.

Why did more women work in Bogot? According to Farn (1994: 161) there were four fundamental causes: 'declining fecundity, improved levels of education, increasing long-term wage levels and the development of modern professions which have created more kinds of work which match the social role given to women.' If these factors explain why more women are able to work, it does not explain why they chose to do so. It is clear that for a well-educated minority the appeal is that they are now able to obtain well-paid and interesting work. For the less well-educated, it is much less obvious that choice is more important than compulsion. Many are clearly forced to work: whereas 70 per cent of separated women have paid work, the proportion among married women is only 45 per cent. What is also clear is that the expansion in female participation was accelerated by changes in the age structure. The increasing propensity to work of women in each working age group was superimposed on a larger proportion of females of working age.

### 4 Trends in Poverty

Colombia and its capital largely escaped the 'lost decade' (Morley 1992). As a result, poverty seems to have become less serious. Data on both income and the satisfaction of basic needs clearly suggest that poverty fell dramatically in Colombia during the 1970s and 1980s. Such a trend occurred in the countryside, in the urban areas and in the seven major cities. It was also true for Bogot.

The quality of life in Bogotá undoubtedly improved in many respects between 1970 and the early 1990s. Life expectancy rose by five years between the early 1970s and the early 1990s and the infant mortality rate fell from 50 per thousand live births in 1971 to 22 in 1993 (Rinaudo *et al.*, 1994: 28). Literacy rates also rose impressively, from 85 per cent in 1973 to 96 per cent in 1993 (*ibid.*). The proportion of homes built out of flimsy materials fell from 7 per cent in 1973 to 3 per cent in 1993. Per capita incomes also rose and, between 1971 and 1993, the city's gross domestic product rose at an annual rate of 2.2 per cent. Poverty also fell; the proportion of *bogotanos* living in poverty declining from 57 per cent in 1973 to 17 per cent in 1991, those living in misery from 26 to 4 per cent (Londoño de la Cuesta 1992: 15). Nevertheless, far too many *bogotanos* continued to live in poverty. In 1991, some 800,000 people still lacked certain basic needs and 200,000 lived in misery (Londoño de la Cuesta 1992: 15).

#### 4.1 Income levels

Between 1970 and 1986, the value of the minimum salary in Colombia rose fairly consistently and increased by between one-third and one-half over that period depending on the month of calculation.<sup>7</sup> Since then its real value has gradually declined and its value in June 1995 was 12 per cent lower than it had been in June 1986. Similarly, industrial wages are higher today than they were in the 1970s, although the difference is much less marked than with the minimum salary (Urrutia 1991). Since the middle 1980s, real industrial wages have increased slightly.

This generally positive picture needs to be qualified, however, in three important respects. First, the proportion of workers earning less than the minimum wage has increased rapidly during the 1990s; from 18 per cent in 1990 to 23 per cent in 1995 (Table 6). While domestic service workers did much better, industrial workers did much worse. Since the real value of the minimum wage declined by 7 per cent between March 1990 and March 1995 the increasing proportion of all workers earning less than that level is very serious. Second, between

1976 and 1995, the proportion of workers earning less than two minimum salaries in Bogotá rose from 50 to 58 per cent (Table 6). Thus, the proportion of workers earning low incomes has actually increased, particularly since 1990. Finally, labour's share of GDP increased from 1970 until the early 1980s and then declined. If we compare the situation in 1970 with that in 1992, labour's share of GDP remained basically stable. Under the forces operating under globalisation such an outcome might be viewed positively. The problem with such an interpretation is that the proportion of workers in Colombia's population increased greatly. As such, many more workers were working in 1992 to produce the same labour share of GDP as in 1970.

The overall picture, therefore, is that most workers in Bogotá are earning more today than they were 20 years ago, but are earning lower wages than they were ten years ago.

#### 4.2 Inequality

There is no clear evidence whether the distributions of income in Bogotá has either improved or deteriorated over time. Certainly, Escobar (no date) is unable to show whether the distribution of income in the city improved or deteriorated between 1985 and 1991. The implication is that the distribution of income has remained about the same. This is a disturbing finding in a city where, in 1985, the poorest quintile received only 4 per cent of the city's income compared to the top decile's 37 per cent (López 1990: 41). It is also worrying insofar as Bogotá's income distribution is more unequal than that found of any of the country's other major cities. Perhaps most serious of all, however, is that the evidence suggests that perhaps the only reason why the distribution of income has not deteriorated is that the city's demographic structure has changed so markedly. During the last five years, it is only the falling fertility rate and the rise in the average number of workers in each household that has maintained the current level of inequality. Higher family incomes at the bottom have been achieved by more people working in each household. As such, the most positive interpretation that can be given to the stability in the distribution of income is that Bogotá

<sup>7</sup> Since the minimum wage is usually raised annually on 1 January and annual inflation is normally between 20

and 30 per cent, the real value of the minimum wage is much higher in January than in December.

may at least be bucking the trend for globalisation to increase urban inequality.

## 5 Conclusions

The basic argument underlying this article is that because Colombia escaped the worst of the debt crisis, has endeavoured to restructure its economy, and has voluntarily adopted the kind of economic policy advocated by the World Bank and the IMF, it represents a reasonable test of the effects of neo-liberal economic policy on the urban poor. If the poor have fared well in Bogotá, then current forms of economic advice can be accepted more easily; if the poor have fared badly in Colombia's capital, then this augurs badly for the futures of workers in other Latin American cities. In sum, experience in Bogotá offers a crude test of neo-liberal orthodoxy.

The evidence on employment trends in Bogotá suggests that many of the fears about economic restructuring are unjustified. Despite liberalisation and a vast increase in the number of people seeking work, unemployment rates have fallen. Jobs have been created in a variety of sectors although during the 1990s, principally in the informal sector. However, the trend towards informality has not been consistent across sectors; manufacturing and financial services have been casualised but many more formal jobs have been created in commerce and construction. The quality of work has probably not been greatly affected by these changes except in terms of work stability. Workers in Bogotá do not hold their jobs for very long.

Feminisation has been operating very strongly in Bogotá and would seem to have had little to do with either liberalisation or increasing poverty. The labour market has changed and jobs are much less stratified by gender than they were. Today, some women work because there are good jobs open to them; others work because they have no choice. The household survival strategy hypothesis seems to explain only a limited part of Bogotá's experience. There seems little real doubt that since 1970 poverty in Bogotá has become both less common and less serious. Incomes have increased, although since 1990 a rising proportion of the workforce has earned less than the minimum wage. Shelter conditions have generally improved, although there is a major question mark about the quality of service

delivery after 1985. Despite these overall improvements, the highly unequal distribution of income has remained unchanged. By general Latin American standards Bogotá's is not a bad record, especially given the continued arrival in the city of numbers of migrants displaced by rural violence and agricultural change. Economic growth has managed to create jobs and household incomes have risen.

However, one important caveat must be made about the social record. If there is less poverty, it is principally because children form a smaller proportion of the population. There are many more adults in the 1990s than there were in the 1970s. Because of this change in the age structure, more *bogotanos* are working. While the ability of the economy to generate jobs for this vast expansion in the number of workers is impressive, it is clear that increasing numbers of workers are toiling in insecure forms of employment. If more homes have televisions and fewer children go hungry, it is not because individual workers' incomes have risen; the 1990s have seen a decline in the real value of the minimum wage and an increase in the number of workers earning that wage. If household incomes have risen, it is principally because more adults are working. Reduced poverty has been brought about by the huge rise in labour participation. Less people are hungry, but every adult is also a great deal busier.

Given the polarisation of views about the desirability of economic restructuring and the New Economic Model, we are all likely to respond to the Bogotá experience in different ways. Some readers will no doubt conclude that to be poor in Bogotá is far preferable to being poor in Lima or Mexico City where real incomes have plummeted and poverty has increased dramatically since 1980. In this respect, Bogotá is a positive example of what restructuring and sensible macro-economic policy can bring to Latin America. Its record offers the hope that economic growth does genuinely 'trickle down'. It creates jobs and can reduce poverty. No doubt other readers will be concerned about Bogotá's flawed social record. Basic needs provision is currently in decline despite continued economic growth. Similarly, while welcoming the decline in poverty, many will lament that the poor have mainly improved their living standards because more of them are working than ever before. If this

is the best that can be achieved during thirty years of almost sustained economic growth, it is arguably a dubious achievement.

Clearly, no simple conclusion can be drawn because the case either way is inconclusive. While many of the trends I have demonstrated are clearcut, their causes are much less obvious. What Bogotá's rather impressive data set does demonstrate is that only

some of the more general conclusions suggested by the restructuring literature are valid. Both supporters of neoliberal orthodoxy and its critics have been provided with ammunition. Perhaps both should reflect that the data provide strong prima facie evidence that some of each side's basic arguments may be flawed.

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