Gender, Power, Financial Access, and Development in Latin America: Comparing Brazilian and Bolivian Cases

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GENDER, POWER, FINANCIAL ACCESS, AND DEVELOPMENT IN LATIN AMERICA: COMPARING BRAZILIAN AND BOLIVIAN CASES

Leila Bijos*

ABSTRACT

Within the context of women and development, this paper analyzes the economic transformation of socially excluded women in Latin America. The analysis focuses on the position of women in society and their most common difficulties, especially those difficulties faced by women who migrate from rural areas to urban centers. The paper addresses gender and power, universal oppression based upon sex/gender, and the socio needs and problems within Western societies, both at micro and macro levels. Specifically, the paper presents two case studies comparing Brazilian and Bolivian women.

I. POLITICAL AND ECONOMIC CONSTRAINTS IN LATIN AMERICA

DURING the last two decades of the 20th century, Latin American citizens have moved into democratic regimes and new human rights trends, but despite these developmental increases, a large number of persons still live in absolute poverty. Countries such as Argentina, Brazil, Chile, and Peru have tried to replace authoritarian regimes with open democracies, showing that these countries, despite an exacerbated populism, have not formulated or executed public policies targeting social and economic development. This paper presents a real scenario of exclusion, difficulties, violence, and absence of human rights.

It is essential to question why past and present governments have not implemented innovative programs aimed at benefiting indigenous communities, migratory groups, and women. If such programs had been launched, they would certainly have been included into the most active institutions of our society, especially those that work with community

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groups and non-governmental organizations (NGOs) aimed at the empowerment of women.

Authoritarian regimes in the region have a poor record of delivering improvements in living standards, which obliterates women's empowerment. Authoritarian governments have violated human rights in several countries by arresting simple peasants and leaving women without husbands and sons, without a land property title, and without guarantees as to governmental taxes and regulations. In Brazil, in the late 1960s and early 1970s, the repressive military police went into the universities and beat and arrested professors and students that were considered active members of the militant left.¹

As noted by Alvarez, Brazilian women have looked to organization as a means of achieving their common goals.²

Poor and working-class women began organizing around their immediate survival needs. In keeping with their socially ascribed roles as the wives, mothers, and nurturers of family and community, women of the lower classes were among the first to protest the authoritarian regime's repressive social and economic policies. They organized against the rising cost of living; demanded adequate schools, day care centers, running water, sewers, electrification, and other urban infrastructural necessities; and clamored for their right to adequately feed their families, school their children, and provide them with a decent life.³

In the 1970s and 1980s, Brazilian women, following the example of the Argentinean and Chilean women, got together and organized the community mother's clubs, the Feminine Amnesty Movement, the Cost of Living Movement, and the Day Care Movement.⁴

Although the revolutionary left and the advent of socialism would bring, in a certain way, the liberation of women, it did not allow them into positions of authority. Women, many of them called guerrilheiras, were recruited to run safe houses, to work as messengers and cooks, and to take care of the sick and the wounded. They were sometimes even called upon to use their feminine charms to extract information from the enemy.

Brazilian women were subordinated to male power; they lacked a language, they needed to gain some control, which would allow them to change their roles in political groups. Alvarez also says that even though these Brazilian women felt voiceless in a political context and were unable to express their resentment, they started helping poor and working-class women to articulate their demands for improved urban infrastruc-

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¹ Sonia E. Alvarez, *The (Trans)formation of Feminism(s) and Gender Politics in Democratizing Brazil*, in *The Women's Movement in Latin America: Participation and Democracy* 14 (Jane S. Jaquete ed., 2d ed. 1994).
² *Id.* at 13.
³ *Id.* 15-16.
ture, schools, health care, and political participation.\(^5\)

II. POWERLESS WOMEN FACED BY OPPRESSION, DOMINANCE, AND VIOLENCE

The concepts of oppression, dominance, and violence may be among the ways poor people analyze the context of their lives.

The World Bank emphasizes that "[d]isparities between men and women in basic rights, access to resources, and power exist in all countries of the world, although the extent and nature of these disparities vary across countries."\(^6\) Unfortunately, due to the circumstances, poor people could not cope with all the adversities in life to bring better living conditions and reduce dominance and violence patterns.\(^7\)

Presently, in Brazil, the National Program of Creation of Jobs and Income in Poverty Stricken Areas (PRONAGER), is promoting training programs for unemployed and underemployed people in urban and rural communities, specifically workers in the agrarian sector and sales market. Women are inserted into organizational laboratories to learn how to have their own business ventures. In training, the women are put together in groups to develop their own embryonic companies.\(^8\)

The Brazilian government is giving the poor small cash payments in exchange for keeping their children in school and taking them for regular medical checkups, and women have requested the right to receive the money instead of their husbands.\(^9\) Many times, men receiving the money go straight to the bar to buy alcoholic beverages, and arrive at home drunk. Under the influence of alcohol, the men beat their wives and abuse their children, and the women know that the money is gone. The organizational laboratories are teaching women how to apply for money cards so they can receive the governmental subsidy in their names.

Bahia, one of these women in Salvador, said that when her husband arrived home drunk and she discovered that he had spent all the family

\(^5\) Alvarez, supra note 1, at 21.


\(^7\) Id.

\(^8\) Progama Nacional de Geração de Emprego e Renda em Área de Pobreza na Amazônia (PRONAGER) was implemented by Agência de Desenvolvimento da Amazônia (ADA), PRONAGER NACIONAL/SEPRES-MPO e UAP/ABC-MRE; under the international execution of FAO. This experience started in the States of Rondonia and Mato Grosso, in 1989 - POLONOROESTE, then in 1992 it was executed in São Paulo and Paraíba, and later on in the State of Alagoas beginning in 1993. ADA, PRONAGER, http://www.ada.gov.br (follow Acordos Internacionais hyperlink; then follow PRONAGER) [hereinafter PRONAGER].

money on alcohol, she called him a lump man.\textsuperscript{10} Her husband did not know the meaning of Bahia's new phrase, but thinking that she was criticizing him and stating that he was not really a man, he beat her and locked her up at home, saying that she was being contaminated by the organizational laboratory and by the other women.\textsuperscript{11} The next morning, when the women saw Bahia was absent from class, they got together, and with machetes in hand, they marched to her house to free her from captivity.\textsuperscript{12}

Defining domestic violence in Brazil requires looking at a wide spectrum of issues across communities. They range from rape, beatings, and insults faced by women at one end, to husbands not getting their meals on time at the other end. Some wives are beaten for not accepting bizarre sexual proposals; others are not allowed to complain when they face unemployed husbands who do not have “enough money for the household.”\textsuperscript{13} Most women, when they discover that their husband has caught a sexually transmitted disease, refuse them sexually. They are then deprived of food and are sometimes forced out of the house. Besides enduring the husband's infidelity, the women face aggressiveness and drug abuse stemming from a higher rate of male unemployment.\textsuperscript{14} A young woman from Nova Califórnia, Brazil, remarks, “I think that it is the drugs that make them more aggressive.”\textsuperscript{15}

The training at the organizational laboratory reveals associative concerns that are helping these excluded women gain awareness of their rights. The women are gaining independence as they secure a livelihood, and are becoming less tolerant of irresponsible behavior by men; acquiring new capabilities and higher skills to face different job opportunities.

Nevertheless, there is still a strong code of silence surrounding violence; women are ashamed and sometimes blame themselves for their husbands' wrath. Because of this strong code of silence, it is difficult to gather reliable statistical data.

Peasant women in Bolivia, for example, have suffered male dominance for centuries, disabling them from having an active voice in their households, or even a humble contribution in terms of community decisions.\textsuperscript{16} These women got married according to tribal rituals and are ashamed to request a divorce. Nowadays, based upon the supportive actions of non-

\begin{flushleft}
\textsuperscript{11} Interview with woman in Salvador, Bahia (Dec. 2002).
\textsuperscript{12} PRONAGER, \textit{supra} note 8, Relatório Oficial, Brasilia: 2003; interview with woman in Salvador, Bahia, \textit{supra} note 11.
\textsuperscript{14} Posthuma, \textit{supra} note 10, at 13-32.
\textsuperscript{15} DEEPA NARAYAN ET AL., \textit{Voices Of The Poor: Crying Out For Change} (2000).
\textsuperscript{16} Id.
\end{flushleft}
governmental organizations, these women are being trained and getting skills to face abuses, through gender awareness and counseling programs.

Bolivian women are becoming aware that they play a decisive role in their family and their community, as mothers, entrepreneurs, and leaders. Besides that, they are starting to demolish the barriers interposed by a millenarian religious law and social customs embodied by machismo and discrimination.

The main focus of this research is to characterize the social position of women in the family; their conceptions concerning traditionally feminine work, honesty, discipline, organization, and their marital status; and their power to establish concrete foundations in the external environment as street peddlers, sales managers, and executives. It is important to highlight that insertion in processes of income generation depends upon whether they are still dependent on their husband's authorization. How can they engage themselves in a micro-business if they still bear the household responsibilities, including caring for the family and the children?

The central question is: how a poor community of women street vendors can play a decisive part in their community? Can they change the context of oppression and victimization by introducing themselves in a wider social framework, such as networks of social actions? Would it be possible for them to reach individual fulfillment and personal achievement? First of all, they have to feel like they are citizens of the country, acquiring empowerment to change their lives, moving forward to new development standards.

If poverty remains in most Latin American countries, how should the Brazilian and Bolivian economies be targeted? The main focus should be the promotion of effective social relationships to accelerate the economic and social development of the community, thereby enhancing the value of human capital investment.

We may say that women in Latin America have not yet achieved broad, political authority or power in the traditional sense of the term. Instead they have registered specific gains in restricted arenas. They have also managed to promote heightened awareness, among men as well as women, and to advocate some modest policy reforms. They have achieved this success largely through collective organization and mobilization.

Unfortunately, women in this informal economy sector do not have reliable literary degrees. They are aware that they have the lowest incomes, and no opportunity to change their lives or even to open a small business. They question their deprivation, stating that although they work hard in and outside the household, they cannot visualize a better environment in their future. They want to turn this pessimistic scenario into a powerful and clear future that offers a better chance for their children. They want to be understood, trusted, and represented.

Sometimes, in this author's opinion, it is women who change conditions and are then affected policy-wise by such changes. Sometimes, however,
it is these policy changes that provoke changing conditions for women and enables them to act. Thus, although women's political participation often takes an institutionalized or top-down form, it may also be initiated at the grassroots level. This is shown with the two microfinance institutions in Brazil and Bolivia.\footnote{17. See generally Leila Bijos, Mulher e Desenvolvimento: o programa de microcrédito regional para as mulheres no setor informal urbano: 1980-2002—Um Estudo de Caso: Brasil–Bolívia 2005 (unpublished Ph.D. thesis, University of Brasilia) (on file with the University of Brasília Central Library) (referring to Moradia e Cidadania in Brazil, and Banco Solidario (BancoSol) in Bolivia).}

III. POLITICAL AND SOCIAL CHANGES IN BRAZIL AND BOLIVIA

When focusing on the social status of women in society, and on their greatest difficulties, especially for women who migrate from the countryside to towns and cities, and for those who start working in these informal economic sectors, it is important to highlight that even without having a clear awareness that they are facing a new world full of financial restrictions and hardships, they will be looking for finance agents or companies in an environment of social policies.

Women are emerging as a key axial principle in the new socio-economic equilibrium, participating actively on a new labor market, seizing different job opportunities to alleviate poverty and bring social welfare to their families.

By the beginning of the 1980s, after fifty years of institutional construction, implementation, and development of policies and programs, the Brazilian government had proved itself incapable of finishing social reform alone. It was necessary to get the new social movements and trade unions to structure and boost the social agenda. After the 1982 elections, different kinds of initiatives in the states and towns stood out, creating and launching a new social civil movement in an attempt to make political and social policies more effective.

In the 1990s, new goals suggested the creation of social assistance programs for the poor and the destitute.\footnote{18. Draibe, supra note 9.} The proposed reform of the Brazilian system of social policies did not happen during Fernando Collor's government (1990-1993), though Collor did add the economic and institutional modernization of the country to the political agenda. When it came to social policies, "the political core or nucleus of that government revealed itself to be extremely conservative, patrimonial and populist."\footnote{19. Id. at 6, 8.} In addition, the government's resources for social expenses were cut because of the economic adjustment program, networks of social services were dissociated and all of the food and nutrition programs that existed until 1990 were extinguished—except for the Programa de Alimentação do Trabalhador (a program that provides food to workers) and the program of school snacks and lunches.
At that time, patronage and the patrimonial system in the management of social policies prevailed. This made the distance between citizens and social services bigger, the result of an incomplete and incompetent neoliberal modernization on Fernando Collor's government.

During the implementation of the institutional reforms that were a part of the axis of the program of President Fernando Henrique Cardoso's first government (1995-1998), the goal was to restructure the social contents of democracy in the country, as well as the welfare state. This was based on the objectives of equity and the improvement of social opportunities, including the defense of macro-economic stability, the reform of the government, and the stabilization of economic policies. During Cardoso's government, economic stability was the milestone of the success of Plano Real, which created a favorable environment for sustainable growth, generated a real increase in salaries for most Brazilian inhabitants, and attracted new productive investments.20

According to Anne Posthuma, in the last decade, creating public policies to overcome unemployment was a priority for governments in both industrialized and developing economies.21 Among these policies were programs relating to job supply and demand. This means that the number of people going into and coming out of the market (the supply) and the number of job openings and jobs taken (the demand) is determined by such a diverse global political context, that it does not depend only on the national scenario. One recent example is the Asian economic crisis that was responsible for the reduction of economic growth and increased unemployment all over the world.22

The rates of unemployment, the salaries, and the productivity of the work done are determined based on the supply and the demand. If the global scene is negative, developing economies are affected, and more complex and deeper impacts tend to happen, creating chronic unemployment. Chronic unemployment is not caused by underdevelopment, nor is it an exclusive problem for countries in the process of development. It can be translated into institutional and social challenges. These challenges can overcome both economic and technological adjustments and cannot be easily faced by developing countries in the same way as in developed countries. As a matter of fact, the February 11, 1995 issue of the magazine The Economist highlighted that "the major impact of the introduction of new technology has been on the creation of jobs and on salary patterns."23

The number of people that enter and leave the labor market each year depends on two groups of factors. The first is the demographic trend of the country. The second is the performance of the country's own economy. The high growth rate of the Brazilian population in the past is still

21. Id.
22. Id. at 12.
23. Id. at 12.
deeply reflected nowadays. Notwithstanding, this growth rate has been decreasing, it seems difficult to present a positive index supply of new workers. In the future, with less pressure on the labor market, the demographic growth will not impair the supply of jobs as much.

People are talking about the effects of globalization: its production and distribution systems, its technological changes, and the intensification of competition. All of these things have started deep changes in the job market and have increased social exclusion.

Amadeo points out that in the past work was seen as something homogeneous and static; and the capital as a source of technological progress. Nowadays, the economic dynamism is found more and more in the knowledge, in the abilities and in the experience of workers and not in the physical capital or assets or in the companies any longer.  

People wonder why it is so difficult to create jobs in Brazil; it is due to the lack of dynamism in the Brazilian economy. They also wonder what kinds of jobs have been created in Brazil. What are the current impediments? It is true that women in the informal sector are not inserted in this context.

Actually, the job positions that are being created are meant for workers or professionals with more education. The supply of jobs for workers with less than five years of education dropped by 8 percent between 1992 and 1996. On the other hand, workers with five to eight years of education saw job offers increase by almost 20 percent, and job openings for those with nine to eleven years of education increased by 28 percent.

We can see, therefore, that behind the 8 percent growth of the total job openings, there is a very significant growth of opportunities for workers with medium and high levels of education.

The changes in the Brazilian labor market have been significant, especially relating to the creation of jobs in industry and factories. Amadeo emphasized that "in some areas job offers have dropped a great deal, due to new technological processes, such as automation, in bank offices, petrol stations, shopping centers, although there are other areas with important liquid creation of job openings." There has been a quick shift of factory jobs to regions that are outside metropolitan areas and the main Brazilian industrial centers such as São Paulo, Minas Gerais, Rio de Janeiro, and Rio Grande do Sul. It is a competitive environment where companies are trying to keep up with the new technological and manage-

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27. Id.

28. Id. at 43.
rial innovations and trends, thus increasing their demand for more qualified professionals.

The 1980s were a decade of economic crisis for many developing countries, it is considered to be “the lost decade”; a period where productivity practically stagnated. In the late 1970s and early 1980s, very large imbalances developed in many countries’ balance of payments on current accounts. (See Table 1)

TABLE 1
BALSANCES ON CURRENT ACCOUNT OF BALANCE OF PAYMENTS ($b.)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Industrial countries</td>
<td>+14.5</td>
<td>-61.8</td>
<td>-25.3</td>
<td>-53.6</td>
<td>-25.1</td>
<td>-52.4</td>
<td>-95.8</td>
</tr>
<tr>
<td>Developing countries:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>-12.8</td>
<td>-1.6</td>
<td>-21.6</td>
<td>-7.7</td>
<td>-10.3</td>
<td>-10.3</td>
<td>-9.1</td>
</tr>
<tr>
<td>Asia</td>
<td>-6.8</td>
<td>-19.3</td>
<td>-16.0</td>
<td>-3.8</td>
<td>+4.2</td>
<td>+8.8</td>
<td>-2.3</td>
</tr>
<tr>
<td>Europe</td>
<td>-7.1</td>
<td>-12.3</td>
<td>-3.3</td>
<td>-0.7</td>
<td>-0.7</td>
<td>+6.7</td>
<td>+2.9</td>
</tr>
<tr>
<td>Middle East</td>
<td>+11.2</td>
<td>+90.7</td>
<td>+4.8</td>
<td>-13.6</td>
<td>-17.2</td>
<td>-8.4</td>
<td>+13.7</td>
</tr>
<tr>
<td>Western Hemisphere</td>
<td>-19.0</td>
<td>-29.5</td>
<td>-40.3</td>
<td>-0.8</td>
<td>-16.7</td>
<td>-10.8</td>
<td>-10.1</td>
</tr>
<tr>
<td>All non-fuel exporters</td>
<td>-28.4</td>
<td>-67.1</td>
<td>-62.0</td>
<td>-26.1</td>
<td>-10.0</td>
<td>+6.7</td>
<td>-16.7</td>
</tr>
</tbody>
</table>


Stewart emphasizes that in 1980, non-oil developing countries as a whole faced a deficit of $86 billion. The large deficits differed from earlier ones because bank lending was not forthcoming to finance them, as it had been in the 1970s, and because the crisis was so widely shared—with at least two-thirds of the countries of Latin America and sub-Saharan Africa, and a number of Asian countries finding themselves simultaneously in a similar acute situation.30

The most renowned economists and financial analysts said that the crisis had its main origin in exogenous occurrences—in developments in the world economy—outside the control of developing countries. Policy decisions of Third World governments in the 1970s, however, allowed these developments to have a devastating effect. One basic problem was that in the 1980s there was a sharp worsening in both the trade and capital accounts that had often been offset by an improvement in the capital account.


Concurrently, at the end of the 1970s, a series of adverse developments in the world economy worsened the trade prospects for the least developed countries. The oil price rise of 1978-79 not only affected the terms of trade on non-oil developing countries negatively, but also precipitated a slow-down in world economic growth.\textsuperscript{31} There was a major recession among the industrialized countries in the early 1980s; although economic recovery followed and has since been sustained, the average world growth in the 1980s was about three-quarters of the 1970s rate.\textsuperscript{32} Commodity prices were sharply affected by the recession, and when growth resumed they did not rise as expected. Commodity prices, which had fallen by 1.1 percent from 1970 to 1979, fell by a further 1.2 percent from 1980 to 1989.\textsuperscript{33} Another problem was the rising protectionism among industrialized countries in the 1980s. One review concluded: "By the early 1980s, protection was unambiguously growing with only minor offsets. . . . This was most pronounced in industrialized countries' trade with developing countries."\textsuperscript{34}

Developing countries' trade thus suffered from the combined effects of slower growth in world trade, deteriorating terms of trade, and increasing restrictions on market access. But it was the deterioration on the capital account that precipitated and prolonged the crisis.

During the 1970s many countries had financed big trade deficits, largely caused by the rising price of oil, by heavy borrowing from the commercial sector at low interest rates. But interest rates rose sharply at the end of the decade, as governments of industrialized countries espoused monetarist policies. The high interest rates imposed a very heavy burden on the countries that had borrowed heavily, and some countries could no longer meet their debt servicing obligations. Although aid flows held up, they did not expand to fill the gap. The result was a turnaround of enormous proportions in the capital account. For example, net external lending to developing countries from commercial banks was only $8.8 billion in 1987, compared to $91.5 billion in 1980.\textsuperscript{35} The net transfer to developing countries (net external borrowing less the outflow for interest) fell from $44 billion in 1980 to minus $63 billion in 1989.\textsuperscript{36} There was a particularly large negative transfer from Latin America. (See Table 2).

The crisis of the 1980s was concentrated on two groups of (to some extent overlapping) countries: the heavy borrowers of the 1970s and the countries highly dependent on primary commodities for exports.\textsuperscript{37} The worst affected countries were in Latin America, which contained most of the major borrowers of the 1970s, as well as some countries dependent on

\begin{itemize}
  \item \textsuperscript{31} Can Adjustment Programmes Incorporate the Interests of Women, supra note 30, at 14.
  \item \textsuperscript{32} ADJUSTMENT AND POVERTY, supra note 31.
  \item \textsuperscript{33} Id.
  \item \textsuperscript{34} Id. at 14 (quoting JOSEPH PAGE at 49).
  \item \textsuperscript{35} Id.
  \item \textsuperscript{36} Id.
  \item \textsuperscript{37} ADJUSTMENT AND POVERTY, supra note 31.
\end{itemize}
TABLE 2
NET TRANSFER TO DEVELOPING COUNTRIES ($b)\textsuperscript{a}

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<tbody>
<tr>
<td>All developing countries</td>
<td>101.0</td>
<td>+98.4</td>
<td>+49.5</td>
<td>+43.6</td>
<td>+15.8</td>
<td>+37.2</td>
</tr>
<tr>
<td>Net external borrowing</td>
<td>-57.5</td>
<td>-83.4</td>
<td>-88.0</td>
<td>-84.9</td>
<td>-92.2</td>
<td>-100.1</td>
</tr>
<tr>
<td>Interest payments</td>
<td>+43.5</td>
<td>+15.0</td>
<td>-39.5</td>
<td>-41.6</td>
<td>-76.4</td>
<td>-62.9</td>
</tr>
<tr>
<td>Net Transfer</td>
<td>+10.9</td>
<td>+17.6</td>
<td>+8.1</td>
<td>+6.9</td>
<td>+6.9</td>
<td>+9.2</td>
</tr>
<tr>
<td>Africa</td>
<td>-7.4</td>
<td>-8.6</td>
<td>-10.7</td>
<td>-12.1</td>
<td>-13.7</td>
<td>-14.2</td>
</tr>
<tr>
<td>Net external borrowing</td>
<td>-7.4</td>
<td>-8.6</td>
<td>-10.7</td>
<td>-12.1</td>
<td>-13.7</td>
<td>-14.2</td>
</tr>
<tr>
<td>Interest payments</td>
<td>+3.5</td>
<td>+9.0</td>
<td>-2.6</td>
<td>-4.1</td>
<td>-5.8</td>
<td>-5.0</td>
</tr>
<tr>
<td>Net Transfer</td>
<td>+38.5</td>
<td>+40.6</td>
<td>+14.0</td>
<td>+7.5</td>
<td>-0.7</td>
<td>+10.0</td>
</tr>
<tr>
<td>Western Hemisphere</td>
<td>-26.4</td>
<td>-45.2</td>
<td>-44.1</td>
<td>-36.3</td>
<td>-37.6</td>
<td>-41.7</td>
</tr>
<tr>
<td>Net external borrowing</td>
<td>12.1</td>
<td>-4.6</td>
<td>-30.1</td>
<td>-28.8</td>
<td>-36.9</td>
<td>-31.7</td>
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<tr>
<td>Interest payments</td>
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<td>Net Transfer</td>
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\textsuperscript{a} Can Adjustment Programmes Incorporate the Interests of Women?, supra note 30, at 16.

a primary commodity, and in Africa, where most of the countries are dependent on few primary commodities, the prices of which moved particularly unfavorably, and production trends were generally poor over this period.\textsuperscript{38} Some countries in Asia were also badly affected, for example the Philippines, while most others suffered losses resulting from the adverse movement in commodity prices.\textsuperscript{39}

Faced with unfinanceable deficits on their current accounts, countries were forced to make some adjustments. The question at issue was not, and is not, whether to adjust, but how to adjust. The number of countries approaching the International Monetary Fund (IMF) for financial support in the 1980s was almost double what it was in the 1970s.\textsuperscript{40} This financing was conditioned upon agreement to IMF policy packages, and IMF finances were withdrawn if the required conditions were violated in what was considered a significant way.\textsuperscript{41} IMF programs were primarily directed at short-term stabilization, but as the 1980s progressed, and the crisis continued, it became evident that medium-term structural adjustment policies were also needed.\textsuperscript{42}

To provide financial aid to affected countries, the World Bank initiated structural adjustment, policy-based lending in response to the evident need for more growth-oriented adjustment.\textsuperscript{43} These loans included Structural Adjustment Loans, which involve macro-economic policy packages, and Sectoral Adjustment Loans, which consist of sectoral policy packages and sectoral loans.\textsuperscript{44}

Due to the above mentioned adjustment efforts, the 1990s in Brazil engendered a vigorous growth in productivity. The government imple-
mented institutional reforms aimed at supporting the country's productive sectors, including: strengthening the capacity of the public sector, improving and privatizing institutions, decontrolling prices, reducing subsidies, controlling competition from imports, and reforming credit.

The generation of new job opportunities is not due to the lack of dynamism in the economy, but to factors related to how the labor market works; these factors are associated with the fast growth of productivity. The growth of productivity depends on better qualified workers who can produce high quality goods with less effort.

Only through substantial gain or profit in productivity, and through significant raises in salaries, will the great markets all over the world develop themselves. In a seminal study, Adelman and Robinson imply that the designing or the creation of anti-poverty strategies begins with the perception that the income of the poor consists of the value of the assets and services generated by their capital—assets and services that are sold in a specific market. In a very simple way, it can be said that the problem of poverty is a consequence of the fact that a very small amount of capital is available. This amount of capital is not enough to allow an increase in sales, offered by the labor market. In truth, assets and services offered by the labor market are not representative in an economic way, and this does not reflect any increase in income generation for the poor, its manpower will still be quoted as insignificant in the global market economy.

How are poor people going to be able to sell their own work? In what circumstances will they be able to do so? "Inequality of 'outcomes' and inequality of 'opportunities', especially in Brazil,] have long been associated with very different views on social justice." Bourguignon implies that "[t]he first of these concepts[, linking poverty to social justice,] refers to the distribution of the joint product of the efforts of a person and the particular circumstances under which this effort is made. It is mostly concerned with income inequality." But how can the individual control this situation? Bourguignon's second concept calls attention "to the heterogeneity in those circumstances that lie beyond the control of the individual." How can poor people separate out circumstances and efforts? "Both of these problems are still more acute in developing countries,"

48. Id.
49. Id.
such as Bolivia and Brazil.\textsuperscript{50}

Our primary concern is the analysis of the informal labor market, because since the beginning of the 1990s, the rate of informality has increased in the labor market in Brazil. One of the reasons for this relates to new methods of production, and to labor relations, which have increased the number of self-employed workers through the process of outsourcing. Many activities that used to be performed at or inside a company, have started to be ordered from the outside, reducing the number of workers directly employed by the company and who receive a salary. Secondly, according to Amadeo, there is the relative growth of the number of jobs in the service sector.\textsuperscript{51} This is to the detriment of job openings in factories; as the service sector tends to create more informal jobs. This fact by itself tends to increase the informality of the labor market.\textsuperscript{52}

The informal labor market in Brazil has many causes, one stands out because of the incentives generated by the social security system, another is due to Brazilian labor laws, and finally, special characteristics of small and micro-companies cause them to employ a great number of informal workers. The informal market means that the economy is not responsible for the problems in Latin America, but that the government is. This kind of economy is nothing but the spontaneous and creative response of the population when faced with the inability of the government to satisfy even the most basic needs of the poor. Nogueira and Machado Neto agree with the thesis that informality is an answer from society to the government’s inefficiency, and from this perspective or point of view, its origins lie in the maintenance of the high social taxes of formal work, in the excess of fiscal or income taxes, in the excess of bureaucratic rules and regulations, in the participation of the government in competitive commercial activities, and in the disbelief and lack of trust of how public resources will be allocated.\textsuperscript{53} All the above mentioned concepts contribute to tax evasion, resulting in some anarchic commercial practices, and also to the increase in the levels of uncertainty.\textsuperscript{54}

Not surprisingly, alternative policies are argued for. The people demand a gendered and disaggregated approach that seeks to modify the process of adjustment with a greater degree of selectivity, seeks to benefit poorer women, and seeks to give higher priority to health and education than to prestigious, larger-scale urban projects.\textsuperscript{55} New opportunities should be provided for the poor and for the children, so that they can be less dependent on their parents.

\textsuperscript{50} Id. at 1.
\textsuperscript{51} See Amadeo, supra note 24, at 51.
\textsuperscript{52} See Id.
\textsuperscript{53} See Nogueira & Machado Neto, supra note 29, at 171-72.
\textsuperscript{54} See Id. at 172.
These issues are particularly relevant in the case of Brazil, because of its high level of (outcome) inequality. To what extent is this high inequality due to very unequal opportunities that individuals inherit from their parents and to what extent is it the result of some heterogeneity in their efforts, or in the return to these efforts? Focusing on human capital and education, a natural way of answering this question consists of studying the ‘demand for schooling’ or, in other words, how much parents invest in their children, conditionally on their own characteristics. That part of schooling inequality which is explained by the characteristics of parents is then taken to quantify the inequality of opportunities, whereas the remainder is attributed to heterogeneous individual efforts.\(^5\)

Bolivia’s political and economical changes in the 1980s produced a fertile seeding-ground for microfinance operations. High urban population density, migratory trends to cities, and lack of social policies and subsidies to rural farmers made it possible to expand operations rapidly and at low costs.\(^5\)

The economy was going through a period of collapse in all of its institutions, leading to a virtual collapse of the formal financial sector. “Bolivia’s banking system . . . was characterised during the pre-1985 period by extreme inefficiency and, for the most part, by an inability to reach the small borrower.”\(^5\) There was a complete deregulation in interest rates, and the population was either closing up their bank accounts or opening international accounts.\(^5\)

Both the three main state-financed banks and the twelve main commercial banks, before 1985, were hampered by the natural instinct of all Bolivians who could engineer it to place their money in overseas accounts at world market interest rates rather than locally at controlled, and in real terms negative, interest rates. The consequent shortage of savings in local currency bred financial conservatism among Bolivian banks and, in particular, a reluctance to embark on high-risk projects such as lending to small farmers or micro-entrepreneurs.\(^5\)

The international financial institutions proposed a major “squeeze on demand imposed by the 1985 stabilization turned a number of the banks’ good customers into bad customers and produced a situation in which, as an AID report put it, ‘virtually every financial institution in Bolivia was eliminated’ and ‘savings disappeared.’”\(^5\) Besides that, the portfolios of those financial institutions that survived the crisis were too badly contaminated to make any experiment in banking for low-income groups possible; therefore, people started lending and borrowing money on the

\(^{56}\) Bourguignon et al., supra note 49, at 3.
\(^{58}\) Id.
\(^{59}\) Id.
\(^{60}\) Id.
\(^{61}\) Id.
streets. Mosley states that:

‘[Q]uasi-formal’ institutions – the surviving credit unions and the Fondo de Desarrollo Campesino – contribute effectively, for reasons which will become apparent later, to filling the vacuum which existed where the supply of credit for small enterprises should have been. When [Fundacion para la Promocion y Desarrollo de la Microempresa] PRODEM and other microfinance institutions set up operations in the later 1980s, therefore, they did so in an environment of pent-up concentrated demand from the informal micro-enterprise sector, widespread mistrust in the formal banking system, and little effective competition from the informal banking system.

In a chaotic environment the only favorable circumstance, and maybe a unique perspective, was the implementation of microcredit programs.

The founders of microfinance in Bolivia dreamed of supplying formal financial services to poor people, even when their loan demand was small and they lacked loan collateral. Pancho Otero was one of the founders of PRODEM, which gave rise to Banco Solidario (BancoSol), and other microfinance pioneers. Besides BancoSol and PRODEM, there are Caja de Ahorro y Préstamo Los Andes, Centro de Fomento a Iniciativas Económicas (FIE), and Fundación Sartawi. “BancoSol, the best-known microfinance organization in Latin America, is a bank that was split off from PRODEM. . . . BancoSol and PRODEM lend to groups, and FIE and Caja Los Andes lend to individuals. Sartawi works through communities to lend to both groups and individuals.” In analyzing PRODEM and Sartawi, it can be seen that they lend mostly to rural farmers and peasants, while BancoSol, FIE, and Caja de Ahorro y Préstamo Los Andes are mostly urban. “Thus BancoSol lends to urban groups, PRODEM lends to rural groups, and Caja Los Andes and FIE lend to urban individuals. Sartawi lends to rural groups and rural individuals.”

Navajas also emphasizes that:

PRODEM lends to groups because, when founded in 1987, it followed the model of the Grameen Bank of Bangladesh. Although PRODEM worked at first in an urban market niche, it later shifted to a rural focus so as not to compete with BancoSol, which inherited most of the urban borrowers of PRODEM when it was split off in 1992. BancoSol was created in part to mobilize large deposits from rich households and firms in order to relieve the constraints on funds that had limited the growth of PRODEM, in part to test whether an NGO could become a commercial bank, and in part to mobilize small deposits from poor households and firms. The development of

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62. Id.
63. Id. at 104-05.
66. Id.
both PRODEM and BancoSol was heavily shaped by technical assistance from the Calmeadow Foundation of Canada and from Acción International, a U.S.-based NGO with links to group lenders in many countries in Latin America.\textsuperscript{67}

Acción was also a "recipient of large initial investments from USAID, the Emergency Social Fund established by the banker and former Finance Minister Fernando Romero, and a group of Bolivian businessmen also orchestrated by Romero."\textsuperscript{68}

Poor people in Bolivia lacked access to formal financial services, a problem that was especially serious in rural areas. Such constraints were analyzed by specialists who determined that they needed to provide the Bolivians, especially the indigenous population, with ways and abilities to acquire access, start businesses, finance emergency needs, and insure themselves against illness and disasters. The pioneers believed that improved access to financial services would resolve these problems, at least to some extent. Zeller and Meyer emphasize that:

\cite{69}[M]uch has been accomplished since the 1970s when the pioneer institutions began what is now being termed the microfinance revolution. Of course, poverty has not been solved, but millions of poor people have gained access to formal financial services for the first time. This vision motivated economists, accountants and bank managers to create successful village banking networks, such as the specific example of the village banking system (unit desas, or UD) of the Indonesian Bank Rakyat Indonesia (BRI), as well as numerous non-governmental organizations (NGOs) with programs for lending to the poor. The design of the programs varies with the circumstances of the country, and a great deal of experimentation and a multitude of institutional failures and setbacks usually led to revisions of their original designs.\textsuperscript{69}

There is an optimism inherent in the idea of empowerment that leads us to question the factors that trigger women into the practical possibility of development. The microfinance mechanisms established by formal financing institutions have been criticized by Ohio State University and its founders, whether it changes the economic conditions of its dwellers.\textsuperscript{70}

The scope of the microfinance programs offered by Caxia Economica Federal (CAIXA) in Brazil and BancoSol in Bolivia are presented showing the incoming growth, social insertion, and poverty-reducing effects.\textsuperscript{71} Shifting from technically illegal to a legal source of credit, CAIXA and BancoSol are a means of escape from the often thuggish recovery tech-

\textsuperscript{67} Id.
\textsuperscript{68} Mosley, supra note 59, at 105.
\textsuperscript{69} Manfred Zeller & Manohar Sharma, Access to and Demand for Financial Services by the Rural Poor, in \textit{The Triangle of Microfinance: Financial Sustainability, Outreach and Impact} 19 (Manfred Zeller & Richard L. Meyer eds., 2002).
\textsuperscript{70} 1 & 2 David Hulme & Paul Mosley, \textit{Finance Against Poverty} 3 (Routledge 1996).
\textsuperscript{71} Bijos, supra note 17, at 166.
This article's central hypothesis is that women's social and economic participation emerges as an effort to improve the economic situation of their household, and not as the result of a personal desire to satisfy their needs as individuals and citizens, or to achieve greater recognition from spouses or other family members. Moreover, this activity takes place within the context of critical gaps in poverty, gender, and place of residence, and with varying implications for heads and non-heads of households. Can poverty be considered as a determinant of female economic and social participation?

IV. COMPARATIVE ANALYSIS

The countries chosen for study, Brazil and Bolivia, present fundamental similarities; they have faced authoritarian regimes during the last decades, they lack a democratic concern for the social development of their citizens, and there is discrimination against women and high levels of poverty. Empirical analysis shows that these people might be able to improve their living standards by becoming micro-entrepreneurs; that they will need the support of financial institutions to provide them with small loans so that they can avoid complete failure at the preliminary phase of their business.

When empirically comparing Brazil and Bolivia, we realize that neither country had the political will or bold reforms needed to reduce hunger and poverty. These incorrect policies affected women and their social development, depriving them of education, adequate incomes, gender equality, social justice, and access to public decision-making.

Brazil and Bolivia share a common history of democratic movements, traditional parties, and new organizations that have failed to move the two countries towards real development, especially concerning women's issues.

Brazil and Bolivia each have a significant amount of its population living with an income that fails to cover necessities. The main continuous determinant of poverty in Brazil and Bolivia may be, in the words of Sônia Draibe, “that the governments under strong international pressure, had radically decided for one side of the balance—to make only the fiscal and economics adjustment. On doing that they gave important paths in the direction of the destruction of the old Welfare State.”

Preliminary findings show that poor people are shunned by banks because their savings are tiny, their loan demand is small, and they lack loan collateral. Poor people are afraid to enter a formal institution to borrow money because they know the managers will request documents, per-

72. Id. at 166-67.
73. See Draibe, supra note 9, at 2.
sonal assets, and formal employment records. The Brazilian excluded population, in most cases, cannot fulfill those requirements.\textsuperscript{75} Besides that, they cannot face the interest charged by formal institutions such as Banco do Brasil, Banco da Bahia, Banco do Nordeste, Banco do Povo, CAIXA and others.\textsuperscript{76}

Thus, programs such as CAIXA in Brazil, and BancoSol in Bolivia, work by creating new categories of clients among the poor, and by creating awareness of individuality through atomizing speeches on topics such as: personal development, capacity to promote self-development, self-help, active citizenship, and the like.\textsuperscript{77} Women started becoming more visible in the Brazilian political panorama, similar to what happened in Bolivia, when women started having political roles in past decades.

In Brazil, there is a structural gap between poor and non-poor. Women in the poor rural areas of the Northeast of the country are the most disadvantaged regarding literacy, education, and employment.\textsuperscript{78} Poverty is a long-standing structural reality, especially in the State of Bahia. Due to the dry season and the extended lack of credit or financial resources to stay in the rural areas, many individuals migrate to the urban areas to escape from famine and associated diseases. When migrants arrive in the cities, they rummage about building paper or can houses until they can find a place to live. Generally the families are big, and most of the family members are illiterate and have no training or skills to find a formal job. Poor households tend to have more family members and less education than non-poor households. Children go to public schools when they are settled, but they have difficulties concentrating and learning. Meanwhile, they try to survive, to implement a micro-business, and to save what they can get. When this occurs, there is a potential demand for savings, for building a house, for investing in the educational life of the children.

\textbf{V. FINAL REFLECTIONS}

Our comparative research has had as its main objective to deal with the role of migrants and women in modern society, and to show how public and social policies in Brazil work. Our research presented the program of microcredit to women in the informal labor market with the supervision and approval of CAIXA in Salvador, Bahia. It also analyzed the reality of the indigenous populations, and the Bolivian street vendor women, who apply for microcredit at BancoSol. Being successful in their entre-


\textsuperscript{76} See Draibe, \textit{supra} note 9, at 24.

\textsuperscript{77} \textit{Programa de Microcrédito no Brasil} 27 (CAIXA Brasilia 2002).

entrepreneurships will result in highly effective contributions to their lives and families.

It is the idea that power is distributed in an unbalanced way between the sexes, leaving women in a subordinate position in any social organization. These subordinate women, ordinary women, see themselves facing the problems presented to them by poverty, unemployment, the great migration flow, and the great responsibility of providing for the family. What kind of world is this, where illiterate or semi-illiterate women are without banking guarantees, without assets, and without husbands? How are their inter-personal relations with the community? In what way do factors such as globalization, diversity, and the new economic concepts used by modern companies affect the work of these women in the informal labor market of the economy?

To what extent do the neo-liberal changes in citizenship and in democracy, as well as the now dominant and restricted conception of social policies, typified in the "apparatus and practices of social adjustments," produce important social changes? Are we creating a utopia out of the emancipation of women by inserting them into a context of social changes? Are we setting them free by offering them small loans and providing them with entry into, and recognition in the public world? Or will the burden of financial commitments suffocate them?

These processes of change involve the emancipation of women, the rupture of traditional social norms, the insertion of women into a masculine world, and the struggle against power and the economic system. Aren't men afraid of these changes?

The main role the government should play in commercialization of microfinance is to create and maintain an enabling macroeconomic and sectoral policy environment, as well as an adequate legal, regulatory, and supervisory framework for microfinance. The governments of Brazil and Bolivia should focus on maintaining stable economic growth and containing inflation at current levels. They should also undertake a private-public sector partnership to produce a cohesive national framework for microfinance development, rationalizing its pervasive presence in the microfinance market.

The potential of this study faces a basic dilemma that is to destroy the inherited parameters and to try to build very clear theoretical milestones. The theme assumes, or takes for granted, the analysis of women as social beings, imbued of a lifelong project for the future, full of hopes, expecta-


tions, and changes. It is the destruction of the notion of domination, the gender *constucto*, and of social capital.
Comments And Casenotes