Gender Assessment

FP048: Low Emissions and Climate Resilient Agriculture Risk Sharing Facility

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GENDER ASSESSMENT

Mexico ranks 66 out of 145 countries in the World Economic Forum Global Gender Gap Report 2016. Of the four countries covered by the project, Mexico is the only country that has improved its position in this ranking that quantifies the magnitude of gender disparities and tracks their progress over time. Honduras (78), Peru (80), and Guatemala (105) had lost several positions being Guatemala the last Latin American country in the ranking.

1. COUNTRY ASSESSMENT

GUATEMALA

Employment. Women represent 51% of the working age population. However, women are only 38% of the economically active population, that number is even smaller among indigenous women\(^1\). Three-quarters of employment take place in the informal economy, especially in rural areas. Only 23.7% of men and 18.5% of women have a formal job.

40.5% of women are employed in trade while 13.4% work in the manufacturing industry, especially the maquila and the informal commerce\(^2\).

Salary level for women has improved in recent years although wage gaps still prevail in all sectors. Indigenous women earn 54.5% of men's wages while non-indigenous women earn 62.9% of men's wages.

Education. The literacy rate is 74% for women and 85% for men. The enrollment rate in primary education is similar for women (85%) and men (87%). In secondary education, the number of male enrollments (49%) exceeds the women enrollments (45%). Women enroll more at University (19%) than men (18%)\(^3\).

Head of household. Women represent 87.5% of the head of the family in households with single-parent families. Men are heads of households in nuclear (99%) or extended families (70%). Total data show that men are heads of households of 57.5% of Guatemalan families and 42.5% of women.

Violence against women. 560 women were victims of femicide in 2012 according to the Human Rights Commission of Guatemala. 98% of the femicide in Guatemala are unpunished despite the penalties established in the law,

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\(^1\) World Bank (2015), World Development Indicators (database)
\(^2\) INE. Gender Indicators 2013. Guatemala
\(^3\) UNESCO Institute for Statistics, Education indicators database, 2015 or latest data available
Political participation. Guatemala has a small representation of women in high government positions. Women hold 14% of seats in parliament and 20% of ministerial positions\(^4\).

HONDURAS

Employment. Men are twice as likely to be employed in Honduras than women. 45% of the female working-age population are employed versus 85% of the male working-age population\(^5\). 75% of women in the labor force were employed in the informal sector compared to 71% of men.\(^6\) 68% of youth women are not employed or in school versus 16% of youth men\(^7\).

Education. The literacy rate is similar among women (89%) and men (88%)\(^8\). The enrolment rate in primary education is the same for both sexes (94%). However, in secondary and tertiary education women have a higher enrolment than men, 53% versus 46% and 24% versus 18% rate respectively\(^9\).

Head of the household. 33.6% of the households have women as a head of the household\(^10\).

Violence against women. Around 27% Honduran women have reported that they have suffered some form of physical violence. 636 women were murdered, in 2013. From 2005 to 2013, the femicide increased by 263.4%. \(^11\)

Political participation. Only one-quarter of the Honduran high government positions are held by women. Women hold 26% of seats in parliament and 27% of ministerial positions.

MEXICO

Employment. Economic Participation Indicators show a decrease in the female share of professional and technical workers and remains among the lowest performing countries in the region on this indicator\(^12\). 48% of the female working-age population are employed versus 83% of the male working-age population\(^13\). 59% of women in the labor force were employed in the

\(^4\) UNESCO Institute for Statistics, Education indicators database, 2015 or latest data available
\(^5\) International Labour Organization (ILO), Key Indicators of the Labor Market (KILM) database, 9th edition, 2015
\(^6\) ILOSTAT, Share of informal employment in non-agricultural employment, data from 2015 or latest available (accessed September 2016). Excludes employment in agriculture, hunting, forestry and fishing activities.
\(^7\) ILOSTAT, Youth, Share of youth not in employment and not in education, data from 2015 or latest available (accessed September 2016)
\(^9\) UNESCO Institute for Statistics, Education indicators database, 2015 or latest data available
\(^11\) Informe de Organizaciones Feministas ante la Relatora Especial de la ONU sobre Violencia contra la Mujer, sus causes y consecuencias, presentado en el marco de la visita de la Relatora a Honduras en Julio 2014.
\(^12\) World Economic Forum, Gender Gap Report 2016.
\(^13\) International Labour Organization (ILO), Key Indicators of the Labor Market (KILM) database, 9th edition, 2015
informal sector compared to 50% of men.\textsuperscript{14} 31% of youth women are not employed or in school versus 9% of youth men\textsuperscript{15}. The wage equality in Mexico is one of the worst worldwide. It ranks 128 of 135 countries.

\textbf{Education.} The literacy rate is lower in women (94%) than in men (96%)\textsuperscript{16}. The enrolment rate in primary education and tertiary education is the same for both sexes, 95% and 30% respectively. However, in secondary education women have a higher enrolment than men, 69% versus 66\textsuperscript{17}.

\textbf{Head of the household.} 24.6\% of the households have women as a head of the household\textsuperscript{18}.

\textbf{Violence against women.} 46.1\% of women reported violence by a partner\textsuperscript{19} (includes physical, sexual, emotional and psychological violence). 12.5\% of women who are employed nationwide have been victims of harassment in the workplace\textsuperscript{20}. In terms of harassment in educational settings, 15.7\% of women suffered humiliation, physical violence and sexual advances in exchange for grades or were forced to have sex or engage in obscene behavior\textsuperscript{21}. In 2013, 2647 women were killed in Mexico, 7 out of 100 were girls between 0 and 14 years\textsuperscript{22}.

\textbf{Political participation.} Women are underrepresented in Mexican high government positions. Women hold 26\% of seats in parliament and 17\% of ministerial positions.

\section*{PERU}

\textbf{Employment.} 69\% of the female working-age population are employed versus 85\% of the male working-age population\textsuperscript{23}. 19\% of youth women are not employed or in school versus 11\% of youth men\textsuperscript{24}. Peru has three of the worst wage equality rates worldwide. It ranks 133 of 135 countries\textsuperscript{25}.

\textbf{Education.} The literacy rate is lower in women (92\%) than in men (97\%)\textsuperscript{26}. The enrolment rate in primary education is the same for both sexes, 93\%. However, women enrollment in

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\textsuperscript{14} ILOSTAT, Share of informal employment in non-agricultural employment, data from 2015 or latest available (accessed September 2016). Excludes employment in agriculture, hunting, forestry and fishing activities.
\textsuperscript{15} ILOSTAT, Youth, Share of youth not in employment and not in education, data from 2015 or latest available (accessed September 2016)
\textsuperscript{17} UNESCO Institute for Statistics, Education indicators database, 2015 or latest data available
\textsuperscript{18} INEGI. Mexico. 2010
\textsuperscript{19} National Statistical and Geographical Institute (INEGI), Nationwide Survey on Household Relations 2011. Mexico
\textsuperscript{20} National Statistical and Geographical Institute (INEGI), Nationwide Survey on Household Relations 2006. Mexico
\textsuperscript{21} National Statistical and Geographical Institute (INEGI), Nationwide Survey on Household Relations 2006. Mexico
\textsuperscript{22} INEGI 2013
\textsuperscript{23} International Labour Organization (ILO), Key Indicators of the Labor Market (KILM) database, 9th edition, 2015
\textsuperscript{24} ILOSTAT, Youth, Share of youth not in employment and not in education, data from 2015 or latest available (accessed September 2016)
\textsuperscript{25} World Economic Forum’s Executive Opinion Survey, 2015-16
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secondary and tertiary education is higher than in men, 79% versus 77%\textsuperscript{27} and 43% versus 39% respectively.

**Head of the household.** 26% of the households have women as a head of the household, with a larger percentage in the urban area 28.2% than in the rural area with 21.1%\textsuperscript{28}

**Violence against women.** 38.9% of women with a partner aged 15-49 years have ever experienced physical and sexual violence by her partner\textsuperscript{29}. In 2011, 159 cases of femicide and attempted femicide were reported\textsuperscript{30}.

**Political participation.** Peruvian women see an increase in political participation. Women hold 42% of seats in parliament and 18% of ministerial positions\textsuperscript{31}. Peru ranks 6\textsuperscript{th} in the list of women in parliament of the Gender Gap Report 2016\textsuperscript{32}.

\textsuperscript{27} UNESCO Institute for Statistics, Education indicators database, 2015 or latest data available
\textsuperscript{28} ENDES 2011
\textsuperscript{29} ENDES 2011
\textsuperscript{30} Women's Emergency Center. 2011
\textsuperscript{31} Inter Parliamentary Union, Women in National Parliaments.
2. WOMEN FARMERS

The percentage of women working in the agricultural labor force (9.1) is significantly smaller than it is for developing countries altogether (43%). Even when Latin American women participate most actively in the labor force (53.3%) than the world average (49%)\(^{33}\). “This somewhat exceptional situation in Latin America and the Caribbean reflects relatively high female education levels, economic growth and diversification, and cultural norms that support female migration to service jobs in urban areas”\(^{34}\).

*Figure 1. Female employment in agriculture, share of female employment, selected countries (2005-2010)*

Women in Guatemala and Honduras work at a similar percentage in the agricultural labor force, 10.9% and 10.3% respectively (men 44.6% and 50.2% respectively). However, the numbers in Mexico are much smaller, only 3.7% of women employed work in agriculture (men 19.4%). There is no data available about employed in the agricultural sector in Peru.

There are no legal restrictions for women to access land in any of the four countries but custom, regardless of the law, continue to restrict women’s access to land. There is a

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\(^{33}\) FAO STATISTICAL YEARBOOK 2014Latin America and the Caribbean Food and Agriculture

\(^{34}\) Idem
patriarchal culture in which males take most decisions related to land. In indigenous communities, women are even more marginalized in access to land by their male relatives.

In Honduras, women own one-quarter of all plots in the country\(^\text{35}\). The law stipulates that land can be registered under the names of both spouses. This is not usually solicited because norms customarily identify men as the head of the families and landowner.

According to FAO, in Peru, several factors obstruct women’s access to land, including illiteracy, displacement, and lack of knowledge about land rights. Women owned only about 25% of land title deeds, in 2002.

In Guatemala, the National Agricultural Survey (ENA) says that men own 85% of the land for cultivation in all forms of tenure (property, lease, usufruct) while only 15% is in the hands of women producers. Individual male producers have most of the land owned and leased and individual female producers own it through usufruct\(^\text{36}\).

Forestry is heavily dominated by men. Women rarely hold leadership roles at the community level, especially formal positions related to forest management. Women’s role in forestry projects is typically isolated to participation in workshops and focused on non-timber forest products such as pepper, cocoa, coffee, and Maya nut. Women sometimes collect these plants. Most of the time, they process them and bring them to the market.

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\(^{35}\) Law on Equal Opportunities for Women, Article 74; CEDAW (2006)

\(^{36}\) CEDAW 2004, pp. 85, 91
3. WOMEN-OWNED SMES ACCESS TO FINANCE.

According to Women’s Entrepreneurial Venture Scope report obtaining funding is the most difficult part of starting and growing a MSME in LAC. Access to finance varies across the countries being the greatest barrier the fact that “women are often unable to access financing beyond microcredit particularly financing for investment or working capital through banks, equity or stock sales, or suppliers”37.

Figure 2. Source of investment financing for women-led MSMEs

Up to 70% of women-owned SMSs in LAC were underserved or unserved financially as reported by the International Finance Corporation (IFC)38.

Mexico ranks first in the category Access to Finance of the Women’s Entrepreneurial Venture Scope index. However, women entrepreneurs’ usage for formal financial institutions for business purposes is relatively low as is the number of women who have obtain a loan from a financial institution. 2.46% of women use an account for business proposes. Women made up 95% of micro borrowers39.

Figure 3. Indicator results in Access to Finance

| Source: The Economist Intelligence Unit. Women’s Entrepreneurial Venture Scope. 2013 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| Access to finance              | 38.1           | 40.2           | 57.1           | 51             | 40.4           |
| General access to finance      | 26             | 26.8           | 52.7           | 41             | 35.9           |
| Access to SME finance          | 35.6           | 48.8           | 33.9           | 66.9           | 45.6           |
| Access to microfinance         | 52.6           | 45.1           | 84.5           | 45.1           | 39.8           |

37 The Economist Intelligence Unit. Women’s Entrepreneurial Venture Scope. 2013
39 The Economist Intelligence Unit. Women’s Entrepreneurial Venture Scope. 2013
In Peru access to finance is high, specially for SMES financing, as Peruvians banks have aggressively targeted SME clients. Banks finance 47% of women-led SME’s investments and 20% of their working capital\textsuperscript{40}.

Guatemala needs to improve Access to Finance as Guatemalan women have low rates of savings at financial institutions. 70% of microloan users are women female borrowers. Loans to women make up to 55% of the gross microloan portfolio\textsuperscript{41}.

The estimated credit gap for formal women-owned enterprises is estimated to be approximately $287 billion, or 30% of the total SME credit gap. LAC is the region with the largest credit gap for women-owned SMEs\textsuperscript{42}.

In terms of the credit gap by segment, formal medium sized women-owned enterprises in LAC have an estimated credit gap of $24 billion (23%). For the very small and small segment, the credit gap for formal women-owned enterprises is approximately $61 billion, representing 47% of the total credit gap for this segment LAC. The difference in the credit gap between men and women-owned businesses in this segment is the lowest in LAC\textsuperscript{43}.

\textit{Figure 4. Total SME credit gap for men and women-owned SMEs by segment: 2003-2010}

\begin{table}[h]
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\begin{tabular}{|c|c|c|c|c|c|c|c|}
\hline
\textbf{Size} & \textbf{Ownership} & \textbf{Total Credit Gap per SME by Region (USD MM)} \\
& & \textbf{EAP} & \textbf{ECA} & \textbf{LAC} & \textbf{MENA} & \textbf{SA} & \textbf{SSA} & \textbf{Global} \\
\hline
\multirow{2}{*}{Very Small and Small Enterprises} & Men-Owned & 89,150 & 69,226 & 69,406 & 51,716 & 12,370 & 30,334 & 322,202 \\
& Women-Owned & 62,671 & 46,401 & 61,185 & 11,028 & 9,197 & 39,707 & 191,856 \\
& Total Small & 151,821 & 115,627 & 130,590 & 62,745 & 13,567 & 69,041 & 514,058 \\
\hline
\multirow{2}{*}{Medium Enterprises} & Men-Owned & 10,867 & 34,836 & 80,249 & 192,516 & 947 & 33,627 & 353,042 \\
& Women-Owned & 4,834 & 19,598 & 24,453 & 38,888 & 370 & 6,751 & 94,894 \\
& Total Medium & 15,702 & 54,434 & 104,701 & 231,404 & 1,317 & 40,378 & 447,936 \\
\hline
\multirow{2}{*}{Total Enterprises} & Men-Owned & 100,017 & 104,061 & 149,654 & 244,232 & 13,318 & 63,961 & 675,244 \\
& Women-Owned & 67,506 & 65,999 & 85,638 & 49,916 & 1,567 & 16,124 & 286,750 \\
& Total SME & 167,523 & 170,061 & 235,292 & 294,148 & 14,884 & 80,085 & 961,994 \\
\hline
\end{tabular}
\caption{Total SME credit gap for men and women-owned SMEs by segment: 2003-2010}
\end{table}

\textsuperscript{40} The Economist Intelligence Unit. Women’s Entrepreneurial Venture Scope. 2013
\textsuperscript{41} The Economist Intelligence Unit. Women’s Entrepreneurial Venture Scope. 2013
\textsuperscript{43} Idem