

# Why Are There More Poor Women in Latin America?

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Despite economic growth, electoral competition, and left turns, the rate of female poverty in Latin America increased from 114 to 127 for every 100 men. What went wrong for millions of women across the region?

#### Context

Latin America is emerging from a "left turn" or "Pink Tide" that started in 1998 and lasted through the mid-2010s. Electoral competition gave progressive platforms wider influence and highlighted demands for progressive labor and social policies.

This shift to the left was the political outcome of citizens' disillusionment with the unmet promises of earlier conservative governments. This disillusionment coincided with an economic boom.

Although diverse, left-wing parties and their leaders voiced demands for change, especially in living conditions. By 2000, social outcomes and public policies advanced across the region.

#### **State action**

The economic policies implemented during the Pink Tide entailed labor market policy reforms raising the real minimum wage and increasing formalization. Social spending became a larger proportion of total public spending, increasing from 49% in 2000 to 58% in 2014. In per capita terms, it went from USD 687 in 2000 to USD 1,619 in 2014 as reported by the Economic Commission for Latin America and the Caribbean (ECLAC). Although the magnitude of the increase varied across countries, the trend occurred across the region and was seen in both new and reformed programs.

Most social spending favored women's access to state resources via transfers and services. A considerable number of state interventions across Latin America targeted women and mothers. Policy developments increased the proportion of women with their own income through Conditional Cash Transfers (CCTs) and extended pension coverage. These interventions improved women's access to old-age benefits on their own terms as compared to benefits obtained as

dependents of their husbands. Additionally, the length and coverage of maternity leaves increased and slowly began a reorganization of care beyond families and unpaid female, motherly work. With greater labor market participation, women's lives were transformed.

### Labor markets and state incorporation

During the 2000s, aggregate female labor participation slowed due to a ceiling over women with tertiary education: highly educated women aged 24 to 59 experienced a nearly 90% labor force participation. Increases in female labor force participation would require the incorporation of less educated women. These women, however, faced structural obstacles to entering the labor market. The overall pattern of change was incomplete for all women but income inequality also became segmented among women.

For different reasons, the incorporation of women into labor markets reached a plateau for both lower and higher income women by the early 2000s. Among the worst off, participation rates peaked due to the sexual division of labor, earlier and higher fertility, and limited resources to access state services or purchase private market care services. The unchanged sexual division of labor meant highly educated women had already reached labor force participation rates similar to men's by lowering and postponing fertility and purchasing care services in the private market.

# Changed family arrangements

Latin American families also underwent deep transformations following the second demographic revolution. Diverse conjugal relations meant broader family entry and exit options and a better distribution of rights and responsibilities. Though fewer families in number, these were also unstable and prone to breakdown.

Across the region, nuclear families eroded as family arrangements declined and single-headed families, cohabitation, same-sex conjugal couples, and other family forms rose. Increased divorce rates are one indication of these transformations. Figures show a drop in the proportion of biparental, male-headed households versus the increase in the proportion of female-headed households. Family units are by definition cooperative as well as conflictive. Ongoing familial transformations challenge the cooperative aspect of families consisting of adults jointly nurturing and protecting each other and their offspring from social risks, highlighting the presence of old and novel conflicts. One of the consequences of these transformations is an increase in the number of children not living under the same roof as their father.

The transformation of families bears significant implications for all involved. National accounts show at least 60% of the consumption needs of Latin America's children and youth coming from

private transfers. The economic maintenance and caregiving of children is connected to the lives of their mothers, usually the children's guardians. Women feed, nurture, take children to medical check-ups, and carry out a long list of child-rearing tasks. This hidden generation of need, value, and consumption happens within the family and is resolved through women's unpaid care and domestic work. Regional time-use surveys report this is the case regardless of income, age, and family arrangements.

Women experienced changes in labor market participation but men experienced little change in domestic participation. Women continue to perform between two and three times more unpaid care and domestic work than men. Moreover, when families unravel, few children stay with their fathers. Such persistent and unequal division of domestic labor has negative consequences for women's access to resources. Domestic burdens restrict women's labor market participation (e.g. paid working hours) and sustain occupational segregation to accommodate family needs. Income differences limit women's ability to partially turn their unpaid domestic work into paid home-based, also female, work – a core feature of Latin America's unequal care regime.

## **Implications**

Changed family arrangements, more fathers relinquishing roles beyond conjugal relations, and marginal direct state involvement in the material well-being of children together create a need for adaptive state laws and policies. States face challenges in developing policies capable of responding to the needs of an increasing number of divorced families, monoparental (mostly mono-maternal) households, dual-earner families, same-sex partners, and more children and women vulnerable to poverty. In addition, the legal recognition and equal rights of this broad range of family arrangements demand state interventions capable of enforcing cooperation *across* family arrangements and state intervention beyond anti-poverty cash transfers. Altogether, this is a new challenge for all political actors, left-wing parties included.

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