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Poverty and Gender in Latin America

The traditional approach to measuring poverty considers that all individuals within a poor household are poor, whereas all individuals in a non-poor household are not poor. This practice of considering the household as the standard unit of poverty measurement is assuming that intrahousehold differences in resource allocation do not exist. This neglect of intrahousehold inequality implies that per capita consumption is an adequate wellbeing metric to calculate the proportion of population living below the poverty threshold. In Latin America, this translates into the use of per capita income as a common measure of household wellbeing and monetary poverty, given that most regular household surveys collect information on this variable, whereas expenditure and consumption data are collected in specific expenditure surveys conducted every ten years approximately. Poverty, measured in this way, tends to result in slightly higher female rates, which give ground to commonplace generalizations about the female face of poverty. This practice may also have implications in terms of public policies, as public resources are generally targeted in a household basis.

This methodology implies two crucial and distinct assumptions (Ponthieux 2013). First, that of full income pooling, the joint use of all resources within the household, justifying the consideration of total household income as the metric for total wellbeing. Second, that of equal resource allocation between the household members, justifying the use of per capita income as a correct measure for individual wellbeing. But if any of these assumptions does not apply, the dynamics of intra-household decision making about resource pooling and allocation may have a direct and significant effect on the final level of wellbeing of individuals. Despite theoretical advances to understand within household decisions, measurement issues remain lagged behind, and the gap between research and statistical practice has increased over time (Ponthieux and Meurs, 2015).

Quantitative studies about poverty and gender are scarce in Latin America. In this paper we argue that even without individualized consumption data, it is still feasible to conduct useful empirical research that sheds light about measurement of individual wellbeing, the possible methodological options and the involved variation in results. To do this, we first compare the traditional poverty measure (which assumes complete income pooling and equal sharing, based on per capita income) with other measures such poverty by sex of the household's head and male and female poverty in single adult households. We then depart from the income pooling assumption and consider male and female poverty considering only earned income (Ponthieux 2010) and a minimal pooling assumption (Davies and Joshi 1994). Our estimations are based on

16 Latin American countries and for people aged 25 to 59 years old. A detailed comparison of female and male poverty magnitudes under different assumptions, and of the changes in the ordering of countries according to these alternatives.

Our results indicate that the choice between household or individual based measures implies significant differences in terms of the size of poverty, the gender gap in poverty incidence, and even in the ranking of countries. While in Latin America no significant differences between men and women are found under the traditional poverty measure or the female headed measure, the restriction of the sample to one adult household results in higher female poverty rates, bringing to the surface the incidence of household composition. A higher proportion of these women live with at least one child and the restriction of the sample is very sizeable, questioning the usefulness of the household level to analyze gender differences in wellbeing.

Individual level poverty measures result in dramatic differences about gender gaps in well being in the region. Under these measures, female poverty multiplies by two or more in all countries, whereas male poverty is, in most countries, reduced. Although better information is required to understand pooling and sharing strategies within households in Latin America, this exercise illustrate about the significant differences in resource controlling between male and female adults. Our results suggest that households are crucial venues for income support for low income partnered women and for women with no access to any income. This last group still represents around a quarter of Latin American women, whose autonomy is seriously compromised due to this fact.

The construction of better individualized data is a necessary condition in order to make an accurate analysis of gendered poverty and construct robust and comparable poverty profiles. These data should reflect women's control over household resources. This implies important investments in survey data collection, with previous analysis about the appropriate methodological tools. Such a strategy probably implies interviewing all adult household members. Ideally, these data should measure time, asset, power and income poverty of adult women and men within households. Undoubtedly, these data will better inform policies to reach potentially poor individuals, but also to understand the complexities behind the poverty condition. It would also allow the calculation of multidimensional poverty measures really based on individualized data.

Taking the individual, rather than the household, as the unit of analysis seems a reasonable step to advance in our knowledge of wellbeing and on gender issues. If we want to stay within the boundaries of income, we need to develop better tools to understand the mechanisms of decision making at the household level and to generate new empirical evidence to allow us to monitor the situation of women in different places and across time. Collective decision-making models may contribute to make assumptions about the sharing rules within households in the

region, but there is a lot of room for theoretical and empirical developments in this area in Latin America, in order to be able to reflect the differential situations of men and women.