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Austerity Policies, Public Expenditure, and Development from a Gender Perspective: What Is the Status of Mexican and Brazilian Women?

Summary: This article examines the impact of austerity policies on gender inequality in Mexico and Brazil. More specifically, it seeks to discuss the need to reconcile public expenditure with a development strategy that actually includes a gender perspective. The feminization of poverty is of particular interest, as it is the basis upon which we try to outline the socioeconomic conditions in which Mexican and Brazilian women live with regards to progress, setbacks, and challenges. Thus, a brief explanation of the term austerity is provided with the purpose of reflecting on the limitations and opportunities that public expenditure might have in terms of gender inequality. Then, basic economic statistics concerning the dynamics of economic growth and public expenditure are included and certain key variables revolving around gender gaps in both countries are examined. Finally, we offer a diagnosis of the consequences of poverty on the female population in order to identify the leeway that public expenditure focused on gender should have for the most vulnerable population sector. The purpose is to promote development policies based on greater equality. In summary, as a result of the study, we observe that public expenditure intended at fighting against poverty (female-male) had considerable success in the case of Brazil, but not in the case of Mexico. However, in both countries, the recent deepening of austerity policies could limit the efforts of public expenditure on the feminization of poverty in particular, and on gender inequalities in general.

Key words: Austerity, Public expenditure, Gender, Brazil, Mexico.

JEL: E60, H53, I30, J16.

Over the last few decades, given the financial deregulation characterizing the post-Bretton Woods era, we have witnessed countless economic and/or financial crises. The world in general - and Latin America in particular - are still enduring the consequences of the global financial crisis of 2008-2009. Naturally, its consequences and implications were varied. However, perhaps the most evident and generalized sign was social impoverishment, which was characterized by the continuation of the “female face of poverty” (Alicia Girón and Eugenia Correa 2017, p. 101). Without a doubt, the crisis resulted in economic politics focusing, once again, on *austerity* in public finance management: first in Europe and the United States, then in Latin American countries.

In that regard, it was observed that the austerity discourse became even stronger in Latin American countries following the crisis; as a result, these countries - including Brazil and Mexico - introduced austerity policies. Its implementation in both countries has been marked by different political and historical processes, of course. Nonetheless, we may ask: what impact have public spending cuts had on gender inequality in Latin American countries? Similarly, why are women mainly affected? And, in any case, could public expenditure in a context characterized by austerity and unclear public policies actually contribute to gender equality or is there a need to think of another mechanism?

At first glance, if one seeks to find potential pathways to the reduction of social inequality, public expenditure - austere or otherwise - is hardly thought of as playing an important role in the construction of development strategies committed to attending to critical social issues, including those related to gender equality¹. In truth, we should not assume that public expenditure *per se* will be a solution to a complex issues such as inequality. In fact, it is precisely through public policy design and implementation that the State may, in principle, promote the construction of fairer and more egalitarian societies. In any case, the challenge arises when reclaiming public policies and spending, not in terms of efficiency, but rather in terms of redistribution. Hence, as regards gender issues, the State must act upon unpaid work, labor precarity, salaries and wages, etc.

Furthermore, if the political and economic landscape in Latin America is analyzed in detail (especially in the 80s, after the foreign debt crisis and following the implementation of the *Washington Consensus*), it may be noticed that the application of austerity measures was justified by the need to reduce the deficit and levels of public debt. In general, these measures consisted of ongoing public spending cuts, together with a narrower fiscal space, where opacity, corruption, and poor public resource management were an everyday reality, even though certain studies suggest that the limitation of public expenditure in Latin America - in terms of both current and capital expenditure (even more so in the case of the latter) - was sometimes accompanied by the reactivation of tax revenue. The foregoing has occurred gradually, which has translated into a relatively slow recovery of regional fiscal spaces (United Nations - Economic Commission for Latin America and the Caribbean - ECLAC 2018).

In this context, as regards gender issues, the international community has clearly asserted that the fight for gender equality is a necessary and essential step towards the national development process (see, for example, ECLAC 2016a, b, 2017; Organisation for Economic Co-operation and Development - OECD 2017), so much so that public personalities have stated that “sustainable development is neither sustainable nor

¹ Specialized literature tends to be extremely controversial with regard to the concept of gender. This discussion is, of course, considerable, given that social, political, economic, and cultural relations derive from the conceptualization and understanding of gender. According to Joan W. Scott (1996, p. 283), when the word gender was conceptualized for the first time, the basis was “an obsession exclusively on ‘subject’ issues, as well as a tendency to reify the opposition that subjectively appears between men and women”. Consequently, as asserted by Scott (1996, p. 289), gender must be understood not only as “a component that creates social relations based on sex-related differences”, but also as “the initial shape taken by power relations”. The foregoing is relevant in terms of public policy, as it must be clear that a policy directed to women is not necessarily a policy with gender perspective.

development without gender equality". These words were specifically uttered by Alicia Bárcena as part of the speech she gave at the inauguration of the *Thirteenth Regional Conference on Latin American and Caribbean Women*, held in October 2016. Another example is the United Nations 2030 Agenda for Sustainable Development (September 2015), where it was specifically contended that gender equality and women's freedom are among the main development goals. It was also posited that the fight for gender equality and women's freedom were already considered when the Millennium Development Goals were issued in 2000. In spite of the grand efforts that have been made, gender inequality still represent a huge challenge for the world in general and Latin American countries in particular. According to *The Global Gender Gap Report 2018* - published annually by the World Economic Forum (2018) - Brazil and Mexico rank 95 and 50 on a list of 149 countries, given that their global gender gap index is 0.681 and 0.721, respectively². In other words, in terms of gender issues, both economies are among the most unequal countries in Latin America and the Caribbean, with Belize, Guatemala, Paraguay, Brazil, and El Salvador being the least egalitarian in the region.

Based on the foregoing, the purpose of this paper is to reflect on the impact that austerity policies have on gender inequality in Brazil and Mexico. More specifically, we are interested in discussing the need to reconcile public expenditure with a development strategy that actually includes a gender perspective. Hence, the *feminization of poverty* is of particular interest, as it is the basis on which we seek to outline the socio-economic conditions in which Mexican and Brazilian women live with regards to progress, setbacks, and challenges. In general, this article explores the status of Mexican and Brazilian women by focusing on: (a) the importance of public expenditure in the construction of more successful development strategies, where the feminization of poverty and gender equality are actual priorities; (b) the measures taken (or not taken) by both countries to fight against gender inequality, mainly in terms of female poverty. Therefore, we focus our discussion on austerity policies, which have been characteristic of Latin American economies over the last years and which have generally translated into public spending cuts and high social costs. In short, this document - although it is an exploratory study - seeks to contribute to the debate on the impact of austerity policies on gender inequalities. However, when talking about austerity, we acknowledge that it has a differentiated impact on men and women. Therefore, it is essential to warn about the need to discuss austerity policies from a gender perspective, especially if it is considered that legitimate feminist demands are currently facing an adverse context in Latin America in general and in Brazil and Mexico in particular.

Lastly, following a brief introduction, this article is divided into three sections, plus the final remarks. Thus, a brief explanation of the term austerity is provided in the first section with the purpose of reflecting on the limitations and potentialities that public expenditure might have in terms of gender inequality. The second section contains basic economic statistics regarding the dynamics of economic growth and public

² The *Global Gender Gap Index* is an indicator that seeks to show the magnitude of gender-based inequality across four key areas: (1) economic participation and opportunity; (2) education; (3) health and survival; (4) political empowerment. In this indicator, values close to one reflect less gender disparity, while any value close to zero reflects greater disparity.

expenditure for Brazil and Mexico. Then, certain key gender gap variables are analyzed with the purpose of showing that the conditions to enter the labor market, salary levels, and social security coverage remain unequal between men and women, to the detriment of the latter. In the third section, we seek to offer a diagnosis regarding the consequences that poverty has on female population in order to identify the leeway that a public expenditure with gender perspective should have on the most vulnerable population sector. The purpose is to promote development policies based on greater equality. To conclude, in the section containing the final remarks, we discuss the issues that might be faced by both countries when trying to achieve gender equality as a result of the austerity measures adopted in public finances.

1. Defining Austerity, Public Expenditure, and Gender Inequality

This section focuses on discussing, in a rather panoramic and bounded manner, the rationale behind the idea of austerity and how it shapes public expenditure in practice by what has been called *focalization*, which consists of the allocation of public resources to the population sectors that are “truly” poor. Consequently, we analyze the impact that austerity measures have on gender inequality, not from a cause-effect perspective, but in a way that allows us to track the implications that austerity might have on gender inequality. In that regard, it should be kept in mind that our main interest focuses on the feminization of poverty and the socioeconomic conditions in which Brazilian and Mexican women live.

First, it is worth noting once again that the debate on austerity as a political practice concerning government deficit and public debt reemerged on account of the 2008-2009 financial crisis. In this respect, understanding austerity from a capital-accumulation perspective - which is now transnational and speculative - is crucial³. As asserted by David Harvey (2004, pp. 109-110): “there is also (...) a huge difference between freedom of trade in commodities and freedom of movement for finance capital. This immediately poses the problem of what kind of market freedom we are talking about. (...) the financial system (with or without state involvement) is critical for coordinating the dynamics of capital accumulation through uneven geographical development. But finance capital also embraces a lot of unproductive activity in which money is simply used to make more money through speculation on commodity futures, liquid securities, debts, and the like. When huge quantities of capital become available for such purposes, open capital markets become vehicles for speculative activity, part of which (...) becomes self-fulfilling prophecies”.

Therefore, following the 2008-2009 financial crisis, it was argued - from an orthodox stance - that austerity would be a “wonderful solution” or the “sole alternative” (*sic*) to overcome the crisis. More specifically, it was asserted that it was best to maintain balanced or “healthy” public finances, as that would be crucial in resuming continuous economic growth; generating employment and private investment; not

³ There is a reason behind the fact that measures such as the *Acuerdo de Certidumbre Tributaria* (Fiscal Certainty Agreement 2014) in Mexico suggested no amendment to tax legislation, in the sense that no new taxes would be created, those existing would not be increased, and no tax benefit or allowance would be reduced or eliminated. Recently, by committing not to modify the tax basis at least during the first years of his administration, López Obrador has partially readopted this discourse (*El Financiero* 2018).

generating inflation; and in general, not affecting the stability of the economy. Based on the panorama described by Harvey (2004), it is hard not to wonder why austerity would translate into continuous and considerable economic growth, generate employment, and the like. Are we, perhaps, failing to understand what kind of market freedom is being talked about? As posited by Mark Blyth (2014, p. 25), “the idea that restricting welfare will lead to more growth and increase opportunities is an insulting lie”. In spite of that, several programs were implemented throughout the world to reduce tax deficits by contracting public expenditure; this practice is currently known as *fiscal austerity*. As defined by Blyth (2014), fiscal austerity broadly refers to “the application of a policy that is based on overall government budget reduction with purpose of promoting growth” (Blyth 2014, pp. 30-31)⁴.

Hence, at the post-crisis stage, it was declared that the sovereign debt issue was the greatest threat faced by governments, and the reduction of public deficits - through austerity or fiscal consolidation - was set as the main economic policy goal. Nonetheless, this “orthodox” view never considered that a sovereign debt increase does not necessarily translate into an imminent crisis, given that public deficits may stimulate economic activity and, therefore, improve public and private debt sustainability. In truth, the role played by fiscal policy should not be subsumed under deficit control and public debt; instead, the state should be able to control “the amount of money that is initially issued through fiscal policy, not through monetary policy” (Enrique Mendoza Méndez 2013, p. 86). In addition, it should not be forgotten that most sovereign debts are rarely incurred by the state or the public sector; rather, they are incurred by banks (Blyth 2014 and Maria Karamessini 2014).

This leads to the question: how have women been affected by austerity policies? According to Karamessini (2014, p. 14): “austerity undermines women’s progress towards equality in paid work and economic independence and may provoke an ideological backlash favouring a return to traditional gender roles and backward-looking gender contracts”.

Likewise, given that, instead of providing a solution, austerity (that is, public spending cuts) is procyclical in nature, it tends to worsen the recessions that result from crises (e.g. the 2008-2009 crisis). Hence, the combination of austerity and recession does nothing but aggravate gender inequality, especially those inherent in the labor market. Considering that austerity and recession have increased women’s vulnerability in relation to men through measures such as flexibilization or job loss, which tend to affect women first, there is, indeed, a change in gender relations. Nonetheless, the impact of the austerity-recession binomial has not only resulted in changes in those relationships - labor, family, caregiving duties, access to public services, etc. - but also, above all, in social rules regarding the gender roles that are expected or deemed appropriate within a society (Jill Rubery 2014). Therefore, it is not surprising that women are still thought of as “housewives and caregivers” rather than as part of the labor force and as the main source of family income.

⁴ More specifically, fiscal austerity may be understood as an economic policy practice that seeks to decrease public deficits by contracting public expenditure, increasing income, or a combination of both (Juan Carlos Moreno-Brid, Noel Pérez Benitez, and Héctor Juan Villarreal Páez 2017). Regardless, fiscal austerity is generally applied solely by reducing public expenditure.

2. Austerity in Mexico and Brazil: Labor Structure and Gender Gaps

In this section we outline, in a panoramic manner, certain Brazilian and Mexican basic economic indicators. In addition, we analyze key variables regarding the labor market disaggregated by sex for the purpose of directing the discussion towards the answer to a particular question: what is the status of Mexican and Brazilian women? In this regard, it is crucial to understand that austerity and inequality - including gender-based inequality - is part of the same problem; at the same time, however, they are two different components in the region's social life. What is more, we also seek to reflect on the role that public expenditure might play in the creation of development strategies that actually include a gender perspective.

Particularly, even though public finance in Mexico remained balanced or "healthy" from the 1990s until 2008, the austerity policies implemented since the 1980s have not resulted in strong, steady economic growth. Regardless, public deficit has been increasing since the 2008-2009 crisis; so much so that, in 2015, it reached 3.5% of the GDP - the highest it has been since 1990. The current situation in Brazil is even more uncertain, given that, following the coups led by Dilma Rousseff, the Michel Temer administration, and the recent election of Bolsonaro, the Brazilian economy has endured one of its worst crises through severe cuts to public spending, which this has resulted in unusually high social tension⁵.

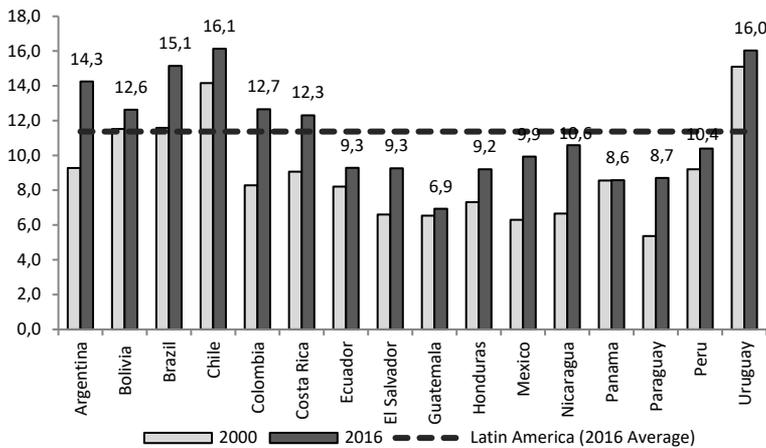
In this context, even though both countries seemed to be able to recover in 2010, their growth dynamics started to collapse after the 2008-2009 global financial crisis. Hence, the economic recession between 2011 and 2016 and the stagnation between 2017 and 2018 became evident. In that regard, Brazil's fall was the most dramatic, given that, as a result of the worst economic, political, and institutional crisis ever endured by that country, its growth rates were negative in 2015 (3.7%) and 2016 (3.3%) and stagnated in 2017-2018 (1.1%). In turn, even though Mexico's growth has not been negative - as it was in 2009 (5.3%) - its gross domestic product has remained at rates around 2% in the last few years (World Bank 2019)⁶. If the behavior of the *per capita* GDP is observed in addition to economic growth, it may be noticed that, in the two largest Latin American economies, has remained below average regional levels. Moreover, when this indicator started decreasing at a considerable pace in both countries (after 2014), only the Latin American average was able to revert this trend to *per capita* GDP of US\$11,220, in contrast to *per capita* GDPs of US\$8,571 and US\$8,292 reached by Brazil and Mexico, respectively, in that same year (ECLAC 2018)⁷.

⁵ The most unpopular measures promoted by the Michel Temer administration included the "Constitutional Amendment Proposal" (PEC 241), which was approved by the Senate on December 13, 2016, and sought to freeze public spending for at least 20 years (*El Mundo* 2016).

⁶ **World Bank.** 2019. World Development Indicators.

<http://databank.bancomundial.org/data/source/world-development-indicators> (accessed May 14, 2019).

⁷ **United Nations - Economic Commission for Latin America and the Caribbean.** 2019a. Databases and Statistical Publications. <https://estadisticas.cepal.org/cepalstat/portada.html?idioma=english> (accessed May 14, 2019).

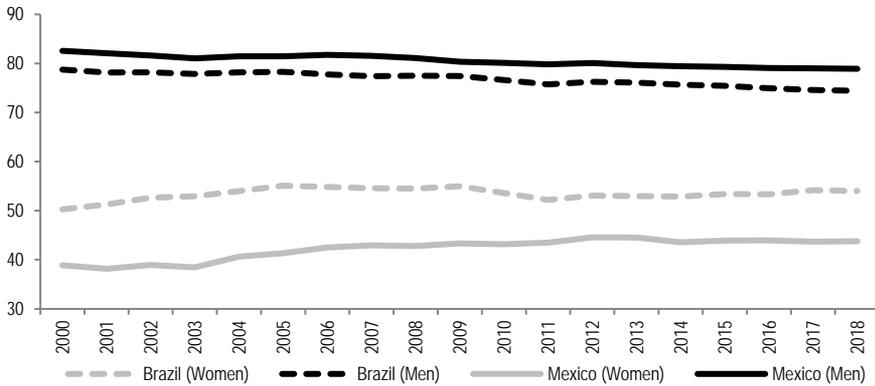


Source: Created by the authors based on data obtained from ECLAC (2019a).

Figure 1 Latin America: Federal Government Social Expenditure (% of GDP)

Furthermore, when analyzing the efforts made in terms of public social spending, both economies show significant differences. First, Mexico is one of the Latin American countries with the lowest public social spending, while Brazil is among the countries that usually allocate more resources for social issues (although the political context in Brazil has recently compromised the latter). Actually, as shown in Figure 1 (which shows public social spending made by the federal government as a percentage of the GDP), it may be noted that, although social spending in Mexico increased from 6.3% to 9.9% of GDP between 2000 and 2016, Mexico remains one of the countries whose social expenditure is below the regional average (11.4% of the GDP), along with Guatemala, Ecuador, Panama, Nicaragua, El Salvador, Honduras, Paraguay, and Peru. Similarly, Brazil was able to increase its social spending from 11.6% to 15.1% of GDP within the same period, but was overtaken by Chile and Uruguay. In addition, by observing the evolution of government spending *per capita*, it becomes clear that there is a substantial difference in the amount of resources that each country allocates for social policy: while Brazil allocates US\$1,631 *per capita* for social issues, Mexico allocates barely US\$990. This results in a difference of US\$641 (ECLAC 2019b, p. 118). Yet another difference between these economies may be found in total public expenditure levels. In that regard, the Economic Commission for Latin America and the Caribbean (ECLAC 2018, pp. 89-90) recently conducted a simple typology and classified countries into four groups: (1) group A: countries whose total public expenditure exceeds 40% of the GDP (Argentina and Brazil); (2) group B: countries whose total public expenditure ranges from 30 to 40% of the GDP (Bolivia, Costa Rica, and Uruguay for example); (3) group C: countries whose public expenditure ranges from 20 to 30% of the GDP (El Salvador, Honduras, Mexico, and Chile, among others); (4) group D: countries whose public expenditure level is under 20% of the GDP (Guatemala, Haiti, and Paraguay). In other words, in terms of percentage of the

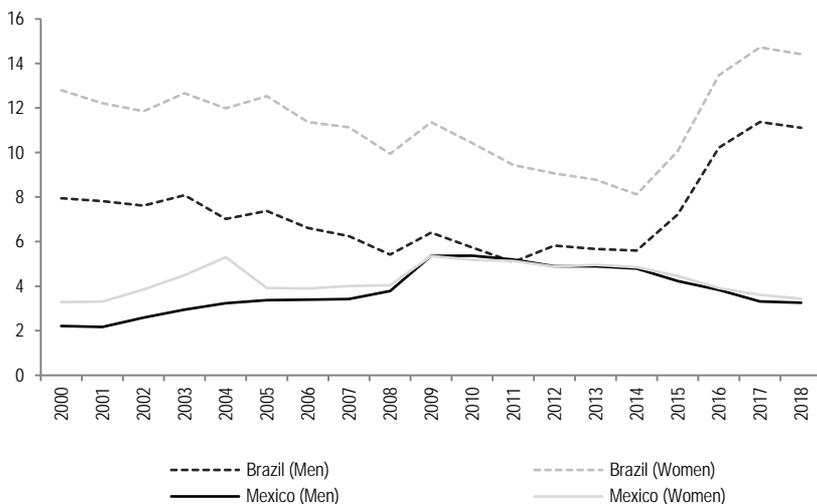
gross domestic product, total government spending in Mexico barely equals half of Brazil's, which is even more remarkable considering that, when comparing the income of both countries, it may be noticed that the tax burden differs substantially: Brazil's was around 32% of GDP in 2015, while Mexico's was closer to 16% of GDP (ECLAC 2018, p. 49).



Source: Created by the authors based on data obtained from World Bank (2019).

Figure 2 Brazil and Mexico: Male and Female Active Population Rate (15 Years or Older) 2000-2018

Up to this point, the growth dynamics and public social spending in Mexico and Brazil have been briefly analyzed. In this respect, when analyzing the labor market and gender gaps, as shown in Figure 2, it can be seen that the active population rate of women more than 15 years old has broadened in the last eighteen years in both countries. However, at least two issues should be highlighted. First, it is true that the active female population rate has increased. In that regard, Brazil went from 50.2% in 2000 to a maximum of 54.9% in 2009; in the last few years, it has ranged from 53.5% to 54%. In turn, the active population rate in Mexico was 38.5% in 2000 and it increased to 43.7% in 2018. Regardless, since 2014, this indicator has remained stagnant in about 53% of the Brazilian female population and 43% of the Mexican female population. In other words, barely more than five out of ten women more than 15 years old are economically active in Brazil, while four out of ten are active in Mexico. In fact, this makes a clear contrast to male population over 15, where a little more than seven out of ten men are economically active in Brazil, while almost eight out of ten Mexican men are economically active. Second, Figure 2 also shows the size of the gender gap in both countries. It is obvious that Mexico's is longer than Brazil's, given that the gender gap in Brazil went from 28.49 percentage points in 2000 to 20.4 points in 2018. By contrast, the gender gap in Mexico went from 43.69 percentage points in 2000 to 35.13 in 2018. However, the gap is still considerably broad in both countries. Therefore, it could be initially suggested that the labor market structure has changed only slightly or very slightly over almost two decades in favor of women (less in Mexico than in Brazil) despite the increase in the active female population.



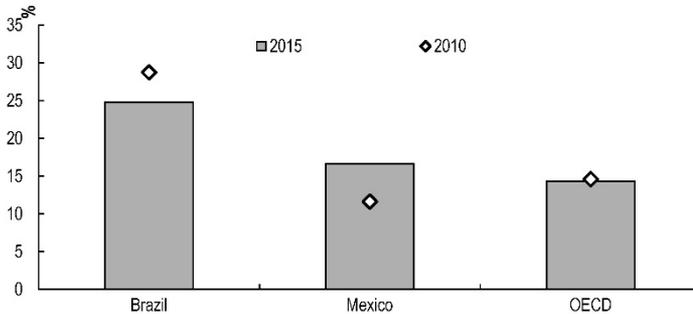
Source: Created by the authors based on data obtained from World Bank (2019).

Figure 3 Mexico and Brazil: Sex-Disaggregated Unemployment Rate 2000-2018

Similarly, Figure 3 shows the unemployment rate disaggregated for gender; three trends can be observed throughout the period under analysis: (i) in Brazil, between 2000 and 2014, female unemployment dropped from 13% to almost 8%, and male unemployment did so as well (from 8% to 5%); however, this trend changed in the following years for both men and women. In Mexico, even though the unemployment rate is not as pronounced, there was a slight increase between 2000 and 2009 (from 2.2 to 5.3% in the case of men, and from 3.2 to 5.3% in the case of women). Since then, contrary to Brazil, the trend in Mexico has been decreasing; (ii) from 2014 to 2017, there were considerably different trends in both countries. On one hand, Mexico was able to reduce male and female unemployment to 3.31% and 3.61%, respectively. As a result, the gap was practically sealed. On the other hand, Brazil saw an increase in both male and female unemployment (up to 11.3% and 14.7%, respectively). This resulted not only from the growth dynamics explained above, but also from the political context in which the country is currently embedded; (iii) in 2018, female and male unemployment decreased slightly in Brazil and stagnated in Mexico.

In short, even though (male-female) unemployment in Mexico is substantially lower than it is in Brazil, special attention must be paid to the type of jobs taken by women in both countries, their remuneration, and the time they spend in unpaid work; that is, the quality of the work that women have. This is relevant because reducing the female unemployment rate (this has not been compensated by women's active participation rate, which remains low in comparison with men's) is futile if there are still considerable wage gaps. Hence, the informal sector is yet another important topic, as it is a release valve for women in light of the extremely low wages they are offered, gender-based discrimination in the workplace, or simply, the obstacles they must

tackle to enter the formal labor market. In addition, female labor is mostly found in this sector.



Notes: Gender gaps in median profits for full-time workers. The gender gap is defined as the difference between median monthly income received by men and women, divided by the median monthly income received by full-time workers.

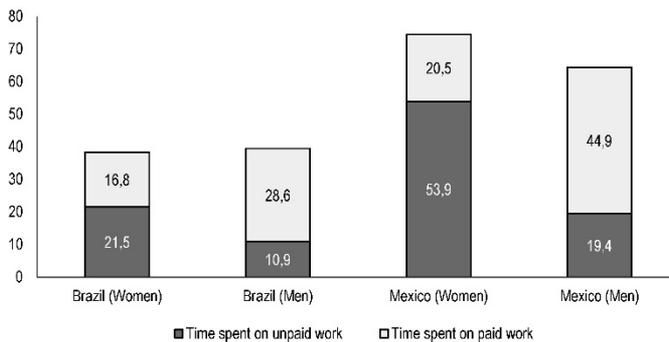
Source: Created by the authors based on data from Organisation for Economic Co-operation and Development (2017).

Figure 4 Mexico and Brazil: Wage Gap between Men and Women, 2010 vs. 2015

As such, in addition to what has been analyzed so far, a variable that allows us to shed light on the labor conditions of Brazilian and Mexican women is the wage gap that exists between the male and female population. According to Figure 4, both countries have had different dynamics in relation to wage gaps. For example, the wage gap in Brazil has remained above the OECD average (that is, 14.3% in 2015). This means that, in that year, the average monthly income received by Brazilian men was higher than that received by women by almost 25%. Nonetheless, by contrast, from 2010 to 2015, Brazil was able to reduce the wage gap by four percentage points. The Mexican case is quite the opposite: even though the wage difference between men and women is below the one in Brazil, instead of shrinking, the gender gap increased over the OECD average, going from 11.6% in 2010 to 16.7% in 2015 (that is, more than five percentage points). Regardless, it must be noted that, even though the wage gap between men and women is substantially greater in Brazil in comparison with Mexico, salary levels are considerably different between those two countries. More specifically, minimum wage in Mexico is below that in Honduras, Guatemala, and El Salvador. In addition, in the last decades, the Mexican population has been enduring a decrease in its purchasing power.

Another important variable that brings gender inequality to light may be found in the amount of time that women spend in unpaid work in comparison with men. Figure 5 shows the actual amount of time that both women and men spent in unpaid work - which is generally related to household chores and/or caregiving - between 2012 and 2014. Values are expressed in weekly hours. The differences vary from one country to the other. To begin with, in both cases, the amount of time that women spend in unpaid work is substantially greater than that spent by men. In addition, the amount of time spent in paid work is greater in the case of men than it is in the case of women. More specifically, Brazilian women spend, on average, 21.5 hours a week in

unpaid work and 16.8 hours in paid work; by contrast, Brazilian men barely spend 10.9 weekly hours in unpaid work, yet they spend 28.6 hours in paid work. In Mexico, the inequality is even more pronounced, to the detriment of women: on the one hand, women spend 20.5 weekly hours in paid work and, on the other hand, they spend 53.9 hours in household chores or caring for others; meanwhile, Mexican men spend 44.9 hours in paid work and 19.4 hours in unpaid work.



Notes: Data in the case of corresponds to 2017, while data in the case of Mexico corresponds to 2014.

Source: Created by the authors based on data obtained from ECLAC (2019a).

Figure 5 Mexico and Brazil: Average Amount of Time Spent by Men and Women on Paid and Unpaid Work: Latest Data

3. Public Expenditure and Gender: Feminization of Poverty in Mexico and Brazil

In the previous figure, we analyzed the economic context and certain sex-disaggregated basic indicators that show the precarious participation of women in the Brazilian and Mexican labor markets. In this section, we will broadly examine the concept of *feminization of poverty*⁸. The purpose is to establish a relationship between public expenditure and gender. In addition, we will also examine what both countries have done - through their government agendas and plans - to fight for gender equality. First, feminist literature has used the concept of *feminization of poverty* to highlight that women's entrance into the economic arena was unequal. Furthermore, the concept has also evidenced that there is no methodology that may establish indicators that actually represent the disadvantages faced by women in relation to men.

It is worth noting that this idea arose in the mid-1970s, when the demands made were much more focused on *equal treatment* between women and men. In truth, at the time, given that the feminist wave was at its peak, the main debate revolved around women's subordination in the political, public, and private arena. What is more, the demands - which were fully justified - for universal education, women's suffrage, re-definition of the family, and sexual freedom, among other topics, were at the rise. In

⁸ In general, to refer the issues faced by poor women (José María Tortosa 2009; Paula Lucía Aguilar 2011; María del Carmen Morgan López 2011).

the end, all those initiatives were strengthened by several feminist groups who emerged at the first *World Conferences on Women*, which were held in Mexico in 1975.

Thus, when the category of *feminization of poverty* was created, its conceptual content was rather vague, perhaps because the context in which it was embedded was characterized by the emergence of an infinite number of women and/or feminist movements that were related to other social movements taking place at the time. In Latin America for example, as we have already mentioned, the fight for women's rights took place in the 1970s and 1980s. However, it consolidated in the 1990s, when the first female agendas were established in the region. In fact, the period from 1975 to 1985 is known as the "United Nations Decade for Women", which was ultimately extended until the *Fourth World Conference on Women* was held (Beijing, 1995). Out of twelve critical issues covered at the conference, one specifically focused on women and poverty. Hence, it is not surprising that a number of proposals arose with the purpose of reclaiming and curing the role played by women in different arenas; more specifically, it was proposed that there be gender-sensitive public budgets.

It was thought that, once gender issues had been taken into consideration and incorporated into international agendas, it could be argued that low female participation in a country's economic, political, social, and cultural life was undesirable and unsustainable. At the family level, this would hinder the improvement of living conditions of family members, given that, up until then, it had not been taken into consideration that women were sometimes the heads of the family, the nucleus, and as such, the provider. In fact, those years represented a sort of whirlwind - a real turn of events - for they introduced, or at least made people aware of, the need for planning public policy from a gender perspective. Hence, broadly speaking, public policies in the 1970s tried to focus on equal treatment and women's rights. In the 1980s, in light of the *Third World Conference on Women* (Nairobi, 1985), these questions focused much more on poverty and equal opportunities (the first focalization policies may be highlighted at this point). In the 1990s, based on the Beijing Declaration (1995) and the Montevideo Strategy, where 22 countries agreed on the agenda on gender equality in the region (ECLAC 2016a, 2017, 2019c)⁹, transversality would become the axis of the Latin American debate. The Millennium Development Goals (2000), currently called the Sustainable Development Goals, are an example at an international level, for they are proposals aimed at building more inclusive and egalitarian societies, where gender equality is a fundamental component.

In this context, for Brazil and Mexico in particular, two plans or agendas stand out which included the female poverty issue, as well as a discussion on public expenditure targeted at gender equality. In Brazil, the plan mentioned is the *National Plan on Policies for Women (Plan Nacional de Políticas para las Mujeres, PNPM, 2004-2015)*; it is relevant because it focused on female poverty. The PNPM, which has now been around for more than a decade, was brought into the arena by former president Lula da Silva in 2004. This initiative was created within a framework that specifically

⁹ It must be noted that the main core of *policies with a gender perspective* is "to transform hierarchical gender relations". The foregoing given that *gender transversalization policies* seek "to incorporate a gender view in all key State policies, including economic policies" (Critical Ecosystem Partnership Fund - CEPF 2019, p. 8).

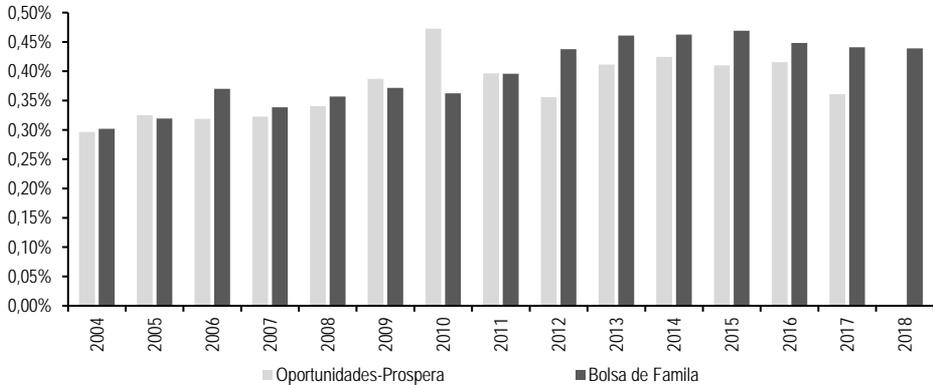
focused on the fight against poverty; above all, extreme poverty and homelessness. As a result, the Sole Federal Government Social Program Registry was created. This entity sought to identify and classify - at a socioeconomic level - low-income Brazilian families. In this respect, it must be noted that 55% of the people registered were women and that 90% of those women were the heads of family. In addition, 60% of them had either very basic education or were illiterate (Secretaria Nacional de Renda de Cidadania 2016). Consequently, in the Rousseff administration (2011-2016), the PNPМ established a number of guiding principles: (a) equality in the workplace and economic self-reliance; (b) education for equality; (c) integrated health for women; (d) elimination of violence against women; (e) female participation in power and decision-making arenas; (f) equality for women in the field; (g) culture, sports, and communication; (h) racism and sexism; (i) equality for young women (Secretaria Especial de Políticas para as Mulheres 2009, 2013)¹⁰.

In turn, Mexico created the National Program of Equal Opportunities and Non-Discrimination against Women (*Programa Nacional para la Igualdad de Oportunidades y No Discriminación contra las Mujeres*, PROIGUALDAD, 2013-2018), one of its features being the Expenditure Allowed for Women and Gender Equality (*Gasto Etiquetado para las Mujeres y la Igualdad de Género*, GEMIG). In this program, the main purposes were: (a) reaching effective equality between men and women; (b) issuing cultural and media policies to strengthen gender equality; (c) achieving legal equality and eliminating violence against women; (d) achieving economic self-reliance; (e) promoting welfare and human development (education, health, housing, and social co-responsibility); (f) social and political participation; (g) time management. PROIGUALDAD was part of the programs that were in line with the National Development Program (PNP 2013-2018); its purpose was to include a gender perspective for all programs made by several Federal Government agencies, so much so that it had 36 strategies, 314 action points, and 18 indicators, along with the relevant goals for 2018 (Instituto Nacional de las Mujeres 2013, p. 19).

Notwithstanding, it should be taken into consideration that, regardless of the efforts made to include a gender perspective in social policy initiatives, it was not always clear how or which program would cure or prevent the perpetuation of gender inequality; worse even was that the mere inclusion of the word “gender” sufficed to obtain the resources. In Mexico, the Expenditure Marked for Women and Gender Equality is particularly relevant, as it started in 2008 with MXN\$7 billion allocated for 65 budget programs. Then, it rose to MXN\$18.76 billion in 2013 allocated for more than 100 programs (CEPF 2017, p. 2). More recently, in 2019, MXN\$64.656 billion were approved for Exhibit 13 - Expenditure Marked for Equality between Men and Women. However, even though both the GEMIG and the number of programs increased, the amount of resources targeted at gender issues is still minimal: it

¹⁰ More specifically, the I National Policy Plan for Women (I PNPМ) was developed within the framework of the 1st National Conference of Policies for Women (1st CNPM, July 2004), which was redesigned and discussed twice in 2007 and 2011, as a result of the 2nd CNPM and the 3rd CNPM, respectively. Thus, the third and final PNPМ was launched between 2013-2015. In the latter, it was estimated that around 200,000 women from all over the country and a little more than 2,000 delegates at a national level participated in its elaboration (Secretaria Especial de Políticas para as Mulheres 2013, p. 9).

represents less than 1% of the GDP (CEPF 2019, p. 19). In addition, there are no accurate indicators allowing the assessment of the impact that those programs and resources have had on gender gaps (CEPF 2017, 2019).

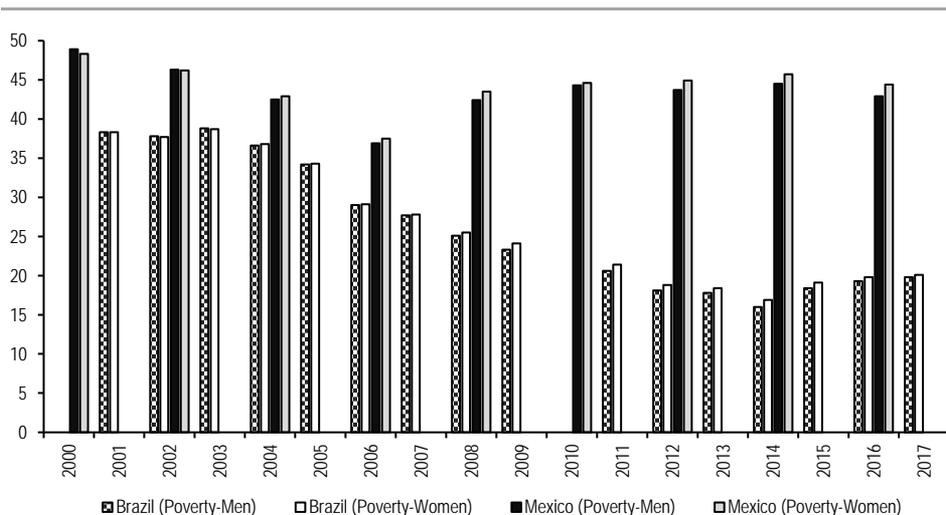


Source: Created by the authors based on the database concerning no-contribution social security programs in Latin American and the Caribbean (ECLAC 2019a).

Figure 6 Mexico and Brazil: Budget for the Main Poverty Reduction Program, 2004-2018 (% of GDP)

There are two concerns stemming from this data: how could the poverty landscape in Mexico and Brazil be described? How has public expenditure allowed for poverty reduction evolved? To answer these questions, we have included (as per Figure 6) the aggregate amount of resources budgeted for the main poverty reduction program in both countries (as a GDP percentage)¹¹. In this respect, the budget of the Brazilian program *Bolsa Familia* - which currently benefits nearly 13.9 million low-income families - went from 0.30% of the GDP in 2004 to a maximum of 0.47% in 2015. Then, it stagnated at around 0.44% between 2016 and 2018. By contrast, even though the Mexican program *Oportunidades-Prospera* also increased its budget from 0.30% of the GDP in 2006 to a maximum of 0.47% in 2010, the percentage decreased to 0.37% in 2017. This tendency has been observed since 2014.

¹¹ In the case of Brazil, we refer to the *Bolsa Familia* program (2003-present), while for Mexico, we refer to the *Oportunidades-Prospera* (1997-2019), both of which are among the two most important Conditional Money Transfer (TMC) programs in Latin America. Additionally, both focused on families in conditions of poverty and extreme poverty and emphasized non-dropout and periodic visits to the health center by children, youth, or most vulnerable household members. One aspect that is important to point out is that neither *Bolsa Familia* nor *Oportunidades-Prospera* were included in the National Plan of Policies for Women (PNPM, Brazil) or in the National Program for Equal Opportunities and Non-Discrimination against Women (PROIGUALDAD, Mexico), respectively. Although this does not mean that they did not address or did not take into account that women are mostly affected within the population in poverty; instead, such a reality was treated as a tangential aspect rather than central one in the design of said programs.



Source: Created by the authors based on data obtained from ECLAC (2018).

Figure 7 Mexico and Brazil: Sex-Disaggregated Poverty Rates, 2000-2017 (Percentages)

In light of the foregoing, two remarks must be made. First, even though the programs are not strictly aimed at fighting female poverty, the support is generally received by women who are the head of their family. Hence, it may be said that there is an implicit relationship between this type of programs and the feminization of poverty. Second, even though the amount of resources targeted at both programs has increased, the values remain at extremely low levels. In addition, when poverty is considered and disaggregated by sex, it is obvious that the female population is greatly affected by this issue, as shown in Figure 7, where opposite trends may be clearly noticed. In that regard, it must be mentioned that, in the early 2000s, poverty levels in Mexico and Brazil reached around 40% to 50% of the population and decreased until 2006. Since then, poverty levels in Brazil kept on dropping until 2014, when the trend reversed; meanwhile, in Mexico, the trend reversed dramatically. To illustrate, female poverty rates in Brazil went from 38.3% in 2001 to 16.9% in 2014, and male poverty rates decreased from 38.3% to 16% in that same period, so that by 2017, the rates had reached 20.1% and 19.8%, respectively. Another aspect that must be considered is that, even though poverty rates substantially decreased in Brazil until 2014, they have risen in the last few years, to the detriment of women. Something similar happened in Mexico. Yet, female poverty rates in that country have remained practically unchanged since 2000: 48.3% of Mexican women were poor in 2000, while 44.4% of women were poor in 2016. In summary, the two previous figures suggest a positive correlation between the increase in the budget in the *Bolsa Familia* program (Brazil) and the decrease in poverty levels (female-male) between 2003-2014. While in the case of the Mexican program *Oportunidades-Prospera*, despite having increased its budget, instead of diminishing, poverty levels also increased (especially between 2007-2010). In any case, in Brazil or Mexico, poverty continues to affect the female population mostly.

4. Final Remarks

In today's world, it cannot be denied that gender inequality constitute a very serious, if not the most serious, socioeconomic issue. We live in a society that excludes, abuses, and discriminates against women in unimaginable and varied ways, feminicides being perhaps the crudest manifestation of this. Therefore, reflection upon how to create more democratic and egalitarian societies is urgently needed. Demanding and insisting on gender equality will never be futile. In light of this, the purpose of the research detailed in this article was more specific: the analysis of the impact that austerity policies have had on gender inequality in Mexico and Brazil on the feminization of poverty in particular. The article also discussed the need to keep pushing towards an agenda that actually considers gender issues in public expenditure management as a critical component in the design of a more successful development strategy.

In this regard, as examined in this paper, the overhead granted for gender-focused public expenditure within the framework of austerity policies is considerably reduced, given that financing has not been coupled with an increase in tax revenues. This becomes increasingly serious in a context where economic growth is anemic and exclusive. Hence, one of the main issues that requires further analysis is reflecting on the role that the tax policy would play beyond deficit and public debt management and control. Nonetheless, we have merely focused on discussing if public expenditure remains "austere" it will be unable to positively contribute to the construction of more egalitarian societies. The above constitutes a critical issue in the eradication of gender inequality, even more so because the results obtained in the last few years have not resulted in the systemic improvement of women's quality of life and living conditions.

Even though both countries under analysis seem to be increasingly concerned about gender inequality - as shown in their agendas and development plans, where public expenditure played a crucial role -, their concern has not been sufficient to achieve this. In reality, the fact that Brazil increased its public expenditure, which decreases by the day on account of recent austerity policies, considerably reduced both female and male poverty. Notwithstanding, the economic crisis and the political instability that have been observed in the last couple of years have aggravated this issue to the detriment of Brazilian women. Similarly, in spite of the initiatives undertaken, such as the Expenditure Allowed for Women and Gender Equality, it has been observed that the feminization of poverty in Mexico has hardly changed since the beginning of the year 2000. In short, progress made in Brazil during the last decade has been seriously jeopardized by the country's current economic and political landscape, where the loss of social rights is undeniable. In Mexico, public resource management is connected to patronage, which has delayed the discussion of a development strategy committed to achieving greater equality and reducing gender gaps.

It is true that gender inequalities go beyond the analysis of the feminization of poverty, similarly, a public expenditure with a gender perspective is not the only solution. However, we believe that austerity should be discussed in light of persistent inequalities, especially gender inequalities. Therefore, recognizing that the implications of austerity may be different for men and women is only the first step towards thinking about more appropriate public policies. Certainly, we are not saying that the relationship between austerity and gender inequalities is only causal in nature; instead,

both are embedded in a preponderantly financial capitalist dynamic, where women tend to be excluded and subordinated in different aspects of daily life. Consequently, deeper analyses of how austerity policies affect and/or deepen gender inequalities are more than fundamental and constitute one of the main challenges to be taken into account by different feminist agendas. In Mexico, for example, in the year 2019 there was a wave of protests against the budget cut to daycare facilities that, in the end, was not carried out due to social pressure. More recently, protests have been focused on unsustainable gender violence. In Brazil, the fact that a blatantly misogynist character like Bolsonaro took office - who does not seem to be at all interested in achieving greater gender equality in the South American country - set off the alarms of different feminist movements that have repeatedly expressed their rejection against the conservative measures of the carioca government.

On the other hand, when thinking about the design and implementation of public policies intended at compensating gender inequalities, in addition to taking into account the implications of austerity, the complex network of difficulties that women face throughout their lives should be considered (intersectionality approach). Put simply, the different dimensions of being a woman should be taken into account, given that, since childhood, women face all kinds of limitations and/or discrimination on a daily basis. Additionally, the rural, urban, ethnic, and/or socioeconomic position of women should also be considered, since growing in a rural environment is not the same than to do so in an urban area. Similarly, women's ethnicity and socioeconomic background should also be considered, provided that indigenous and Afro-descendant women, for example, have historically been made invisible. In other words, public policy must contemplate that being a woman already entails facing a high degree of inequality that varies depending on a woman's ethnic, socioeconomic, or any other condition derived from that woman's environment.

In summary, when considering the initial question: "What is the status of Mexican and Brazilian Women?", it is clear that even though both realities are quite different (in light of the peculiarities and idiosyncrasy of each country in terms of labor structure and gender gaps), Mexican women are facing greater adversities in comparison with Brazilian women. However, the situation in Brazil has not seemed to improve, given the uncertainty caused by the victory of Jair Bolsonaro - a misogynist - in the presidential elections. Furthermore, the changes in the Brazilian political landscape are even more worrisome if its frail economic growth is considered in context with an increasing tendency to incorporate austerity into tax policies. In addition, the statements made by Mexican president Andrés Manuel López Obrador concerning tax issues as well as his disregard for economic growth are far from encouraging; this suggests that inequality - specially gender inequality - will not only prevail but worsen.

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