



Gender Perspectives in Macroeconomics¹

Marco Ferroni
Inter-American Development Bank
10 March 2005

It is an honor to have been invited to address the distinguished audience and panel on *gender perspectives in macroeconomics* at the United Nations today. I propose to focus my remarks on the region that engages us at the Inter-American Development Bank (IDB), i.e., Latin America and the Caribbean, in short, LAC. I will focus on selected macroeconomic trends and human development achievements in the context of the Millennium Development Goals (MDGs), concluding with observations regarding policy implications and the role of the IDB.

I should note that I am humbled by the complexities of the interrelationship between gender issues and aggregate economic trends. To understand the relationships it is necessary to link aggregate phenomena such as growth, volatility, a financial crisis, adjustment, and so on to microeconomic decisions and outcomes and to the markets in which individual agents buy and sell. This requires models, gender-disaggregated data, and sound empirical work. The latter, however, is relatively rare.

Macroeconomic trends and women's human development achievements in LAC

Speaking of economic trends in LAC, perhaps the most important development to note is a change in the approach to, and the evolution of, economic thought during the past decade—from “paradigms” to pragmatism and the “political economy of the possible”, as it has been called.² Progress has been achieved in critical areas, most notably inflation, which fell to historically low levels as the notion of fiscal responsibility gained ground (Figure 1). Growth, on the other hand is volatile to this day and nearly stagnant in average per capita terms (Figure 2), while inequality remains high by international comparison and at levels that are believed to hinder growth (Figure 3).³

The data on gender equality in this context point to notable, positive developments, coupled with continuing challenges, as one would expect. Women's political participation in LAC is on the rise, on average and in particular in countries where quotas are in effect (Figure 4). The gender gap in education has been closed (Figure 5), although there remain severe gaps in the quality of education for all as well as the educational attainment among the indigenous population that affect women the most. In health, where inequities persist and progress in reducing maternal mortality is lagging (Figure 6),

¹ Presentation at the CSW Panel on *Integration of Gender Perspectives in Macroeconomics* at the United Nations in New York on March 10, 2005. The analysis and opinions in this presentation are personal and do not necessarily engage the Inter-American Development Bank or its Board of Executive Directors. I thank Mayra Buvinic, Eduardo Lora, Claudia Piras, and Gabriela Vega for their help in producing the presentation.

² J. Santiso, *Am* , Presentation to the IDB's Board of Executive Directors, March 2005.

³ IDB, *Facing up to inequality in Latin America*, Economic and Social Progress Report 1998-1999, p. 23.

average family size in the past), there are opportunities for more work, greater savings and more education that (if taken advantage of) could help attenuate the factors that condition income inequality and poverty in the long term.⁹

The trend towards gender equality in some respects in LAC should not divert the observer's attention from the problems that persist. The major challenge is to reduce poverty in LAC (Figure 13). While economic growth has been resuming in the region last year, poverty and inequality persist. On its traditional path, because of its high incidence of poverty for its income, LAC will not reach the poverty MDG. The changes of the 1990s, including globalization and economic policies have, if anything, further skewed the distribution of income and opportunities. Growth during the 1990s tended to benefit workers with high skills, while workers with little education saw their wages stagnate or decline in real terms. This happened for both women and men. While women with high levels of education improved their standing in the labor market, low-income women, and indigenous and afro-descendant women with their low average educational levels, were left behind.

Policy implications and the role of the IDB b cationr higgong taf

FIGURE 1



FIGURE 2

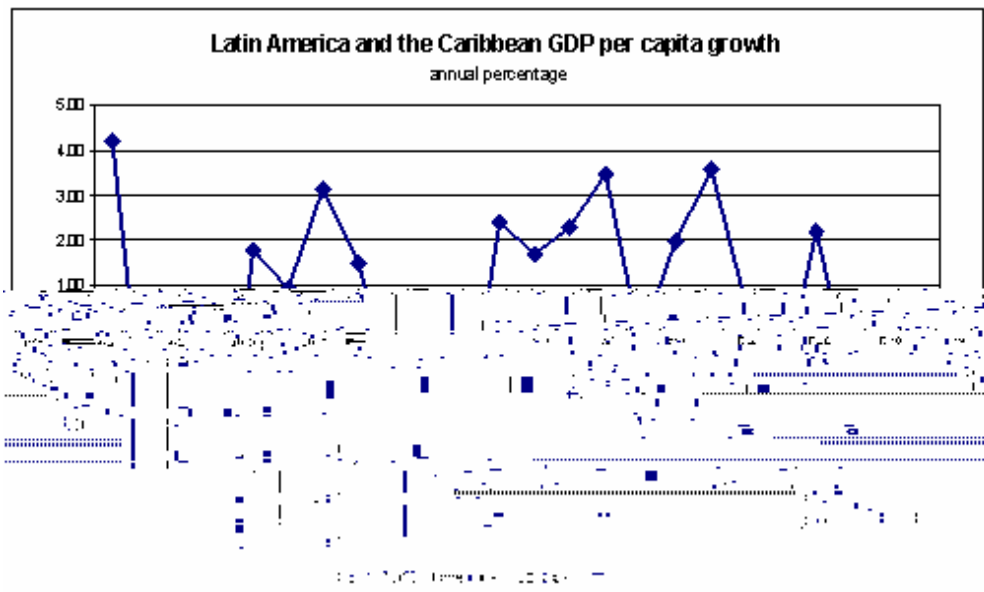


FIGURE 3

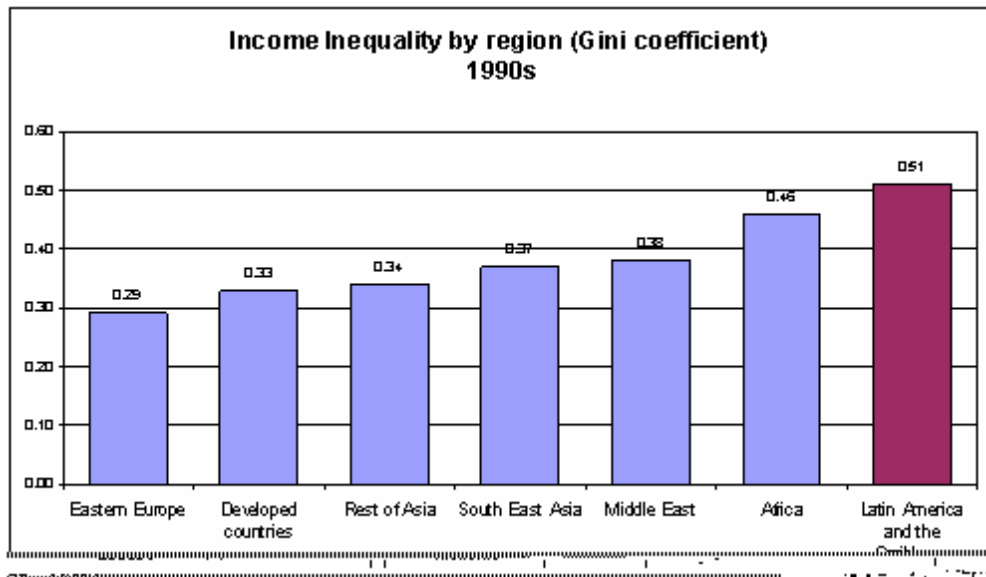
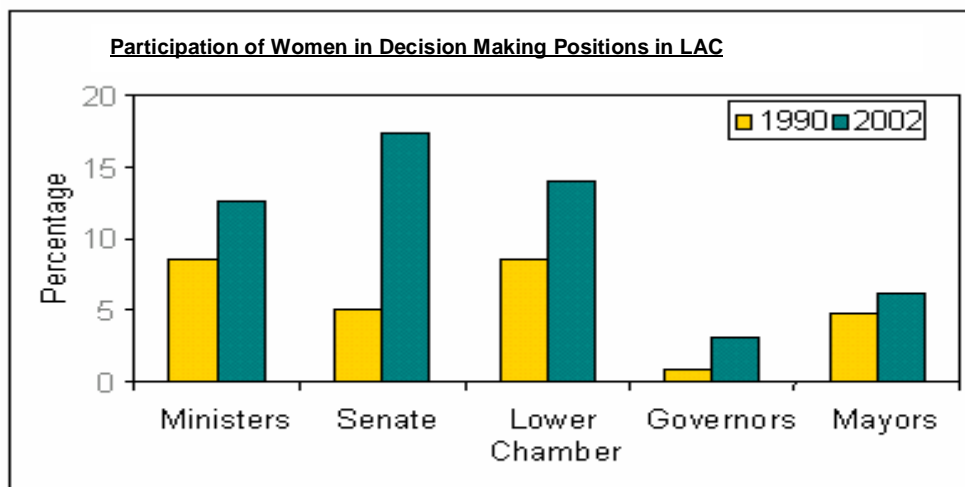


FIGURE 4

Area of Progress: Political Participation

Women are entering high level positions



Sources: Inter-Parliamentary Union. *Women and Power in the Americas: A Report* ...

FIGURE 5
Area of Progress: Education
 Women have closed the gender gap in education

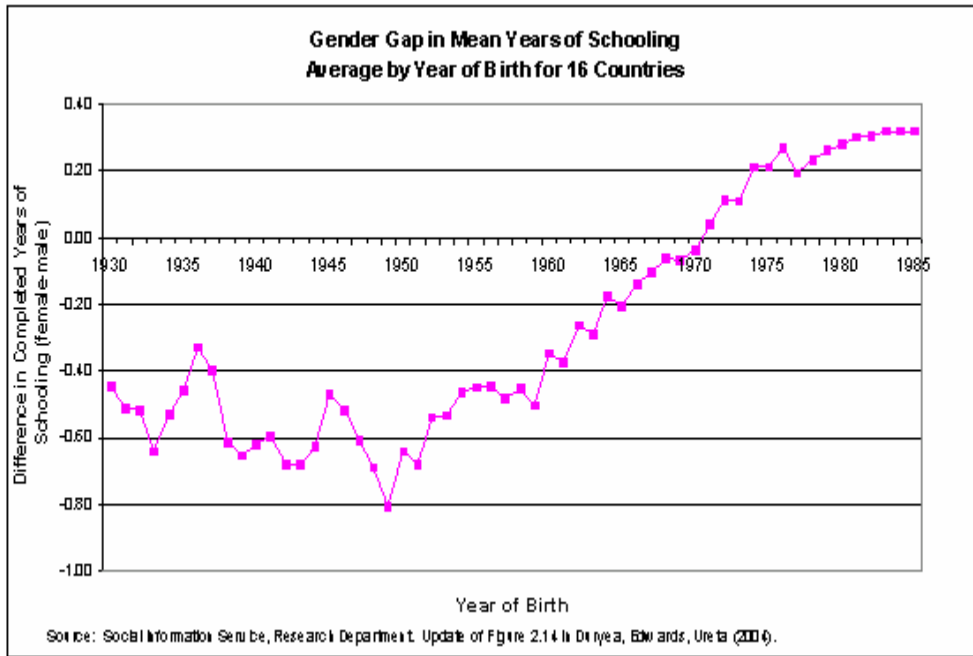


FIGURE 6
Challenges: Health
 Progress in reducing maternal mortality in LAC is lagging behind other regions of the world

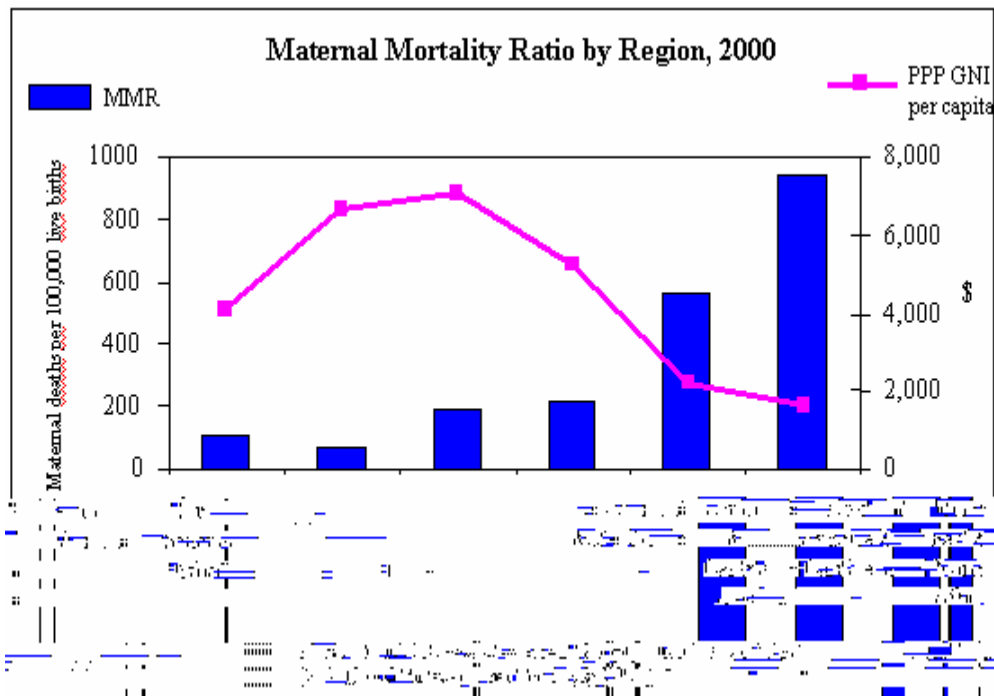


FIGURE 7
 Area of Progress: Health
 Fertility rates are decreasing

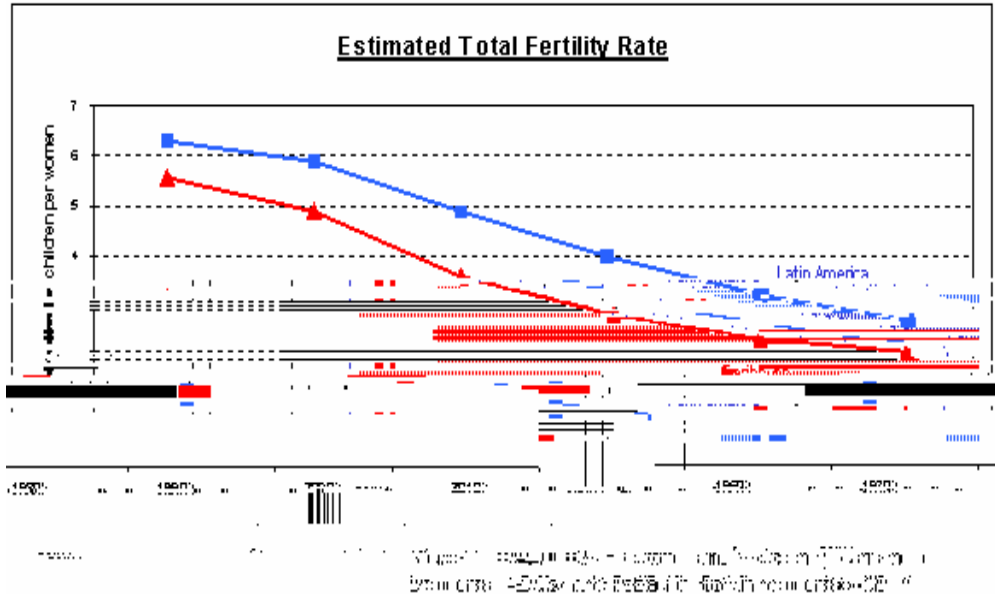


FIGURE 8
 Area of Progress: Labor Markets
 Latin American and Caribbean Women are entering the Labor Markets in record numbers

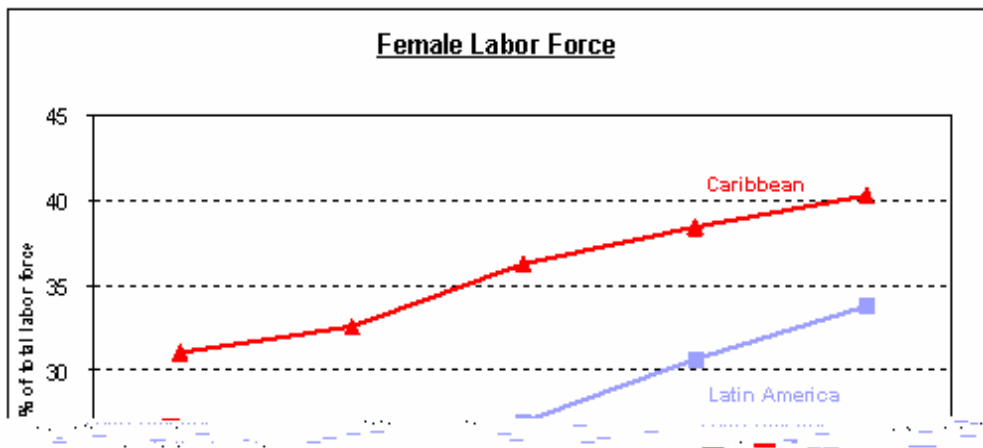


FIGURE 9
Area of Progress: Labor Markets
The gender income gap is narrowing

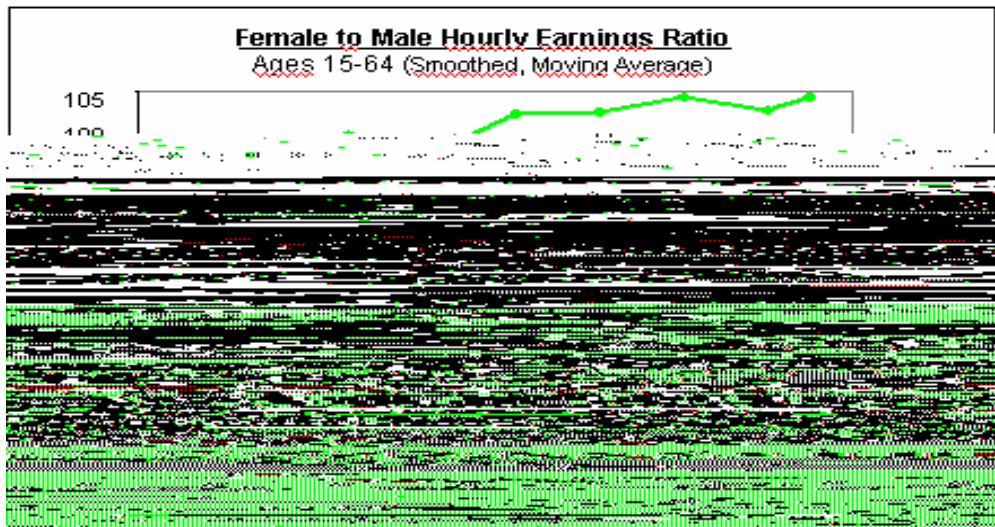
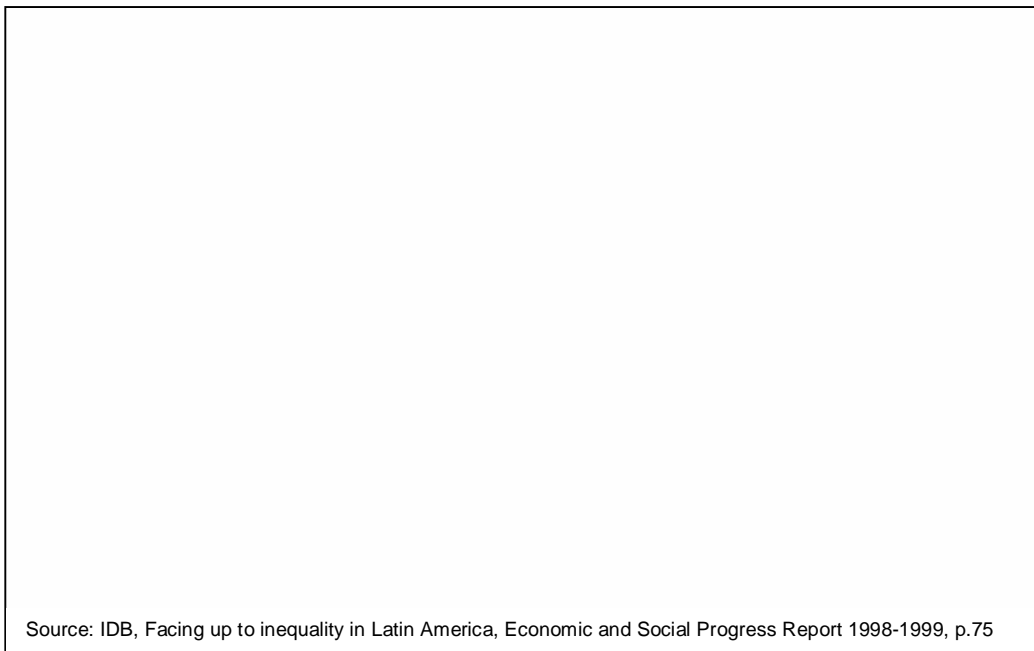


FIGURE 10
Beneficial effects of educating women



Source: IDB, Facing up to inequality in Latin America, Economic and Social Progress Report 1998-1999, p.75

FIGURE 11
Poverty in Two-Parent Households
With and without

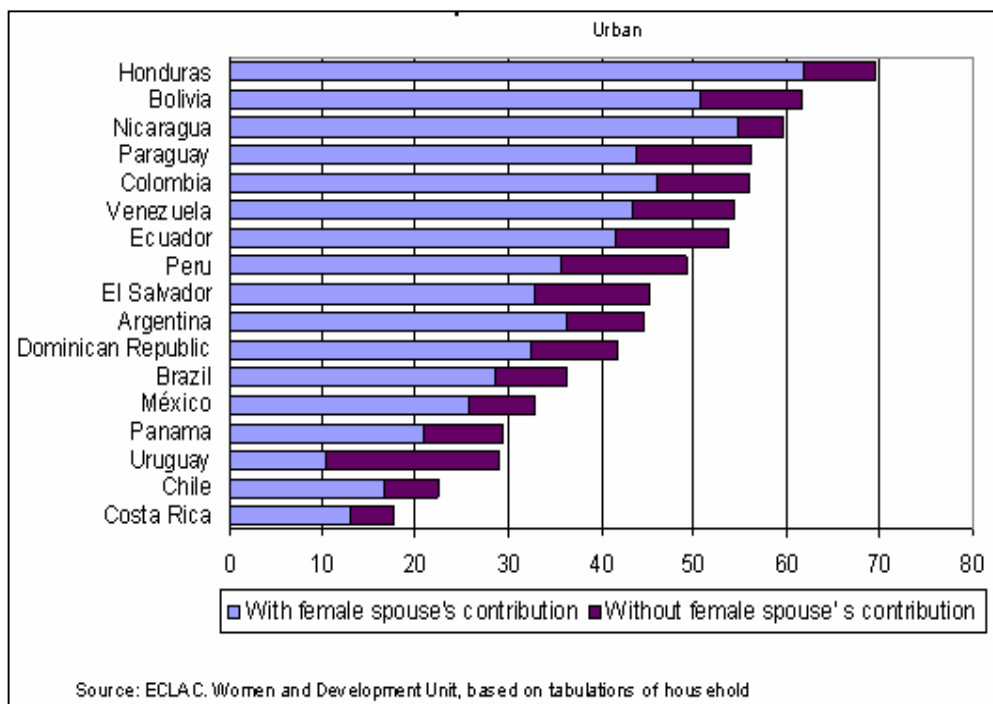


FIGURE 12
Latin America has a demographic opportunity to
address these challenges

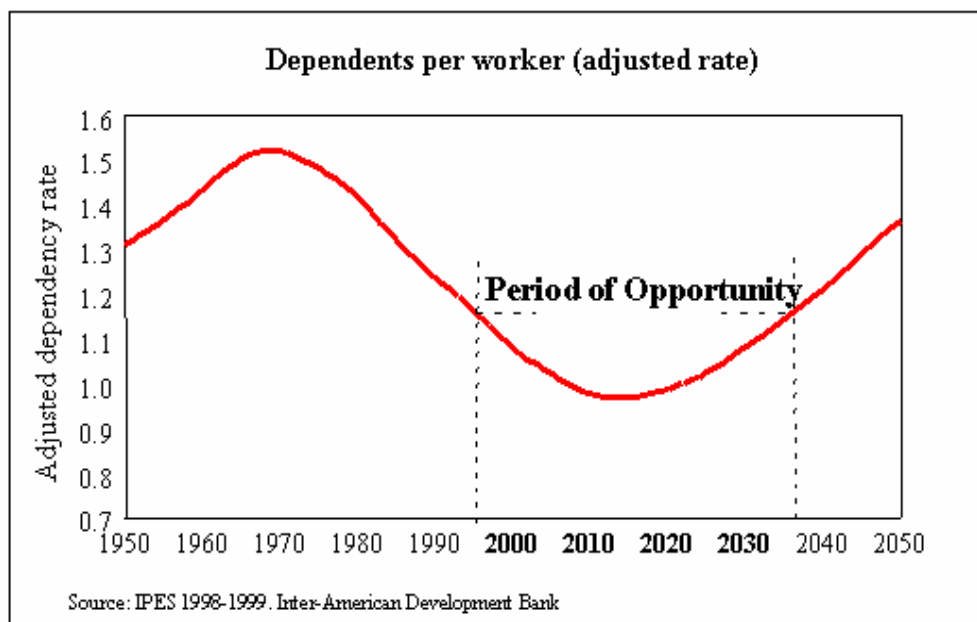


FIGURE 13

There has been little progress in poverty reduction for its income level

