

# A Table to Eat On: The Meaning and Measurement of Poverty in Latin America

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This chapter traces the evolution of poverty in Latin America over the last twenty-five years within the context of the main shifts in social and economic policy in the region. The opening section is based on poverty calculations by the UN's Economic Commission for Latin America and the Caribbean (ECLAC, or CEPAL by its Spanish acronym) since, despite the fact that ECLAC refers only to income poverty (which we later show to be a partial and skewed method), these are the only data available and they allow for a certain degree of comparison. The chapter goes on to discuss the limitations of the income poverty (or poverty line) method of measuring poverty, which is used widely by international organizations and governments. We contrast it with the Integrated Poverty Measurement Method (IPMM), which is an alternative approach that seeks to broaden our look when measuring poverty.<sup>1</sup> We then present data on poverty in Mexico using the IPMM and compare those data with the results obtained with three different applications of the poverty line method. The last section analyzes the evolution of poverty in Latin America from the gender perspective and shows that there is some evidence that poverty is becoming masculinized.

## THE GROWTH OF POVERTY

Over the last twenty-five years, following the prescriptions of international organizations, the governments of Latin American countries have imple-

mented economic and social policies based in “free market” principles, amounting to a “race to the bottom” strategy. As a result, poverty has grown and labor and social policy standards have been gradually reduced to the minimum.<sup>2</sup>

This race-to-the-bottom strategy assumed that by reducing the cost of labor, the economies of the region would more effectively compete in the international marketplace. Those organizations and governments, however, did not foresee the larger participation in the world market of India and China, whose labor costs are much lower than those prevailing in Latin America. Neither did they foresee that as a consequence of this policy of lower labor costs, internal effective demand would fall, slowing economic growth, despite the growth in exports.

Following the recommendations of the international organizations or perhaps out of their own conviction, governments in Latin America abandoned their active role in the economy, leaving their economies to drift, and at the mercy of unfair international competition. The liberalization of capital markets destabilized national economies by subjecting them to the whims of speculative capital. The obsessive pursuit of low rates of inflation meant the abandonment of the goals of full employment and economic growth. The drive to privatize favored the creation of monopolies, transferring the profits previously appropriated by the public sector to private hands.

Likewise, governments have followed the neoliberal principle that the redistribution of income, a long-accepted state responsibility, should be carried out through public spending targeted to benefit only the extremely poor—to enable them to compete in the marketplace—ignoring the rest of the poor, and rejecting the redistributive role of progressive taxation. Public income, according to neoliberal principles, should depend, instead, on indirect taxation.<sup>3</sup>

Poverty in Latin America has shown a tendency to rise since the early 1980s. The percentage of the population that is poor increased from 40.5 percent to 44 percent between 1980 and 2002 (see Figure 7.1). The number of poor people increased by 84 million, from 136 million in 1980 to 220 million in 2002, which amounts to an increase of 61.8 percent. These figures show us the inadequacy and the paltry results that structural adjustment policies have had in Latin America.

FIGURE 7.1

Incidence of Poverty and Extreme Poverty in Latin America: 1980–2002\*

Year	Below the Poverty Line			Below the Extreme Poverty Line		
	Total	Urban	Rural	Total	Urban	Rural
1980	40.5	29.8	59.9	18.6	10.6	32.7
1990	48.3	41.4	65.4	22.5	15.3	40.4
2000	42.5	35.9	62.5	18.1	11.7	37.8
2002	44.0	37.8	61.8	19.4	13.5	37.9

\*All figures are percentages of the total population.

Source: CEPAL, 2001, *Panorama Social de América Latina*, Table 1, p. 14, and CEPAL, 2003, *Panorama Social de América Latina*, Table 1.2, p. 50. Percentages are of individuals living in poor or extremely poor households.

On the other hand, the diversity in the levels of poverty among Latin American countries is very wide as can be seen in Figure 7.2, in which poverty incidence has been classified in seven categories, from very high, where the only country with available data is Honduras (with an incidence of 77.3 per cent), to very low, where again there is only one country, Uruguay, with 15.4 percent of its population living in poverty.

FIGURE 7.2

Latin American Countries Ranked by Levels of Poverty: 2002\*

Country	Level of Poverty
<i>Extremely High</i>	
Honduras	77.3
<i>Very High</i>	
Nicaragua	69.4
Bolivia	62.5
Paraguay	61.0
Guatemala	59.9

\* All figures in percentages of the total population living below the poverty line.

<i>High</i>	
Peru	54.8
Colombia	50.6
Ecuador (urban)	49.0
El Salvador	48.9
Venezuela	48.6
Dominican Republic	44.9
Argentina (urban)	41.5
<i>Moderate</i>	
Mexico	39.4
Brazil	37.5
Panama	25.3
<i>Low</i>	
Chile	20.6
Costa Rica	20.3
<i>Very Low</i>	
Uruguay	15.4

Source: Authors' calculations based on data from CEPAL, 2004, *Panorama Social de América Latina*, Table 15, pp. 324-325.

It is important to note that the economic crises experienced in the late 1990s in various Latin American countries had very serious consequences. For example, the percentage of poor people in urban Argentina rose from 16 percent in 1994 to 41.5 percent by 2002, turning Argentina from a country with low levels of poverty in its urban areas into one with a high degree of urban poverty. For its part, Uruguay saw its level of poverty go from less than 10 percent to more than 15 percent over the same period, despite the fact that it continues to be the country with the least poverty in the region.

The overall evolution of poverty in Latin America in the 1980-2002 period and its levels in 2002 might be even gloomier than what these figures reveal, since the official data showing a reduction of poverty in Mexico between 2000 and 2002, a period of economic recession, have been seriously challenged. ECLAC maintains that there is a lack of comparability between the

2000 and the 2002 Household Income and Expenditure Surveys (ENIGH).<sup>4</sup> The organization notes that the changes in the survey sampling design affected mostly poverty in rural areas (settlements with fewer than 2,500 inhabitants), where extreme poverty is concentrated and where the reduction of poverty was observed.<sup>5</sup>

### MEASURING POVERTY

The measurement of poverty entails two elements: (1) the observed condition of households and individuals; and (2) the norms according to which we judge who is poor and who isn't, norms that express our view of the minimum floor below which human life loses dignity and becomes degraded.

The dominant approach to poverty compares household income with the poverty threshold or poverty line, both of which are expressed in per capita income terms. In the works of the World Bank, the level of the poverty line is arbitrarily set. The method used by ECLAC to measure poverty by income is that of a normative food basket (NFB).<sup>6</sup> The basket is made up of a list of goods, each with its quantity and price, and is formulated to reflect the nutritional requirements and the observed diet of each country. Given that diets and prices vary from country to country, both the basket of goods and its cost will also vary.

ECLAC defines the extreme poverty line (EPL) as identical with the cost of the normative food basket (CNFB); it also defines a poverty line (PL) that is a multiple of the EPL, to allow for the purchase of goods other than food. To purchase the NFB, households with incomes equal to the EPL (or the CNFB) would have to spend 100 percent of their earnings on raw food, but they would find it impossible to consume it since the NFB does not include the requirements for its preparation and consumption (gas, pans, utensils, plates, a table, detergents, etc.). This definition of extreme poverty reduces human beings to an animal state, eating raw food on the floor with their hands.

While this method establishes minimum norms in terms of food consumption, no norm is defined for what households require to satisfy the rest

of their needs. To estimate the poverty line (PL), the cost of the normative food basket (CNFB) is multiplied by the inverse of the proportion of income or total expenditures dedicated to the purchase of food as observed in a reference group of households. This proportion is called the Engel Coefficient. The NFB methodology has been criticized because of the instability of the Engel Coefficient.<sup>7</sup> Different criteria exist for selecting the reference group as well. The poorer the reference group is, the higher the proportion of income spent on food will be and hence the lower the poverty line. Therefore, the establishment of the poverty line becomes an arbitrary political exercise.

According to Óscar Altimir, the author of ECLAC's measurement method, the reference group should be so defined that its expenditure on food is equal to the CNFB (or EPL).<sup>8</sup> This author assumes that households that fulfill their food requirements also satisfy the rest of their needs. Empirically, this assumption does not hold true; there are households that satisfy their food requirements and nevertheless are poor according to the Unsatisfied Basic Needs (UBN) method. Conceptually, the assumption is not solid either since it supposes that households arrive at the satisfaction of all their needs simultaneously, which is denied by all theories of human needs. Therefore, the additional income requirement that is added to the EPL to obtain PL is a black box that makes it impossible to know what standard of living it allows.

The poverty line method also has serious limitations with regard to capturing the complexity of the problem of poverty. For example, ECLAC itself has affirmed that even when poverty (by income) decreases as a result of an increase in households' monetary resources, this doesn't necessarily and automatically result in a decline in malnutrition, since there would also have to be a reduction in the negative impact of other risk factors, including sanitary living conditions, access to drinking water, adequate sewerage and access to health services.<sup>9</sup>

One of the principal limitations of the poverty line method is that it assumes that the satisfaction of basic needs depends exclusively on current household income or on private household consumption. Thus, it does not take into consideration other sources of well-being such as household's accumulated wealth (including dwelling ownership); non-basic assets; access to

free education, health care, and other free services; free time and time available for domestic work and study; and knowledge and skills.<sup>10</sup> A household without access to free health services and social security does not have the same standard of living as a household that does, even when the per-person income is the same in both of them.

Julio Boltvinik developed an alternative approach for measuring poverty that takes into account all the sources of well-being enumerated in the previous paragraph: the Integrated Poverty Measurement Method (IPMM), which combines the poverty line (PL) method, the UBN method, and the index of excess working time, which serves to identify time poverty.<sup>11</sup>

The PL method, which calculates poverty taking into consideration only one of the sources of well-being—current household income—corresponds to what Amartya Sen called the indirect approach to the measurement of poverty. By contrast, the UBN method is a direct method since it observes the satisfaction—or lack—of certain basic needs, such as housing or education, taking into account some of those previously noted sources of well-being, but without taking into account income or time. The IPMM, in addition to taking into account all the sources of well-being, overcomes the following serious limitations, noted by Boltvinik, of the conventional applications of the UBN method:<sup>12</sup> (a) the intensity of deprivation cannot be calculated, and hence no aggregated poverty index beyond the proportion of poor people or poverty incidence can be calculated; (b) poverty incidence depends on the number of indicators used; the more indicators that are used, the greater poverty incidence will be. In the IPMM, all UBN indicators are converted into a well-being metric scale and are combined through weighted averages, thus overcoming both limitations of conventional UBN applications.<sup>13</sup>

In the IPMM, the satisfaction—or lack—of some basic needs is verified in an indirect manner through income. These needs are generally: food, fuel, personal and household care, clothing and shoes, public transportation, basic communications, recreation and culture, payment of housing services, and expenditures associated with school attendance and health care. On the other hand, the satisfaction of housing characteristics, access to housing services (water, electricity, and drainage), household facilities, education level, and access to health services and to social security are verified in a direct

manner through the UBN method. Finally, the index of excess outside-the-home work expresses indirectly the availability of free time and time for rest, education, and domestic work.

In the IPMM, a comprehensive poverty index is worked out, in two stages, for each household. In the first stage, household income is adjusted by dividing it by the index of excess outside-the-home work before comparing it to the poverty line in order to obtain income-time poverty. In the second, the combined index of UBN (that is obtained as a weighted average of its partial indices) is combined with that of income-time through a weighted average. All households that have a positive value in the resulting integrated poverty index (or IPMM index) are classified as poor.<sup>14</sup> Likewise, the IPMM allows for the evaluation of each household from a partial point of view, taking into account only one dimension or one component (income poverty, unsatisfied basic needs poverty, time poverty, or poverty as depicted by any of the components of UBN). This method offers a measurement of poverty that is not only comprehensive but is also more precise and dynamic than measurements based exclusively on income.

### THE CASE OF MEXICO

There are two principal explanations for the findings that the poverty incidence in the IPMM is much higher than the ECLAC results. First, the IPMM is broader as it takes into account all sources of well-being. Second, the norms utilized in the income dimension, the only one shared by both methods, are more generous and explicit in IPMM not only for food but for all goods and services.

Figure 7.3 shows the evolution of poverty in Mexico with the IPMM and with three variants of the poverty line method: (1) that of ECLAC, which covers the period from 1968 until 2000 and is adjusted to national accounts;<sup>15</sup> (2) that of the World Bank, which covers the period from 1968–1996, in which the methodology is not explicit;<sup>16</sup> and (3) that formulated by Enrique Hernández Laos and Julio Boltvinik (HLB), which covers the period from 1968–2000 and is based on the poverty line calculated on the basis of the



standard basket of essential goods defined by the government unit Coplamar, which is adjusted to national accounts until 1984 only.<sup>17</sup> The calculation of the IPMM covers the period 1984–2000 and is adjusted to national accounts up to 1992. The graph does not present data on poverty for 2002 and 2004 since the surveys used to calculate poverty in those years are not comparable with the earlier ones.

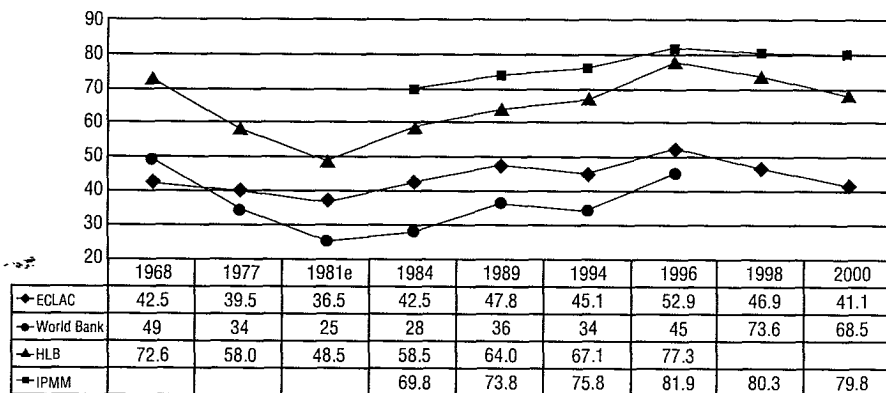
Mexico's National Household Income and Expenditure Surveys (ENIGH) of 2002 and 2004 show a decline in extreme poverty compared with 2000 (whether measured by the PL or IPMM) but a rise in nonextreme poverty as we (though not ECLAC or the World Bank) conceive it, defined with generous thresholds that take into account all human needs, satisfied at a basic but dignified level. The decline in extreme poverty, however, is not consistent with the evolution of economic indicators. For example, the per capita gross domestic product (GDP) grew barely 0.3 percent; unemployment grew during this period, and the number of formal employees registered at the Mexican Institute of Social Security (IMSS) declined by more than 200,000. ENIGH's data for 2002 and 2004 are, therefore, broadly contested.<sup>18</sup>

The three longest series, based on the PL method, show a period of decline in poverty between 1968 and 1981.<sup>19</sup> This trend reverts to a rise that persists in an almost continuous fashion until 1996. The IPMM, whose series begins in 1984, also identifies an upward trend in poverty since then and until 1996. The two versions of the poverty line method that continue until 2000 (ECLAC and HLB) show an accelerated decrease in poverty between 1996 and 2000, while with the calculations of the IPMM the reduction is very slight.

The two versions of the poverty line method that cover the entire period show that the percentage of the population living in poverty is slightly less in 2000 than in 1968 but much greater than the level in 1981. So, according to ECLAC, poverty in 2000 affected 41.1 percent of the population, only 1.4 percentage points less than in 1968, but almost 5 percentage points higher than that of 1981, almost 20 years before. According to the HLB series, the level of poverty in 2000 was slightly less than that of 1968 (4 percentage points) but 20 percentage points above the level at 1981. Last, in the series of

FIGURE 7.3

## Four Versions of Poverty in Mexico, 1968–2000



All measurements are of the percentage of the Mexican population considered to be poor.

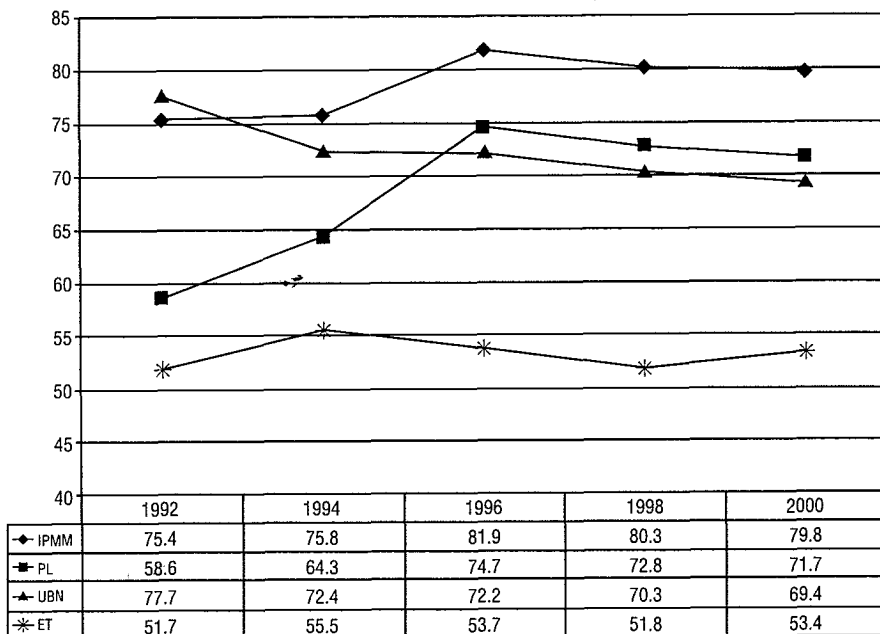
Sources: ECLAC: 1968, 1977, and 1984 are estimates of the percentage of individuals living in poor households as identified by the United Nations Development Program (UNDP), "Magnitud y evolución de la pobreza en América Latina," *Comercio Exterior* 42 (4), Abril 1992, Table 2, p. 384). Estimates for 1989–2000 are from CEPAL, *Boletín demográfico. América Latina y el Caribe: indicadores seleccionados con perspectiva de género*, 2002, statistical annex, Table 14, p. 221; World Bank: *Global economic prospects and the developing countries*, Washington, D.C., 2000, pp. 52–53; HLB: 1968–1984 are from Enrique Hernández-Laos, *Crecimiento económico y pobreza en México. Una agenda para la investigación*, Centro de Investigaciones Interdisciplinarias en Humanidades, Universidad Nacional Autónoma de México, 1992, Table 3.2, pp. 108–109. Estimates for 1989–2000 are authors' calculations based on the National Survey of Household Income and Spending (ENIGH).

the World Bank, poverty in 1996 (the final year of the series), though it is 4 percentage points lower than in 1968, is substantially greater than in 1977 and 20 percentage points higher than in 1981. Finally, the IPMM shows that poverty was higher in 2000 than in 1984.<sup>20</sup>

Figure 7.4 shows the evolution of poverty according to IPMM and its three dimensions (unsatisfied basic needs, income, and time) during the 1990s. It can be observed that while the incidence of integrated poverty rose between 1992 and 2000 (from 75.4 percent to 79.8 percent), the components of

FIGURE 7.4

Evolution of the Components of the IPMM in Mexico, 1992–2000



IPMM is the integrated poverty measurement method; PL is the poverty line method; UBN is a measure of unsatisfied basic needs; ET is a measure of excess time at work.

Source: Authors' calculations based on the National Survey of Household Income and Growth (ENIGH), 1992, 1994, 1996, 1998, and 2000; National Institute of Statistical and Geographic Information (INEGI).

IPMM show different behaviors. Poverty measured by income increased greatly, rising 13.1 percentage points between 1992 and 2000 (from 58.5 percent to 71.7 percent); while poverty measured by time grew slightly and that of UBN declined (from 51.7 percent to 53.4 percent, and from 77.7 percent to 69.4 percent, respectively).

The income dimension is very sensitive to changes in economic growth, while the unsatisfied basic needs dimension tends to diminish with time.

This paradox is explained, above all, by two factors—first by the stock character of the majority of the variables of the UBN method (i.e., they exist and are measured at a given moment in time) vis-à-vis the flow character of the income variable (i.e., it is received per week, per month, etc., and is always calculated per period of time). While the flow variables can easily change their values, that is not the case with the stock variables, which can only experience marginal changes (except, for some stock variables, as a consequence of a catastrophe). In this way, the levels attained by stock variables at the present period are determined mostly by their level in the earlier period. Second, many indicators of the UBN method are determined by sources of well-being which can vary in the opposite direction with respect to household income during periods of recession. This is explained by the noncommodity character of many goods and services (e.g., education, health care, water, and drainage).<sup>21</sup> Even indicators such as housing (space and quality) that are partially determined by income are also determined by other factors, such as access to legal possession of land for housing; in the case of the poor population, the state of housing is widely determined by effective prevailing policies in the cities and by families building their own homes.

### THE MASCULINIZATION OF POVERTY IN LATIN AMERICA

We now turn our attention to the question of gender. In recent decades, there has been growing consciousness of the unfavorable conditions of women who live in poverty, and it has been argued that the disadvantages these women face have grown more acute in the wake of the recurring economic crises. In the 1970s, a series of factors were said to have led to greater poverty in female-headed households: the fact that this type of household, most present in the poor strata, was increasing in number; that the women in these households had to assume more responsibilities, both domestic and extra-domestic; that they faced more joblessness, worked fewer hours, and received lower wages. Likewise, it was maintained that these were the households with the greatest number of dependents.<sup>22</sup>

In the 1980s, it was argued that in the wake of the innumerable economic

crises that affected developing countries, women's living conditions,<sup>8</sup> especially those with the least resources, were deteriorating. According to some authors, during these crises, women's duties of maintenance, reproduction, and replacement of the labor force became more intense.<sup>23</sup>

In the 1990s, it was argued that the feminization of poverty was a global phenomenon. According to Noeleen Heyzer, former director of the United Nations Development Fund for Women (UNIFEM), the number of women living in poverty had doubled over the previous two decades, and by the mid-1990s, women made up at least 60 percent of the 1 billion poor people in the world.<sup>24</sup> Likewise, in its *Panorama Social de América Latina 1995*, ECLAC included a chapter dedicated to the relationship between poverty and the female headship of households in which it is stated that "the notable growth of poverty registered in the region in the 1980s was reflected in a larger increase in indigent households headed by women. . . . Comparisons between both sexes allow the conclusion that in 7 of 11 countries, poverty is more frequent in households headed by women than those headed by men. The difference is most notable still in extremely poor or indigent households. . . . Extreme poverty, particularly in urban areas, affects above all households in which there is no husband."<sup>25</sup>

In the second half of the 1990s, some studies questioned the existence of an association between poverty and female-headed households.<sup>26</sup> Nevertheless, although these authors recognized the existence of other factors that influence the incidence of poverty (such as the type of household, the stage in the life cycle, access to property, etc.), they didn't deny that households headed by women were generally poorer than those headed by men. Thus, Arriagada, using data from Latin America in 1993, argued that "except for Argentina, Mexico, and Uruguay, in all households headed by women, whether they are extended, composite or nuclear families, there is a greater probability of poverty, as confirmed by different studies from the region.<sup>27</sup> The same occurs when examining the probabilities of indigence. . . ."

In the late 1990s, Lloyd commented that a recent review of the literature found that "households headed by women are poorer in general in most but not in all cases.

Income measurements by equivalent adult showed an even stronger relationship between poverty and female-headed households, where households

with female heads were poorer.”<sup>28</sup> Nonetheless, analyzing the data from different developing countries, she argued that no relationship exists between the percentage of people living in absolute poverty (defined according to the World Bank) and the percentage of female-headed households.<sup>29</sup> Further on, she says that “while female-headed households are frequently among the poorest, there does not appear to be an automatic relationship between female-headed households and poverty.”

In the *Panorama Social, 2000–2001*, ECLAC notes that in Latin America, “the probability of being poor for the almost 91 million people belonging to female-headed households is similar to the average probability, which shows that this attribute does not connote by itself alone a condition of poverty.”<sup>30</sup> This declaration rejects the opinion about the feminization of poverty expressed by the same organization in 1995.

The alleged existence of a feminization of poverty is not easy to elucidate. When poverty is calculated, the unit of observation and identification of poverty is not the person but the household. Poverty does not depend only on someone earning little, but also on the number of people who depend on that income. As the same literature on gender has pointed out, this form of approaching poverty has many limitations, since it doesn’t expose the inequality within members of the household. Nevertheless, because of the difficulties of actually observing differences by gender or by generations within households, those of us who study poverty see ourselves always obliged to suppose total egalitarianism within the household, in such a way that everyone in the household is regarded as poor or as not poor. Thus, the feminization of poverty can neither be proved nor disproved. The only recourse left to us is either to compare some indicators of well-being between women and men or to analyze poverty according to the sex of the head of the household.

Despite our identification of the major limitations of the poverty line measuring method, and calling attention to the inequalities inside the household that all available poverty measurement methods can conceal (regardless of the sex of the head), this section seeks to contribute to the debate about whether or not a feminization of poverty exists in Latin America. Toward that end, we use the poverty calculations and some other socio-demographic indicators published by ECLAC for the countries of Latin America.

ECLAC's *Boletín Demográfico 2002* was produced with a focus on gender. Table 6b of the document refers to the "femininity ratio" of the poor population in 1999, calculated by dividing the number of poor women by the number of poor men and expressing the result as a percentage.<sup>31</sup> Based on this table, we would have to conclude that poverty affects women more than men, as the femininity ratio is greater than 100 percent in both urban and rural areas in eleven of the seventeen countries with available information. Another four countries have a femininity ratio greater than 100 percent in either their urban or rural areas and only two countries have a femininity ratio of less than 100 percent.<sup>32</sup>

Nevertheless, ECLAC makes a very obvious methodological error: it ignores the fact that in the majority of Latin American countries, women represent a larger percentage of total population than men. Therefore, to construct a femininity index of poverty that takes this fact into account, the data must be adjusted according to the relative proportion of women in each country. Figure 7.5 contains a femininity index of poverty corrected to reflect the relative weight that women have in the total population; the index is calculated for urban and rural areas, and, in contrast to ECLAC's original table, it also presents an index for the national total in each country and for Latin America as a whole. This index is expressed in relation to the unit. If its value is 1.00, it means that the probability of being poor if you are a woman is equal to the probability of being poor if you are a man.<sup>33</sup>

FIGURE 7.5

## Gender and Poverty, 1999–2002

<i>Country</i>	<i>Feminine Poverty Index</i>
Latin America	1.01
Urban	1.05
Rural	0.95
Argentina	nd
Urban	1.05
Rural	nd

Bolivia	1.01
Urban	1.04
Rural	0.97
Brazil	1.00
Urban	1.05
Rural	0.91
Chile (1998)	1.03
Urban	1.05
Rural	0.92
Colombia	1.03
Urban	1.07
Rural	0.92
Costa Rica	1.10
Urban	1.17
Rural	1.05
Dominican Republic (1997)	1.07
Urban	1.10
Rural	1.04
Ecuador	nd
Urban	1.03
Rural	nd
El Salvador	1.04
Urban	1.12
Rural	0.98
Guatemala	0.97
Urban	1.04
Rural	0.95
Honduras	0.97
Urban	1.06
Rural	0.91
Mexico	1.02
Urban	1.03
Rural	1.01

*(continued)*



FIGURE 7.5 (continued)

## Gender and Poverty, 1999–2002

<i>Country</i>	<i>Feminine Poverty Index</i>
Nicaragua	1.01
Urban	1.08
Rural	0.94
Panama	1.02
Urban	1.09
Rural	0.96
Paraguay	0.95
Urban	1.02
Rural	0.90
Uruguay	nd
Urban	1.06
Rural	nd
Venezuela (1997)	1.02
Urban	nd
Rural	nd

All figures represent the ratio of women to men living below the poverty line divided by the ratio of women to men in the country. A ratio higher than 1 indicates a “feminization” of poverty.

Source: Author’s calculations based on CEPAL, 2001, 2002, *Panorama Social de América Latina*.

Based on this index, we can state that in the late 1990s in Latin America, a slight masculinization of poverty was present. Poverty affected women and men almost in the same proportions, since the standardized index shows 0.99 poor women for each poor man in the region. The value of this index is the same for urban areas as for the total population; only in rural areas is there feminization of poverty since the index is slightly greater than one (1.02 poor women for each poor man).<sup>34</sup> The countries that register masculinization of poverty are Paraguay, Uruguay, Brazil (whose value turns out to be decisive for Latin America as a whole), Argentina, Guatemala, and Honduras. In another six countries (Bolivia, Colombia, Ecuador, El Salvador, Mexico, and Nicaragua), the relationship is 1.00. Finally, Chile, Venezuela, Panama, the

Dominican Republic, and Costa Rica are the only countries that show feminization of poverty, which is most acute in the latter two.

With this data it is possible to argue that there is no evidence that at the end of the twentieth century there were a greater standardized number of poor women than poor men in Latin America. To complement this conclusion we have to verify whether there exists a feminization of poverty when one uses as an indicator the comparative incidence of poverty according to the sex of the head of household.

The data show that in 1999, in terms of income poverty, households headed by women were as likely to be poor as total households (43.1 percent).<sup>35</sup> But if we consider extreme poverty or indigence, households headed by women were less affected, with 17.5 percent in this condition, while for total households this percentage was 18.4 percent.<sup>36</sup> Therefore, indigence by household was slightly masculinized in 1999.

The *Panorama Social de América Latina* shows that in 2000–2002 poverty incidence in households headed by women in urban areas (no information is available for rural households) is lower than poverty incidence for all urban households. Therefore, we can say that total poverty (not only indigence) in urban households in Latin America was slightly masculinized in 2000–2002. The country-by-country data are shown in Figure 7.6.

FIGURE 7.6

Poverty by Gender of Head of Household  
in Urban Areas in Latin America, 1990–2002

Country/Year	Percentage of Households Below the Poverty Line	
	Total	With Female Head
Argentina (Greater Buenos Aires)		
1990	16.2	11.3
2002	31.6	27.4
Bolivia		
1989	49.4	55.7
2002	44.9	39.7

(continued)

FIGURE 7.6 (continued)

Poverty by Gender of Head of Household  
in Urban Areas in Latin America, 1990–2002*Percentage of Households Below the Poverty Line*

<i>Country/Year</i>	<i>Total</i>	<i>With Female Head</i>
<b>Brazil</b>		
1990	35.6	41.4
2002	27.4	26.5
<b>Chile</b>		
1990	33.3	33.0
2003*	15.2	11.3
<b>Colombia</b>		
1991	47.1	47.4
2002	44.6	45.9
<b>Costa Rica</b>		
1990	22.2	27.4
2002	15.9	27.1
<b>Dominican Republic</b>		
1997	31.6	38.0
2002	38.4	50.8
<b>Ecuador</b>		
1990	55.8	60.1
2002	42.6	46.1
<b>El Salvador</b>		
1995	40.0	43.5
2001	34.7	38.5
<b>Guatemala</b>		
1989	48.2	48.5
2002	39.0	42.5
<b>Honduras</b>		
1990	64.5	71.5
2002	60.5	60.7

Mexico		
1989	34.2	30.1
2002	26.0	26.9
Nicaragua		
1993	60.3	64.0
2001	57.7	61.0
Panama		
1991	33.6	40.0
2002	21.4	26.9
Paraguay (Asunción metro area)		
1990	36.8	41.7
2000	35.0	34.3
Uruguay		
1990	11.8	10.6
2002	9.3	8.0
Venezuela		
1990	33.4	45.0
2002	43.3	48.1

Source: CEPAL, 2004, *Panorama Social de América Latina*, Tables 17 and 22.

If we accept the statement by ECLAC in 1995 that the feminization of poverty was present in Latin America in the beginning of the 1990s, one of the conclusions that derives from the previous analysis is that the region went through a masculinization of poverty in the 1990s. Only some cases of a clear feminization of poverty by type of household are evident. This is the case in Costa Rica, El Salvador, and Nicaragua, countries where both at the beginning and at the end of the 1990s the incidence of poverty of female-headed households was greater than in male-headed households; moreover, the gap between them widened in the period.

The inequality of work-related earnings by men and women is another of the indicators usually linked to the question of poverty and gender. According to available data, the gap between the income of men and women narrowed in the 1990s (see Figure 7.7). In 1990, Uruguay had the biggest

income gap, since income of women represented 45 percent of that of men. At the other extreme is the more egalitarian situation found in Panama, where the average income of women represented 80 percent of that of men.<sup>37</sup>

FIGURE 7.7

Women's Average Income as a Percentage of Men's  
Average Income in Urban Areas: 1990–2002

<i>Country/Year</i>	<i>Total Labor Income</i>	<i>Wage Income Only</i>
Argentina (Greater Buenos Aires)		
1990	65	76
2002	59	71
Bolivia		
1989	59	60
2002	61	71
Brazil		
1990	56	65
2002	66	86
Chile		
1990	61	66
2003	64	84
Colombia		
1991	68	77
2002	77	99
Costa Rica		
1990	72	74
2002	75	85
Dominican Republic		
1997	75	90
2002	68	89
Ecuador		
1990	66	77
2002	67	87

El Salvador		
1995	63	79
2001	80	100
Guatemala		
1989	65	82
2002	58	81
Honduras		
1990	59	78
2002	76	95
Mexico		
1989	55	73
2002	63	76
Nicaragua		
1993	77	77
2002	69	82
Panama		
1991	80	80
2002	76	85
Paraguay (Asunción metro area)		
1990	55	63
2000	70	95
Uruguay		
1990	45	64
2002	72	71
Venezuela		
1990	66	79
2002	76	99

Source: CEPAL, 2004, *Panorama Social de América Latina*.

At the beginning of the current century, the income gap narrowed in most countries in the region, with Argentina and Guatemala having the greatest inequality (women's income representing 59 percent and 58 percent of that of men, respectively). The income gap between women and men narrowed by means of very different processes of change among groups of countries:<sup>38</sup>

1. In Bolivia, Honduras, and Venezuela, the average income of men and women fell. Nevertheless, the income of women fell to a lesser degree than that of men. Consequently, the reduction in the gap was not associated with an improvement in the situation of women, but rather was a product of a general impoverishment that affected most the income of men.
2. In Brazil, Mexico, Paraguay, and Uruguay, the income of women rose while that of men fell. Therefore, in these countries, women improved their economic situation vis-à-vis men.
3. In Colombia, Costa Rica, Ecuador, El Salvador, Panama, Paraguay, and Uruguay, the reduction in the gap is explained by a more rapid rise in the income of women than that of men. On the other hand, both in Panama and the Dominican Republic, work-related income rose for both genders, but that of women grew to a lesser degree than that of men, which resulted in a widening of the gap.

Another relevant aspect of female achievement relates to improvement in the education levels of women. From the perspective of gender, we find notable results as the average education levels of women have improved more than those of men. While in the early 1990s in only three countries (Argentina, Panama, and Uruguay) did young women (ages twenty-five to twenty-nine) have a greater number of years of study on average than men, by the end of the decade five countries were in this situation.<sup>39</sup> In addition, this achievement is observed in the rural areas of the Dominican Republic and, surprisingly, in rural Colombia and Honduras.

Among people ages fifteen to twenty-four, we also find significant advances. While in the early 1990s in eleven of the seventeen countries with available data, women had levels of education equal or higher than those of men, by 2000 this situation could be observed in almost all the Latin American countries (both in rural and urban areas). Mexico, Guatemala, and Bolivia are the exceptions, although the differences exist basically in their rural areas, since in the cities the average for men and women is almost the same.<sup>40</sup>

The overall income deterioration in most Latin American countries has resulted in many women having improved their situation relative to that

of men due to the fact that men's wages have been more negatively affected than those of women. Despite that, some indicators of well-being have improved, and women have managed to advance more in areas such as education.

### FINAL REFLECTIONS

The economic discontent of the Latin American population is widespread. The policies of structural adjustment carried out during the 1980s and 1990s did not succeed in achieving the economic growth and reduction of poverty that was promised by neoliberal elites and governments. Popular sectors with limited employment opportunities continue to swell the ranks of informality. Workers and independent unions, despite their resistance to labor reforms that seek to destroy their historically won rights, continue being battered by low wages and by strategies to weaken and/or dismantle their organizations. The middle class has ever-decreasing hopes of maintaining its standard of living, and middle-class youth face a dramatic level of unemployment despite their increasing levels of education.

Civil society, weary of suffering the attacks of the right in the name of a better future that has never arrived, has succeeded in bringing leftist and center-left parties to power. Although many of these governments have not substantially modified neoliberal economic and social policies (at times for a lack of consensus, and at times due to agreements with financial powers), in many countries of Latin America, society has not given up and continues propelling governments with a progressive vision of economic development to power.

Given the challenge faced by leftist and center-left Latin American governments to convert themselves into real, long-term political forces, it is essential that their economic policies focus on the raising of their people's living standards and do not restrict themselves to programs of macroeconomic stability. We now have more than two decades of experience with the neoliberal model, and any way you look at it, it has not produced results.

The following are some conclusions that flow from this essay, which any



leftist or center-left government should take into account when putting its public policies into practice.

Measurements of poverty based only on income, being one-dimensional measurements that omit fundamental factors that affect living standards, are insufficient for an evaluation of how a country is progressing toward social development. Their vision is very limited in supposing that income is the only source of well-being. Furthermore, it is necessary to abandon minimalist definitions of poverty, like those of the World Bank or ECLAC, which establish subhuman poverty lines, defining, for example, the threshold of extreme poverty as the income required to purchase raw food, as though human beings were animals and could chew and digest their food in that form. The Integrated Poverty Measurement Method (IPMM), the multidimensional method discussed earlier in this chapter, incorporates indicators of all the sources of well-being and thus offers a more complete vision of human deprivation. The IPMM allows us to combine the different components of poverty and evaluate the situation of each household within that household's integrated index, showing simultaneously the partial dimensions: poverty as measured by the poverty line, unsatisfied basic needs, and free time. With this method, we can obtain a more exact and dynamic measurement of poverty, and thereby have a more adequate basis for the implementation of social policies designed to overcome many kinds of social deprivation.

At the same time, it is important that the definition of the poverty thresholds is based on norms that fully recognize the socioeconomic human rights expressed in a variety of international declarations; and in the definition of the requirements to satisfy basic needs, all the goods and services that allow for their genuine satisfaction should be included. For example, in estimating the costs of a minimally adequate diet, all the goods necessary for its preparation and consumption (utensils to eat with, gas to cook with, a table to eat on, etc.) should be included.

As for gender-oriented policies, it is necessary for progressive governments of the region to design public policies having as a background the gender poverty really observed in their countries rather than the assumed feminization of poverty, which has not been empirically verified. In this chap-

ter we have found that poverty affects the sexes in approximately the same proportions. Nonetheless, at the level of the household, we have found that poverty in Latin America has gone through a process of “defeminization” or “masculinization” during the 1990s. In addition, we have identified ways in which women, in general, have improved their situation with respect to men; even in households in which living conditions have worsened, households headed by women have been less affected than those headed by men.

The reduction in income inequality by gender has taken place, above all, because of the greater decline of the income of men than that of women. Furthermore, in countries in which average income has risen, that of women has risen more rapidly. This is certainly contributing to the changes in gender relations and to women’s quality of life.

On the other hand, many women who are working today, some of whom could find better-paying jobs, will continue facing serious difficulties in fully carrying out the dual tasks of providing for their family’s income and taking charge of its reproduction. Some women will continue leaving their children alone during working hours due to the nonexistence of public child-care services.<sup>41</sup> Others will continue being witnesses to the frustration in which male members of their households live, as victims of layoffs, or whose wages, day after day, purchase less and less. These situations will continue generating family conflicts leading to violence and the disintegration of the home. Therefore, we have to be careful in overestimating what has been achieved, and instead point out areas which, given the changes in gender relations, require closer attention on the part of the state and society in general. Among these areas, public day-care service for children stands out. Noncommodified child day care must be seen as a basic human right, and should be available to all adults, men as well as women, who have young children and have to attend to activities outside the home—not only work, but studies as well. This is a right that every progressive government should vigorously support.

On the other hand, the data presented here lead us to question the usefulness of conditioned transfer programs targeted to the extremely poor, programs that are now spread throughout the region, like *Oportunidades* in Mexico, which provides educational support for children and young people, and which pays higher scholarships to women than to men who are studying

at secondary and preparatory levels. The information shows that in most Latin American countries; women are achieving, without these differential supports, levels of education that are the same as or higher than those achieved by men. In any case, if we were to opt for these type of programs, scholarships in urban areas should be directed to higher levels of education since young people are already achieving secondary education in the majority of countries. As a result of austerity policies, however, public investment in postsecondary education has been abandoned, and therefore, there is insufficient room for the growing demand for this service. A large part of the youth-education problem is derived from supply restrictions, a problem that will not be resolved by subsidizing the demand for education, as is done by the *Oportunidades* program.

To overcome poverty, it is important not only to increase the population's levels of education but to generate conditions for the development of economic activity and thereby increase the opportunities for well-paid employment.<sup>42</sup> In the same way, the data presented in this chapter make clear the need to redesign these targeted programs which currently ignore the need to improve the education of adults who, in fact, are the ones suffering greater educational deprivation. This combination—employment opportunities and promotion of adult educational levels—would contribute to the improvement of living conditions of all members of the household.