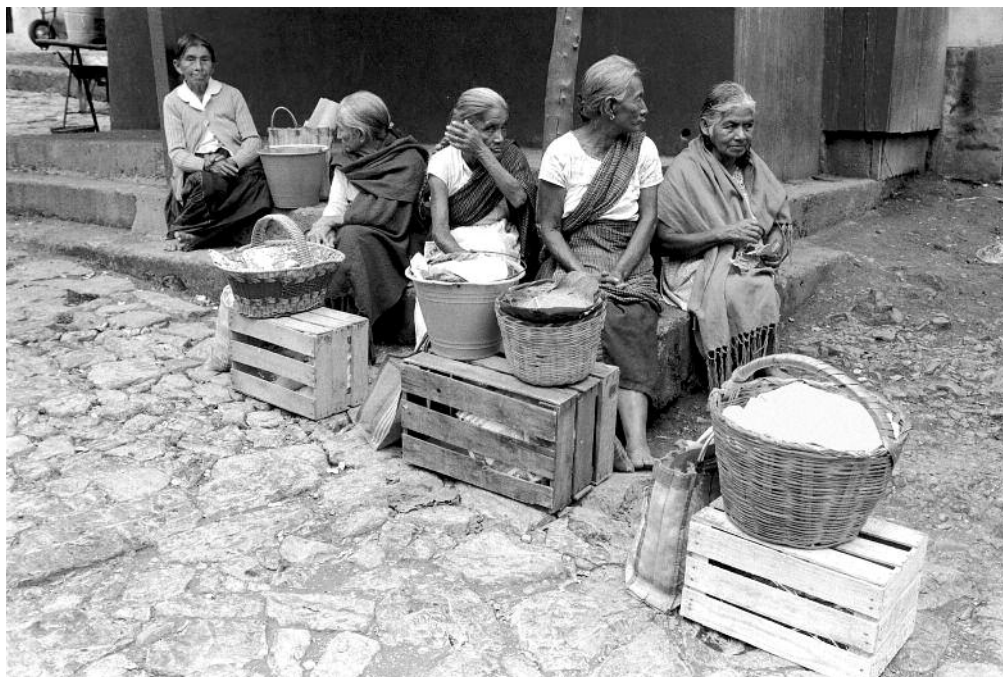


Women and Full Employment¹

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Alicia Girón^k Patricia Pérez Licona^e



Angéles Torrejón / Imagenlatina

Peasant women from Pahuatlán, Puebla.

INTRODUCTION

In a free and democratic society, it is every woman's right to have a decent, paying job. In this article we propose a full employment program to offer unlimited jobs to Mexican women with little or no schooling. Our aim is to create awareness about the possibility of in-

creasing social well-being. From our perspective, the work ethic must be recovered and used as the legitimate basis for increasing well-being and involving individuals in society mainly through business and wage relations.

Since most women in Mexico have low levels of schooling, unstable informal jobs and low incomes, the Full Employment Program for Women will make it possible to:

- a) create an occupational and wage floor that will slow the growth of poverty;
- b) increase and maintain the level of aggregate demand, with a multiplying effect in the economy and public finances;

- c) produce goods and services needed to increase social well-being;
- d) foster the culture of waged work as a substantive basis for increasing social productivity;
- e) combat gender inequality;
- f) curb illegal migration;
- g) incorporate families, from women's perspective, into the work ethic and education.

Recently, different countries have set themselves the task of reclaiming human values. It is well known that these values are learned in the family and that women's role as mothers — and as teachers in schools — has been to instill and preserve them, making it

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possible to maintain and strengthen the democratic institutional framework all societies aspire to.²

In addition to reproducing social values, women's biology makes them the reproducers of labor power. Women's employment and the hours they spend outside the home are very important not only because they take up time that they could dedicate to the family, but also because they make them an active presence in society and in the home. For that reason, their employment should be designed so as to allow them to shoulder twenty-first century family responsibilities without neglecting the reinforcement of human values.

In the last few years, public awareness of the challenge that poverty and inequality represent has increased throughout the world.³ However, different assistance programs have not been able to stop their spread. The World Bank proposes that the reduction of poverty must be achieved today by "economic growth based on the productive utilization of the most abundant resource among the poor: their labor power."⁴

However, in our society, women's working outside the home has not in and of itself been a factor for a profound

change in their sociocultural position, particularly because their jobs have been badly paid, or not paid at all, and linked to traditional productive structures. Paid work that encourages training will put women into direct contact with values that will make them "agents for change," which will be the basis transforming their condition.

WOMEN'S EMPLOYMENT IN MEXICO

According to the most recent employment statistics available (1998), in Mexico there are 49 million females, 16 million of whom are under 15 years of age and 2.6 million over 65. The rest, approximately 30.2 million women are between the ages of 15 and 64.⁵

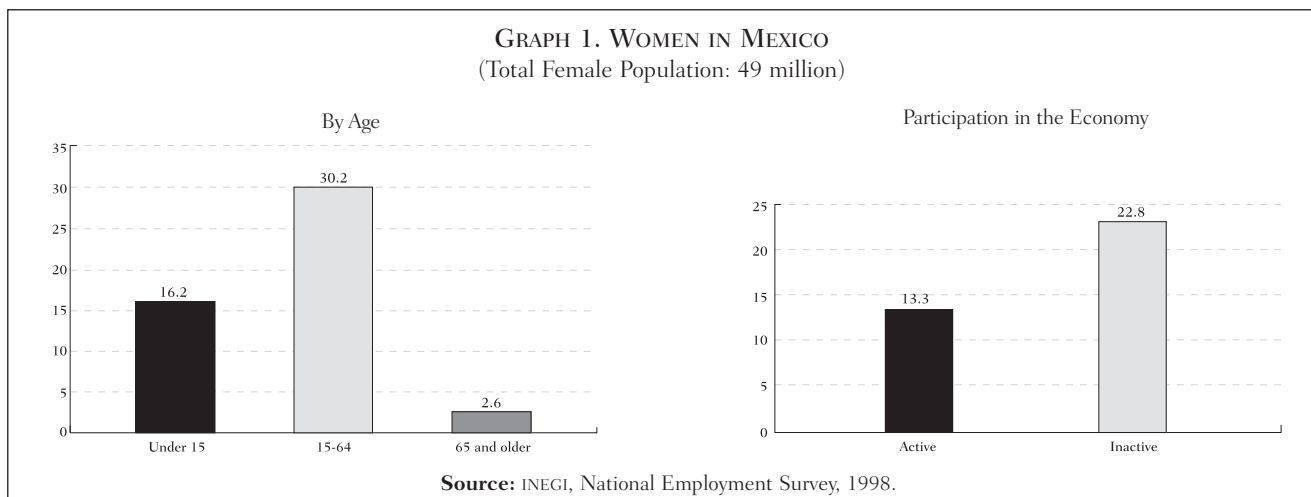
The female work force, which includes women and girls 12 years and older, is 13.3 million strong. Of this number, 12.9 million are employed and 400,000 are openly unemployed. By age, the female work force includes 388,000 girls between the ages of 12 and 14, 402,000 women over 65 and 12.5 million between the ages of 15 and 64. Given that the male work force is 26.2 million strong, we can see

that out of every three Mexicans employed one is a woman and two are men. What is called the economically non-active population (that is, those who are not employed nor have recently sought employment) includes about 22.8 million women. Of this group, 2.9 million are between the ages of 12 and 14, 2.2 million are over 65 and more than 17.5 million are between the ages of 15 and 64.

Of the 13.3 million women in the work force, 8.7 million have less than a secondary school education, and 6.9 million live in urban areas, while of the 22.8 million women who are economically inactive, 18.5 million have a less than secondary school education and 10.4 million live in urban areas.

By sector, the female work force is divided as follows: 1.7 million are professionals, technicians or teachers; 1.7 million are clerical workers; 2.6 million are sales personnel; 1.6 million are domestic workers; 1.1 million work in agriculture; 2.4 million are artisans or factory workers; and 1 million earn their living in the service sector.

Analyzed according to the job categories they occupy, only 237,000 women are employers; 2.8 million are self-



employed, mainly in commerce and services; 7.6 million are wage earners (only 1.7 million in industry and the rest, more than 6 million, mainly in commerce and services); 600,000 are piece workers in industry and commerce; and 2.1 million work with no pay at all. Of the entire female work force, 5 million have no fixed physical work place and 3.2 million work out of their homes.

In terms of income, 7 million women earn less than twice the minimum wage (3.3 million earn minimum wage or less and 3.7 million earn between minimum wage and double that). In contrast, only 111,000 women earn more than 10 times the minimum wage. Of the 2.1 million women who earn nothing at all for their work, almost one million work in agriculture and the rest mainly in commerce. Six million receive no fixed wage. Of the 7.8 million women who are wage earners, 3.2 million have only a verbal contract: about 500,000 in industry, 500,000 in commerce and 1.5 million in services. In addition, 7.7 million women workers receive no benefits at all.

For 9 million women, the work week is 48 hours long or more. It is interesting to note that approximately 800,000

women employed in the maquila industry create even more wealth than oil exports. Lastly, there are hardly any indicators to characterize the situation of the 22.8 million women considered economically inactive: the most that can be said is that 5.2 million of them are students and 15 million are housewives and carry out other kinds of activities.

We could conclude that the vast majority of these women are mothers of three or more children who get unskilled jobs with no stability, no contract, no benefits and 48-hour-a-week schedules or longer. In addition, in general, poor working women are not included in the statistics and appear as part of the inactive population doing housework even though part of what they do and the procurement of non-monetary goods and services represent a proportion of the family income, a portion which is more important the lower the family's income level.

A JOB WITH HEALTH AND RETIREMENT BENEFITS

The full employment for women program we are proposing would make an

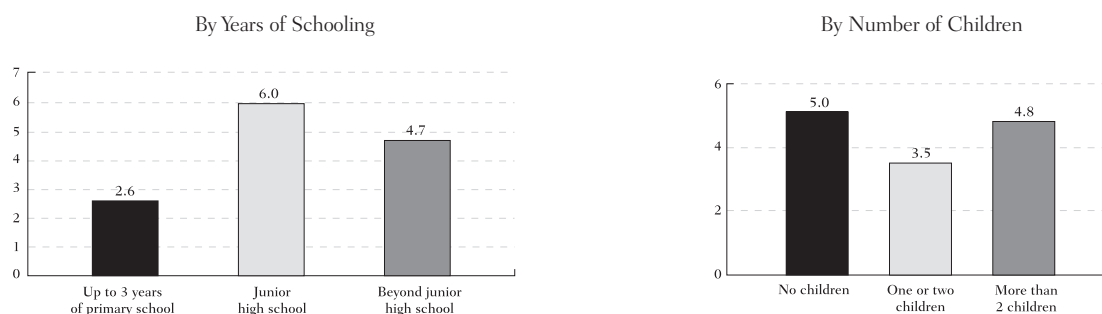
unlimited number of minimum-wage, full health and retirement benefit, six-hour-a-day jobs available to Mexican women. As we already mentioned, the program would target mainly women with little or no schooling and job training and, therefore, would have to include conditions to increase their educational and training levels.

We think that when operating at full capacity a program like this could offer jobs to about 8 million women, including those who are already employed and earning either nothing at all or under minimum wage. The program would exert an anti-cyclical influence in the economy: the demand for jobs increases precisely when supply drops in all sectors of the economy. Its anti-cyclical function would consist of attenuating the economic slump and offering the most vulnerable, impoverished sectors of the populace a minimal way of defending themselves at those times.

We propose carrying out the program in four stages.

The first stage would target towns of fewer than 100,000 inhabitants, mainly with the idea of stabilizing the conditions that have driven workers out of those towns into the cities and

GRAPH 2. WOMEN IN THE WORK FORCE



Source: INEGI, National Employment Survey, 1998.

raising living standards in locations with the highest levels of extreme poverty. At its highest point, this stage would involve 4 million women.

The second stage would include launching a pension program for women over 65 who can no longer work, to benefit about 1.5 million women.

The third stage would target cities of over 100,000 inhabitants in the regions with the highest poverty levels, covering a maximum of about 3 million women.

The fourth stage would encompass the entire country. The economic effort of a program like this one would be enormous since it would mean increasing the population covered by health care and pensions by at least 50 percent.

FUNDING SOURCES

Funding would be centralized while the program itself would be decentralized and run by municipal and state governments.

Paying the program's minimum wage plus health and retirement benefits would require gradually maintaining and increasing the purchasing power of these payments. This would be achieved

through legislation to guarantee women's full employment, which, in addition to specifying government commitment to the program, would include the need to increase disbursements yearly according to price hikes in basic consumer products, plus at least 1 percentage point over the real economic growth rate.⁶

At the peak of its functioning, this program could cost about 288 billion pesos, which comes to about 5.5 percent of the gross domestic product (GDP) for the year 2000.⁷ We estimate that this is the equivalent of 70 percent of the total amount of government income from VAT and the tax on earnings (ISR) in 1999. Therefore, we propose the program be implemented by stages, as long as the federal government is able to increase its revenues through taxation.

Although other sources of funding could be established, the main one must be the increase in tax earnings. And they can be increased with the specific aim of funding this program; this is called "earmarking taxes."

To make this possible, it is necessary to:

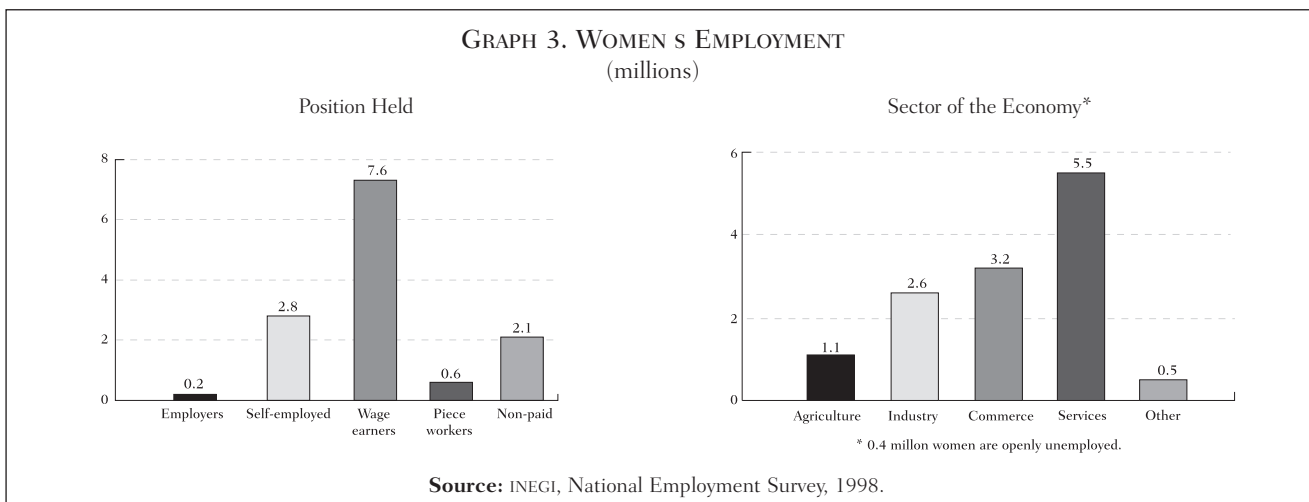
a) Increase the tax base. In 1998, the government had 6.4 million taxpay-

ers (divided into 5.9 million individuals and 500,000 companies). Obviously, it is urgent that this number be increased, something that could be done rapidly with the appropriate legal oversight mechanisms, particularly in the case of companies with high earnings.⁸

b) Permit a government budget deficit equivalent to 3 percent of GDP. In the year 2000, this would have been about 174 billion pesos, a level which would not have been inflationary if we consider that the European Union, for example, has an average deficit of 3 percent with much lower inflation than ours or even that of the United States.

c) Create a special tax earmarked to fund this program. We propose taxing real financial earnings of the largest depositors and holders of government titles by 0.2 percent. This tax would be the equivalent of 30 percent of the real earnings of holders of Cetes and Bondes, for example, and would make for 18 billion pesos in annual tax earnings.⁹

Other sources of funding could also be acquired through negotiations. For



example: a) A discount of 50 percent in the amount of real interest on the foreign debt, which would make it possible to maintain the real interest rate at over 2 percent and would generate for Mexico about 45 billion pesos at the current exchange rate. b) A tax convergence agreed upon by the U.S. and Mexican governments for taxing companies would make it possible to increase these earnings to reach at least the equivalent of 3 percent of Mexico's GDP.

In the first stage (targeting all communities of fewer than 100,000 inhabitants), the program could reach a maximum of 4 million women, with an estimated cost of 158 billion pesos in the year 2001. However, if the program only operated partially, in the first year it could require about 100 billion pesos, which represents about 28 percent of estimated tax earnings for that year, a figure that is lower than income from oil sales.

Even though the budgetary effort is enormous, the possibility of partially implementing the program by stages would make it possible to advance as tax earnings rose. At the same time, it would also make it possible to correct and improve the instruments for its implementation, and in a period no longer than four years be able to achieve complete coverage.

THE MINIMUM WAGE

An extremely important point is determining the initial minimum wage level for the program. If it is too low, in addition to possibly making the program ineffective, it could have a deflationary effect on the general level of wages and salaries. It could also be insufficient to satisfy some of the basic necessities that

would make it possible to slow the rhythm of growth of poverty and extreme poverty. On the other hand, a very high minimum wage to start out with could not only encounter immediate financing difficulties, but could also slow the expansion of medium-sized and small companies that operate on the basis of paying their workers minimum wage.

The Mexican economy is facing increased integration with the U.S. economy. When determining the initial minimum wage for the program, the wage and productive convergence of the two economies that should be aspired to should also be taken into consideration.

The full employment for women program we are proposing would make an unlimited number of minimum-wage, full health and retirement benefit, six-hour-a-day jobs available to Mexican women.

For example, if the starting point is the Mexican minimum wage in the year 2000, and we take the U.S. minimum wage as a constant in real terms, the wage convergence would take 54 years with a 4 percent yearly rise in Mexico's minimum wage. If the latter rose 5 percent a year, then convergence would take place in 48 years.

Our proposal is that the starting minimum wage be 76 pesos a day. In the scenario with a real annual increase of 4 percent, this would make convergence possible in 29 years.¹⁰ In addition, this wage is the equivalent of almost 50 percent of the annual cost of the basic food basket for a family of five, without taking into consideration the cost of education, apparel, shoes, housing, health, leisure and culture.¹¹ Thus,

the initial wage proposed is less than the average wage in industry or the service sector, which means that wage selected for the program will not radically modify the existing structure in the short term.¹²

CHARACTERISTICS OF EMPLOYMENT AND THEIR MULTIPLYING EFFECT

Women's earnings are lower than men's even for jobs requiring the same or similar training. This can be explained by the cultural mores that cause gender discrimination.

What this program offers is non-skilled jobs for women, mainly in service to the community: the construction of roads and bridges; installation of drinking water and irrigation systems; work in public buildings, parks and gardens; pest extermination and clean-up; participation in educational and literacy programs; removal of rubble and care for the environment; participation in community orchestras; painting walls; care for the aged; assisting in public schools; collaborating in security measures for streets, airports and other public places; lending assistance in community day-care centers, etc.¹³

The program combines several objectives: promoting full employment, giving jobs mainly to the poorest sectors of the work force; producing public goods

and services needed to increase general living standards; and, lastly, educating and training people for employment.

On the other hand, this proposal tends to increase demand and, with it, allows for an increase in public income, contributing in this way to compensating for greater public spending incurred in financing the program itself.

In recent years, net public expenditures dropped drastically: from 36 percent of the GDP in 1981, they plummeted to 22 percent in 1999. The existing social deficit is a first restriction. Tax earnings are barely 10 percent of the GDP. The circle of lower spending-lower tax earnings has led not only to slow and unstable economic growth, but also to an increase in unemployment and underemployment. Changing this dynamic through a program like the one we are proposing would be a step forward in the construction of a society that is more democratic and more just in gender terms. A work ethic that offers the means to clarify and order certain norms like the pursuit of justice and equity would be able to prosper in a society in which gender difference were recognized, but not used to maintain inequality.¹⁴

CONCLUSIONS

This proposal seeks to gradually close the gender equality gap by building a minimum employment and income base nationwide. The program requires an interdisciplinary team and an adequate social wage to implement it; not scholarships, not coupons, not “poor cards.” It is a response to the urgent need to generate jobs to fight the poverty that over the last two decades has devastated most poor, low-schooling-level

families’ incomes. It would first seek to provide full employment for women and then increase education programs designed for them. It is unacceptable that at the beginning of the twenty-first century, Mexican women, shouldering most family responsibilities, have formal jobs without the corresponding formal wages, and that household continues to go unpaid and unrecognized by society. **MM**

NOTES

¹ A prior version of this article was presented as a paper at the Seminar on Public Policies for Women organized by the Mexican Federation of University Women and the Association of University Women of Hidalgo on November 4 and 5, 1999 in Pachuca, Hidalgo, as well as at the meeting of the International Association for Feminist Economics at Bogazici University in Istanbul, Turkey, in August 2000. The authors wish to thank scholarship recipient Elizabeth Concha for her support.

² Javier Alatorre and the GIMTRAP Coordinating Committee, *Las mujeres en la pobreza* (Mexico City: Centro de Estudios Sociológicos: Grupo Interdisciplinario sobre Mujer, Trabajo y Pobreza [GIMTRAP]-El Colegio de Mexico, 1997), p. 126.

³ The income gap between the fifth of the population which lives in the world’s richest countries and the fifth that lives in the poorest was 30 to 1 in 1960, whereas it was 74 to 1 in 1997. According to figures from the United Nations 1999 Human Development Report, the 200 richest people in the world doubled their net worth in the last four years, increasing it by more than a trillion dollars, and the wealth of the world’s three richest people is greater than the output of all the countries where the 600 million poorest people live.

⁴ World Bank, 1990b and 1992.

⁵ These figures are from the National Statistics Institute (INEGI) 1998 National Employment Survey.

⁶ Between 1988 and 1999, Mexico’s median annual economic growth rate was 3 percent. We should expect that with the implementation of this program, economic growth would average at 4 percent annually in coming years.

⁷ If these wage expenditures were made immediately, it would increase wage earners’ incomes to about 27 percent of the GDP, a figure much lower than the 40 percent they represented in 1976. This means that the program we are proposing is completely viable.

⁸ According to the Finance Ministry, Mexico is one of the countries with the lowest tax burden in the West. Compared to the size of our economy, the tax burden is 15 percentage points lower than those of the other OECD countries and is lower than that of other Latin American countries like Argentina, Brazil and Chile. Government income from tax on earnings (ISR) dropped as a percentage of the GDP from 5.1 percent in 1994 to 4.5 percent in 1998. Mexico also has one of the lowest burdens of corporate earnings in the world (1.9 percent of the GDP). Mexico’s VAT is applied to one of the smallest ranges of products and services, leaving whole sectors and a great many goods and services unaffected. The average effective VAT rate in Mexico is 8.9 percent. Non-tax revenues have been extremely volatile given that they include non-recurring earnings like those derived from the sale of state companies, income from the Central Bank’s operations and those derived from oil extraction, subject to international oil prices. The fact that in the year 2000, tax revenues may be lower than those of 1994 forces us to think about the mechanisms that should be put in place to avoid the grave consequences of not having sufficient resources to alleviate the backlog in social spending program coverage or to invest in programs vital for growth.

⁹ The estimates have been determined on the basis of figures contained in President Ernesto Zedillo’s Fifth Address to the Nation in September 1999.

¹⁰ The economic asymmetries between our two countries, which are now on a course of commercial integration, are enormous. However, the trade opening itself is rapidly leading to the transformation of both countries’ relative price structures. Even so, the process of harmonization of productive, price, wage and fiscal structures will take many years.

¹¹ This approximation was developed by the UNAM School of Economics Center for Interdisciplinary Analysis.

¹² Data from President Ernesto Zedillo's Fifth Address to the Nation.

¹³ The United Nations recognizes the need for moving forward in international cooperation in the next century through the participation of the nations of The world in the production of what are called "world public goods," like activities to stop pollution, cleaning up the environment and ecological recovery, actions to eradicate diseases, to advance or consolidate democracy, uphold the law and foster the rule of law.

¹⁴ About this need, see Marta Lamas, comp., *El género: la construcción cultural de la diferencia sexual* (Mexico City: Miguel Angel Porrúa, 1996). The present article is supplemented with our paper on education and sustainable development. Hopefully, with both programs together, the average years of basic schooling for children will rise, making it possible to have higher employment for women and averting the need for adolescents to seek employment, repeatedly interrupting their studies. See the paper by Eugenia Correa and Patricia Pérez, "Educación y desarrollo sustentable," presented at the Women and Education Seminar organized by the Federation of University Women in November 1997.

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SIGLO VEINTIUNO EDITORES



EL *Bandolero*, EL *Pocho* y la Raza

Imágenes cinematográficas del Chicano.

de David R. MACIEL. / Prólogo de Carlos MONSIVÁIS

Esta obra proporciona una visión panorámica de las imágenes y el discurso cinematográfico referentes al pueblo mexicano en Estados Unidos plasmados en el celuloide. El libro es un estudio pionero que realiza una innovadora comparación acerca de la manera en que esta comunidad ha sido representada por Hollywood, por el cine mexicano y por el mismo cine social chicano. Metodológicamente, el libro combina la historia cultural con la crítica cinematográfica.



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