





Closing the gender gap in Latin America

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Executive summary

- Since 2006, Latin America and the Caribbean (LAC) has made the most progress towards gender parity of any world region. LAC now had the third highest level of gender parity of any world region at 74.3%.
- Nevertheless, structural issues impeding gender equality have persisted, particularly in terms of economic participation and opportunity.
- Quota laws do not bring results in isolation; greater success is seen in countries that also focus on implementation and enforcement. Mexico's success, for instance, can be attributed in part to its strong record of closing loopholes and enforcing quotas.
- Changes in social norms have contributed to a slow shift in attitudes towards care work in some countries. Uruguay, Costa Rica, and Chile stand out for their work in building out childcare provision.
- Progress in boosting female political participation has not been universal: Guatemala is the worst performer in the region, with Panama, Uruguay, Paraguay, and Brazil making up the rest of the bottom five.
- As far as economic participation is concerned, women still earn less, work fewer hours, face greater instability, and find it harder to progress in their careers. Women are also still greatly underrepresented on company boards. However, Colombia stands out as a strong performer in this area, with women making up 24% of board seats.
- Relying on economic growth to close remaining gender gaps will not be sufficient. Concerted action is still required in order to break down institutional, social, and cultural structures that restrict women's possibilities.



Introduction

Latin American women have won some hardfought victories in the struggle for gender equality in recent decades. International Women's Day provides a great opportunity to celebrate where and how gender gaps are being closed, as well as examining where challenges remain.

Here we look at gender equality in politics, education, and the workforce, as well as highlighting the importance of unpaid care work and household chores. We then take a deeper dive into women in Mexican politics, female representation in the boardroom, and the gendered dynamics of Latin America's ageing population.

A brief history

In the 1980s, South America emerged from a period of military dictatorship. Despite playing key roles in the struggle for democracy, women in the region would win only around 5% of legislative seats in the elections that they had fought so hard for. This situation hardly improved over the next decade or so, until a wave of new gender quota laws began to boost female participation in politics.

Since 2006, Latin America and the Caribbean (LAC) has made the most progress towards gender parity of any world region, according to the World Economic Forum (WEF) Global Gender Gap Index. The region's score, in a calculation based on political empowerment, economic participation and opportunity, educational attainment, and health and survival, increased by 8.4 percentage points from 2006–2023. The index's latest edition shows that LAC has the third highest level of gender parity of any world region, at 74.3%.

Recent progress has been driven largely by improvements in political empowerment. LAC recorded a score of 35% parity in political empowerment in the index, the second-highest after Europe, following a 23.4 point increase since 2006. Countries which excel in this regard include Mexico, Nicaragua, and Cuba, with female representation in their legislatures exceeding 50%, as well as Bolivia, Costa Rica, Argentina, and Peru. Some countries, such as Bolivia, Ecuador, and Mexico, have gone further and extended parity laws to every branch of government.

Yet structural issues impeding gender equality have persisted. In terms of economic participation and opportunity, encompassing workforce participation,



remuneration, and female representation in management and leadership roles, the region scores 65.2%, the third-lowest regional score, seeing just a 9.3 point increase since 2006. The Covid-19 pandemic <u>set back progress</u> in this regard: women were most affected by high unemployment, job informality, and a spike in demand for care of children and the elderly amid a massive economic slowdown and lockdowns.

Closing remaining gaps will be tricky, with low hanging fruit already picked in most countries in the region. While economic growth can help to improve the lives of women and girls, the benefits of poverty reduction have historically been felt unevenly – in part due to the persistent expectation that care work and household chores will be carried out by female members of the household.

One guide to understanding the task ahead is the United Nations (UN) Sustainable Development Goals (SDGs), one of which, SDG 5, is to "achieve gender equality and empower all women and girls". As part of efforts to achieve this goal, regional governments identified obstacles four to "socioeconomic inequality and the persistence of poverty in the framework of exclusionary growth; discriminatory, violent and patriarchal cultural patterns and the predominance of a culture of privilege; the sexual division of labour and unjust social organization of care; and the concentration of power and hierarchical relations in the public sphere."



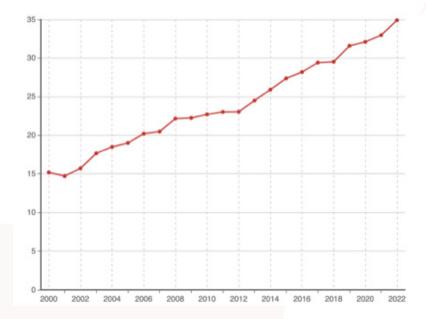
Where and how gender gaps are being closed

As noted above, much of Latin America has excelled in improving gender equality in politics, a trend that was started in 1991 by Argentina introducing the world's first gender quota for candidates in national elections. Today, every country in the region except Guatemala and Venezuela have similar laws. Due largely to these rules, national legislatures now consist of 34.9% women on average, a record high, as shown in Figure 1.

However, quota laws do not bring results in isolation. Greater success is seen in countries that also focus on the implementation and enforcement of legislation, along with those with stronger feminist social movements and female politicians that campaign for more representation.

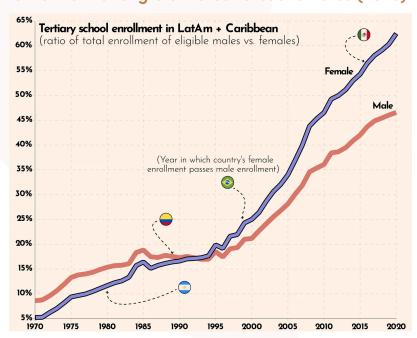
Education is another bright spot. Latin America has achieved gender parity in primary school enrolment, reaching 94% on average for girls and boys in 2019. In fact, women now outperform men in attainment: in 2020, 67.4% of women aged 20–24 had completed secondary education, whilst only 60.9% of men had done so; and girls outperform boys in reading throughout schooling.

Figure 1: Proportion of seats (%) held by women in national parliaments in Latin America and the Caribbean (2023)



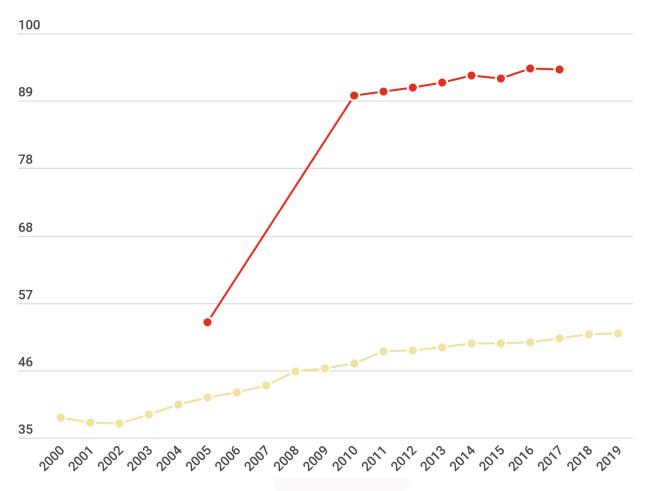
Source: CepalStat, Eclac and the United Nations

Figure 2: Ratio of total tertiary school enrolment of eligible males versus females (2023)



Source: Latinometrics

Figure 3: Female labour force participation rate (%, yellow) and enrolment rate of five year olds (%, red) in Chile (2020)



Source: OECD Data, World Development Indicators

The story is similar in higher education. Over 60% of women attend university today, compared to less than half of men. This represents a huge increase from 1970, when just 5% of women attended university. As shown in Figure 2 (see page 4), female enrolment in tertiary education exceeded male enrolment in Argentina in 1980, followed by Colombia in 1989 and Brazil in 1999.

Meanwhile, gaps in labour participation have been reduced. Women have seen a marked increase in labour participation since 1980 due to factors including economic growth, trade liberalisation, urbanisation, lower birth rates, and improving education. These changes accelerated at the turn of the century, as rapid economic growth increased demand for labour. Female labour participation increased from 41% in the early 1990s to 52.3% in 2019, with the most significant improvements seen among the least-educated women (i.e. those who did not finish secondary education). However, following a nosedive to 47% in 2020 due to the impacts of Covid-19, female participation only returned to pre-pandemic levels in 2022.

There has also been some spotty progress in reducing salary gaps. These changes can be attributed in part to changing social norms around gender roles and improvements in education, as well as legislation, such as the <u>Gender Pay Parity Law</u> introduced in Brazil at the end of 2023.

Changes in social norms have also contributed to a slow shift in attitudes towards care work in a few countries, with the realisation that many women were not able to enter the labour market due to the demands of childcare and other forms of unpaid domestic work, such as household chores and caring for elderly relatives.

Uruguay, Costa Rica, and Chile stand out for their work in building out childcare provision; the <u>Chile Crece Contigo</u> programme boosted childcare coverage by 130% from 2005–2007, and almost 96% of Chilean five-year-olds attend preschool today. As shown in Figure 3, the expansion of public childcare allowed for a huge increase in the percentage of women in the labour force in that country.

Where challenges remain

Despite these many successes, a raft of challenges remain. Although Latin America inspired global trends in parity laws, progress in boosting female political participation has not been universal, with some important countries lagging significantly. According to the Council on Foreign Relations (CFR) Women's Power Index, which looks at female participation in government, as candidates, and in local government bodies, Guatemala is the worst performer in the region, with Panama, Uruguay, Paraguay, and Brazil making up the rest of the bottom five.

This can be traced in some cases to a lack of focus on enforcement and to a poor design of quota laws. For example, some quotas only apply to precandidacies rather than formal candidacies, or they are not backed by sanctions for noncompliance. Whereas those countries with strong quotas and good enforcement elect an average of 46% of women to the legislature, that proportion falls to just 22% in nations with weak or no quotas.

Brazil is an interesting case study here. The country has had a gender quota law since 1995, but it stipulates a low quota of just 30%, and electoral authorities are known to turn a blind eye to offending parties. As a result, Brazilian women are among the least likely to be elected to congress in LAC, as shown in Figure 4.

In some cases, other electoral rules can undermine parity laws. For example, some quota laws do not stipulate where female candidates must be placed on party lists. This allows them to be relegated to the bottom, which research shows reduces their chances of being elected, whereas better rules alternate male and female names from top to bottom. This is known as 'vertical parity', with

Ecuador a frontrunner in introducing this kind of system.

As for achieving parity democracy, there is a huge amount of work still to be done. Female participation in public decision-making processes is around 30%, with women in only a limited number of decision-making positions in national governments, according to a March 2023 report from the Gender Parity Observatory, part of the Economic Commission for Latin America and the Caribbean (Eclac). Nor is progress linear. While from 2000-2018 five women served as presidents, today there are only two female presidents in office. Only 15% of mayors are women, and political parties on the whole are dominated by men. Among other factors, the threat of political violence, from harassment and threats to femicide, discourages women from embarking on a career in politics.

According to an Inter-American Development Bank study, women make up 52% of the government workforce but only 23.6% of top-level positions equivalent to ministers. This improves at the director level to 44.2%. In addition to this vertical segregation, the IDB found evidence of horizontal segregation, where women only achieve top jobs in areas associated with traditional gender stereotypes. Education and health, for example, have a stronger female presence (45.4%) than finance and defence (38.1%).

Such divides appear to begin during education. Girls lag behind boys in both attainment and confidence in mathematics, and surveys show they are also far less likely to expect to embark on a career in science, technology, engineering, and mathematics (STEM) subjects. Researchers have found no evidence of this gender gap in early primary school age children, and that the gap varies in different countries suggests that environmental factors play

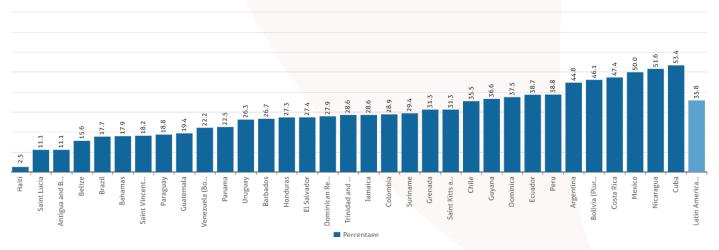


Figure 4: Percentage of female legislators in selected countries (2023)

Source: Inter-Parliamentary Union (IPU)



a role. Nonetheless, it means that female students tend to study <u>education</u>, <u>health</u>, <u>social sciences</u>, <u>and humanities</u> rather than STEM subjects, with women making up just <u>28% of engineering graduates</u>.

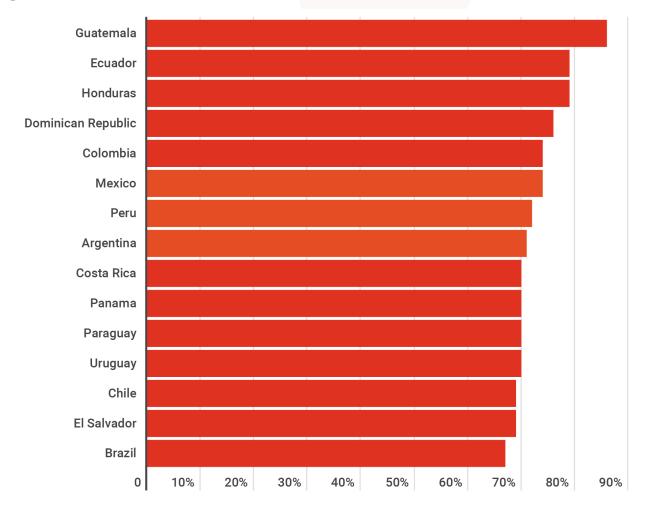
This translates into a divide in the labour market, with women overrepresented in lower-paid jobs associated with <u>caregiving tasks</u>, rather than STEM careers, which are associated with <u>higher labour market returns</u>. As for the wider labour market, progress in boosting female participation has been uneven. In some countries, such as Mexico, Honduras, and Nicaragua, <u>female participation has stagnated</u>, and in Colombia it has in fact fallen.

Even where <u>participation is rising</u>, women still earn less, work fewer hours, face greater instability, and find it harder to progress in their careers. In fact, women hold only 15% of management positions and own just 14% of companies, according to an IDB study, which also found <u>more female participation</u> in areas such as communications and public relations rather than in jobs that use advanced technologies, where women represent just 35% of the workforce.

There are also large disparities between women of different socioeconomic levels, with those from disadvantaged backgrounds more likely to work in low quality jobs, for example in the informal sector. As for salary gaps, a recent study from the London School of Economics found that the gender pay gap in most countries has stayed the same or even increased in the last 20 years.

Starting a family has a massive impact on women in the workplace. Six out of 10 companies do not provide maternity leave beyond statutory minimums, and women's career progression is badly affected by the birth of a child, with declines of labour force participation of up to 40%. Research also shows that few return to the labour market in the medium term. This ties in with the ongoing imbalance in responsibility for unpaid domestic work, with women still expected to carry out the majority of caregiving tasks and household chores due to persistent social and cultural patterns. As shown in Figure 5, women in Guatemala perform the highest relative share of unpaid household work, whereas Brazil has the most equal share between genders.

Figure 5: Relative share (%) of unpaid household work performed by women (2020)



Source: CEPAL

Future outlook

Relying on economic growth to close remaining gender gaps will not be sufficient. Progress is not inevitable, and concerted action is needed in order to break down institutional, social, and cultural structures that <u>restrict women's possibilities</u>.

There is cause for hope. The <u>mainstreaming</u> of <u>gender issues</u> in recent years has made equality a policy priority, and consequently spurred government capacity for action. Improving women's rights is increasingly appreciated as an imperative by many governments from across the political spectrum. There is also a growing recognition of intersectional diversity among the female population, with indigenous and Afro-descendent populations, for example, increasingly taken into account.

The continued development of technology and its proliferation throughout the region will also help in the fight for equality. For example, it will help to democratise access to education for women in rural areas, or to study at home in between other responsibilities. Tech can also make it easier to gather data, and better practices would help policymakers and business leaders to address these gaps through better gender targets in politics and the workplace. As things stand only 15% of companies gather data on salary gaps, for example, representing a huge opportunity for improvement. In addition, technology will create jobs with new specialisations, and it is therefore imperative to encourage girls to study subjects relevant to these developing technologies.

Encouragingly, attitudes towards women and work are increasingly progressive. Surveys have shown that a growing number of people disagree with the idea that a woman should only work if her husband does not earn enough to support the family. Surveys also show that a majority of respondents disagreed with the idea that men are better business executives or political leaders than women, and there is widespread agreement that women and men are equally capable in science and technology.

Demographic changes in the region will also encourage governments to enact programmes to boost female labour market participation. Greater provision for childcare and elderly care will generate jobs and relieve the burden of unpaid care work on women. This in turn should encourage men to contribute more to household chores in families where both adults are working. Although public spending will be constrained in many countries, with sluggish growth rates for the region expected to be no more than 2.3% in 2024 and 2.6% in 2025, increasing the number of women in the workforce will be an engine for growth.

International organisations are also committed to closing gender gaps. For example, the WEF, the IDB, and the French Development Agency (AFD) have developed Gender Parity Accelerators (Iniciativas Paridad de Género) in partnership with nine countries in the region. These accelerators have scored some notable successes, such as enacting laws for equal pay and the minimum representation of women on company boards in Panama, which will encourage continued efforts.





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Case study: Mexican politics

Mexico looks set to elect its first ever female president with two women frontrunners – Claudia Sheinbaum and Xochitl Gálvez – leading polling in the run up to elections in June 2024. Intriguingly, both women come from a STEM background: Sheinbaum is a physicist, while Gálvez is a computer engineer. Moreover, neither candidate is the wife or ex-wife of a male former candidate, as has been the case in Argentina, Honduras, and Guatemala. The election of either woman would crown a period in which the country has become a global leader in promoting equality for women in government.

Progress has been rapid in recent decades. Women were only granted the right to vote in Mexico in 1953, but by 1996 lawmakers approved recommendations for a 30% quota for congressional candidates. This became law in 2002, with the quota increased to 40% in 2008 and 50% in 2014. By 2019, a constitutional reform had been enacted expanding the 50% quota to all three branches of government – executive, legislative, and judicial – at federal, state, and municipal levels, as well as in party candidacies for popularly elected positions.

Today Mexico's legislative body is over 50% female, nine of the 32 state governors are women, and the Supreme Court and Central Bank are led by a woman for the first time. According to the CFR Women's Power Index, Mexico has the third highest score in the region for political parity, after Costa Rica and Nicaragua. Mexico's success can be attributed in part to its strong record of closing loopholes and proactively enforcing quotas. This includes changes in 2012 which allowed for the disqualification of party candidates if quota rules were not met, and a 2016 electoral law preventing parties from fulfilling quotas by nominating women exclusively to losing districts. Electoral authorities have also shown a willingness to ensure that the

spirit of these rules is upheld. In 2018, for example, 17 male candidates in Oaxaca state were disqualified after falsely <u>claiming to be transgender</u>. In addition, the country's <u>strong feminist social movements</u> have played a role in maintaining pressure on political parties.

That said, success has also been harder to come by at a local level. Only around 25% of mayoralties are held by women; a figure nonetheless 10 points above the regional average. Political violence against women remains a concern in a country with one of the highest rates of femicide, the most extreme manifestation of violence against women, in the world. This has worsened despite laws designed to protect women and various campaigns to promote respect for them. In politics, research suggests that major political parties have not done enough to implement changes required by rules designed to reduce the threat of political violence against women established in April 2020. Quirks of the system can raise difficult questions, too: Omar Garcia Harfuch was the most popular choice in the National Regeneration Movement (Morena) party's search for a Mexico City mayoral candidate in late 2023, but he had to step aside for runner-up Clara Brugada in order to meet parity rules.

Some are optimistic that further improvements will be made should either Sheinbaum or Gálvez take power. Whichever candidate becomes Mexico's first 'presidenta,' it seems likely that this will bring further pressure to advance the cause of Mexican women in terms of violence against women, reproductive rights, and labour inclusion. However, a female president does not itself guarantee improvements for women's rights: the question is whether Sheinbaum or Gálvez can move from descriptively representing Mexican women, simply by being women themselves, to substantively representing them by enacting changes that further their interests and the cause of gender equality.



Case study: women in the boardroom

Female representation in business leadership settings has historically been minimal in Latin America, but there have been encouraging, if often small, signs of progress recently.

As things stand, women outnumber men on just 3% of company boards in the region, and 26% of boards are made up exclusively of men, according to a study by Page Executive published April 2023. The latest edition of Deloitte's 'Women in the boardroom' research, published in February 2022, found that the proportion of board seats held by women increased from 7.2% in 2016 to 10.4% in 2021, and that of boards chaired by women from 2.1% to 4.5%, too.

There has also been a small amount of progress in the number of female CEOs, albeit from a bar truly on the floor: from approximately 0% in 2016, to 1.6% in 2021. More recent data from consultancy Egon Zehnder's 2022/23 Global Board Diversity Tracker reveals that there has been a 2.9% increase in board seats held by women in 54 large cap companies in Colombia, Brazil, Argentina, Chile, and Mexico compared to 2020. This is slightly below the global average increase of 3.7% for the period.

Colombia stands out as a strong performer in this area, with women making up 24% of board seats, an 8.8

percentage points increase compared to 2020, according to Egon Zehnder. Although Colombia does not have gender quotas for private sector companies, it does have rules which require at least 30% of public offices and decision-making positions in state-owned companies be held by women. Some suggest that this is contributing to changing attitudes towards women's suitability for boardroom positions.

There are similar efforts to improve female representation in other countries in the region. For example, Chile has passed a law which caps representation of either gender at 60% on boards of state-owned companies, or companies where the state owns more than 50% of shares. And after a couple of failed attempts, a bill which aims to stipulate a gradual increase in the proportion of female board members in private companies is currently working its way through the legislature.

These kinds of efforts are backed by a growing body of evidence which demonstrates the benefits of increasing female representation in the boardroom. One study found that more women on boards is linked to better environmental, social and governance (ESG) performance, and another found a link between female leadership and sustainability. Even ESG sceptics may be convinced by evidence that female leadership is linked to greater profitability.



In focus: gendered dynamics of Latin America's ageing population

Looking ahead, efforts to improve gender equality will also be affected by Latin America's ageing population.

The region has aged to the same extent in the last 50 years as Europe has in the past two centuries, and it is projected to get older faster than other world regions. The percentage of the population aged over 60 is forecast to rise from 13.4% in 2022 to 16.5% by 2030. Rapid demographic changes are due to crashing fertility rates, with countries such as Argentina recording some of the fastest declines in the number of births in the world. An increase in life expectancy from 48.6 years in 1950 to 75.1 years in 2019 is another contributor.

Uruguay and Chile are leading this demographic change, followed by Argentina, Brazil, and Colombia. By 2100, over 38% of the region's population is expected to be aged 60 or over, a similar proportion to Europe. For some, declining fertility rates reflect increasing female empowerment; women are better able to control pregnancies than in years past, for example. However, an ageing population is also a gender issue: at present, women carry out an average of 74% of unpaid care work, demand for which will increase as the population ages, in the absence of government programmes to care for the elderly.

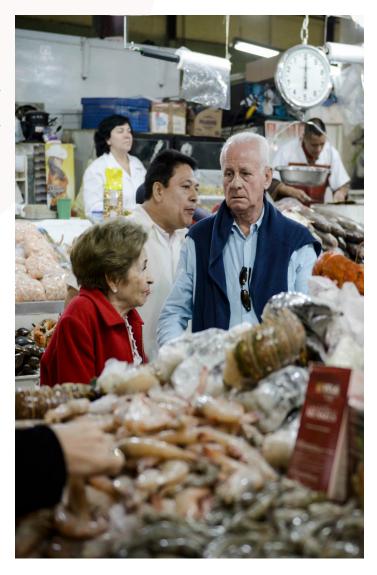
Women's labour market participation rate would be limited by these demands, as would their involvement in the public sphere more generally. Any expectation that women will care for others also limits the possibility of "having time for self-care, leisure, and other activities that are central to autonomy," according to the UN. These issues are also particularly acute for those women who do not have the financial resources to pay for care services, which maps onto known inequalities along racial, ethnic, and geographical lines.

As a solution, Eclac has proposed building out a care society, which would address the gendered dynamics of an ageing population while increasing productivity and spurring economic growth. According to its estimations, unpaid work contributes a sizable chunk of GDP in countries throughout the region, from 15.9% of GDP in Argentina to 27.6% in Mexico. As it sets out in its Economic Outlook 2023 report, Eclac believes that investments in social care will allow Latin America to harness economic opportunities by reducing

unpaid care work, <u>creating millions of new formal jobs</u>, and boosting tax collection while freeing up women from domestic responsibilities. According to the UN, this recognition of <u>the right to care</u> and the value of unpaid care work is vital to achieve SDG 5.

A growing number of countries in the region are taking action, such as Uruguay, which implemented a National Integrated Care System in 2015; Costa Rica, which released a 10-year care plan in 2021; and Chile, which has taken steps to introduce a national care system known as Chile Cuida. Officials in the Dominican Republic have also been working on a pilot project for a national care system in conjunction with the UN.

Successfully dealing with the gendered dynamics of an ageing population in the region as a whole will hinge on various factors. Jobs created in new care systems would need to be formal and well-paid; a cultural shift in which men take on more household chores would have to occur; and upfront investments needed to build out provisions would need to be financed. These challenges are not insignificant, but proponents of the care society argue that the payoff would be worth the initial costs.



Taking the next steps

In recent years and decades, Latin America has made significant strides in advancing gender equality in certain areas, such as national legislatures. However, progress has been uneven among individual nations, and at different levels of government. Local officials, international organisations, and public-private partnerships should focus on learning from these successes and applying these lessons in areas where gaps remain, including in local politics.

Many of these remaining issues will require coordinated action, such as reducing political violence against women and ingraining a culture of equality. Still, encouragement can be taken from the fact that perceptions of women and their capabilities have become increasingly progressive over time. There is an opportunity for the gender gap to be closed to a greater extent across the region in coming years, but it must be seized through good policymaking that harnesses the potential of new technologies.

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