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Measuring Poverty in the Case of Buenos Aires: Why Time Deficits Matter

by

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ABSTRACT

We describe the production of estimates of the Levy Institute Measure of Time and Income Poverty (LIMTIP) for Buenos Aires, Argentina, and use it to analyze the incidence of time and income poverty. We find high numbers of hidden poor—those who are not poor according to the official measure but are found to be poor when using our time-adjusted poverty line. Large time deficits for those living just above the official poverty line are the reason for this hidden poverty. Time deficits are unevenly distributed by employment status, family type, and especially gender. Simulations of the impact of full-time employment on those households with nonworking (for pay) adults indicate that reductions in income poverty can be achieved, but at the cost of increased time poverty. Policy interventions that address the lack of both income and time are discussed.

Keywords: Income Poverty; Economic Well-Being; Employment Policy; Fiscal Policy; Gender Disparities; Household Production; Levy Institute Measure of Time and Income Poverty (LIMTIP); Time Deficits; Argentina; Unpaid Work

JEL Classifications: C14, C40, D31, J22

INTRODUCTION

Initially estimated for three Latin American countries—Chile, Argentina, and Mexico—the *Levy Institute Measure of Time and Income Poverty* (*LIMTIP*) responds to the need to integrate time poverty into poverty measurement.[1] In doing so, the LIMTIP measure recognizes that the economic welfare of households and persons depends not only on paid work, but also on unpaid care work, performed mostly by women. The inclusion of unpaid care work in the very conceptualization and calculations of poverty sheds new light on differences in poverty among households, and differences between men and women in time poverty *within* households. The latter are particularly significant given the gendered nature of household production, and contrasts deeply with traditional household-based income-poverty measures. As a result, the LIMTIP framework allows for a more nuanced classification of households and persons that suffer from time and/or income deprivation, offering insights for more comprehensive poverty-reduction policies.

We elaborate further on the research findings and analyses for the case of the city of Buenos Aires, Argentina's biggest, and richest, city. LIMTIP estimates are based on the *Encuesta de Uso del Tiempo de la Ciudad de Buenos Aires* (Buenos Aires Time-Use Survey, hereafter BA-TUS) of 2005,[2] expanded for this project through statistical matching techniques to all household members of the *Encuesta Annual de Hogares* (EAH) of 2005, the core survey the BA-TUS activity diary was attached to (Kum and Masterson 2010; Masterson 2011).

Our findings indicate that *time deficits matter* in understanding the extent, depth, and incidence of poverty. Taking into account poverty-inducing time deficits changes the picture of poverty, as it extends its prevalence to those employed and earning "middle-class" wages. We also found that children are the most affected by these poverty-inducing time deficits that poor households are unable to compensate for, due to the gendered distribution of care responsibilities among adults. Indeed, as many as 20 percent of women who face time deficits do so due to their care responsibilities, i.e., even before contemplating devoting time to paid work.

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[1] Zacharias, Antonopoulos, and Masterson (2012). Similar estimates have also been developed for Turkey and South Korea. See Zacharias, Masterson, and Memis (2014) and Zacharias, Masterson, and Kim (2014)

[2] The BA-TUS collected information only from one individual, 15- to 74-years old, per household. The surveyed population excluded board houses and shanty towns, due to fieldwork restrictions. For details on the TUS methodology, see Esquivel (2010).

Our focus on the city of Buenos Aires in the year 2005 is entirely justified by data availability. Certainly, our findings are generalizable to the country as a whole, and to the period that followed, provided time-use data existed.[3] A simulation exercise that models the impact on households' time and income poverty as a result of their nonemployed adult members receiving paid full-time employment, similar to the growth process that unfolded after 2005, is suggestive of the positive impacts on poverty that it must have had for households and individuals alike. However, the inability of significant sections of households to exit poverty as a result of being employed points to the fact that job creation is a necessary, but not sufficient, condition for improving living conditions. Indeed, our findings show that job creation needs to be coupled with increased formalization, better wages, and fewer working hours if it is not to cause poverty-inducing time deficits. In particular, the fact that poor working women would enter the most unprotected sections of the labor market should there be a demand for their paid work underscores the tensions that they face when trying to "reconcile" employment and care responsibilities, and compellingly points to the need for expanded care-service provisions for their right to decent work to be realized.

In methodological terms, the simulation exercise indicates that the LIMTIP framework is particularly well-suited for performing "impact analyses" of economic growth that go beyond employment to incorporate the changes in the distribution of unpaid care work. The LIMTIP framework also demonstrates that time-use data can be successfully used to calculate welfare measures, going beyond the usual aggregate, descriptive use of these datasets (Esquivel 2011a).

In what follows, we briefly introduce the analytical framework of this study in section 1, while we devote section 2 to set the social and economic context in Argentina circa 2005. Sections 3 and 4 present summary statistics for households and individuals, respectively. Section 5 presents the results of the microsimulation exercise, which allows us to gauge the impact of employment growth on households and individual poverty. Section 6 highlights the interrelated nature of labor-market functioning, households' demographic structure, social policies, and gender norms in bringing about income poverty, and draws the most salient policy lessons derived from our analyses along these lines.

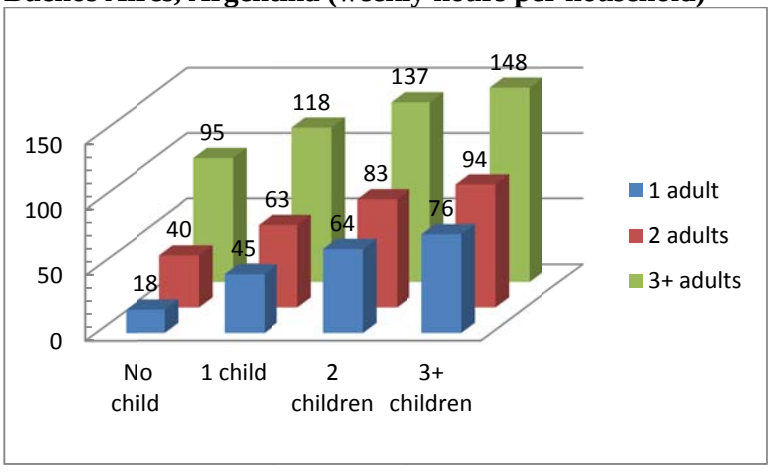
[3] During the third quarter of 2013, the National Statistical Institute (INDEC) collected the "National Survey on Unremunerated Work and Time Use." Unfortunately, it is a short task survey (3 questions); see Rodríguez Enríquez (2014) for an analysis of the results.

1. THE LEVY INSTITUTE MEASURE OF TIME- AND INCOME-POVERTY (LIMTIP) FRAMEWORK

Our central premise is that access to the necessities and conveniences of life is gained not solely through purchased goods and services (which require earned income) but also through unpaid household production activities (which requires that someone allocates time to housework activities or to care of persons, or what the literature refers to as "unpaid care work").

Accordingly, **the first key idea** is that, similar to a *minimum amount of income* that secures access to a basic "basket" of goods and services available in markets, a *minimum amount of household production time* is equally necessary and must be specified. This "poverty-level time requirement" is defined as the amount of time that needs to be spent by a household on household production activities to survive with an income around the official poverty line. Of course, poverty-level time requirements or thresholds are not directly available to us like the official income-poverty lines; however they can be (and were) estimated for this study (for 12 types of households, differentiated by the number of adults and children) from available survey data on time allocation. Figure 1-1 shows these estimates for Buenos Aires, Argentina.

Figure 1-1: Threshold hours of household production in Buenos Aires, Argentina (weekly hours per household)



While a certain minimum amount of time is imperative and must be spent on household production, individuals within households do not necessarily supply this required time equally. Accordingly, **the second key idea** behind our methodology is that each individual's

contribution of time to household production ought to be identified and taken into account in poverty-status assessments. Essentially, we wish to avoid the presumption that household production activities are shared equitably and cooperatively at all times.

At the outset, it is important to note that it makes no difference for the household's well-being *who* provides these time inputs. Potentially, any household member (15 to 74 years of age in our calculations), help hired in, or goods or services purchased from the market can fulfil this requirement. In other words, this household production time is *substitutable*. Yet, the actual modality and distribution of obligations to fulfil household responsibilities impacts individuals within the household and differentiates them according to their actual allocation and use of time.

Apart from their contribution to household production, individuals also need some minimal amounts of time for personal care (e.g., sleeping). Therefore, additionally, thresholds of personal care, assumed to apply uniformly to every adult individual, were estimated from time-use data. For the case of Buenos Aires, this minimal time amounted to 94 hours a week: 87 hours of personal maintenance (57 hours for sleep; 11 hours for eating and drinking; 4 hours for hygiene and dressing; 1 hour for rest; 14 hours minimum leisure time) and 7 hours of nonsubstitutable household production activities.

We begin our calculations of an individual's time deficits by noting that each individual has 168 hours of total time in a week (24 hours*7 days).[4] If the sum of an individual's weekly hours of: (i) minimum required personal care, (ii) employment (usual weekly hours of paid work as reported in the EAH, plus average commuting time, which for full-time workers was estimated from the time-use data at 3.8 hours a week),[5] and (iii) the portion of the poverty-level household production time requirement that falls upon the individual exceed the total amount of hours in a week (168 hours), these individuals, and as a result the household to which they belong, run a *time deficit* and are considered *time-poor*.

[4] For a formal presentation, see Zacharias (2011).
[5] Commuting times are relatively low as compared to other countries in the LIMTIP study due to the fact that most Buenos Aires residents work in the city. Times would certainly be higher if we could factor in those who are employed in the city but residents of the city outskirts. Unfortunately, they were not covered by the time-use survey.

The portion of the poverty-level time requirements that falls upon individuals is assumed to be equal to each individual's *observed* share of the total time his or her household actually spent on household production. The patterns of observed intrahousehold division vary widely in households with two or more individuals, ranging from one person performing the entire amount of household production to equal shares in total household production for all persons. Generally, as is well-known, women tend to have higher shares than men—a phenomenon that is reflected in our estimates where adult women's mean and median share in household production is 60 percent, while adult men's mean share is 35 percent and median share is 23 percent.[6]

A crucial aspect of our methodology is that household time deficits are calculated as the sum of the time deficits of adult members of the household *without allowing for these deficits to be compensated for by the time surplus of another individual of the same household.* This is in sharp contrast to the usual assumption of the "unitary" household found in the mainstream literature. The significance of the difference can perhaps be illustrated by considering the time allocation of the husband and wife in a hypothetical family where both are employed. Suppose that the wife suffers from a time deficit because she has a full-time job and also performs the major share of housework; suppose, too, that the husband has a time surplus because after returning home from work he does very little housework. Adding up the husband's time surplus and the wife's time deficit to derive the total time deficit for the household would be equivalent to assuming that the husband automatically changes his behavior to relieve the time deficit faced by the wife. In contrast, we assume that no such automatic substitution takes places within the household.

The third key idea behind the LIMTIP methodology is that when time deficits exist, the income-poverty threshold must be adjusted to reflect their existence. Specifically, we propose that *household time deficits* must be monetized and added to the standard income-poverty line. In order to do so, we first convert household time deficits (measured in weekly hours) into monthly hours, multiplying it by four (because the income-poverty line is specified on a monthly basis). Second, the monetization of the time deficit is performed using unit replacement costs, which, following standard assumptions, are set at the average hourly wage of domestic workers. Our estimates were obtained from the EAH, and amounted to 3.54

[6] Non-adults members of the household (15- to17-year olds for whom we have time-use data) might contribute to household production and, as a consequence, diminish adults' shares.

pesos (in 2005 prices). The monetized time deficit is subsequently added to the official income-poverty threshold (268.17 pesos per person per month), multiplied by the number of "equivalent household members." This modified income threshold is the household's LIMTIP income-poverty threshold. Concretely, if the time-deficient household does not have sufficient income at its disposal to buy the poverty-level consumption basket plus market substitutes for its time deficit, then the household is facing a poverty-inducing time deficit.

Calculating the LIMTIP-adjusted income-poverty threshold in this way allows us to ask the following question: Can households that face time deficits (in their ability to meet household production requirements) cover them via market purchases? Were they to include such purchases together with their "basic needs" minimum basket and face no *danger of depleting their income to such a degree that they would fall below the LIMTIP poverty line*, they would still face time deficits—but such deficits would not translate into an immediate risk of falling into income poverty. They are socioeconomically in a position to make up for their time deficit by in-sourcing services (a domestic worker, a childcare worker, etc.) or by out-sourcing them (to restaurants, private childcare providers, laundry service facilities, etc.). In other words, some households can "buy" themselves out of their household production time deficits comfortably because there is sufficient income to allow for the replacement of what would have otherwise been provided via unpaid household production hours. Such households are time-poor but income-nonpoor, despite their time deficit.

Yet, the possibility exists that other households may not be as resilient to time deficits. For those already in income poverty, it will be revealed that their deprivations extend over and above what official income-poverty measures allow us to capture. An even more telling picture emerges for the "hidden poor," those above and around the standard income-poverty line whose deprivations become visible only when we adjust their poverty line by the monetized value of what cannot be provided through unpaid household production work due to a lack of time. Official measures classify them as income-nonpoor, but, in fact, they require a certain amount of household production (if basic needs are to be met) for which they do not have enough time and they do not have enough money to purchase adequate substitutes. They are income-poor, but their poverty is invisible to the existing measures.

In other words, what the LIMTIP measure reveals is that time poverty, especially when coupled with income poverty, imposes hardships on the adults who are time-poor as well as

their dependents, particularly the children, elderly, and sick. Income poverty alone does not convey enough useful information about their deprivation.

We organize our presentation of findings for households and individuals along three different analytical dimensions. Firstly, we develop *a four-way classification*—(a) income-poor and time-poor; (b) income-poor and time-nonpoor; (c) income-nonpoor and time-poor; and (d) income-nonpoor and time-nonpoor—for households and individuals at the aggregate level (for the whole population) and for important population subgroups such as women, female-headed households, informal workers, etc.

This classification offers a richer framework for thinking about the impacts of employment and income growth on poverty. The standard income-poverty measure is, in this respect, a two-state variable: any source of new income—for example, from employment—can make the household nonpoor, or keep it poor if the poverty gap is big enough or the new income is not high enough to cover for it. To illustrate the difference with the LIMTIP measure, consider the income-poor and time-nonpoor group. This group can include households that, if they tried to work their way out of poverty by allocating more time towards employment, might end up facing time deficits. For some households among this group, it may not be possible to escape income poverty via employment because they will not earn enough to offset the monetized value of their time deficits.[7] Likewise, in the income-nonpoor and time-poor group, there may be households that might fall into income poverty if they reduced their time deficit on their own, i.e., by cutting down on the time that they allocate towards employment. This implies that household strategies to escape income poverty—long hours of employment—can be detrimental to their well-being, and might be the result of low hourly wages / labor earnings.

Secondly, poverty rates now include the "hidden" income-poor, namely those with an income above the standard income-poverty threshold but who fall below the adjusted income-poverty threshold that takes into account the (monetized) replacement cost of their time deficit. Poverty gaps now also reflect the degree to which a household's income deprivations are exacerbated due to incomplete access to minimum household production requirements.

[7] Whether or not this is the case will depend on the size of the income deficit, and whether the hourly labor earnings are greater than the household production hourly replacement cost.

Lastly, the LIMTIP offers a richer framework for thinking about the impacts of a variety of policy scenarios that can potentially reduce poverty, so as to examine with more clarity the complex relationship between employment, income poverty, and time poverty. A full-employment simulation has proven useful for evaluating the potential impact of direct policy interventions or market-based changes—in this case, a "full-employment" labor-market scenario—on households' and individuals' ability to transition out of poverty. This is especially relevant for addressing the potential of growth and employment generation for alleviating poverty. However, if there are households and individuals that do not escape from (LIMTIP-adjusted) poverty as a result of employment gains, then by investigating the causes behind this outcome, the microsimulation methodology allows us to identify alternative or complementary policy interventions. Such results can directly inform development agendas and social policy agendas. Ultimately, the LIMTIP analysis highlights that social policies to combat time deficits must be considered in a consistent and coherent manner jointly with economic policies intended to address income poverty.

2. ECONOMIC AND SOCIAL POLICY IN ARGENTINA

2.1 The Period from 2002–08

In 2002, Argentina experienced its deepest economic crisis yet recorded, with GDP falling by more than 11 percent, unemployment reaching 21.5 percent, and the population living with incomes below the official poverty line amounting to 55 percent (Beccaria, Esquivel, and Maurizio 2005; Maurizio 2009). These deleterious effects were caused by the exchange rate devaluation that had taken place earlier that year, when the "Convertibility Plan"—a combination of pro-market reforms, a fixed exchange rate, and debt-led growth—dramatically collapsed. By the end of 2005, however, Argentinean GDP had recovered to its pre-crisis peek and was already on track for sustaining an intense recovery that continued up until 2008, well beyond the "easy phase" of spare capacity utilization. Growth was fueled by a new relative price configuration that favored exports and import substitution, which in turn was transmitted to both investment and consumption. Such GDP dynamics were particularly powerful in terms of private-sector job creation. At the time the BA-TUS was collected, the national unemployment rate was already 10 percent. Even though the drop in the poverty rate

was significant, the population living in poverty was still 38 percent, as earnings recovery lagged behind GDP growth.[8]

The 2002 crisis was both economic and political. In December 2001, the president resigned and the Congress named four successive presidents during a tumultuous fortnight. Ultimately, Senator E. Duhalde became the stable interim president and remained in office until the end of 2003, when Nestor Kirchner was elected. Once political stability was achieved, emergency measures for addressing the profound crisis in the social and the political situation were taken. A new Law of Public Emergency and Reform of the Foreign Exchange Regime was passed, formally ending the Convertibility Plan, de-dollarizing the economy, and prohibiting price and tariff indexation. A national food emergency and a national job emergency were declared, which framed massive poverty-reduction programs.

The presidency of Nestor Kirchner (2003–07) can be described as an attempt to reinstate a labor-based welfare model, in which access to social protection is achieved through *employment* in formal wage positions. As a part of the strategy, collective bargaining (which was paralyzed in the previous decade) was restored, resulting in the recognition of unionized workers as political actors. Labor inspection and the active use of minimum wage policies were also part and parcel of these developments (Novick, Lengyel, and Sarabia 2009). However, such reforms were enacted within a segmented labor market, in which nearly 40 percent of male workers and nearly half of female workers were in informal (not registered) jobs.

The social protection system also changed during these years. With the aim of increasing educational opportunity, public education (which is provided free of charge) was made mandatory—meaning that the State is obligated to provide for it in either State-run schools or subsidized private institutions—from the age of 5 to the last year of secondary school (mandatory school was previously restricted to primary-school years). Funding for education increased, and there were attempts to correct the fragmentation of quality inherited from the decentralization process of the previous decade. The social security system underwent radical change, being fully re-nationalized in 2008. Massive poverty-reduction programs—most notably, the *Plan Jefes*, a workfare or limited "employer of last resort" (ELR) program that

[8] The corresponding figure for households was 25 percent.

was established during the crisis—effectively ended the "targeting the poor" approach to social policy that was so pervasive in the 1990s. Thus, the period 2003–08 can be characterized as a *social policy counterreform,* both in terms of the political discourse that justified these reforms as being the opposite of the pro-market 1990s reforms and in its attempts at promoting *social inclusion through employment* (Danani and Hintze 2011).

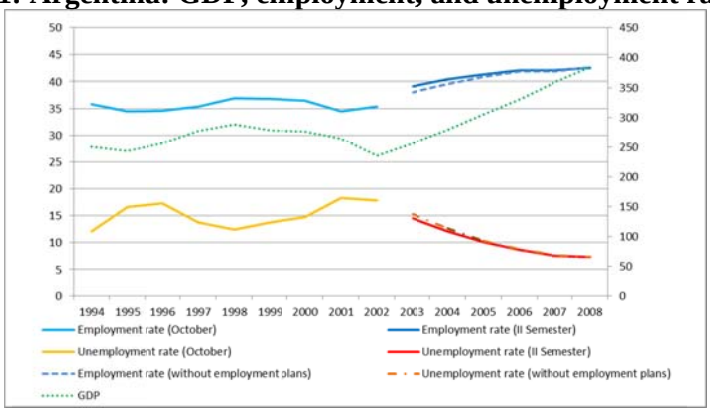
The period is not exempt from contradictions, though. On the one hand, employment proved inadequate as a means for acquiring social protection rights. Inclusion through employment needed to be complemented by other measures, like the catch-up payment implemented in 2005 for those already in retirement age but who did not meet the required contributions. Benefiting housewives and informal workers who otherwise wouldn't have had access to pensions, the catch-up payment showed the limitations of recasting a labor-based welfare model after the long-term deterioration of the labor market that the first decade of the twenty-first century has only partly been able to reverse. The latest move in social protection, the Universal Child Allowance enacted at the end of 2009—which extended child allowances received by formal wage workers and by high-income families through income tax deductions for *all children*—superimposed a universal rationale on a labor-based rationale, a move that can be read as an acceptance of the limits of the latter. On the other hand, as much as social policies have emphasized employment-based rights, poverty-reduction programs *undermined* them. In particular, the implementation of *Plan Familias,* a traditional conditional cash-transfer (CCT) program whose beneficiaries were women exiting from *Plan Jefes*—and thus from the labor market—makes clear the gendered limitations of an employment-based social protection approach, when employment generation is intended for the "ideal worker" (e.g. for men) and no care policies fostering women's labor force participation are put into place.[9]

[9] *Plan Familias* was indeed quite the opposite, as it was put forward under the view that "women with children" were "unemployable" and should therefore withdraw from the labor force. The Universal Child Allowance effectively ended *Plan Familias* and changed the focus from women to children and adolescents; see Esquivel and Faur (2012).

2.2 A Closer Look at Employment and Earnings

Just as the economic and social crisis erased a decade or more of growth, the recovery that began towards the second half of 2002 and continued up until 2008 was also intense (figure 2-1). The new configuration of relative prices favored primary-sector exports and a process of import (re)substitution, so that goods-producing sectors (particularly manufacturing industry) led the way out of the recession. Construction followed suit, driven by low costs and the reactivation of real estate demand, and became the most dynamic sector until 2007. Both the primary sector and services grew at a high speed after 2005, and in the year 2008, the service sector became the most dynamic, with all other sectors decelerating due to the impact of the international crisis.

Figure 2-1: Argentina: GDP, employment, and unemployment rates (1994–2008)



Source: Authors' calculations, based on *Encuesta Permanente de Hogares* (EPH) by El Instituto Nacional de Estadística y Censos de la República Argentina (INDEC) and Ministry of Economics. [10]
Note: GDP on the right axis, nominal billion pesos. On the left axis, employment rates (proportion of total population) and unemployment rates (proportion of active population).

Such GDP dynamics were particularly powerful in terms of job creation, even when excluding jobs created by the *Plan Jefes*. As evident in figure 2-1, job creation was particularly strong at the beginning of the recovery phase, when the elasticity of the employment rate with respect to GDP was 0.75. A combination of spare capacity utilization at the beginning of the recovery phase, high labor intensity in sectors leading GDP growth, and possibly some change in the capital/labor relationship explains this performance. From 2003 onwards, employment grew in all sectors, led by wholesale and retail trade,

[10] The EPH underwent a profound methodological change during 2003, and became from that moment onwards a *continuous* survey. As a result, it should be noted that data before and after 2003 are strictly non-comparable.

manufacturing industry, construction, and financial services, which, on the whole, explains 65 percent of new employment generation in the period 2003–08. As expected, though, the employment elasticity went down as GDP growth consolidated and capacity utilization reached the pre-crisis levels.

Also, from the first quarter of 2005 and until 2008, formal (registered) wage employment grew at a higher rate than total employment. On the whole, between the fourth quarter of 2003 and the fourth quarter of 2008, as much as 79 percent of net employment creation was explained by formal wage workers, and only 16 percent was explained by informal wage workers—a remarkable trend break in comparison with the previous decade. Such dynamism in formal employment creation explains the steady downward trend in the proportion of informal workers in total wage employment, which went down from almost 50 percent in 2003 to 38 percent at the end of 2008. In the city of Buenos Aires, informal wage employment went down from 41 percent to 29 percent of total wage employment in the same period. The workers who benefited most from these trends have been those more likely to be in informal positions: women, the young, and the low-skilled.

Driven by employment generation, the recovery phase led to impressive improvements in the incidence of unemployment, and, albeit belatedly, in earnings. Figure 2-1 shows that unemployment rates went down from 14 percent at the end of 2003 to 7 percent at the end of 2008.[11] However, even following this positive trend, women's unemployment rates remained higher than men's, in what constitutes a long-term feature of the Argentinean labor market.[12] The female unemployment rate was 17 percent at the end of 2003, almost 5 percentage points higher than those for males, and went down to 9 percent at the end of 2008, when men faced a 6 percent unemployment rate. In turn, unemployment in the city of Buenos Aires has been consistently lower than country averages. As was the case for the country as a whole, the female unemployment rates were higher than males, both at the beginning of the period (14 and 8 percent, respectively) and at the end of it (6 and 5 percent). Notably, the gender gap in unemployment rates was smaller in the city than in the country as a whole.

[11] Figures are 15.3 percent and 7.3 percent, respectively, if employment generated by employment plans is not taken into account.
[12] The only exception was the year 2002, at the height of the crisis.

The improvement in labor-market indicators positively affected earnings, although its recovery proved much less intense than that of employment. Between October 2001 and October 2002, real labor earnings plummeted 30 percent. Recovery was very timid during 2003 and 2004 (approximately 6 percent), driven by lump-sum wage adjustments and active minimum wage policies. Labor earnings recovery accelerated in 2005 and 2006 (9 percent annually) as a result of the reestablishment of wage bargaining. Real earnings recovered to their pre-crisis levels only at the beginning of 2007.

As the labor earnings of women and men grew at approximately the same rate throughout the period, gender wage gaps remained as a defining feature of labor earnings. Gaps in total earnings of approximately 30 percent are explained by women's shorter working hours, combined with slightly lower hourly wages—the hourly wage gap was 5 percent in 2006. Given that women are better educated than men, their mean labor earnings should be higher, not lower, than men's. A number of reasons explain the abovementioned patterns, most notably the existence of barriers to entry to protected (registered) jobs—jobs that offer better pay and access to social protection—and the fact that a wage premium associated with feminized occupations does not counteract the effect of outright pay discrimination (Esquivel 2007).

2.3 Income-Poverty Trends

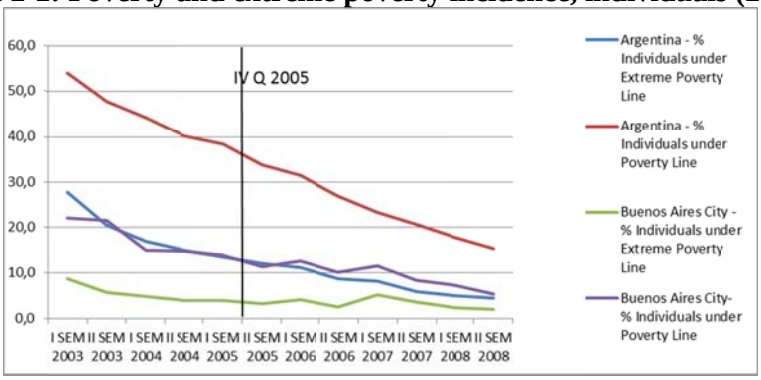
The effects of the changes in the macroeconomic regime were unleashed in a scenario of marked inequality and high poverty incidence. During the recession that affected the country in the late 1990s, the fall in employment, working hours, and wages, together with the worsening in the distribution of earnings, produced a new and significant increase in poverty rates, which reached 38.3 percent of population by the end of 2001, while extreme poverty reached 13.6 percent.[13] As a result of the significant fall in real earnings and the already serious situation, these figures had skyrocketed to 57.5 percent and 27.5 percent, respectively, in October 2002.

Figure 2-2 summarizes both the immediate aftermath of the 2002 crisis and the success story that followed. In the first six months of 2003 more than *half* of the Argentinean population (54 percent) still lived with incomes under the poverty line, and over a *quarter* of the

[13] Poverty incidence *includes* extreme poverty incidence.

population lived with incomes below the extreme poverty line.[14] From that point onwards, poverty and extreme poverty incidence took a consistently decreasing path. By the fourth quarter of 2008, such figures had gone down to 15.3 percent and 4.4 percent, respectively. Figure 2-3 also shows how the city of Buenos Aires fares in terms of poverty incidence, as compared with the country as a whole. The city of Buenos Aires is the biggest Argentinean city and is the capital district, accounting for 7.2 percent of the country's population according to the last National Population Census (2010). The city of Buenos Aires is the richest of the country's jurisdictions and accounts for over *a quarter* of the country's gross geographical product (GGP). It also exhibits the country's best social, health, and education indicators, summarized by a Human Development Index (HDI) of 0.82. Its gender HDI is also the highest in the country, 0.84. The city's unemployment rate was among the lowest in the country in 2005, at 8 percent, when the national unemployment rate was 10.6 percent.

Figure 2-2: Poverty and extreme poverty incidence, individuals (2003–08)



Source: Authors' calculations based on EPH (INDEC).

Poverty and extreme poverty rates confirm the relative advantage of the city over the socioeconomic situation of the country as a whole: the population living below the poverty line in the city was 22.1 percent in the first half of 2003, while extreme poverty in the city reached almost 9 percent in the same period. At the time the BA-TUS was conducted (second half of 2005), the population living below the poverty line stood at 11.5 percent, which was substantially lower than the comparable poverty rate for the country as a whole (33.8 percent). This figure included 3.2 percent of population living in extreme poverty, which contrasts with an extreme poverty incidence of 13.6 percent nationwide.

[14] The corresponding figure using the old EPH was 54.7 percent in May 2003.

Trends in poverty and extreme poverty reduction in the city of Buenos Aires mimic those at the country level, showing steady reductions over the period (figure 2-3). The exception seems to be the first half of 2007, when acceleration in prices (particularly food prices) pushed up the incidence of poverty and extreme poverty.

It is against this background that the LIMTIP measure is calculated for the year 2005 in the city of Buenos Aires in this report.

3. INCOME AND TIME POVERTY OF HOUSEHOLDS

3.1 All Households

3.1.1 Official versus LIMTIP income poverty

Our starting point is the contrast between income poverty among households according to the official threshold and our preferred proposed threshold—the official threshold adjusted by the monetized value of the time deficit. In the city of Buenos Aires the official poverty rate was 6.2 percent,[15] whereas the LIMTIP income-poverty rate stood at 11.1 percent (with 45,000 additional households found in poverty), a difference of 4.8 percentage points. Despite the lower prevalence of poverty in the city than in the country as a whole, the relative difference involved is staggering: 78 percent. Naturally, we would expect the income-poverty rate according to LIMTIP to be higher than the official rate because at least some low-income households can be expected to incur time deficits. However, **our estimates of the extent of the gap suggest that ignoring time deficits in household production has led to a major underestimation of the incidence of income poverty**.

The difference between the official and LIMTIP rate of income poverty depends on the proportion of households that are classified as income-nonpoor according to the official poverty line but face some level of time deficits. Obviously, if there are no time-poor households among the officially income-nonpoor population then the official and LIMTIP poverty lines would be identical. The difference between the official and LIMTIP rate is also a function of the proportion of households with income below the LIMTIP poverty line

[15] This "official" figure is slightly lower than the EAH poverty incidence rate for households (8 percent) due to the exclusion of pensions (board houses) and shanty towns from the database. For further methodological details, see Esquivel (2010).

(which includes the monetized value of the time deficit) in the total number of time-poor households that are officially classified as income-nonpoor. Clearly, if everyone in the latter group (time-poor and officially income-nonpoor) had high enough income to compensate for the monetized value of their time deficits, then the official and LIMTIP rate of income poverty would be identical. The excess of the LIMTIP poverty rate over the official poverty rate represents the hidden poverty rate, or the proportion of hidden-poor households in the total population.[16]

The estimates shown in table 3-1 indicate that about half of households that are officially income-nonpoor are also time-poor (49 percent), but only a tenth of these households (9.9 percent) did not have enough income to overcome the monetized value of their time deficit.

Table 3-1: Factors affecting the hidden poverty rate (LIMTIP minus official poverty rate): All households

Official poverty rate	*6.2*
LIMTIP poverty rate	*11.1*
LIMTIP minus official poverty rate (percentage points)	4.8
Time-poor and officially income-nonpoor/All (percent)	48.6
Hidden poor/Time-poor and officially income-nonpoor (percent)	9.9

Taking time deficits into account affects not only the measured rate of income poverty but also the depth and severity of income poverty. Our estimates showed that the average LIMTIP income deficit for all income-poor households was 1.5 times higher than the official income deficit, although the two deficits were roughly similar as a proportion of their respective poverty lines, though the proportion was slightly lower for the LIMTIP income-poor (table 3-2). This lower proportional deficit was the result of the addition of the hidden income-poor to the ranks of the poor, who are relatively better off. In contrast, for the income-poor and time-poor, the deficit was 2.2 times higher than the official deficit and represented almost half of their poverty line, making their situation particularly vulnerable. The officially poor, time-poor households were also quite large in terms of their share in the

[16] Let N be the total number of households, H the total number of "hidden-poor" households, and S the total number of officially income-nonpoor households who are time-poor. Further, let P and P^* represent, respectively, the official and LIMTIP income-poverty rates. Then: $P^* - P = (S/N)(H/S)$.

officially income-poor population, as nearly 50 percent of the officially poor households also suffered from time poverty. In sum, **the official measure grossly understates the unmet income needs of the poor population**. From a practical standpoint, **this suggests that taking time deficits into account while formulating poverty-alleviation programs will alter the focus of both the coverage (including the "hidden poor" in the target population) and the benefit levels (including the time-adjusted income deficits where appropriate).**

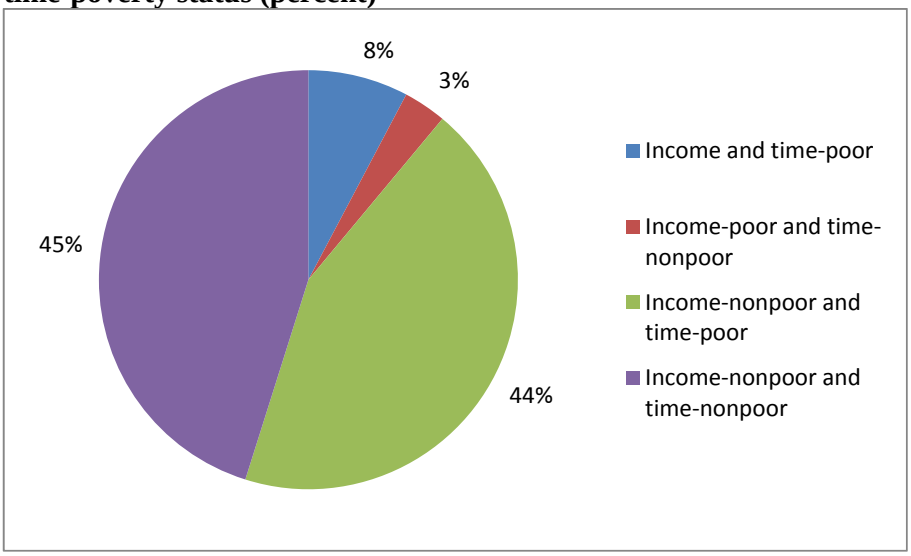
Table 3-2: Average income deficit (nominal values in pesos and percent of poverty line) and share (in the total number of income-poor households) of income-poor households by subgroup

	Official			LIMTIP		
	Share (percent)	Deficit	Percent of poverty line	Share (percent)	Deficit	Percent of poverty line
Income-poor, time-nonpoor	53	236	42	30	236	42
Income-poor, time-poor	47	326	30	26	718	47
Hidden income-poor				44	341	20
All income-poor	100	278	37	100	409	34

3.1.2 The LIMTIP classification of households

Turning now to the distribution of households across the LIMTIP groups, we found that there was a sizeable proportion of households (45 percent) with no time deficits and incomes above the poverty line (figure 3-1). However, the majority of households (52 percent) faced time deficits. We also found that the incidence of time deficits was higher among the income-poor than the income-nonpoor households: 70 versus 49 percent. **We think that this finding undermines the notion that time deficits are somehow a vulnerability faced mostly by the more well-off households**. The higher incidence of time deficits among the income-poor indicates that they are subject to this vulnerability to a greater extent. Given the other types of social and economic disadvantages that tend to accompany income poverty, it is quite likely that the negative effects of time poverty will affect the income-poor disproportionately compared to the income-nonpoor.

Figure 3-1: LIMTIP classification of households by income- and time-poverty status (percent)



3.2 Households by Employment Status

3.2.1 Official versus LIMTIP income poverty

The employment status of the head of household (as well as of the spouse, where present) clearly has an impact on household income. Further, the employment status of the head and spouse exert an influence—in many households in a decisive manner—on the time deficits faced by the household. However, it should be noted that households can have time deficits even if the head and spouse are not employed, because some other member(s) of the household (e.g., a daughter/son) may be employed. Moreover, given our definition of time poverty, it is clear that some households could contain nonemployed individuals with time deficits because the time available to them after setting aside the minimum required allocation toward personal care and household production from the physically fixed number of hours (168 hours per week) turned out to be negative. We classify a household as time-poor if it has at least one time-poor adult person (between the age of 18 and 74). On the other hand, income poverty is defined at the household level (i.e., all persons in a household with total household income below the poverty line are considered as poor). Therefore, time deficits of employed individuals in the household can—depending on the size of the deficit, earnings, and nonlabor income of the members of the household—push the household into income poverty as defined by the LIMTIP.

To contextualize the findings, we begin by noting that the vast majority of households in the city of Buenos Aires (about 80 percent, or 777,000 of household units) consisted of households in which the head, spouse, or both are employed (hereafter referred to as "employed households"). The remainder were households in which neither the head nor spouse (where present) was employed ("nonemployed households").[17] Three were 283,000 households in which both the head and spouse (i.e., husband and wife) were employed, or 29 percent of total households. We also refer to such households as "dual-earners" for convenience. Households with an employed head and nonemployed spouse constituted only 16 percent (or 156,000) of all households. Households with an employed head and no spouse (i.e., single employed head) were nearly one-third of all households (314,000 households). The final subgroup of employed households that we used in our schema was households with a nonemployed head and employed spouse (i.e., nonemployed husband and employed wife). Such households were a small fraction of the total number of households (about 3 percent, or 24,000 households).

As shown in table 3-3, the share of employed households in the officially poor population was 67 percent. Taking time deficits into account modified this picture substantially: Employed households made up 77 percent of households that were income-poor by the LIMTIP poverty line.

[17] The usage of the terms "employed" and "nonemployed" households are deployed purely for the sake of avoiding unnecessarily cumbersome sentences. As we already noted, there may be employed individuals (other than the head of household) in nonemployed households and, similarly, nonemployed individuals in employed households.

Table 3-3: Average income deficit (nominal values in pesos), number (in thousands), and composition (in percent) of income-poor households by employment status of household: Official versus LIMTIP

	Official			LIMTIP		
	Number	**Share**	**Deficit**	**Number**	**Share**	**Deficit**
All households	60	100.0	278	107	100.0	409
Employed household	41	67.4	279	82	76.5	439
Employed head of household, with employed spouse	8	12.8	249	25	23.7	453
Employed head of household, with nonemployed spouse	17	28.7	331	28	26.1	494
Employed head of household without spouse	12	20.7	202	23	21.6	352
Nonemployed head of household, with employed spouse	3	5.1	363	5	5.1	450
Neither head nor spouse employed	20	32.6	277	25	23.5	315
Addendum:						
Employed household with children under 18	37	60.6	314	74	69.1	484
Employed household with children under 6	14	22.6	388	30	28.0	507
Nonemployed household with children under 18	9	15.2	462	14	12.7	529

Note: "Employed household" is a household in which the head, spouse, or both are employed. "Nonemployed household" is a household in which neither the head nor spouse (if present) is employed.

Among the employed households, the subgroup that showed the **most striking increase in their share in the income-poor population when we account for the monetized value of time deficits were dual-earner households**. Their share among the employed-poor households doubled, as they became a third of all employed income-poor households, and their mean income deficit also showed a significant increase. This is not surprising, given that they would tend to have lower amounts of time available for allocating to the required amount of household production. Employed households with children turned out to be another subgroup that had a higher share of the income-poor population under LIMTIP compared to the official poverty line. **This is a reflection of both the higher time deficits that households with children are likely to incur when the adults in the household are employed (given the size and composition of such households) and the low incomes of many working parents.** In sum, accounting for time deficits in assessing poverty rendered the composition of the income-poor population more similar, in terms of the employment status of the head and/or spouse of the household, to the overall population.

The higher share of employed households in the LIMTIP income-poor population compared to the official income-poor population translated into a higher poverty rate for employed households (table 3-4). This finding underscores that **the effectiveness of employment in facilitating the avoidance of poverty appears to be considerably weaker when the**

monetized value of time deficits are taken into account. We would expect the gap in the poverty rate between employed and nonemployed households to shrink when time deficits are accounted for because time deficits are likely to be smaller for the latter group; however, the *size* of the shrinkage that we found in the data was quite remarkable. The official poverty rate of nonemployed households was 5.1 percentage points higher than the employed households, but with the LIMTIP poverty line, the gap between the employed and nonemployed dropped to 2.6 percentage points; however, it should be noted that the poverty rate of nonemployed households also increased when time deficits were taken into account because such households include employed[18] and nonemployed time-poor individuals.

Table 3-4: Poverty rates of households by employment status: Official vs. LIMTIP

	Official	LIMTIP
All households	6.2	11.1
Employed household	5.2	10.5
Employed head of household, with employed spouse	2.7	9.0
Employed head of household, with nonemployed spouse	11.1	18.0
Employed head of household without spouse	4.0	7.4
Nonemployed head of household, with employed spouse	12.6	22.5
Nonemployed household	10.3	13.1
Addendum:		
Employed household with children under 18	8.5	17.1
Employed household with children under 6	9.9	21.8
Nonemployed household with children under 18	14.4	21.3

Note: "Employed household" is a household in which the head, spouse, or both are employed. "Nonemployed household" is a household in which neither the head nor spouse (if present) is employed.

The highest incidence of income poverty in the three major subgroups of employed households was found among households with an employed head and a nonemployed spouse.[19] When time deficits were taken into account, the poverty rate of this group increased from 11 to 18 percent. We found a ranking reversal between the "dual-earner" households (both head and spouse employed) and households with a single (i.e., without spouse) employed head. The former group saw a tripling of their poverty rate when time deficits were taken into account (from 3 to 9 percent) whereas the latter group experienced a lower, though still considerable, increase (from 4 to 7 percent).

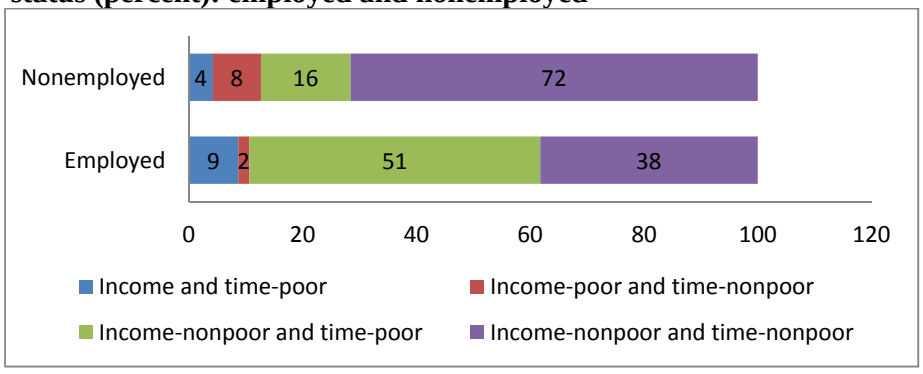
[18] As we noted above, households are classified as "nonemployed" based on the employment status of the head and spouse, which allows for the possibility that there may be other employed individuals in the household.
[19] We are ignoring here in our description the households with a nonemployed head and employed spouse because they constitute a relatively small fraction of the income-poor population.

The poverty rate of employed households with children was higher than that of employed households in general, according to the official measure. This is especially so among employed households with very young (under 6 years of age) children. **Accounting for time deficits worsens the poverty picture of employed households with children to a larger extent than that of all employed households**. As mentioned above, households with children are likely to incur higher time deficits because the threshold hours of household production are higher for them, for a given number of adults in the household. Another factor behind the higher increase in the poverty rate might be that a greater fraction of them have household incomes that were barely above the poverty line. In turn, the low household incomes are partly a reflection of the lower labor-market participation rates by household members (women, in particular) to meet the greater needs of household production in households with children.

3.2.2 The LIMTIP classification of employed households

We found a stark difference in the proportion of households with neither a time nor income deficit among the employed and nonemployed (figure 3-2). The employed had a much lower proportion than the nonemployed: 38 versus 72 percent. Almost all of the difference could be traced to the differential incidence of time poverty among the income-nonpoor according to employment status. As we have already noted (table 3-4), there was only a small difference in the income-poverty rate of the employed and nonemployed.

Figure 3-2: LIMTIP classification of households by income- and time-poverty status (percent): employed and nonemployed



Note: "Employed household" is a household in which the head, spouse, or both are employed.

The majority of employed households (60 percent) faced time deficits, and, not surprisingly, the incidence of time poverty was markedly lower among the nonemployed. We also found that the incidence of time deficits was higher among the income-poor than the income-nonpoor employed households (82 versus 57 percent). We think this finding reinforces the implications of our similar finding for all households (see section 3.1.2). Basically**, time deficits are an essential aspect of understanding the deprivations among the working poor, who face this type of vulnerability to a greater extent than the working nonpoor**.

The major subgroups that make up employed households show considerable diversity in terms of their LIMTIP classification (table 3-5). All subgroups had only a relatively small proportion (under 5 percent) of households in the income-poor and time-nonpoor category. The highest incidence of both time and income poverty (14 percent) was found among married-couple households where husband was the sole earner (employed head with nonemployed spouse), followed by the dual-earner households (9 percent), and the single heads (5 percent). Dual-earner couples were the most prone to be in the income-nonpoor, time-poor category (73 percent) and the least likely to face neither time nor income deficits (18 percent). In contrast, income-nonpoor households with only the husband as the earner were divided fairly evenly across the time-poor and time-nonpoor categories (approximately 41 percent each). The highest proportion of households with neither income nor time deficits was found among the single heads (55 percent).[20] Next in line were households with only the husband as the earner (41 percent); dual-earner households registered a far lower rate of only 18 percent.

[20] Employed single heads might include individuals living alone, as well as family households. See section 3.3.

Table 3-5: LIMTIP classification of employed households and incidence of time poverty among employed households (percent)

Group	LIMTIP classification				Time-poverty rate		
	Income and time-poor	Income-poor and time-nonpoor	Income-nonpoor and time-poor	Income-nonpoor and time-nonpoor	Income-poor	Income-nonpoor	All
Employed household	9	2	51	38	82	57	60
Employed head of household, with employed spouse	9	0	73	18	95	80	82
Employed head of household, with nonemployed spouse	14	4	42	41	80	51	56
Employed head of household without spouse	5	2	38	55	69	41	43

Note: "Employed household" is a household in which the head, spouse, or both are employed. We have excluded the relatively small subgroup of households with an employed spouse and nonemployed head from our analysis here.

We have also displayed the rate of time poverty for the subgroups of the employed households in table 3-5. The highest rate was found for dual-earner households (employed head of household, with employed spouse). Particularly notable is the case of income-poor dual earners among whom only a negligible proportion (5 percent) appeared to be capable of avoiding time poverty. There was a wide gap (almost 30 percentage points) in the time-poverty rate of income-poor and nonpoor households with only the husband as the earner (80 versus 51 percent). The lowest incidence of time poverty was among the nonpoor single heads (41 percent).

3.3 Households by Type of Household

3.3.1 Official versus LIMTIP income poverty

To contextualize the findings regarding households differentiated by type of household, we begin with a brief summary of household structure. Households with only one person or unrelated persons made up 236,000 units in Buenos Aires, or 24 percent of the total of 968,000 household units. The remainder consisted of family households, which we define as households with two or more persons where at least one person is related to the head of the household via blood, marriage, or adoption. The proportion of family households headed by a single person was 21 percent. Among them, we find 160,000 female-headed households of which 64,000 were living with children (around 7 percent of all households) and 44,000 single male-headed households of which 11,000 lived with children (about 1 percent of all

households). Married-couple households living with their children amounted to 25 percent of all households, while married couples without children amounted to 29 percent of all households. All in all, family households with children made up roughly 33 percent of all households.

Households that were officially income-poor consisted mostly of family households (table 3-6). The share of family households in income-poor households was 91 percent. We found that the addition of the hidden income-poor increased the proportion of family households in the LIMTIP income-poor category notably (by 4 percentage points). Among the family households,[21] the increase in the hidden income-poor was most notable for married couples with children; the percentage of such families in the income-poor households increased from 39 percent in the official definition to 48 percent in the LIMTIP definition. As before (section 3.2.1), this is a reflection of the higher time deficits that households with children are likely to incur. Indeed, for all household types and among both the official and the LIMTIP income-poor households, those **households with children bear greater income deficits than their childless counterparts** (table 3-6).

Table 3-6: Average deficit (nominal values in pesos), number (in thousands), and composition (in percent) of income-poor households by type of household: Official versus LIMTIP

	Official			LIMTIP		
	Number	**Share**	**Deficit**	**Number**	**Share**	**Deficit**
All households	60	100	278	107	100	409
Nonfamily households	5	9	176	5	5	172
Family households	55	91	288	102	95	422
Married couple	36	60	295	70	65	439
Single female head	15	26	263	26	24	361
Single male head	3	5	324	6	6	488
Family households with children under 18	37	61	356	71	67	508
Married couple	24	39	333	51	48	482
Single female head	11	18	271	17	16	375
Single male head	2	3	375	3	3	660

Note: Nonfamily households consist of one-person households and households with unrelated individuals.

[21] We divided family households into three groups based on the marital status and sex of the head of the household: married couple, single female, and single male. The husband in a married-couple households is usually designated as the head of the household in the AHS.

Similar to what we observed for all households, the LIMTIP income-poverty rate was much higher than the official income-poverty rate for all types of households shown in table 3-7.[22] Focusing on ***married couples*** and ***single female-headed households***—the types of households that constitute the vast majority of the income-poor—we found that the official income-poverty rate was 6.9 percent for married couples and 9.7 percent for single female-headed households; the LIMTIP income-poverty rates were much higher at 13.2 and 16.2 percent, respectively.

Table 3-7: Rates of income poverty of households by type of household: Official versus LIMTIP

	Official	LIMTIP
All households	6.2	11.1
Nonfamily households	2.2	2.3
Family households	7.5	13.9
Married couple	6.9	13.2
Single female head	9.7	16.2
Single male head	7.2	14.2
Family households with children under 18	11.6	22.6
Married couple	9.7	20.8
Single female head	17.2	27.0
Single male head	19.7	35.6

Note: Nonfamily households consist of one-person households and households with unrelated individuals.

The poverty situation was much bleaker for families with children under 18 years of age. **According to the LIMTIP measure of income poverty, 20.8 percent of married couples with children and 27 percent of single female-headed households with children were income-poor.** In contrast, the official poverty rates for these groups were lower by about 10 percentage points.

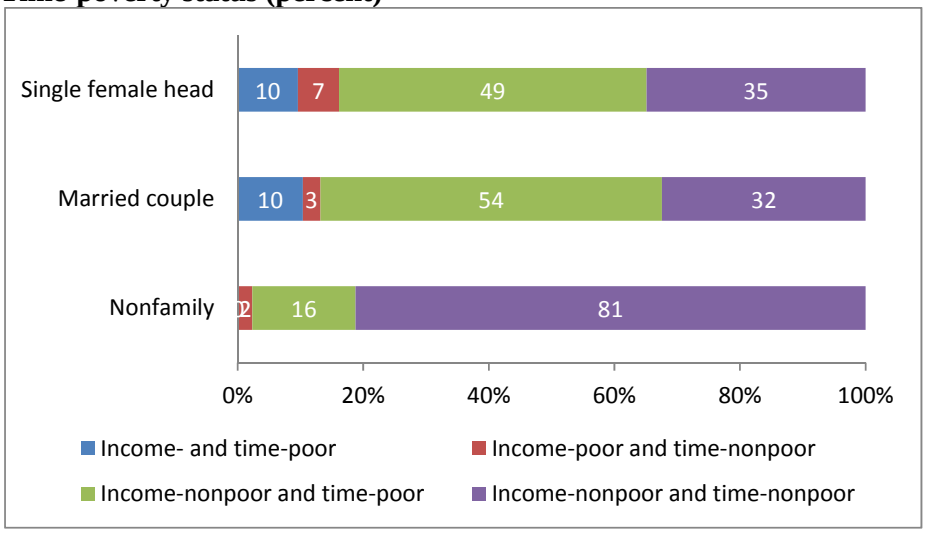
3.3.2 The LIMTIP classification of households

The proportion of households that faced the double burden of income and time poverty was similar across types of family households (about 10 percent). By contrast, only a negligible share of nonfamily households endured the double burden of income and time poverty (figure 3-1). Among married couples and single females with children, the incidence of the double

[22] We have shown the estimates for single male-headed households with children for the sake of completeness. As noted before, this group is a tiny proportion of all households (1 percent), hence the estimates presented here should be treated with caution.

burden was substantially higher (19 and 17 percent, respectively).[23] Naturally, within each type of family household, we expect the subgroup of those with children to display higher rates of poverty because of their higher threshold values of household production. The interesting questions pertain to the size of the difference, as well as the variations in the size of the difference across demographic groups. As we reported before, among all households, about 8 percent experienced the double burden (figure 3-1). We can now see that this is due to the moderating effect of the virtual nonexistence of the double burden among the nonfamily households and their relatively large size (nearly a quarter of all households, as we noted in the beginning of section 3.3.1). The largest chunk of family households fell in the category of time-poor and income-nonpoor: 54 percent for married couples and 49 percent for single females. And, among family households, the highest proportion of households with neither time nor income deficits was found among single females (35 percent), followed by married couples (31 percent). The great bulk of nonfamily households fell in this category (81 percent) and, coupled with their relatively large weight in the overall population, had the effect of raising the proportion of all households that belonged to this category (45 percent).

Figure 3-3: LIMTIP classification of households by income- and Time-poverty status (percent)



Note: "Married couple" and "single female" are family households: households with two or more persons who are related to each other by blood, marriage, or adoption. Other households are classified as "nonfamily" households.

[23] The number of observations available for single male-headed and nonfamily households with children was too small to generate reliable estimates.

Among all households, 52 percent experienced time deficits, as we noted before (see section 3.1.2). The incidence of time deficits was higher for married couples (roughly 65 percent). Single female-headed households had lower rates of time poverty than married couples (roughly 60 percent) (table 3-8).

Table 3-8: LIMTIP classification of family households and incidence of time poverty among family households (percent)

Group	LIMTIP classification				Time-poverty rate		
	Income and time-poor	Income-poor and time-nonpoor	Income-nonpoor and time-poor	Income-nonpoor and time-nonpoor	Income-poor	Income-nonpoor	All
Married couple	10	3	54	32	79	63	65
Single female head	10	7	49	35	59	58	59
Married couple with children	19	2	63	16	89	80	82
Single female head with children	17	10	52	21	63	72	69
Nonfamily household	0	2	16	81	5	17	17

Note: "Family households" are households with two or more persons who are related to each other by blood, marriage, or adoption. Other households are classified as "nonfamily" households.

Time-poverty rates were higher, as we would expect, for married couples with children than for all married couples. This difference was particularly large: married couples as a whole had a time-poverty rate of 65 percent, while it was 82 percent for the subgroup with children. A similar divergence could be observed within the single female-headed family households, too, between the group as a whole and the subgroup of those with children: the rate of time poverty among the latter was approximately 10 percentage points higher than among the former.

We had also found that (see section 3.1.2) the incidence of time deficits was higher among the income-poor than the income-nonpoor households (70 versus 49 percent). Similar gaps were also found for the subgroup of married-couple households (79 versus 63 percent). In the case of single-female households, both income-poor and income-nonpoor households appeared to have similar time-poverty incidences.

4. INCOME AND TIME POVERTY OF INDIVIDUALS

One concern that often arises with official income-poverty measures is the presumption of equal intrahousehold sharing among household members, and in particular between men and women. In this regard, income-poverty disaggregation by gender that goes a step beyond estimates of female-headed households is highly desirable. Nevertheless, we follow (for the lack of a better alternative) the standard practice of *defining* the income poverty of individuals based on household income, i.e., a person is considered as income-poor if they live in a household with household income below the poverty line.

From a gender point of view, intrahousehold inequality in the time spent on household production ought to be considered and counted. In our framework, the inequality in this domain is reflected in differences in the time that individuals in the household devote to meeting the minimum necessary amount of household production their household needs (i.e., the household's threshold hours of household production as determined by its size and composition) to reproduce itself as a unit. The extent of the burden of necessary household production that falls on the individual can be so heavy at times that it can make them time-poor even if they are not employed. In other words, the time available to the individual, even before taking into account their hours of employment, turns out to be negative.[24] Indeed, in our data such individuals made up roughly 20 percent of all time-poor individuals. We characterize this group as facing a *housework time bind*. Beyond the factors associated with household size and composition, this source of time poverty is the result of the intrahousehold division of labor that places much of the burden of household production on women. The latter is reflected in the starkly higher percentage of individuals with negative values of time available in the total number of female time-poor than in the male time-poor: 27 versus 8 percent.

For some employed individuals, the required hours of household production can be close to impossible to meet, given their hours of employment, after setting aside the time needed for personal care from the physically fixed number of hours (168 hours per week). The majority

[24] Obviously, we are not suggesting that this corresponds to any physical reality since no one can have negative amounts of time. Instead, the negative value of time available indicates the excess demand placed on the individual's time to devote to household production, which means in turn that she/he is not getting their minimum personal care time *M*; see section 1 of this paper and Zacharias (2011).

of time-poor individuals in our sample, in fact, turned out to be time-poor precisely due to this reason. We characterize this subgroup as facing the time bind only due to the level of their hours of employment or *employment time bind*. This group fits the description of the time-poor that is dominant in the literature. Finally, some individuals might end up facing both types of time bind (*double time bind*).

Accordingly, in our approach, the time-poverty rate of individuals can be usefully decomposed into the contributions made by three distinct types of time poverty: The incidence of time bind only in household production among the nonemployed (TP_h) and the incidence, respectively, of the double time bind (TP_{hl}) and employment time bind among the employed (TP_l). Denoting N as the total number of individuals, L as the total number of employed individuals, and U as the total number of nonemployed individuals, we can write the time-poverty rate (P^t) as:

$$P^t = \left[TP_h \left(\frac{U}{N}\right)\right] + \left[(TP_{hl} + TP_l)\frac{L}{N}\right] \quad (1)$$

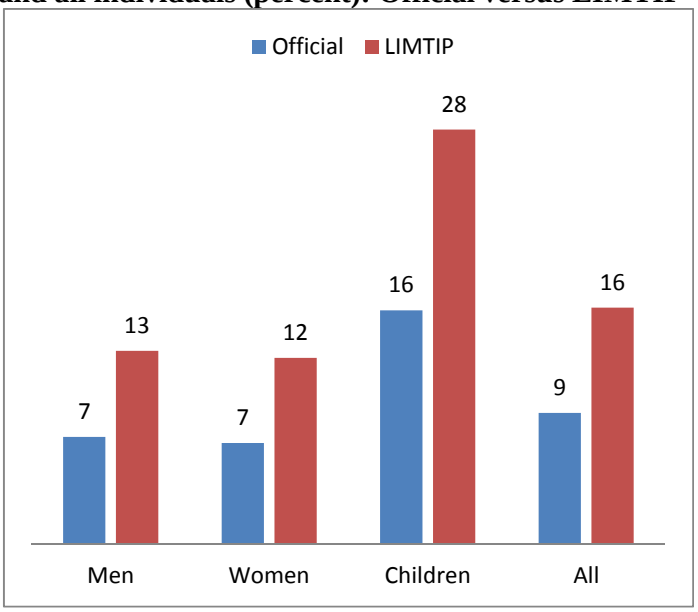
Irrespective of the type of time poverty that afflicts the individual, what matters (for income poverty) is the translation of this nonincome dimension—the time deficit—into a monetary value and its addition to the household's income-poverty line. In so far as intrahousehold inequalities in the time spent on household production lead to time deficits, they can potentially affect the income-poverty status of households and individuals in our framework.

4.1 All Individuals

4.1.1 Official versus LIMTIP income poverty

The difference between the income-poverty rate of all individuals and all households depends solely on the difference in the average household size between poor and all households. As shown in figure 4-1, the poverty rate for individuals (the bar labelled "all") was somewhat higher than the rate for households (6.2 and 11.1, respectively) because, on the average, poor households had more members than nonpoor households.

Figure 4-1: Poverty rate of men, women, children, and all individuals (percent): Official versus LIMTIP



To contextualize the findings, let us begin by noting that the total number of individuals in Buenos Aires was 2.58 million. The picture of poverty for individuals was starkly different between the official and LIMTIP income-poverty measure, consistent with our earlier-reported findings for households: 9 percent of all individuals were officially in income poverty, whereas the LIMTIP rate was 16 percent. The modified poverty threshold captured an additional 7 percent of the population, a total of 183,000 individuals, who due to household production time deficits were at a disadvantage. This disadvantage proves to be severe enough to place them below the LIMTIP poverty line (a poverty status that gets revealed should they attempt to make up for their lack of sufficient household production time through market purchases). The proportionate increase in the number of income-poor was as striking as we saw with the results for households: 81 percent.

The discrepancy between men and women in the income-poverty rate was almost nonexistent by either the official or LIMTIP measure. The higher poverty rate of children compared to that of adults is consistent with our earlier finding that families with children had a much higher poverty rate than all households (table 3-7).

The percentage of adult women in the total population was 43 percent in Buenos Aires. Our estimates showed that an additional 5 percent of women were income-poor once time deficits were taken into account. This amounts to roughly 63,000 additional income-poor women. Men, in turn, made up 36 percent of overall population. The poverty estimates for men were almost identical to those we obtained for women. We found that an additional 6 percentage points or 54,000 men were income-poor under the LIMTIP poverty line. As the proportion of women in the population is greater than men, the total number of poor women will be greater than poor men, even if both had the same poverty rate.

The income-poverty rate for children was 16 percent under the official definition and 28 percent under the LIMTIP definition. This represented an increase of 65,000 over officially income-poor children to a total of 150,000 children living in LIMTIP income-poor households.

Looking at the factors behind the proportion of hidden-poor individuals in the total population (the difference between LIMTIP and official poverty rate; see section 3.2.1), we found results similar to those for households (table 3-1). The percentage of individuals that live in households that were time-poor and officially income-nonpoor in the total adult population was 59 percent. The second factor in determining the hidden poverty rate is the number of individuals in hidden-poor households, expressed as a percentage of all individuals who live in time-poor households that are officially income-nonpoor. This proportion was 12 percent.

Table 4-1: Factors affecting the hidden poverty rate (LIMTIP minus official poverty rate): Men, women, children, and all individuals

Category	LIMTIP minus official poverty rate (percentage points)	Time-poor and officially income-nonpoor/All (percent)	Hidden poor/Time-poor and officially income-nonpoor (percent)
Men	6	58	10
Women	6	54	10
Children	12	70	17
All	7	59	12

Considering the factors behind the hidden poverty rate for men, women, and children showed that about 70 percent of all children lived in households that were time-poor and officially income-nonpoor. This was much higher than the similar percentage for women and men. We also found that 17 percent of children who lived in households that were time-poor and officially income-nonpoor actually belonged to the hidden poor (i.e., their household income was above the official poverty line but below the LIMTIP poverty line). Once again, this was a notably higher percentage than the percentage for men and women. **Since the time and income-poverty status of children is determined by the status of their household, the higher proportions reflect the higher average number of children in households in both groups relative to their reference group** (i.e., the group that was time-poor and officially income-nonpoor relative to all households, and hidden poor relative to households that were time-poor and officially income-nonpoor).

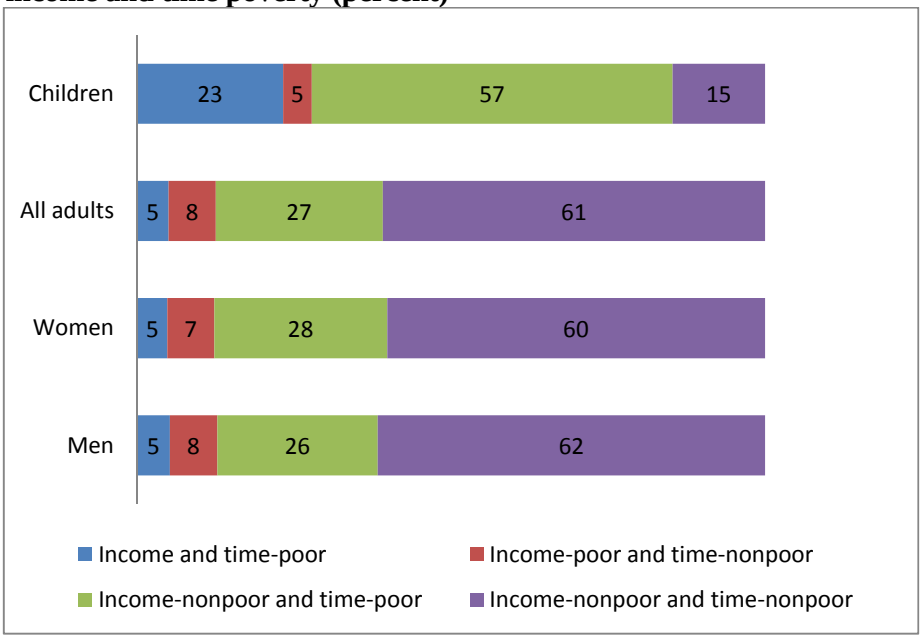
4.1.2 The LIMTIP classification of individuals

A snapshot of the distribution of the population into the four-way LIMTIP classification provides additional information regarding distinct vulnerabilities that individuals face. For men and women in the age group 18- to 74-years old, we classify them as time-poor or time-nonpoor depending on their own time-poverty status. Since we do not define time-poverty status for children, we classify them as time-poor or time-nonpoor depending on the time-poverty status of their household. As may be recalled, the household is considered to be time-poor if there is at least one time-poor adult. For all individuals, their income-poverty status is ascertained at the household level (i.e., if their household income is below the poverty threshold then they are considered to be poor).

As we discussed earlier (section 3.3.2), the incidence of the double burden of income and time poverty was notably higher among family households with children than households without children. We had also noted in the course of the same discussion, that the percentage of time-poor households as a whole was also considerably higher for households with children. The implications of that discussion for the distribution of children by the income- and time-poverty status of their households can now be seen clearly in figure 4-2. **The vast majority of children (80 percent) lived in time-poor households. Almost 84 percent of all income-poor children lived in time-poor households, and 80 percent of income-nonpoor children also lived in households that were time-poor**. We expect the time-poverty rates of households with children to be higher than those without children because they tend to have,

on the average, higher requirements of household production. **Yet, the magnitude of the problem, especially the rather high percentage of children living in households subject to both income and time poverty, warrants serious concern because of its potential effects on the intergenerational persistence of deprivation**.

Figure 4-2: Distribution of children and adults by LIMTIP classification of income and time poverty (percent)



Note: Children are defined as persons under 18 years of age. Their income- and time-poverty status is determined by the status of their household. The child is considered as income-poor if their household income is below the LIMTIP income-+poverty line and considered as time-poor if at least one adult in their household is time-poor. Adults are defined as individuals 18 to 74 years of age. The adult is considered as income-poor if their household income is below the LIMTIP income-poverty line and considered as time-poor if they are time-poor.

Turning now to the LIMTIP classification of adults, we begin with the group that is both income-poor and time-poor. This group consists mostly of the employed poor who are, in effect, overworked and cannot make ends meet. However, it also includes some nonemployed time-poor individuals, i.e., facing a "housework time bind" (see below). About 5 percent of both men and women suffered from the double burden of time and income poverty (figure 4-2).

The next group to consider is the income-poor and time-nonpoor group. The percentages of women and men who belonged to this category were, respectively, 7 and 8 percent. This group is quite heterogeneous in terms of their demographic characteristics. Some of them

may be facing the double burden of low income and joblessness. Some may have voluntarily or involuntarily withdrawn from the labor force due to a variety of reasons (childbirth, sickness, disability, etc.). It should also be noted that a substantial percentage of the individuals in this group (40 percent) were employed, but about 60 percent of them worked less than 25 hours per week. For these individuals, their lack of time deficits could be a reflection of low hours of employment, low required hours of household production (e.g., single-person households), or favorable intrahousehold division of the required hours of household production. With regard to the latter, it should be noted that about 30 percent of individuals in the group lived with a time-poor individual in their household, i.e., they lived in a time-poor household.

Another group of individuals that is of interest in its own right is the income-nonpoor but time-poor. Women had a slightly greater propensity to belong to this group than men (28 percent of women and 26 percent of men belonged to this group). Most of the individuals (over 90 percent) that belong to this group are employed and even though they face time deficits, their household income is sufficiently high to allow them to (notionally) reduce the time burden of household chores via market-based replacements. Lastly, it should be noted that the income-nonpoor and time-nonpoor segment of the population represented the majority of men and women (62 and 60 percent, respectively).

4.1.3 Time-poverty rates of men and women

Time-poverty rates for men and women by income-poverty status can be inferred from figure 4-2 itself. We have reported the estimates also in table 4-2 (column 5).

In income-poor households, men had slightly higher overall rates of time poverty than women (41 versus 39 percent), and these were **markedly higher than time-poverty rates in their income-nonpoor counterparts**. In income-nonpoor households, time-poverty rates were higher for women than for men (31 versus 29 percent), and this reversal was due mostly to the sharper drop in time-poverty rates for employed men between income-poor and nonpoor households. This could be an indication of the higher hourly labor earnings men in nonpoor households are able to get, which allow their households to escape from income poverty without forcing them into time poverty (although clearly other members of their households can be time-poor).

Table 4-2: Decomposition of time-poverty rate of men and women

Income-poverty status	Sex	Share in population (percent)		Time-poverty rate (percent)			Contribution (percentage point)	
		Nonemployed	Employed	Nonemployed	Employed	All	Nonemployed	Employed
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Poor	Men	33	67	5	58	41	2	39
	Women	50	50	16	62	39	8	31
Nonpoor	Men	18	82	4	35	29	1	28
	Women	38	62	9	45	31	4	28

Note: The estimates in columns (6) and (7) represent, respectively, the first and second terms in square brackets in equation (1). Some of the components may not add up to the total due to rounding.

Also, the time-poverty rate of employed women was considerably higher than that of employed men in both the income-poor and the income-nonpoor groups. However, in the income-poor group, the contribution of the employed to the overall time-poverty rate (column 7) was lower for women than men because the employment rate for women was lower than men by a substantial margin (column 2). If we had ignored the housework time bind in our measurement of time poverty, we would have concluded that income-poor women faced a lower probability of suffering from time deficits than income-poor men. Taking this type of time poverty into account altered the picture because a nontrivial proportion of income-poor women (16 percent, column 3) faced the housework time bind. **Being overworked, nonemployed, and poor becomes a triple bind for these women**. The contribution of the nonemployed to the time-poverty rate of income-poor women (column 6) brought their overall poverty rate in line with men.

For adults in income-nonpoor households, we found approximate gender parity in the contribution of the employed to the overall time-poverty rate. However, the parity in this respect was the result of two separate disparities. On the one hand, among the employed, women had *higher time-poverty rates* than men. On the other hand, women had *lower employment rates* than men in both the income categories (column 2). Numerically, these imbalances were sufficient to offset one another to bring about rough parity in the contribution of employed to the overall time-poverty rate. Women in the income-nonpoor group were also prone to the housework time bind, though to a much lesser extent than their income-poor counterparts. Incorporating this type of time poverty in our measurement pushed the time-poverty rate of income-nonpoor women slightly above that of income-poor men.

We can further decompose the overall time-poverty rate of employed adults into the *employment-only time bind* and *double time bind;* see the second term in square brackets in equation [1]. Our estimates show that the risks of facing a double time bind are decidedly different by sex and income-poverty status (table 4-3). Income-poor women faced the highest rate of the double time bind, 19 percent. Income-nonpoor women registered a substantially lower rate, at 6 percent. The percentage of men facing the double time bind was much lower within each income category.

Table 4-3: Decomposition of time poverty among the employed adults into "employment-only" and "double" time bind

Income-poverty status	Sex	Incidence		
		Employment-only Time Bind	Double Time Bind	Time Poverty
Poor	Employed Men	60	9	69
	Employed Women	51	23	74
Nonpoor	Employed Men	51	2	53
	Employed Women	58	10	68

4.2 Individuals by Employment Characteristics

4.2.1 Employed versus nonemployed

4.2.1.1 Official versus LIMTIP income poverty: The comparison of LIMTIP and official poverty rate for employed and nonemployed adults shows the same pattern we have already observed: accounting for time deficits increases measured poverty by a considerable margin (table 4-4). We had reported in section 3.2 that a striking point to emerge from the comparison of official and LIMTIP poverty rates was the smaller "employment advantage." That is, on the average, the amount (in percentage points) by which the income-poverty rate of employed households fell below that of nonemployed households appeared to be smaller when we reckon poverty using the LIMTIP rather than the official threshold (table 3-4). The reason behind this outcome is that **employed households constitute the majority of the hidden poor because most people with time deficits are employed individuals**. Thus, monetization of time deficits tends to have a greater effect on the poverty rate of the employed than of the nonemployed. A similar result could also be observed for the poverty rates of all adults: nonemployed adults had a much higher rate of income poverty (17 percent versus 12 percent) than employed adults (11 percent versus 5 percent) by either measure (LIMTIP income poverty / official income poverty), but the margin is somewhat smaller when we use the LIMTIP poverty line (table 4-4).

Table 4-4: Poverty rate by sex and employment status (percent): Official versus LIMTIP

		Official	LIMTIP
Nonemployed	Men	15	21
	Women	11	15
	All	12	17
Employed	Men	5	11
	Women	4	10
	All	5	11

The majority of adult men (81 percent) and women (62 percent) were employed. Our estimates of poverty rates showed that, among the employed, there was hardly any gender disparity in poverty rate by either measure (table 4-4). Among the employed men and women, the LIMTIP poverty rate was roughly *double* the official rate (11 versus 5 percent for men and 10 versus 4 percent for women). Among the nonemployed too, accounting for time deficits increased measured poverty by a considerable extent for both men and women. This suggests that either they as individuals faced a housework time bind or others in their household experienced time deficits. As we found earlier for all adults, the nonemployed of both sexes had higher poverty rates than the employed. In contrast to the employed, the poverty rates for men and women were different, with men registering higher poverty rates by either measure (21 versus 15 percent by the LIMTIP and 15 versus 11 percent by the official measure). A possible explanation is that a nonemployed man is less likely to be married: 57 percent of nonemployed income-poor (by either measure) men were single, while only 41 percent of nonemployed income-poor women were, so that nonemployed women were more likely to be married to a man that was earning enough to lift her household out of poverty. Given the gender difference in employment rates, it should not be surprising that, even with a lower poverty rate, the clear majority (63 percent) of the poor, nonemployed individuals were women (table 4-5, column 2).

The estimates reveal two striking implications of accounting for time deficits in the measurement of poverty. First, **employed persons constituted a greater proportion of the poor under the LIMTIP poverty line than the official poverty line**. The employed were 46 percent of the official income-poor and 58 percent of the LIMTIP income-poor (table 4-5, columns 1 and 2). **Income poverty thus appears to be not just a lack of employment alone; it is also equally a question of people working for below-subsistence wages**.

Therefore **in order to be successful, antipoverty policies will have to address both these roots of poverty**. Second, **women account for a larger share of the employed poor when time deficits are taken into account**. Our estimates showed that the proportionate increase in the number of poor (shown in the last column of the table) was the largest for employed women (142 percent). The share of employed women in the total number of the employed poor increased from 43 to 46 percent once time deficits were taken into account. Men constituted the majority of the employed poor; due to their higher employment rate, they were a large proportion of the employed. As we noted, the poverty rates for employed men and women were roughly identical.

Table 4-5: Number (in thousands) and composition of income-poor adults by employment status and sex

		Composition (percent)		Number		Hidden poor		
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Employment status	**Sex**	**Official poor**	**LIMTIP poor**	**Official poor**	**LIMTIP poor**	**Number**	**Share (percent)**	**Percent of official poor**
Nonemployed	Men	21	15	28	37	10	9	35%
	Women	33	26	45	64	19	18	44%
Employed	Men	26	32	35	77	42	38	118%
	Women	20	27	27	65	38	35	142%
All		**100**	**100**	**135**	**243**	**109**	**100**	**81%**

4.2.1.2 The LIMTIP classification of employed and nonemployed adults: Nearly three-quarters of all nonemployed men and women were neither time-poor nor income-poor (table 4-6). The bulk of the remaining nonemployed was in the income-poor, time-nonpoor category. As we would expect, only a relatively (relative, that is, to the employed) small proportion (12 percent) of the income-poor nonemployed individuals suffer from time poverty, and, as we have already shown (table 4-2), these are primarily women subject to the housework time bind. **The household production constraints are clearly stacked against women even when both genders are nonemployed**. A little over half of all employed adults did not encounter time or income deficits. This is a lower proportion than among the nonemployed. The difference can be explained by the fact that the employed have a much higher time-poverty rate. A lower share of employed women than employed men were in the category with no deficits (58 versus 49 percent) because of their higher time-poverty rate.

The incidence of the double burden of income and time poverty was almost the same among men and women (6 percent).

Table 4-6: Distribution of adults by LIMTIP classification of income and time poverty according to employment status and sex (percent)

Employment status	Sex	Income- and time-poor	Income-poor and time-nonpoor	Income-nonpoor and time-poor	Income-nonpoor and time-nonpoor	Total
Nonemployed	Men	1	20	3	76	100
	Women	2	13	8	77	100
All nonemployed		*2*	*15*	*7*	*76*	*100*
Employed	Men	6	5	31	58	100
	Women	6	4	40	49	100
All employed		*6*	*4*	*35*	*54*	*100*

4.2.2 Employed persons by earnings quintile

4.2.2.1 Official versus LIMTIP income poverty: The increase in measured poverty that occurs when time deficits are accounted for naturally implies that individuals from relatively higher (relative, that is, to the official poverty line) rungs of the income distribution are considered as poor under the LIMTIP definition. Since earnings are the principal source of household income for the vast majority of employed households, particularly for income-poor households, the income-poverty status of the household is largely a function of its earnings. For the employed population, low earnings and income poverty generally go hand in hand. When the monetized value of time deficits is added to the poverty line, some people with time deficits at higher rungs of earnings are reclassified as income-poor. As a result, poor people are spread across a larger portion of the earnings distribution: The proportion of poor people on the lower rungs of the earnings distribution declines and the proportion of those on the higher rungs increases relative to their proportions in the official income-poor population. The extent of the difference would, obviously, depend on how many additional people, relative to the official-poor population, enter the ranks of the income-poor using the LIMTIP definition, i.e., it depends on the size of the hidden poor, expressed as a percentage of the official poor.

The estimates reported in table 4-7 confirm our expectations. Reading across the row labeled "all official" in the table shows that roughly 90 percent of the employed, officially income-poor are drawn from the first two quintiles (i.e., the bottom 40 percent) of the earnings distribution.[25] But while 83 percent of all women in the employed-poor group are in the bottom quintile, only 53 percent of men are. Accounting for time deficits in poverty assessment (i.e., using the LIMTIP poverty line) lowers the share of the employed poor in the bottom 40 percent of the distribution considerably, as they now constitute 74 percent. As a corollary, **a substantial share of the LIMTIP income-poor consists of persons with "middle-class" wages, i.e., persons from the third (middle) quintile of the earnings distribution**.

Table 4-7: Distribution of income-poor employed adults (18 to 74 years) by earnings quintile (percent)

Poverty line		Earnings quintile					Total
		Lowest	Second	Third	Fourth	Highest	
All	Official	66	23	10	1	0	100
	LIMTIP	46	28	21	4	0	100
Men	Official	53	31	15	1	0	100
	LIMTIP	35	32	26	7	0	100
Women	Official	83	13	4	0	0	100
	LIMTIP	60	24	15	1	0	100

Note: Quintiles of monthly earnings computed for all employed individuals with nonnegative earnings in the samples (i.e., households with at least one adult, 18–74 years).

Detailed information on the gender composition of the poor and gender differentials in poverty rates by earnings quintile are shown in table 4-8. We have also reported in the table the proportion of men and women by earnings quintile in the total number of employed persons.

Table 4-8 shows that the LIMTIP adjustment renders the poverty picture among low-wage workers bleaker. For men and women in the lowest quintile, the official poverty rate was, respectively, 25 and 15 percent, compared to the LIMTIP poverty rate of 36 and 26 percent. Large increases in the poverty rate were also found in the second quintile. The official poverty rate for men and women was, respectively, 10 and 2 percent, as against 22 and 11 percent under the LIMTIP poverty line. We noted above that about 21 percent of the LIMTIP

[25] We must consider this in light of the well-known inequality in earnings: the share of the bottom 40 percent of earners in aggregate earnings was 12 percent.

poor were persons with middle-class wages, i.e., from the third quintile, as compared to only 10 percent of the official poor. What lies behind this change is **the dramatic increase in the poverty rate of men and women in the third quintile when time deficits are accounted for**—from 3 to 11 percent for men, and from 1 to 7 percent for women. **The single largest group of employed poor was women in the bottom of the earnings distribution. They accounted for 36 percent of the official poor and 27 percent of the LIMTIP poor**. **It is a result of the gender disparity in earnings**—already noted in section 2.2—**that women are disproportionately represented in the bottom quintile**. Therefore, even though men have a higher poverty rate in the bottom quintile, in terms of absolute numbers, there are more poor women than poor men in the bottom earnings quintile. The position for the second-largest group is almost a tie between men from the bottom two quintiles (roughly 19 percent).

Table 4-8: Poverty rate and composition of the employed poor by earnings quintile and sex

	Percent of employed	Poverty rate (percent)		Percent of the poor	
		Official	LIMTIP	Official	LIMTIP
Lowest-Men	6	25	36	30	19
Lowest-Women	11	15	26	36	27
Second-Men	8	10	22	18	18
Second-Women	10	2	11	5	11
Third-Men	13	3	11	8	14
Third-Women	10	1	7	2	7
Fourth-Men	13	0	3	1	4
Fourth-Women	9	0	1	0	1
Highest-Men	14	0	0		
Highest -Women	7	0	0		

The evidence presented in table 4-8 shows that employed men had higher poverty rates than employed women in every earnings quintile with poor workers. This can be reconciled with our earlier finding (table 4-4) that as a whole employed men and women had practically similar poverty rates once we take into account the gender disparities in earnings. As can be seen in table 4-8, the highest earnings quintile had no poor workers, but it contained double the proportion of men than women. A similarly skewed pattern favoring men can also be seen in the fourth quintile. In contrast, the number of men in the bottom quintile was just a little over half of the number of women in the same quintile. Arithmetically, the higher representation of men on the higher rungs of the earnings distribution happened to be offset

by their higher poverty rates in the lower quintiles and the opposite was the case with women. Thus, **the rough gender parity in poverty rates among the employed is partly a reflection of the gender divide in earnings rather than an indication of its absence**.

4.2.2.2 The LIMTIP classification of employed by earnings quintile: The results reported in table 4-9 (lowest, second, third, fourth, and highest quintile totals) indicate that the incidence of the double burden—the percentage of people that are time- and income-poor—falls as we move from the bottom to the higher quintiles of the earnings distribution. This is a reflection of the earlier relationship that we saw, namely the inverse relationship between the incidence of income poverty and earnings. Notably, the decline between the bottom and second quintile is rather small, suggesting that the vulnerability to the double burden is the same, on the average, for the lower 40 percent of the earnings distribution. A large reduction in the incidence can be observed as we move to the third quintile, it becomes negligible in the fourth quintile, and is virtually nonexistent in the top quintile.

The percentage of people who are income-poor but time-nonpoor is also higher in the lower quintiles than in the higher quintiles. Again, this is to be expected given that those on the higher rungs of the earnings distribution are less prone to income poverty. But, in this case (unlike the incidence of double burden), the decline in the incidence is quite sharp between the first and second quintiles, becomes small in the third quintile, and is almost absent in the top 40 percent.

We found that the percentage of people with time deficits and without income deficits rises as we move from the lower to the higher quintiles. This is partly a reflection of the fact that income poverty declines as we move up the earnings distribution. The jump is fairly large as we move from the first to the second quintile, but less so between second and third quintile. The top quintile had a higher percentage of people with no income deficits and time deficits than the middle quintile—a reflection of the lower time-poverty rate of the latter group. Also, there was almost no change between the third and fourth quintiles in the relative frequency of people with time deficits and without income deficits.

The percentage of people with neither income nor time deficits remains pretty stable across earnings quintiles compared to the percentage of the other three LIMTIP groups.

Table 4-9: LIMTIP classification of employed persons by earnings quintile and sex

	Income and time-poor	Income-poor and time-nonpoor	Income-nonpoor and time-poor	Income-nonpoor and time-nonpoor	Total
Lowest	**13**	**17**	**17**	**54**	**100**
Men	12	23	9	56	100
Women	13	13	21	53	100
Second	**11**	**5**	**32**	**52**	**100**
Men	15	8	22	56	100
Women	8	3	41	48	100
Third	**7**	**2**	**38**	**52**	**100**
Men	8	3	31	58	100
Women	6	1	47	46	100
Fourth	**2**	**0**	**39**	**58**	**100**
Men	3	1	34	63	100
Women	0	0	52	47	100
Highest	**0**	**0**	**46**	**53**	**100**
Men	0	0	43	56	100
Women	0	0	52	47	100

We have already seen that the incidence of the double burden of income and time poverty was identical (6 percent each) for employed men and women (table 4-6). The estimates reported in table 4-9 show that the incidence of the double burden was twice as high among women and men in the lowest quintile of earnings. In turn, table 4-10 shows that the lowest quintile accounted for 33 percent of all the employed in the double burden. But since there were far more employed women than employed men in the lowest earnings quintile, roughly half of employed women facing the double burden are in the lowest earnings quintile (table 4-10). Men in the second quintile (15 percent) faced a much higher incidence than their female counterparts (8 percent). Men and women in the second quintile together accounted for 33 percent of those facing the double burden, but the proportion of men (37 percent) was substantially higher than that of women (29 percent). Men also faced a slightly higher incidence of the double burden in the third quintile and were 33 percent of men facing the double burden. In all, the third quintile accounted for 27 percent of those in double burden. The remainder (6 percent) facing a double burden was drawn almost exclusively from men in the fourth quintile. It is striking that **roughly a third of those in the double burden have earnings that place them squarely in the "middle class."** The evidence also points to the fact that men would benefit as much as women from policies designed to alleviate the double burden.

Table 4-10: Composition of employed persons by LIMTIP classification, earnings quintile, and sex

	Income and time-poor	Income-poor and time-nonpoor	Income-nonpoor and time-poor	Income-nonpoor and time-nonpoor
Lowest	**33**	**65**	**8**	**17**
Men	20	54	3	10
Women	48	79	12	25
Second	**33**	**22**	**17**	**18**
Men	37	26	11	15
Women	29	15	22	21
Third	**27**	**11**	**25**	**23**
Men	33	16	24	24
Women	21	5	26	21
Fourth	**6**	**2**	**24**	**23**
Men	10	3	26	26
Women	2	0	22	19
Highest	**0**	**0**	**27**	**20**
Men	0	0	36	25
Women	0	0	18	14
All	**100**	**100**	**100**	**100**
Men	100	100	100	100
Women	100	100	100	100

Recall from table 4-6 that there was rough gender parity in the proportion of employed men and women who were income-poor and time-nonpoor (about 5 percent for each). However, the proportion was far higher among the lowest quintile, at 23 percent for men and 13 percent for women (table 4-9). This is not surprising given the correlation that we have already seen between low wages and higher poverty, but, given the large disparity in the number of men and women in the lowest quintile, 79 percent of women who were income-poor and time-nonpoor were in that quintile. Together, men and women in the lowest quintile made up nearly two-thirds (65 percent) of all income-poor and time-nonpoor employed people (table 4-10). The proportion of people in the second quintile who were income-poor and time-nonpoor was exactly the same as the proportion among all employed (5 percent). However, the incidence was higher among men in the second quintile than women (8 versus 3 percent), as a quarter of employed men who were income-poor and time-nonpoor belonged to that quintile. The second quintile accounted for 22 percent of all employed income-poor and time-nonpoor people. The remainder (13 percent) of income-poor and time-nonpoor people was mainly men from the third quintile.

Some salient points emerge from our description of the relationships between earnings distribution, time poverty, and gender disparities. **Women workers were overrepresented in the group that perhaps may be described as the worst-off according to our measure: income-poor, time-poor, and belonging to the bottom of the earnings distribution**. **Gender disparities in earnings thus accentuate the income and time deprivations faced by women workers**.

Irrespective of their earnings quintile, however, the incidence of the double burden was even across women and men employed. To us, this suggests that **public action to alleviate the burdens of time and income poverty can and should be based on alliances that cut across the gender line**. We also found that a substantial share of workers facing the double burden actually earned "middle class" wages; i.e., they belonged to the third quintile of the distribution of earnings. Hence, **public action seeking to roll back the double burden can and should be built on solidarity between low-wage and middle-wage workers**.

4.2.3 Employed persons by type of employment

We now turn to examining how poverty of employed persons varies according to their type of employment. We use a three-way classification of the employed: own-account workers, formal (registered) wage workers, and informal (non-registered) wage workers. As developed in section 2.2, informal wage work is a salient feature of the Argentinean labor market, and the main force behind overall wage inequality and gender wage gaps.

This is also the case for the city of Buenos Aires, though informality is less prevalent than in the country as whole. Table 4-11 shows the distribution of employed people by employment status and relative median earnings by employment status.

Table 4-11: Employment and relative median earnings by type of employment and sex

	Employment		Relative median earnings
	Number ('000)	Share	
Own-account	**338**	**25**	**1.00**
Men	207	15	1.20
Women	131	10	0.75
Formal wage workers	**779**	**58**	**1.04**
Men	412	30	1.20
Women	366	27	1.00
Informal wage workers	**225**	**17**	**0.50**
Men	95	7	0.60
Women	129	10	0.40
All	**1,352**	**100**	**1.00**
Men	717	53	1.06
Women	635	47	0.80

Note: Relative median earnings for a group is the ratio of the group's median monthly earnings to the median monthly earnings of all employed persons.

Own-account or self-employed workers make up about 25 percent of all those employed. In turn, 75 percent are wage workers, with formal wage work being the most prevalent type of employment. Roughly the same percentage of men and women are engaged in formal wage employment (30 percent and 27 percent, respectively). The gender disparity in the type of employment is clear in the shares of men and women in self-employment (29 percent for men versus 21 percent for women) and informal work (13 percent for men versus 20 percent for women). Notably, the median female own-account worker earned 25 percent less than the median worker while the median male own-account worker earned 20 percent more than the median worker. Both the median male and female informal wage worker earned far less than the median worker, though the wage gap was lower for men than for women (40 versus 60 percent). Thus, the gender pay disparity within each type of employment and the greater incidence of (low-wage) informal worker status among women contributed to the situation in which the median female worker earned only 75 percent as much as the median male worker.

Table 4-12: Official and LIMTIP poverty by type of employment and sex

	Official income-poor		LIMTIP income-poor					
			Income-poor		Income-poor and time-poor		Income-poor and time-nonpoor	
	Number ('000)	Percent	Number ('000)	Percent	Number ('000)	Percent	Number ('000)	Percent
Own-account	**17**	**5**	**39**	**12**	**25**	**7**	**14**	**4**
Men	11	5	23	11	13	6	10	5
Women	6	5	16	12	12	9	4	3
Formal wage workers	**20**	**3**	**56**	**7**	**39**	**5**	**17**	**2**
Men	13	3	33	8	22	5	11	3
Women	7	2	22	6	17	5	6	2
Informal wage workers	**25**	**11**	**46**	**20**	**20**	**9**	**25**	**11**
Men	11	12	20	21	9	10	11	12
Women	13	10	26	20	11	9	14	11
All	**62**	**5**	**142**	**11**	**85**	**6**	**57**	**4**
Men	35	5	77	11	45	6	32	5
Women	27	4	65	10	40	6	25	4

Note: "Percent" refers to percent of the relevant population, i.e., poverty rate.

According to the official and LIMTIP measure, informal wage workers were the most poverty prone (table 4-12). This is not surprising given that the median informal wage worker's earnings were only 50 percent of the median worker. The LIMTIP poverty rate for informal wage workers, just as for all employed, was approximately double the official rate, with 20 percent of all informal wage workers being LIMTIP income-poor. Own-account workers have a substantially lower rate of poverty than informal wage workers according to both official and LIMTIP measures. Officially, only 5 percent of all own-account workers were in income poverty, but accounting for time deficits increases that proportion by more than twice as much to 12 percent. The lowest official and LIMTIP poverty rates were found among formal wage workers (3 and 7 percent, respectively). Formal wage workers were also the group with the highest relative earnings, suggesting that **the poverty rates of persons in the three types of employment were inversely related to their relative earnings**.

The differences in the magnitude of the hidden poverty rate (i.e., the difference between the LIMTIP and official rate) relative to the official poverty rate among persons in the three types of employment we considered here imply that the composition of the LIMTIP poor by type of employment would look different than the official picture. In fact, as implied by the number of income-poor people reported in table 4-12, formal wage workers constituted a larger share

of the LIMTIP poor than the official poor (39 versus 32 percent). **The proportionately larger increase in the poverty rate of formal wage workers resonates well with our earlier finding that when time deficits are accounted for, people from the higher rungs of the earnings distribution fall into the ranks of the income-poor** (see table 4-8). We also found that the share of self-employed in the total number of employed poor was the same under both official and LIMTIP measures (28 percent), while the share of informal wage workers was lower under the LIMTIP measure (32 versus 40 percent). In sum, **the largest single group among the LIMTIP income-poor population was formal wage workers, while among the official income-poor the largest single group was informal wage workers**. However, **among employed-poor women, informal wage workers still were the largest single group, closely followed by formal wage workers**. This is primarily a reflection of the starkly higher LIMTIP income-poverty rate of informal female wage workers compared to formal female wage workers (20 versus 6 percent). While a similar differential in the poverty rate existed for men, too, this was offset by the small share of male workers in the informal wage worker category (13 percent), and the largest portion of poor male workers turned out to be in the formal wage worker category.

5. FULL-TIME EMPLOYMENT AND POVERTY

As we argued in section 2.1, the economic and political regime that unfolded in Argentina in the aftermath of the 2002 crisis can be best characterized as an attempt at promoting *social inclusion through employment*. This model was indeed a success story on its own terms, at least up to 2008; yet our findings indicate that taking time deficits into account in the measurement of poverty casts some shadows on the idea of employment being a sufficient condition for escaping from poverty, given the fact that over 80 percent of LIMTIP income-poor households were employed households (table 3-3), and that roughly 60 percent of LIMTIP poor adults were employed individuals (table 4-5).

This is not to deny that employment can offer a way out of income poverty for a substantial number of individuals and households. Among income-poor employed households, a sizeable number of households may escape poverty if employment opportunities were to be available to all employable individuals in those households. Similarly, among many income-poor nonemployed households, the employment of the head, the spouse, or both could put an end

to income poverty. We have also noted previously that the income-poverty rate of nonemployed individuals exceeds that of employed individuals by a notable margin (see table 4-4), suggesting that employment might offer better protection from income poverty than no employment.

The purpose of section 5 is to **address the potential of employment for reducing income poverty**, in line with the expectations that the Argentinean government held at the time the BA-TUS data was collected. We attempt to grapple with this rather complicated question via a microsimulation exercise; see appendix B in Zacharias, Antonopoulos, and Masterson (2012). In this microsimulation exercise, we model a hypothetical scenario in which all *employable adults* are employed full time, i.e., spending 25 hours or more per week in paid work.[26] The simulation leaves unchanged the hours of employment and earnings of those who are already employed full-time. For employable adults ("recipients") we assign jobs and earnings that are in line with their labor market and demographic characteristics. In doing so, the microsimulation tends to replicate the actual industry-occupation employment structure—in particular, existing gender segregation—and the actual distribution of labor earnings, where gender wage gaps are, as we have already noted, pervasive.

Of course we know that close to full employment, the employment structure and the distribution of earnings tend to change (even though knowing when changes kick off, their pace, and their direction is quite difficult to grasp, let alone model *ex ante*). Therefore, the microsimulation is an approximation of the effect of hours employed on earnings and household production shares, keeping all other labor-market features unchanged. It should be noted that the microsimulation does not mimic a "universal" public employment program. Rather, it is an aggregation of the impact on each household of each adult member in that household being employed full-time in a job they are likely to acquire given actual labor-market conditions in 2005. The analysis of the simulation is thus an assessment of the sum of the individual impact on households' (official and LIMTIP) poverty status of such a labor-market transition.

[26] Employable adults are defined as all individuals between the ages of 18 and 74 who are: (a) not disabled, retired, in school, or in the military; and (b) not employed or working part-time (less than 25 hours per week).

The additional earnings of the newly employed increase their household income, relative to what is observed in the data. We assume that the intrahousehold division of domestic labor may change in households with newly employed individuals ("recipient households").

Accordingly, the microsimulation also reassigns the household production responsibilities to individuals in recipient households that were observed for individuals most similar to them in households where all employable adults were actually employed full-time. Since the threshold hours of household production for the household do not change as a result of the simulation, what is involved here is the change in the shares into which the threshold hours are divided among the members of the household. As a result, people who were actually working full-time in recipient households may end up with time deficits, given the new pattern of the intrahousehold division of labor. The newly employed individuals in recipient households may also be found to have time deficits as a result of their new pattern of time allocation to employment and housework.[27] It is indeed possible that the additional earnings may turn out to be insufficient for offsetting the monetized value of additional time deficits for some income-poor recipient households. Such households would be LIMTIP income-poor even with full-time employment. Additionally, some recipient households may remain income-poor because even with full-time employment of all employable adults, their household income still falls below the official income-poverty line. On the other hand, for some income-poor recipient households, full-time employment would unambiguously pave the way out of income poverty.

The simulation exercise allows us to form (admittedly rough) quantitative ideas about the potential and sometimes contradictory effects of full-time employment on time and income poverty. Broadly speaking, **our results suggest that gender inequalities in earnings and the intrahousehold division of labor play a central role in explaining the likely outcomes of a full-time employment scenario in terms of income and time poverty**.

[27] As an example, consider the case of a recipient household that consists of a married couple, with the husband actually working full-time and the wife assigned a full-time job in our simulation. Our simulation would, in all likelihood, change the division of domestic labor in this household to resemble the pattern observed in a household (most similar to the recipient household in a statistical sense) where the husband and wife actually worked full-time. This may increase the hours of household production assigned to the husband in the recipient household which, in turn, can put him at risk of time poverty. The newly employed wife in the recipient household may also incur a time deficit because the full-time hours of employment exceed the time available to her after setting aside the time for the required amount of household production and personal care.

5.1 Characteristics of Employable Adults

Some key demographic and labor-market characteristics of individuals who were assigned full-time employment in our simulation proved to have a significant impact on the time and income poverty of individuals and households (tables 5-1 and 5-2).

As expected, the employable pool was mostly female (approximately 70 percent), while the majority of those actually employed full-time was male (58 percent). As we have seen, employed women are more prone to the incidence of the double burden of income and time poverty than nonemployed women (particularly in the lowest income quintile), and women earn less than men. Thus, we are, in our simulation, assigning full-time employment status to a group that is more prone to the travails of income and time poverty. Of course, the higher share of women in the employable pool is a reflection of their lower rates of employment, a point that we have already noted several times before (see, e.g., the discussion in section 4.1.3 surrounding table 4-2). Further, the majority of employable women were mothers living with children under 18 years of age (61 percent). As we have seen before, households with children are more vulnerable than households without children to income and time poverty (see sections 3.3.1 and 3.3.2).

Table 5-1: Selected demographic characteristics of current full-time (FT) workers and employable adults

	Current FT	Employable
Total ('000)	988	409
A. Sex		
Men (percent of total)	58	23
Women (percent of total)	42	77
B. Sex and parental status		
Fathers (percent of men)	51	32
Mothers (percent of women)	49	61
C. Sex and age		
Percent of men:	*100*	*100*
Less than 34 years	32	31
35 to 54 years	45	29
54 years and older	23	40
Percent of women	*100*	*100*
Less than 34 years	32	23
35 to 54 years	49	40
55 years and older	20	37
D. Sex and education		
Percent of men:	*100*	*100*
High school or less	51	69
Some college or college degree	49	31
Percent of women	*100*	*100*
High school or less	41	68
Some college or college degree	59	32

The employable pool was at a disadvantage with respect to two key characteristics that are known to affect potential earnings positively: being in prime working age (35 to 54 years), and college education. The share of the prime-age group is notably lower in the employable pool than current full-time workers. Employable adults also had a markedly lower level of education than the workers who were actually employed full-time, namely, a much higher percentage of the latter group had only attended or graduated from college—the inheritance of a labor market that had functioned with high levels of unemployment for a long time. It should be noted that, in line with our microsimulation exercise, the new macroeocnomic regime that emerged after the crisis demanded these workers more than proportionally (particularly men) in the years after 2005 (Novick, Lengyel, and Sarabia 2009).

As indicated above, the microsimulation exercise replicates the most unfavorable patterns of current labor markets (table 5-2).[28] Men who get full-time employment are relatively more informal than the existing full-time pool of workers—less than half of them get a simulated formal position, as compared to the 59 percent of men who are employed in a full-time protected job in the current situation. A third of the newly employed men get earnings in the bottom two quintiles, and approximately other third gets earnings in the third quintile, in contrast to a distribution of current earnings which is skewed to the top earnings among men who are currently employed full-time.

Table 5-2: Selected labor-market characteristics of current full-time (FT) workers and recipient adults

	Current FT	Recipient adults
A. Sex and employment type		
Percent of men:	*100*	*100*
Own-account	31	34
Wage worker	69	66
Informal wage worker	11	18
Formal wage worker	59	48
Percent of women	*100*	*100*
Own-account	20	21
Wage worker	79	79
Informal wage worker	15	28
Formal wage worker	64	51
B. Sex and earnings		
Men	*100*	*100*
Bottom	10	12
Second	11	16
Third	26	31
Fourth	23	19
Top	31	22
Women	*100*	*100*
Bottom	20	25
Second	16	26
Third	24	26
Fourth	19	14
Top	20	10

[28] The microsimulation assigns hours of employment and earnings for each previously nonemployed or underemployed individual using an imputation procedure that matches the individual to an actual full-time worker who "resembles" them most in a statistical sense in terms of demographic characteristics such as sex, educational attainment, household type, etc.

The situation is worse for the newly employed women, who, as we said before, constitute the bulk of the newly employed in our full-time simulation. Only half of them are assigned formal wage positions, and the majority of them get lower-paying jobs: half of all women get earnings that are in the bottom two quintiles of the earnings distribution, and another quarter of them get earnings that belong to the third quintile. Given such employment and earnings structure, it remains to be seen whether the newly employed individuals' additional earnings would be sufficient for a substantial number of households to escape from poverty.

5.2 The Effects of Full-time Employment on the Income and Time Poverty of Households

5.2.1 Official versus LIMTIP income poverty

Our simulations showed that full-time employment can achieve spectacular reductions in income poverty even without altering the current structure of earnings (table 5-3)**. It appears that official income poverty would almost vanish if every employable poor adult were to work full-time. The incidence of income poverty as measured by the LIMTIP also falls dramatically.** Job creation means poverty reduction, irrespective of whether we use the official or LIMTIP poverty line as the yardstick**.**

Table 5-3: Actual and simulated income-poverty rates of households (percent)

	Actual	**Simulation**
Official income-poor	6	1
LIMTIP income-poor	11	6
LIMTIP minus official (hidden poor)	5	5
Addendum: Decomposition of the hidden poverty rate:		
Time-poor and officially income-nonpoor / all (percent)	49	63
Hidden poor / time-poor and officially income-nonpoor (percent)	10	8

Yet, it is striking that, even under the simulated scenario of all employable adults working full-time, the LIMTIP poverty rate was as high as the actual (i.e., pre-simulation) official poverty rate. The official poverty rate was only 1 percent with full-time employment, but the bulk of the LIMTIP income-poor (5 percent of all households) consisted of the hidden poor.

This suggests that monitoring the incidence of poverty via official measures becomes even more biased when we attempt to evaluate the poverty-inducing impact of job creation. The decomposition of the hidden poverty rate shown in the addendum to table 5-3 indicates that full employment was accompanied by a sizeable increase in the percentage of

time-poor, officially income-nonpoor households (see section 3.1.1 for a discussion of the decomposition). This was sufficiently large enough to offset the decline in the percentage of households with income below the LIMTIP poverty line in the total number of time-poor, officially income-nonpoor households. As a result, the hidden poverty rate remained stable.

5.2.2 The hard-core poor households

According to table 5-4, which displays a transition matrix with the actual status shown along the rows and the simulated status shown along the columns, the reduction in poverty incidence in the full-time scenario is fully explained by households that escape from income poverty, given their additional (full-employment) earnings.

Table 5-4: Changes in the income-poverty status of households from actual to full-employment simulation

Actual	Simulation		All
	Nonpoor	Poor	
Nonpoor	100	0	100
Poor	46	54	100

Reading along the row labeled “poor,” we can see that full employment eradicated income poverty for a little less than half of all income-poor households (46 percent). However, more than one-half still remained in income poverty. We call the population whose income poverty is impervious to full employment the “hard-core poor.” In absolute numbers, there were approximately 60,000 hard-core poor households in Buenos Aires.

By construction, the presence of hard-core poor households is accounted for by the fact that the earnings of adults in the household assigned full-time employment turned out to be insufficient to close the income deficit (the difference between the poverty line and household income). The changes in the time and income deficits of the hard-core income-poor, when contrasted with the deficits of the “other” income-poor (i.e., the income-poor that made the transition to income-nonpoor status as a result of full-time work) reveals this mechanism clearly.

What prevented such sizeable proportions of the income-poor from escaping income poverty even with all employable adults working full-time? The first factor, within our framework, is that some income-poor households may have no employable adults to whom we could assign full-time employment in the simulation. In our data, we found that a little over half of the hard-core poor households fell into this category (56 percent). Households may have no employable adults if individuals between the ages of 18 and 74 in the household were disabled, retired, in school, or in the military. **Job creation may not be an effective route, at least directly, for eradicating poverty among these households and direct income-support policies via cash or in-kind transfers would be required**.

Alternatively, all adults between the ages of 18 and 74 in the household may already be employed on a full-time basis. By and large, the main reason behind the lack of employable adults in hard-core poor households turned out to be the fact that the vast majority of individuals between the ages of 18 and 74 living in such households were already employed on a full-time basis. We found that among adults living in hard-core poor households where we could find no one to assign full-time employment in our simulation, roughly 76 percent were actually working full-time. **The only effective alternatives for these households would be labor-market regulation (e.g., introduction of higher minimum wages, expansion of the ranks of formal wage workers), government transfers (cash and noncash), creation of jobs that pay living wages, or a combination of all three**.

Similar considerations also apply to the subset of hard-core poor households that did have newly employed adults in our simulation. As indicated above, nearly half (44 percent) of all hard-core poor households belonged to this category. **The imputed earnings of the newly employed in hard-core poor households were systematically lower than the newly employed in "other" poor households**, as we would expect from the earnings profiles shown above (table 5-2). On average, the newly employed in hard-core poor households had earnings that were only 60 percent of the newly employed in "other" poor households. The earnings disparity appears to be mostly a reflection of the difference between the two pools of employable adults in terms of gender, educational attainment, and age (table 5-5).

Table 5-5: Selected characteristics of employable LIMTIP income-poor adults in hard-core poor and other poor households

	Hard-core	Other
Total ('000)	31	69
A. Sex		
Men (*percent of total*)	17	37
Women (*percent of total*)	83	63
B. Sex and age (*percent of total*)		
Men, less than 34 years	10	11
Men, 35 to 54 years	5	13
Men, 54 years and older	2	13
Women, less than 34 years	31	15
Women, 35 to 54 years	38	28
Women, 55 years and older	14	20
C. Sex and education (*percent of total*)		
Men, high school degree or less	16	31
Men, other	1	6
Women, high school degree or less	77	49
Women, other	6	15

Employable adults in income-poor households (as in all households) are predominantly female and less educated compared to full-time workers, as we had noted earlier (table 5-1). However, women had a higher share of employable adults in the hard-core income-poor group than in the "other" income-poor group. This difference was particularly marked (83 versus 63 percent). **The burden of gender disparity in earnings thus bears down more heavily on the employable adults in the hard-core poor group**. We also found that the less educated (people with a high-school degree or less) constituted a greater proportion of employable persons in the hard-core poor than the "other" income-poor group. The difference in educational attainment was particularly notable (93 versus 80 percent had low educational credentials). To the extent that differences in educational attainment translate into disparities in earnings in the microsimulation, **the educational disadvantage also takes a heavier toll among the employable adults in the hard-core poor group**.

Age composition also worked against the employable adults in the hard-core poor group. Women with the lowest relative earnings were women between 18 and 34 years of age. Similarly, men between the age of 35 and 74 years had the highest relative earnings; however, they were a much smaller proportion of the newly employed in the "hard-core" than

the "other" poor group. In combination, **the disadvantages that labor markets impose upon less-educated, female, and younger workers can be expected to act with more force upon the pool of employable adults in the hard-core income-poor group**. In our simulation, **we found that the force of the disadvantages imposed by the existing apportionment of rewards from employment was severe enough to confine them and their households to a state of income poverty even when all adults in such households were engaged in full-time employment**.

5.2.3 The LIMTIP classification of households

We now turn to examining the changes in the LIMTIP classification of households brought about by the full-time employment scenario. As mentioned above, the most notable change appears to be the disappearance of the category of households that are income-poor and time-nonpoor under the full-time employment scenario. We also found a sizeable decline in the proportion of households that faced neither time nor income deficits. As a matter of arithmetic, the decline in the shares of the time-nonpoor groups in the population must be accompanied by an increase in the shares of the time-poor groups in the population. As it turned out, we found the increase only for the income-nonpoor segment of the time-poor population.

Table 5-6: Actual and simulated LIMTIP classification of households (percent)

	Actual	Simulation
Income-poor and time-poor	8	6
Income-poor and time-nonpoor	3	0
Income-nonpoor and time-poor	44	58
Income-nonpoor and time-nonpoor	45	36
Addendum: Time-poverty rates		
All	52	64
LIMTIP income-poor	70	94
LIMTIP income-nonpoor	49	61

We expect time poverty to be higher under the full-time employment scenario than the actual situation because the main reason behind time poverty is the excess of hours of employment over the time available after setting aside the minimum required amounts of time for household production and personal care. Additionally, the evidence we have already presented (see table 5-1) regarding the characteristics of individuals who "received" full-time

employment in our simulation—largely female and living in households with children—also suggests that we should expect an increase in the time-poverty rate. Our findings that the share of the hidden poor in the total number of income-poor households (table 5-3) had increased would indicate that the time-poverty rate among the income-poor is likely to have increased with full employment.

The findings on time-poverty rates reported in the addendum to table 5-6 bear out these expectations. We found that 64 percent of all households were time-poor under the full-employment simulation. The incidence of time poverty among the income-poor was higher than among the income-nonpoor, a disparity we had also noted in the actual situation. Only 6 percent of all income-poor households were able to avoid time poverty. Thus, **while full-time employment**, as simulated here, **achieves impressive reductions in the incidence of income poverty, virtually all of the remaining poor would be in the double burden of income and time poverty**. It is worth emphasizing that the size of this population is roughly equivalent to the population that was actually income-poor according to the official poverty line.

5.3 The Effects of Full-time Employment on the Income and Time Poverty of Individuals

5.3.1 Official versus LIMTIP income poverty

In light of the evidence regarding the dramatic decline in income-poverty rates for households associated with full-time employment, it is not surprising that we found similar results for individuals. Yet, as we found for households, the LIMTIP income-poverty rates for individuals under the full-time employment scenario are still troublingly high (table 5-7).

Table 5-7: Official, LIMTIP, and hidden income-poverty rates for individuals (actual and simulated)

	Actual			Simulation		
	Official	**LIMTIP**	**Hidden**	**Official**	**LIMTIP**	**Hidden**
Men	7	13	6	2	7	6
Women	7	12	6	1	7	6
Children	16	28	12	5	19	15
All	9	16	7	2	10	8

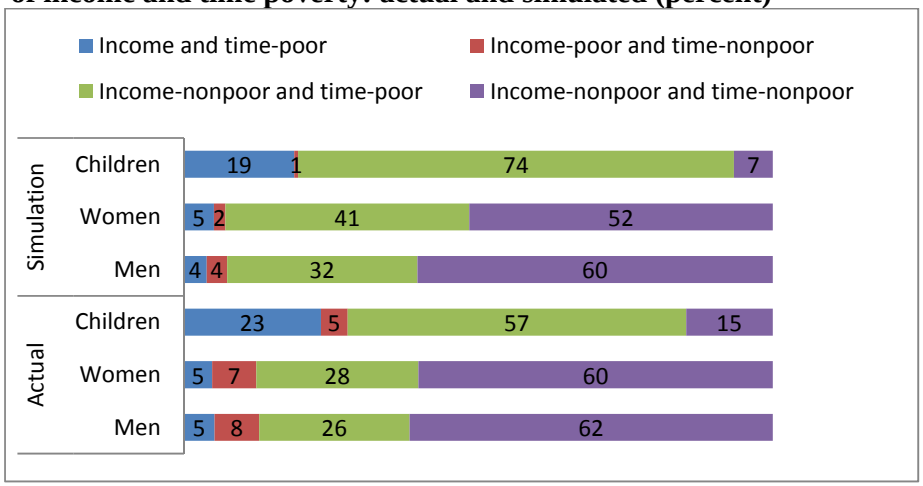
Note: For all individuals, their income-poverty status is ascertained at the household level, i.e., if their household income is below the poverty threshold then they are considered to be poor.

The full-time employment LIMTIP income-poverty rates for all individuals—and for men and women—were roughly similar to the actual official income-poverty rates for the respective groups. **This suggests that the problem of income poverty for individuals was as severe in a scenario with full-time employment as existing official income poverty, once time deficits are taken into account**. But for children, the full-time employment LIMTIP income-poverty rate was higher than the actual income-poverty rate by 3 percentage points. **Children's vulnerability to income poverty thus remains pretty high even under the full-time employment scenario, a reflection of the higher income-poverty rate of households with children and the higher average number of children in poor households**. The proportion of the hidden poor among the LIMTIP income-poor individuals under the full-time employment scenario was similar to that which we observed for households, i.e., the great majority of the LIMTIP income-poor consisted of the hidden poor.

5.3.2 The LIMTIP classification of individuals

We have already pointed out that children were more prone to live in households with the double burden of income and time poverty, and they were also more likely to live in households that were time-poor (section 3.3.2). Subsequently, we had reported that only a relatively small proportion of income-poor children lived in households that were not time-poor (see figure 4-2 and related discussion in section 4.1.2).

Figure 5-1: Distribution of children, women, and men by LIMTIP classification of income and time poverty: actual and simulated (percent)



Note: Children are classified as time-poor if they live in a time-poor household, i.e., a household with at least one time-poor adult.

Given the evidence that we have already presented regarding the virtual disappearance of the time-nonpoor group among income-poor households, it should come as no surprise that over 95 percent of income-poor children would find themselves living with at least one time-poor adult in the full-time employment scenario (figure 5-1). **This suggests, again, the importance of considering policies specifically aimed at children in poor, employed households as an integral part of job-creation strategies**. Without such policies in place, **job creation may have undesirable effects on the well-being of the children of the working poor**. It is also important to note that most of the children (around 90 percent) in income-nonpoor families would also live with at least one time-poor adult in our simulation.

Table 5-8 shows the crosstabulation of men and women (separately) across the LIMTIP groups in the actual and simulated scenarios. In these transition matrices, the actual distribution is depicted along the rows and the simulated scenario along the columns. Thus, the actual distribution of men across the LIMTIP groups can be read down the rows under the column labeled "all," and their simulated distribution can be read across the columns along the row labeled "all" (also in figure 5-2). We explain the table below with the panel concerning men, but the same logic also applies to reading the panel on women. Along the rows, we can see the numbers (expressed as a percentage of all men) of men from a given group that ended up in the four groups in the simulated scenario. We can also see, down the columns, the numbers of men (expressed as a percentage of all men) that came from the four groups to constitute a given group in the simulated scenario. For example, reading across the columns in the row labeled "income-poor" and "time-poor" under "actual," we can see that 5 percent of all men were income- and time-poor in the initial situation. This was made up of the 3 percent (of all men) who remained income-poor and time-poor in the full employment simulation, the 1 percent (of all men) who ended up being income-nonpoor and time-poor, and the 1 percent (of all men) who became income-nonpoor and time-nonpoor. An example of reading down the column can be seen by considering the column labeled "income-nonpoor and time-nonpoor" under "full-time employment." The entry along the row labeled "all" indicates that in the full-time employment scenario, 60 percent of all men were income-nonpoor and time-nonpoor. This was made up mostly by men who were income-nonpoor and time-nonpoor in the actual situation (54 percent of all men). Of the remainder, 3 percent (of all men) came from income-nonpoor and time-poor groups, 2 percent (of all men) came from income-poor and time-nonpoor groups, and 1 percent (of all men) came from income-poor and time-poor groups.

Table 5-8: Actual and simulated LIMTIP classification of adults by sex (percent)

A. Men

Actual	Full-time employment				All
	Income-poor and time-poor	Income-poor and time-nonpoor	Income-nonpoor and time-poor	Income-nonpoor and time-nonpoor	
Income-poor and time-poor	3	0	1	1	**5**
Income-poor and time-nonpoor	1	3	2	2	**8**
Income-nonpoor and time-poor	0	0	22	3	**26**
Income-nonpoor and time-nonpoor	0	0	7	54	**62**
All	**4**	**4**	**32**	**60**	**100**

B. Women

Actual	Full-time employment				All
	Income-poor and time-poor	Income-poor and time-nonpoor	Income-nonpoor and time-poor	Income-nonpoor and time-nonpoor	
Income-poor and time-poor	3	0	1	0	**5**
Income-poor and time-nonpoor	2	2	2	2	**8**
Income-nonpoor and time-poor	0	0	25	2	**28**
Income-nonpoor and time-nonpoor	0	0	13	47	**60**
All	**5**	**2**	**41**	**52**	**100**

Note: Adults are defined as individuals 18 to 74 years of age. The adult is considered as income-poor if their household income is below the LIMTIP income poverty, and considered as time-poor if they suffer a time deficit. Numbers along the rows and columns may not add up due to their respective totals showed under "all" due to rounding.

Notably, we found that the majority of men and women in the double burden of income and time poverty remained in the same position after the simulation. Also, there was a dramatic reduction in the percentage of men and women in the income-poor, time-nonpoor group. Again, this is to be expected because relatively more of the newly employed among the income-poor were drawn from the time-nonpoor rather than time-poor persons.[29] About half of the men and women from this group remained income-poor even after the simulation, while the other half was split evenly (for both sexes) across the time-poor and time-nonpoor segments of the income-nonpoor population. We did not expect to see much mobility among

[29] Roughly 30 percent of all newly employed men and 18 percent of all newly employed women were from the income-poor, time-nonpoor group. Only 3 and 5 percent of newly employed men and women, respectively, were from the income-poor, time-poor group.

persons initially in the income-nonpoor and time-poor group because very few of the newly employed came from this group. Indeed, nearly two-thirds of all newly employed men and women actually were originally income-nonpoor and time-nonpoor. However, the effect of the newly employed on the size of this group was different for men and women. The result was the transfer of 12 percent of these men (7/62) into the time-poor segment of the income-nonpoor population. The propensity to fall into time poverty was higher among women, as 24 percent of the income-nonpoor, time-nonpoor group (13/60) transferred into the income-nonpoor, time-poor category. For both men and women, this led to the enlargement of the income-nonpoor, time-poor group. Reading down the rows of the column labeled "income-nonpoor, time-poor group," we can see that most of the addition to this group came from persons that were income-nonpoor and time-nonpoor. In sum, **full-time employment brought about a dramatic reduction in the income-poverty rate by reducing the relative size of the time-nonpoor segment of the income-poor population**. However, **the incidence of the double burden remained stubborn to an equal extent among men and women, as did a notable gender disparity in the proportion of people with neither time nor income deficits because the time-impoverishing effect of full-employment among income-nonpoor people was stronger for women than men**.

5.3.3 Time-poverty rates for employed men and women

We have already seen that the full-time employment simulation produces higher time-poverty rates among both households and individuals. In this section, we dissect this phenomenon a little further by discussing, along the lines previously elucidated (see sections 3.1 and 4.1.3) how entrenched differentials based upon gender and income-poverty status are likely to manifest themselves in a full-employment situation. We focus our attention on employed adults.

We pointed out in the previous section (section 5.3.2) that the increase in time poverty upon those who are engaged in full-time employment is more pronounced for women. This is partly because women make up the majority of individuals that were assigned full-time jobs in the simulation. Another reason, the evidence for which we have highlighted at several junctures so far, is the gender disparity in the division of unpaid care work. We have also seen that there was a notable shrinkage in the share of time-nonpoor individuals among the income-poor, and consequently, the incidence of time poverty among the income-poor increased considerably. Thus, **the increase in time poverty of women is the combined**

result of the gender-based inequality in the unpaid work burden and a lack of adjustment of the burden between the spouses, even when both work full time.

The results reported in table 5-9 resonate well with the findings so far. **Women had higher rates of time poverty than men on both sides of the poverty line in the actual situation. The gender disparity widened in a marked fashion with full-time employment**: it went from 4 to 18 percentage points among the income-poor and from 10 to 13 percentage points among the income-nonpoor.

Table 5-9: Time-poverty rates of employed men and women: actual and simulated (percent)

Income-poverty status	Sex	Actual			Simulation		
		Employment-bind	Double-bind	Time poverty	Employment-bind	Double-bind	Time poverty
Poor	Men			58			62
	Women	43	19	62	55	25	80
Nonpoor	Men			35			39
	Women	39	6	45	45	8	52

Note: We have not shown the estimates of employment and double-bind rates of time poverty separately for men because the incidence of the double bind among men was too small to allow reliable estimates.

Part of the reason for the widening gender disparity among the income-poor was the increase in the double time bind among income-poor women. There was an increase in the incidence of the double bind among income-nonpoor women, too, but it was much more moderate than among income-poor women. The increase in the double time bind among women is driven largely by the entrance of nonemployed time-poor women (those already in the housework time bind) into the ranks of the employed. Most of the women in the housework time bind were income-poor. While it is logically possible that for such women entering into full-time employment *could* usher them (and their households) into income-nonpoor status, our data indicates that such cases were infrequent. **These two facts help explain why the increase in the double burden of income and time poverty accounted for a larger proportion of the growing gender disparity among the income-poor than income-nonpoor**.

The disparity in time-poverty rates between income-poor and income-nonpoor women also widened considerably with full-time employment, reflecting the faster rise in time poverty among the poor than the nonpoor that we noted before. Income-poor women bore a time-poverty rate that was roughly 18 percentage points higher than their income-nonpoor counterparts. With full employment, the gap widened to 28 percentage points. It should be

noted that income-poor men also suffered from a greater incidence of time poverty than income-nonpoor men. However, the full-employment situation did not widen the gap relative to the actual situation in any way comparable to women.

6. POLICY (RE-)CONSIDERATIONS FOR POVERTY ALLEVIATION

6.1 The Interlocking Domains of Disadvantage

Despite the fact that the city of Buenos Aires, Argentina, shows a relatively low official poverty incidence—relative, that is, to the country as a whole—the LIMTIP framework and findings indicate that the poverty-inducing effect of *time deficits* that households and individuals encounter in meeting their household production requirements is indeed substantial.

The LIMTIP framework renders visible and measurable the inability of many households that fall under the radar of policy—whom we have identified as the *hidden poor*—to meet their basic needs. It also reveals the insufficiency of the official poverty measure in accounting for the depth of the income deprivation of households with incomes below the poverty line.

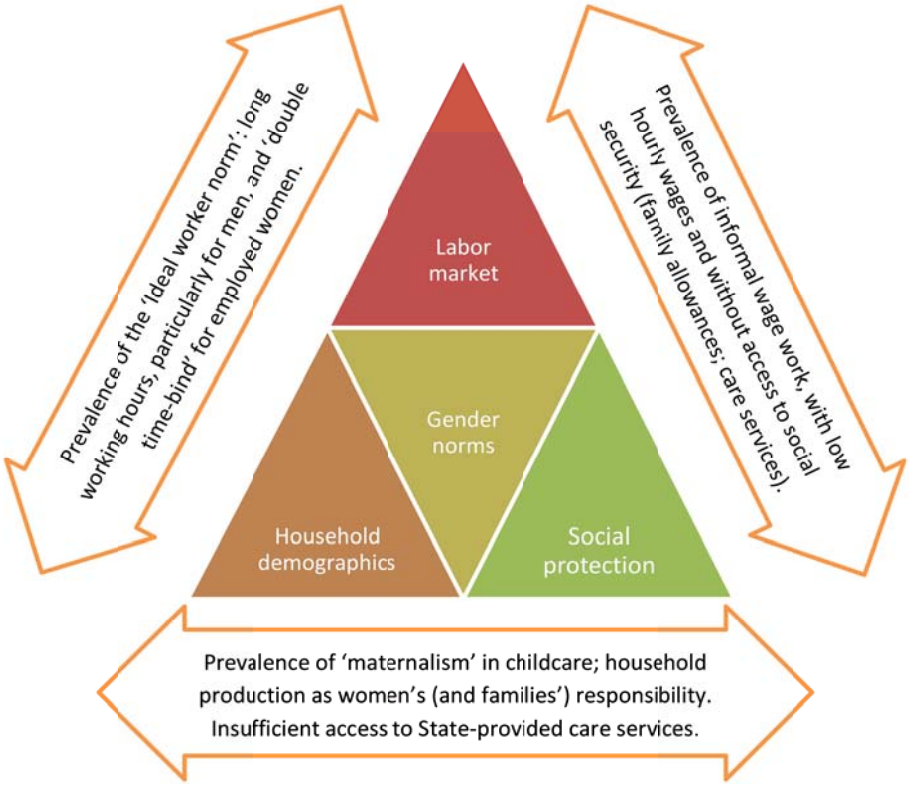
Our findings also show that poverty-inducing deficits in household production are not uniformly distributed across households and individuals. Household employment status, family type, and presence of children matters a lot. Gender disparities in the division of household production responsibilities, employment status, and earnings also shape the differences in time deficits across individuals and households. Hence, this study reinforces the idea that when remedial policies are contemplated, "one shoe does not fit all sizes." We have also shown that job creation, while being effective for a large percentage of the income-poor population, is unlikely to be effective for a sizeable number of the income-poor, because they are already employed at dismally low wages (and therefore already working long hours), because they face inordinate household production burdens, or both.

Our framework suggests there is a need to pay attention to three interlocking and *gender-differentiated* domains: *labor markets, demographic structures,* and *social protection* (i.e., social policies and care service provision), whose combined effect determines the time-adjusted poverty status of individuals and households, both in the actual and in the "full-time

employment" situation. Prevailing labor-market functioning, household demographics, social protection, and gender norms, though known, are not usually analyzed in a consistent manner in relation to income poverty in policy-oriented conversations. Yet these dimensions should all be taken into account when formulating poverty-alleviation policies and other social and macroeconomic policies that have direct and indirect impacts on the incidence and depth of income poverty. Figure 6-1 summarizes our analysis along these domains.

Typically, labor-market functioning gets into the picture in analyzing income-poverty incidence in relation to unemployment, although as employment indicators improved in the aftermath of the 2002 crisis there has been an increasing concern about the quality of the employment generated. There is little gender awareness in these readings of labor-market functioning, though, as the "ideal worker norm"—the norm by which all workers should behave as if they didn't have care responsibilities—is naturalized, women's double time bind goes unacknowledged.

Figure 6-1: The Interlocking Domains of Disadvantage



Admittedly, household demographics and the presence of dependents is a more traditional driver of poverty and the rationale behind poverty-alleviation policies that target dependents. An obvious result of our methodology is that income poverty is clearly underestimated when care requirements are not consistently included in poverty thresholds, but whether these poverty-inducing time deficits are tackled via cash transfers or care service provision has strong gender and distributive impacts that our measure can help uncover.

Indeed, when "gender" and "poverty" are put together, it is usually under the assumption that some women (typically, the "single female head" and "mother of many children") are "unemployable," and therefore in need of cash transfers in order to perform their care responsibilities as if this was their main and *only* role, as *Plan Familias* (in its full force in 2005) so blatantly illustrated. No connection is made to the actual functioning of the labor market, which penalizes poor women by limiting their job opportunities in terms of registration (formality) and wages. Neither is a connection made to the lack of care services, particularly for very young children, which are seen as a "private choice" of families.

The findings presented in this report reveal the *interconnections* of prevailing labor-market functioning, household demographics, and gender norms in bringing about time and income poverty *in an integrated and consistent framework*. They speak directly to the current debates around employment policy and social protection policies, and help identify different population groups with diverse income and time needs, which in turn require tailor-made policy initiatives, even in a full-time employment scenario.

6.1.1 Labor-market outcomes

We have already indicated that the vast majority of households that are time- and income-poor are employed households—in particular, employed households with children—and that these households are precisely the ones who suffer from the highest LIMTIP poverty rates. We have also shown that the majority of individuals who suffer the double burden of time and income poverty do so because they encounter an employment time bind, i.e., they face a time deficit that cannot be compensated for by their household's income precisely due to the time devoted to generate that income. And that as many as a third of the employed LIMTIP-poor receive "middle-class" wages and are more likely to come from the ranks of formal wage employment than the official poor. We also noted that poor employed women in particular are overrepresented in the lower earning quintiles, and are more likely to be

employed in informal wage jobs than poor employed men. Therefore, income poverty is only partly a problem of a lack of employment in the city of Buenos Aires. It is more so the result of people working for very long hours and/or for below-subsistence wages in informal jobs. **These findings indicate a much greater need for regulation of the length of the working day as well as for higher hourly wages, possibly via expanding registered work opportunities**.

Also, as the full-time employment simulation has revealed, women are more likely to get low-paying informal jobs, and thus remain in the ranks of the "hard-core" poor even when employed (which in fact helps explain the lower labor force participation rates among women). The importance of a decent job-creation agenda is self-evident and requires little emphasis in this context. But along with it, addressing women's low labor force participation must go hand-in-hand with lowering the replacement cost of their current household production responsibilities by expanding public care service provision. The fact that 80 percent of employed women who remained poor after the simulation were time-poor, and that as many as 25 percent of them faced a double time bind underscores that household and care responsibilities remain very much women's responsibilities, particularly for poor women.

In other words, more often than not, among poor households that desperately need additional income, it does not "pay" for women to be full-time workers. Indeed, the prevailing labor-market structure that is biased against women's wages and access to formal jobs, along with the time-poverty-inducing long working hours that poor working men put in, reinforces the male-breadwinner/female-carer model. Therefore, inclusive growth policies will not benefit women if the prevailing labor-market structure is reproduced. Unless women allocate more time to employment and men allocate more of their time to household production, income-poor women will remain time-poor due to too much time spent in household production, and income-poor men will remain time-poor due to their much longer time they devote to paid work. **The agenda of work-life reconciliation must receive due consideration, including the reduction of men's employment hours, in order to achieve a more equitable intrahousehold distribution of responsibilities**.

6.1.2 Household demographics

Household size and composition greatly influence the amount of time needed to fulfil household production requirements—a fact that is off the radar of official income-poverty measures. Single-headed households, as well as households with children, are at the greatest disadvantage when time deficits are taken into account. Among employed households, dual-earner households and those with children are the ones who experience the greatest increase in income poverty when time deficits are taken into account, a reflection of how household demographics and labor-market functioning combine to make these households more vulnerable to income poverty. The emerging picture for children, as we have noted, is particularly alarming: 80 percent of children live in time-poor households, while 28 percent of them live in income poverty.

The fact that a vast majority of income-poor children (84 percent) reside in households with time deficits, and that this proportion reached 95 percent in the full-time employment scenario, underscores that increasing the hours of employment of parents (particularly of mothers, who are 61 percent of women who get employment in the full-time simulation, and 68 percent of women that remain income-poor *after* the simulation) is not a real option for helping these households to escape income poverty. It will not be an option as long as mothers remain the main childcare providers, their wages are penalized, their working conditions are precarious, and care-provisioning services remain limited and only accessible to workers in protected sectors or with high enough earnings to pay for them.

There is indeed **a tension between inclusive growth's central objective of job creation and demographic structures**, a tension **that can be addressed and mediated only in conjunction with some combination of care provisioning, regulation of the length of the working day, and higher wages**.

6.1.3 Social protection

The hidden poverty uncovered by the LIMTIP shows that social policies are not reaching the hidden poor because they fall outside the radar of official statistics: according to official poverty figures, these families' incomes cover their consumption requirements, but not the replacement cost of their unmet household production requirements. Furthermore, the LIMTIP methodology shows that cash transfers—those existing at the time of measurement, like *Programa Familias*, and those that came afterwards—are inadequate to meet the full

extent of deprivations of those in need when household production deficits are taken into account.[30] Taking time deficits into account would alter the level of benefits offered by existing programs if the public policy option is to compensate for them *via* cash transfers (i.e., a transfer that funds the acquisition of household production substitutes, lowers the time allocated to employment to reduce time deficits, or a combination of both).

If the aim is helping households meet their household production requirements, the availability of and access to public provisioning of care services, including new facilities and extended hours of operation seems more to the point. This proves to be especially the case for the care services that are needed for infants, young children, and those of school age, which impacts women's ability to work for pay and determines in fact if they end up trading one form of poverty (actual income) for another (income poverty induced by time deficits). In other words, free public provision of care services are an in-kind transfer that prevent time poverty from becoming income poverty. In this way, public policy offers poor families a way to escape income poverty that is already available to time-poor / income-nonpoor families (and women in them) who can "buy out" their time deficits by resorting to private-sector care services. Our framework shows that the equalizing effect of access to care services is not limited to those who receive these services (children and other dependents) and their families. Via its effects on labor-market outcomes, such access has significant implications for gender equality as well. Of course, these effects on labor-market outcomes do not come about via supply-side changes only; even with the availability of care services, if wages for poor unskilled women remain as they are, expanding childcare services alone will turn out to be a necessary but not sufficient condition for poverty reduction. This comes full-round to our initial remarks on labor-market outcomes, and opens the path for practical policy considerations.

6.2 LIMTIP Policy Lessons for Poverty Reduction

We have highlighted the hidden deprivations time deficits impose on significant segments of the population. In fact, we have seen that time deficits interact with a lack of job opportunities for some; with low wages and, hence, the inability to attain a decent income within reasonable hours of employment for others; and with inadequate levels in the social provisioning of care (especially for households with children), keeping a sizable proportion

[30] Cash-transfer programs indeed belong to the "logic of social protection" and do not fund care provision, even when conditionalities are tied to care checks; see Esquivel (2011b).

of the population locked in the grip of poverty. Therefore, a set of interlinked interventions that address these challenges in a coherent manner must lie at the core of any inclusive and gender-equitable development strategy that is worthy of the name.

The findings of this study suggest at least three avenues for change:

Employment generation proves an effective strategy for unemployed or underemployed (income-poor and time-nonpoor) working-age adults.

The drastic reduction in the size of the income-poor and time-nonpoor group of individuals as a result of the full-time employment simulation clearly proves this point. Indeed, our simulation showed that full-time employment can produce a dramatic reduction in the incidence of income poverty, even without altering the current structure of earnings. Job creation on such a scale translates into poverty reduction, irrespective of whether we use the official or LIMTIP poverty line as the yardstick. To us, this indicates the central importance of the efforts to steer economic development towards inclusive growth via policies that try to create employment-generation conditions—the path that Argentina eventually followed.

However, our simulations also showed that even with full employment, the LIMTIP poverty rate was as high as the actual (i.e., pre-simulation) official poverty rate. Important as the objectives and targets of inclusive growth may be for social cohesion and justice, we should recognize fully this reality and the challenges it poses for women in particular. The presence of a significant proportion of the population whose income poverty is impervious to full-time employment—the "hard-core poor"—indicates the limits of a poverty-reduction strategy that merely focuses on the "quantity" of employment. Economic inclusion and access to wage work is a fundamental right, but unless transformative labor-market interventions are also part of the agenda, and unless investments in social care are put in place, much will remain to be desired. Substantial segments of the nonemployed and poor will end up joining the ranks of the working poor.

The simulation exercise leaves open *how* such employment generation would occur. A macroeconomic model centered around a high-and-stable exchange rate has been the main strategy for employment generation. By 2005, this strategy had proved enormously successful, with little need for industrial policy. It was the government view that direct

employment generation could only be justified as an *emergency program*, and was already in the process of dismantling *Plan Jefes.*

This market-centered strategy had some drawbacks, though, which were already clear for the authorities at the end of 2005. First, employment generation had been strong in the immediate post-crisis period, but was less dynamic from then onwards. Second, there were few signs that employment generation was dramatically altering the existing informality profile, as new jobs were not necessarily generated in protected sectors. And third, left to the market, wage recovery was quite slow (and therefore, profits were relatively high).

A strong emphasis on fostering formal job creation by tackling "pockets of informality" in particular occupations and sectors (domestic service, construction, home-based work) and in increasing the actual enforcement of existing penalties for employers who evaded social security obligations were the ways the government chose to complement market-based employment creation. Ultimately, the government believed in the benefits of a tight labor market to improve both wages and job quality, and monitored more than intervened during those initial recovery years (Novick, Lengyel, and Sarabia 2009). As mentioned in section 2, there is some truth to this view, at least until 2008. Recovery in public-sector wages kicked off in 2005, after lagging behind private-sector wages considerably. Private-sector wages grew, in turn, as a result of the reinstatement of collective bargaining.

For the working poor (income-poor and time-poor), most of whom are informal, efforts to increase registration, to implement wage policy, and to limit working hours are needed to lift them from poverty.

Clearly, for those already in employment and the working poor—as well as for those who *fall* into time poverty but remain income-poor as a result of getting poor-quality jobs—job creation is not enough. In such cases, hourly wages are too low (and usually, working hours too long) to allow these workers, and their households, to escape from income poverty. Indeed, the full-time simulation reproduces these features—low hourly wages and long hours of employment—when assigning employable adults to own-account, informal, and formal wage jobs.

In a country where the main driver of wage differentiation is formality, efforts to increase formal positions are as significant as collective bargaining in increasing real wages. Also, the active use of minimum wage policies, abandoned during the previous decade, was instrumental in setting a "minimum floor" for formal workers that informal workers could relate to, and bargain for. The signaling role of minimum wages was particularly significant in sectors where informality prevailed, like construction or domestic service.

The reinstatement of wage bargaining, the active use of minimum wages, and the reestablishment of labor inspections to detect infractions of labor regulations were all part and parcel of the labor-based road to improving living conditions that were followed by the government. However, registration progressed at too slow a pace, and wage differentials between formal and informal positions remained even when the labor market became tighter. The implementation of the "Universal Child Allowance" at the end of 2009 should be read less as a new form of "conditional cash transfer" (this time, child-centered instead of mother-centered, as *Programa Familias* was), and more as a tool to equalize family allowances (a labor right) among formal *and* informal workers, *de facto* complementing informal workers' wages.

The funding of the program, which effectively comes from labor-based taxes, and its political framework (a universal *children's right* which should be decoupled from their parents' labor-market position) is, in this case, more important to characterize the program than the mild conditionalities it came with, the rationale of which has been more to gain acceptance from middle classes than to exclude children. Indeed, the Universal Child Allowance marks the acknowledgement by the government of the intrinsic limits of a labor-based strategy for improving living conditions.

An issue that has been less debated at the national level, but forcefully emerges from the findings of this report, is the "long working hours" regime. For those at the top of the earnings distribution, long working hours might be related to organizational culture and to the ideal worker norm of wage workers, as well as to the dynamics of service provision (particularly for the independent professionals) for own-account workers. For those at the bottom of the earnings distribution, particularly among the informal wage workers, lack of working hours' regulations explains this pattern, while long working hours are a survival strategy for some informal own-account workers. For them all, higher wages/labor earnings

might ease the pressure to put in long hours of work. The formalization process that took place from 2005 onwards could have brought shorter working hours with it, as working hours' regulations became increasingly enforced.

For all time-poor (income-poor and time-poor / income-nonpoor and time-poor), and for those who become time-poor by getting a household member into the labor market, redistribution of care work along with State-provided care services, becomes the way of avoiding time poverty.

Our findings indicate that it is a mistake to create jobs as if they could be simply "taken" by women and men, with no impact on household production. Indeed, employment creation works best for the unemployed or nonemployed—those income-poor and time-nonpoor, who are indeed "free" to take employment opportunities.

But for *all* others who are deprived of time, a redistribution of household production times towards other members of the household (or from the household to the public sphere) is a prerequisite for entering the labor market without becoming time-poor as a result, i.e., without cutting back on required household production.

Redistribution of household production responsibilities *within* households seems to be desirable, yet remarkably difficult. It could be argued that more employment opportunities for women (and therefore more income) could trigger such a redistribution process; however, the full-employment simulation has shown that there is little such change brought about by employment. (Sometimes, household shares *cannot* change, as it is in the case of single-headed households.) Long paid working hours might combine with high care demands in ways that make "new" workers fall into time poverty and remain in or even fall into income poverty, if the wages generated by the new jobs (or by the new "full-time" hours) are not sufficient for compensating for the gap between income earned and the value of the displaced household production. This can occur when the new jobs pay less than the replacement cost of household production (hourly wages of domestic servants).

When redistribution within households is not enough (or cannot occur) there is a solid argument for socialization of household production, particularly of care, given how crucial care demands are in making parents more likely than childless individuals and households to fall into time and income poverty. In the case of the city of Buenos Aires, this means

expanding preschool care services, as well as their opening hours, and extending schools opening hours.

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