



COLABORA.Lat
Towards a New Model of
Governance after Covid-19

POLICY BRIEF # 3

THE EFFECTS OF THE COVID-19 PANDEMIC ON WOMEN IN THE INFORMAL SECTOR IN BOLIVIA

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The Covid-19 pandemic has brought us into uncharted territory. It represents a crisis with health, economic, social, and also political dimensions. Besides, it has exacerbated the inequalities and exclusion suffered by sectors living under conditions of vulnerability. It represents a crisis that has given rise to additional concerns, due to the likely deepening of political discontent and the consolidation of authoritarian practices through the expansion of the Executive Branch's powers and the restrictions of civil rights in a post-Covid-19 scenario.

This reality has shown us that the pandemic poses a challenge to which we cannot respond unilaterally, from the one-sided perspective of a single government or specific community. This is a global challenge with profound impacts on several dimensions of society, as well as differential impacts on the different women and sectors living under more vulnerable conditions. Therefore, it is a challenge that requires a multidimensional solution with an intersectional approach – a solution that is not yet available to us.

This is why we need political practices that promote collective intelligence-oriented collaboration as a way of finding solutions to public challenges, such as the one posed by the pandemic. The premise behind collective intelligence is, precisely, that no one knows everything, but everyone knows something. Translating this fact to the way in which decisions are made in a society represents a significant challenge, and requires collaborative mechanisms involving a variety of actors. It specifically requires collaborative governance.

For this reason, the *Colabora.Lat: Towards a New Model of Governance after Covid-19* project aims at studying and making recommendations on the governance



models that have the greatest potential to respond to convoluted crises such as the Covid-19 pandemic. By collecting quantitative and qualitative data in several Latin American countries, we seek to generate diagnostic and prospective information about the impact of collaboration on the feasibility, effectiveness, and legitimacy of the responses developed to address the numerous problems that have emerged during the pandemic, especially in vulnerable communities.

The project is grounded in the conviction that defining a framework of good practices in governance, inclusion and gender parity will lay the foundations for a new long-term democratic agreement in Latin America.

Antonella Perini, Jennifer Cyr, and Matías Bianchi

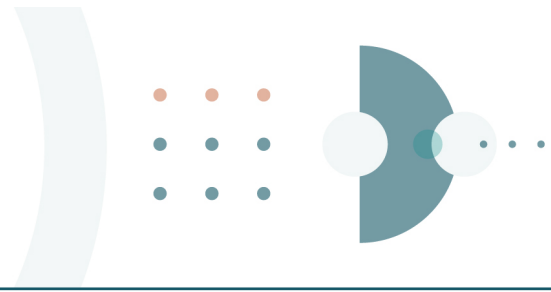
Colabora.Lat is driven by an Implementation Council comprising universities and think tanks with experience in research and territorial anchoring in Argentina, Bolivia, Chile, Colombia, Guatemala, and Mexico.

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XIMENA PABÓN AND BERNARDA SANABRIA

Fundación Friedrich Ebert (FES Bolivia)

Introduction

Bolivia has one of the largest shadow (informal) economies in the world, its size amounting to 62.3%, which ranks this country after Zimbabwe (FMI, 2018). Nationwide, women account for 72.6% of the informal sector. It is specifically women who find themselves within a labor market characterized by precariousness, no employment benefits, and a lack of protection and social security (such as medical insurance or retirement benefits).

Owing to the characteristics of the sector, women have been the most severely affected by the pandemic, not so much by the virus itself, but by the actions taken to mitigate the health crisis.

Focus groups were formed and interviews were carried out with women representing the major sectors of the informal economy in the municipalities of La Paz and El Alto (which have the largest informal population), as well as with political actors and specialists in the field. This was done to identify and analyze the effects that the pandemic is having on the productive, working and personal lives of women in the informal sector and the impact (or lack thereof) that the policies adopted by the central government and the decentralized municipal governments (mayors' offices) have had



on their sector, as well as their proposals for policies and actions which they believe would contribute to addressing the crisis in a more collaborative and effective way.

This first information collected provides input for upcoming analyses that, as part of the Colabora.Lat Project in Bolivia, will be carried in the future regarding the levels of collaboration and governance – among political actors, towards and with women in the informal sector, and from society— to respond to the pandemic.

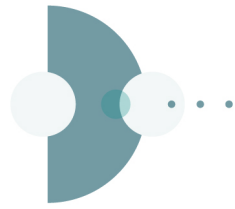
The effects of the multilayered crisis on women in the informal sector

Bolivia is undergoing a threefold political, socioeconomic, and health crisis. The arrival of the Covid-19 pandemic in March 2020 concurred with the unresolved consequences of the severe political and institutional crisis that led to president Evo Morales' resignation in 2019, and to the establishment of an interim government characterized by the use of excessive force and the violation of human rights, which has deepened ethnic and cultural problems and contributed to the rise of an atmosphere fraught with political polarization and sociocultural fractures among Bolivians.

In addition to this, the economic slowdown experienced by the country since 2014 became even more pronounced in January 2020, with the unemployment rate amounting to 11.4% in the case of the economically-active urban population, and which, in the case of young women, reached 14.2% (INE, 2020).

The enforcement of a complete and strict lockdown¹ – which went on for 71 days and involved major limitations to the movement of people, restrictions on transportation, working permits exclusively for basic economic activities, and strict isolation in households, with strong military controls; and the threat of imprisonment for up to

¹ The lockdown in Bolivia started on March 21, and was in force until May 31, 2020.



10 years for those who did not abide by these provisions – had a profound impact on women working in the informal sector, due to the fact that a great majority of them (97.2%) worked in the commercial sector offering services with little added value, which were severely restricted during the lockdown.

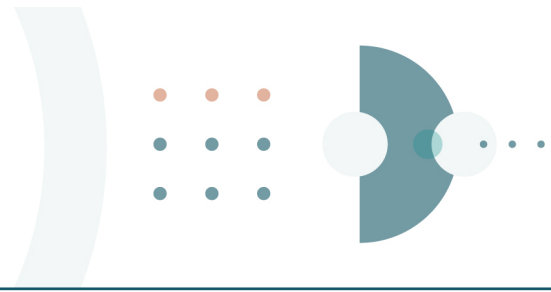
A large proportion of the women in that sector experienced an increase in their debts, since the loss of their jobs and the capital invested, coupled with them or their family members having Covid-19, forced them to take out new loans to face the crisis. Other women had to change the line of business to enter the essential items' market.

The labor market competition also increased as the mayors' offices fostered the establishment of mobile markets and itinerant fairs in neighborhoods. Besides, there was an increase in the number of people who started to (illegally) sell products in the streets after losing their jobs, which led to a 10% rise in the informal sector.

Due to the time-restricted outings and restrictions on movement, the work of those who were allowed to sell on the streets became more precarious, since they had to purchase the goods at nighttime or early in the morning – when there was reduced police control, leaving them exposed to attacks, rape, or potential arrests – to take the goods to the selling points in time – all of it on foot.

In addition, the return to their homes due to mandatory lockdown entailed the suppression of their emancipation space, and the reinstatement of traditional gender roles, with women seeing a resulting increase in their caregiving tasks and the loss of their freedom. It also led to a flare-up of violence against women in their homes, while at the same time, the channels for reporting and addressing these cases became more limited.

Although there followed a period of dynamic-flexible lockdown, income recovery is still limited due to the context explained above.





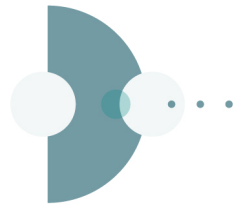
Public policies

The policies developed to address the health crisis were decided exclusively by political authorities, there being no consultation with the informal sector, and even less with the federations or unions to which women belong. The central government implemented health (in light blue), economic (in black) and educational (in green) policies.

The national emergency declared, decentralized governments (departments and municipalities) were instructed to coordinate actions among themselves and allocate resources to address the health crisis. However, each entity made plans independently and with resources which were insufficient² to comply with the mandate. This is the context in which the complete and strict lockdown was established, leading up to a larger economic crisis, and resulting in the growth of the informal sector. In fact, it is due to the pressure created by the informal sector that there was a transition to a dynamic lockdown.

The political struggles within the Ministry of Health prevented the strengthening of the health system, already characterized by structural deficiencies and weakened by the existing government bureaucracy. These struggles also created obstacles to the provision of supplies, equipment and medicines, in a context that also involved acts of corruption. The lack of coordination and haphazard implementation of actions affected the population in general and women of the sector in particular, since there was no mass testing, the prices of medicines and tests in private laboratories were increased

² The central government concentrates 80% of the budget of the National General Treasure, 5% of which is allocated to universities, and only 15% of which is distributed among 9 departments and 336 municipalities.

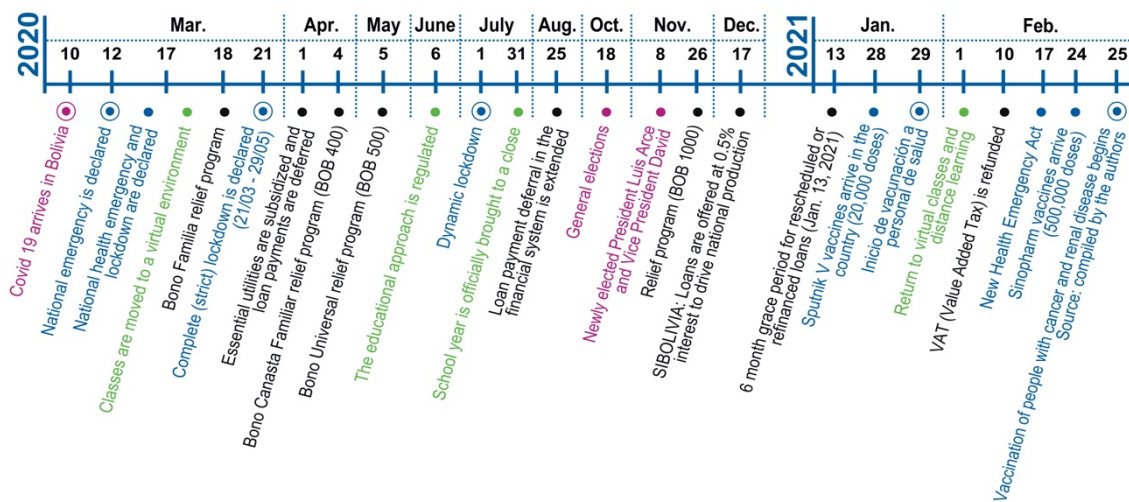


by over 200%, and those without insurance or sufficient economic resources were excluded from Covid-19 medical care, both in public and private establishments.

The provision of family support benefits was well-received by women in the informal sector, but proved insufficient to meet their economic needs. However, other policies that could have helped the sector, such as subsidies for essential household utilities (electricity, water and gas) or loan-payment postponement measures (deferrals) were not regarded as positive because there were high charges after the extension period stipulated by the regulations, which generated distrust among women to take advantage of the new economic measures (grace period) for micro- and medium-sized entrepreneurs proposed by the current Arce administration.

Figure 1.

Policies implemented by the central government to respond to the pandemic.



Source: author's elaboration



Challenges and conclusions

- Governance to respond to the health crisis in Bolivia was conditioned by partisan political positions that limited the actions of the government at all levels of the State, damaging and undermining the economic, labor, health and protection rights of the population in general, but especially of those in the informal sector.
- The informal sector proved to be the main driver of the economy in the context of the pandemic, an aspect that should be taken into account by the State, which so far considers extractive activities as a strategic sector, and the informal sector as a “vulnerable” one.
- One of the major lessons of the pandemic has been the importance of the actions of the decentralized levels of the State to respond to the crisis. However, the resources allocated to them are minimal compared to those of the central level. If the pandemic is to be seriously addressed, it is no longer possible to continue with this centralist logic.
- Bolivia is characterized by consolidated associative levels, which on several occasions have managed to prevail over unfair policies or measures. Therefore, collaborative governance is considered possible from a harmonized social basis, which requires strengthening the organization and alignment of women’s sectors in the informal economy.



- Gender inequalities represent a vital element in the analysis of the sector. The impossibility of balancing work and family life is the result of patriarchal beliefs, entrenched in women's own subjectivity, which need to be tackled. In this regard, different women's groups, including women in the informal sector, have developed a specific agenda³ with proposals among which is mentioned the formulation of a policy of co-responsibility for care by the State, as well as a policy with effective actions to address violence.
- The multilayered crisis shapes the current democracy in Bolivia. For this reason, it is necessary to go against the polarization increased by the political struggles and colonial traces installed in the subjectivity of the population. This implies the internalization of a sense of democracy and justice in daily life, at work, at school, in the economy, in health, etc.⁴

³ Coordinadora de la Mujer. Impacto diferenciado de la crisis sanitaria por el covid-19 en la vida de las mujeres bolivianas. Diagnóstico y propuestas. Análisis de la Agenda Política desde las Mujeres. 2020

⁴ Bolivia has been discussing the implementation of a parity democracy, a democracy practiced at home, in the relationships that build the social fabric, which is the place where power relationships are forged. At the same time, the country already evidences the acknowledgment of intercultural democracy, which should manifest in people complementary exercising, under equal conditions, the three recognized forms of democracy, all of which are at the same hierarchical level: direct and participative democracy, representative democracy, and community democracy.

