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Social Organization of Care, Structural Gender Inequalities, and Fiscal Policy in Paraguay

Organización social del cuidado, desigualdades estructurales de género y política fiscal en Paraguay

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Abstract

This article empirically analyzes how the social organization of care and the current tax structure in Paraguay influence the reproduction of gender inequalities, from a feminist economics and gender-responsive fiscal policy perspective. The analysis begins with the centrality of care work as a structural axis that conditions women's labor force participation, income, and economic autonomy. Through the articulation of three analytical dimensions (work, income, and fiscal policy), the relationships between monetary and time poverty, informal employment, the regressivity of the tax system, and socioeconomic gaps are examined. The methodology adopts a mixed-methods approach, combining descriptive statistical analysis of official sources with a review of Paraguayan public policies and regulations. The results show that the regressive tax structure and the limited gender perspective in fiscal policies contribute to the persistence of inequalities, while also highlighting the potential of these policies to recognize, redistribute and finance care as a key dimension of sustainable economic and social development.

Keywords: Empowerment, unpaid and care work, fiscal policy, structural transformation.

Resumen

Este artículo analiza empíricamente cómo la organización social del cuidado y la estructura fiscal vigente en Paraguay inciden en la reproducción de las desigualdades de género, desde un enfoque de economía feminista y de política fiscal con perspectiva de género. El análisis parte de la centralidad del trabajo de cuidados como un eje estructural que condiciona la inserción laboral, los ingresos y la autonomía económica de las mujeres. Mediante la articulación de tres dimensiones analíticas (trabajo, ingresos y política fiscal) se examinan las relaciones entre pobreza monetaria y de tiempo, informalidad laboral, regresividad del sistema tributario y brechas socioeconómicas. La metodología adopta un enfoque mixto, combinando el análisis estadístico descriptivo de fuentes oficiales con la revisión documental y normativa de políticas públicas en Paraguay. Los resultados muestran que la estructura tributaria regresiva y la limitada perspectiva de género en las políticas fiscales contribuyen a la persistencia de las desigualdades, al tiempo que evidencian el potencial de estas para reconocer, redistribuir y financiar el cuidado como una dimensión clave del desarrollo económico y social sostenible.

Palabras clave: Empoderamiento, trabajo no remunerado y de cuidados, política fiscal, transformación estructural.

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Introduction

Development can only be considered complete when it recognizes the fundamental role of women in the economy and in social reproduction. Latin America and the Caribbean, characterized as the most unequal region in the world, also display marked heterogeneity both between and within countries, as well as persistent structural problems such as poverty, vulnerability, and exclusion.

These factors limit people's quality of life and generate an inequitable distribution of economic, social, and emotional burdens across the region and, of course, between men and women. Women face systemic barriers in the labor market, income allocation, social security coverage, and economic and political participation. In Paraguay specifically, these limitations are reflected, among other manifestations, in rights violations, lack of economic autonomy, social gaps, and poverty in all its forms.

This situation is largely explained by the disproportionate workload borne by women, who, despite representing half of the population, face multiple and historically rooted inequalities that may overlap and produce greater forms of precarity depending on age, area of residence, language, and, of course, ethnic status. The sexual division of labor assigns women roles with limited opportunities for growth, empowerment, and the attainment of the long-sought autonomy, including autonomy over decisions concerning their own bodies.

Likewise, although women work more total hours when both paid and unpaid work are considered, men devote more hours to paid activities. This not only generates income disparities but also results in time poverty for women. Women continue to assume the majority of domestic and care responsibilities without any remuneration; more than 50% of women who do not participate in the labor market remain outside it because they are engaged in domestic activities and family responsibilities, as will be discussed below.

Paradoxically, although women in Paraguay attain, on average, higher levels of schooling than men, this educational capital does not translate into better working conditions or higher income. Data show that

their labor market participation occurs predominantly in precarious sectors characterized by low wages, high informality, instability, vulnerability, and poverty. Women's economic activities are largely concentrated in self-employment, domestic work, or employment in the private sector, particularly in services and commerce.

All of this supports the central premise of this article: gender inequality cannot be interpreted solely through the lens of promoting individual empowerment but rather requires a structural perspective that acknowledges the importance of women's participation in the functioning of the economy, for example through care work, their role in social reproduction, and the redistribution of economic and social benefits. Care and domestic tasks are neither a private matter nor a natural function of women; rather, they constitute a subsidy and an indispensable component for sustaining life across all spheres. Why a subsidy? Because they are generally provided within households, and within households they are performed by women, without remuneration.

Unfortunately, care and domestic work receive neither the recognition nor the valuation they deserve as a strategic pillar of development capable of reducing poverty, generating employment, stimulating the economy, and ensuring collective well-being. Care should therefore be conceived as the fourth pillar complementing the three traditional pillars of social protection in Latin America and the Caribbean—health, education, and social security—seeking, with uneven results, to respond to needs throughout people's life cycles (ONU Mujeres, 2023).

In this context, fiscal policy emerges as the State's most powerful instrument for organizing the economy and addressing social needs. Through public revenues and expenditures, fiscal policy establishes priorities that directly affect the goods and services people receive, their educational and health opportunities, and, of course, their quality of life. Fiscal policy design is not neutral, as it may contribute to reducing inequalities or deepening them depending on how resources are allocated and tax burdens distributed. Ultimately, fiscal policy reflects State

decisions regarding whom to prioritize, which sectors to promote, and which areas to strengthen.

The general objective of this article is to empirically analyze how the social organization of care and the prevailing fiscal structure in Paraguay contribute to the reproduction of gender inequalities, examining the role of tax policy in the recognition, redistribution, and financing of care work as a key dimension of economic and social development.

The hypothesis posits that the regressive tax structure reproduces gender inequalities by insufficiently financing care and is associated with the greater burden of unpaid work assumed by women, thereby creating and sustaining gaps in labor participation and income and perpetuating gender inequalities. In short, care has acquired an increasingly central place in public debate after having been historically invisible, since incorporating it into fiscal policy implies recognizing its value for the sustainability of life, which in turn requires allocating resources to comprehensive care systems, formalizing related work, and redistributing responsibilities.

However, before allocating resources to care systems, it is necessary to design and implement public policies that defend, protect, and support women in their multiple roles: as citizens, as workers, as caregivers, and as indispensable protagonists in the reproduction and sustenance of life.

Methodology

This study adopts a mixed descriptive–analytical and comparative design grounded in the approaches of feminist economics and gender-responsive fiscal policy. The research combines documentary and normative analysis of public policies and national fiscal frameworks, descriptive statistical analysis based on national and regional secondary sources, and a process of theoretical and empirical triangulation aimed at establishing relationships between care work, economic inequality, and fiscal policy.

The information sources used were grouped into three categories. First, academic and theoretical sources from the specialized literature on feminist economics, care work, and gender-responsive taxation were

reviewed. Second, national statistical sources were examined, including the Continuous Permanent Household Survey (EPHC), the National Time Transfer Accounts (Secretaría Técnica de Planificación del Desarrollo Económico y Social [STP] et al., 2021), and public revenue and expenditure data from the National Directorate of Tax Revenues (DNIT), the Ministry of Economy and Finance (MEF), and the Central Bank of Paraguay (BCP). Third, institutional and documentary sources were analyzed, such as the National Care Policy, the Fourth National Equality Plan (PLANI), as well as technical documents produced by the Economic Commission for Latin America and the Caribbean (ECLAC), UN Women, the Organization for Economic Co-operation and Development (OECD), and the Center for the Implementation of Public Policies for Equity and Growth (CIPPEC).

The analysis was organized around analytical categories including care work, time poverty, labor formalization, income gaps, and fiscal policy, with the aim not only of describing the current situation but also of addressing expectations, challenges, and limitations associated with care and women's roles in Paraguay. The adopted approach situates care in its dual dimension: as an indispensable condition for the sustainability of life (evidencing its weight in unpaid work) and as an essential contribution to the productive system, traditionally rendered invisible in economic measurement and public policy decision-making.

The comparative analysis also considered the recent evolution of key labor and fiscal policy indicators, taking into account the situation of women and men and, where information permitted, different socioeconomic groups. The study identifies patterns, gaps, and relationships rather than causal effects, seeking to empirically situate the link between unpaid work, care, gender inequality, and fiscal policy in the Paraguayan context. Although the study faces limitations related to the availability and disaggregation of information—particularly for quantifying public spending on care—the adopted approach provides an analytical basis for discussing the role of fiscal policy in reproducing gender inequalities.

Results

The analysis of official data reveals that gender inequalities in the Paraguayan labor market are not merely statistical differences but manifestations of a structural pattern that reproduces women's economic subordination. The income gap between men and women in the country exceeds the regional average (estimated at around 18% according to the Comisión Económica para América Latina y el Caribe [CEPAL], 2024), evidencing a persistent and more pronounced disadvantage. This difference cannot be explained solely by labor market participation or educational attainment, but rather by women's concentration in informal, precarious, low-productivity sectors with limited social protection coverage. Moreover, time poverty, resulting from the unequal burden of domestic and care work, restricts women's availability to access quality employment, generating a vicious cycle linking time, income, and economic autonomy.

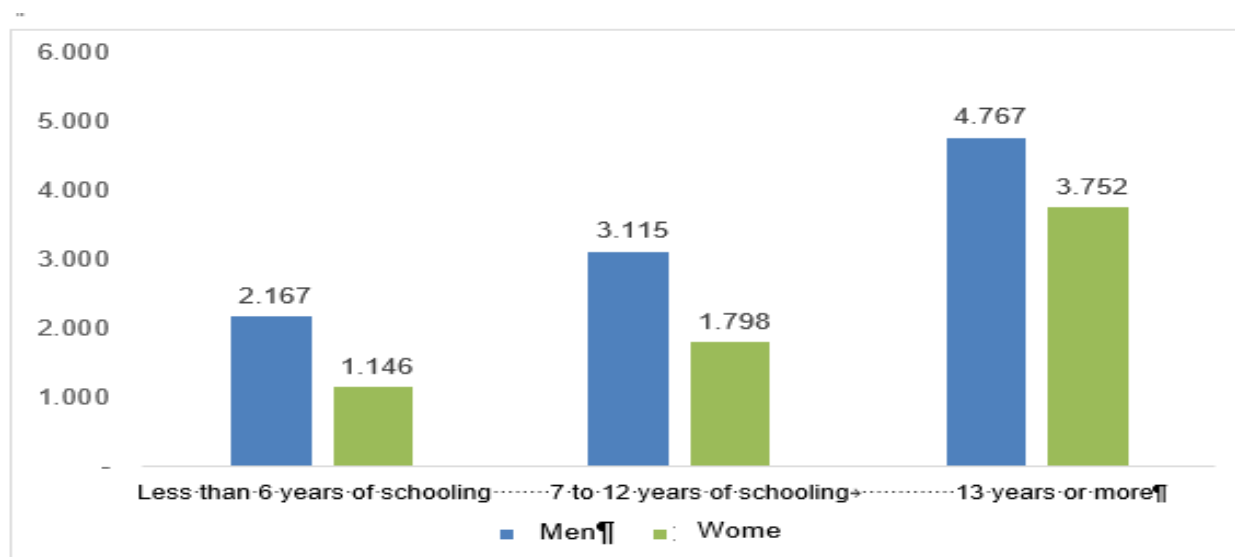
Evidence confirms that as women assume greater caregiving responsibilities, their labor participation declines and their incomes stagnate. This reflects not only individual inequity but also a collective loss: the country fails to fully utilize a significant portion of its skilled and productive workforce. Thus, the labor force participation gap in Paraguay—exceeding 21 percentage points between men and women—translates into a lower contribution to GDP, with future implications and within a regressive tax structure that

disproportionately burdens those with lower earnings. This is illustrated through the analysis of average incomes of men and women and the period during which each remains engaged in the labor market.

a. Women in Paraguay: Between Progress and Challenges

Paraguayan women have, on average, half a year more schooling than men, according to data from the Permanent Household Survey (EPHC). Educational trends have shown progress in recent decades, particularly in terms of access and coverage; enrollment in secondary and higher education has increased over time, with improved female participation, and women now surpass men at higher educational levels (Ministerio de Educación y Ciencia [MEC], 2024).

However, to escape poverty, individuals should ideally complete at least 12 years of schooling, a threshold that has not yet been reached in the country. The average years of schooling among the population aged 15 and over increased nationally from 6.7 to 9.6 years between 2002 and 2022, with an increase of 2.7 years for men and 3 years for women (Instituto Nacional de Estadísticas [INE], 2023). Nevertheless, despite this “educational advantage,” women remain engaged in more unstable occupations, with lower wages and greater exposure to vulnerability across all educational levels, including the highest ones, as illustrated in the case of Paraguay in Figure 1.



Note: Values expressed in thousands of guaraníes. Source: Author's elaboration based on data from the National Institute of Statistics (INE), Continuous Permanent Household Survey 2024 (INE, 2024a).

Figure 1. Average income by educational level of men and women, 2024

Across Latin America and the Caribbean, women devote on average more than twice as many weekly hours as men to unpaid work and, overall, perform nearly 10 additional hours of work per week when paid and unpaid activities are combined (Organización para la Cooperación y el Desarrollo Económicos [OCDE], 2022). In Paraguay, women work on average 39.7 hours of paid work⁽¹⁾ and 24 hours of unpaid work per week, totaling 63.7 weekly working hours. Men work a total of 57.8 hours and perform only 9.2 hours of unpaid work (OCDE, 2022).

Similarly, Paraguayan women devote on average 28.69 hours per week to unpaid work, compared with 12.87 hours among men (Oficina de Coordinación Residente [OCR] et al., 2021). This time overload translates into greater time poverty for women, as it limits or restricts their participation in the paid labor market and is associated with higher economic dependency.

Indeed, data on women's labor force participation rate⁽²⁾ (60.9%) confirm that it is lower than that of men (82.5%) in the fourth quarter of 2024, while the employment rate for women stands at 57.7% compared with 79.2% for men (INE, 2024a).

In both labor force participation and employment, there is a significant gap of approximately 21.5

percentage points (pp) to the detriment of women. However, when unemployment data are examined, the direction of the gap reverses, as 4.1% of men and 5.2% of women are unemployed (a gap of 1.1 pp) (INE, 2024a).

Moreover, women are overrepresented in informality: 64.8% of women work informally compared with 60.6% of men (INE, 2024a), reflecting a gap of 4.2 pp. As previously noted, this leads to female employment concentrated in low-paid occupations without formal contracts and with limited social security coverage. These circumstances also compel women to accept jobs that allow them to reconcile paid work with family responsibilities (Serafini & Iturbe, 2022).

If the composition of employment by sector is analyzed, according to INE (2024a) data and as shown in table 1, men are primarily employed in commerce, services, and agriculture, followed by construction—an occupational branch highly masculinized (13.5% of men compared with 0.4% of women). Women, by contrast, are mainly employed in community, social, and personal services (39.6%) and in commerce, restaurants, and hotels (33%), activities that may even be considered an extension of care and service provision for others. All of this reflects patterns of occupational specialization and the sexual division of labor.

Table 1. Employed population by branch of activity, 2024.

Main occupational activity branch	Men	Women	Men (%)	Women (%)
Agriculture, Livestock, Hunting, and Fishing	339.962	134.359	19.50%	10.20%
Manufacturing Industries	224.712	104.094	12.90%	7.90%
Electricity, Gas, and Water	11.428	3.723	0.70%	0.30%
Construction	236.094	5.815	13.50%	0.40%
Commerce, Restaurants, and Hotels	455.697	436.982	26.10%	33.00%
Transport, Storage, and Communications	96.199	18.719	5.50%	1.40%
Finance, Insurance, and Real Estate	107.668	95.456	6.20%	7.20%
Community, Social, and Personal Services	271.748	523.313	15.60%	39.60%
Totals*	1.743.604	1.322.535	100,00%	100,00%

Note: Totals do not add up to 100% because "not reported" cases were excluded. Source: Author's elaboration based on data from the National Institute of Statistics (INE), Continuous Permanent Household Survey 2024 (INE, 2024a).



Note: Values expressed in thousands of guaraníes. Source: Author's elaboration based on data from the National Institute of Statistics (INE), Continuous Permanent Household Survey 2024 (INE, 2024a).

Figure 2. Average monthly income by sex and category in main occupation, 2024.

Regarding average income, according to preliminary data for the fourth quarter of 2024 (INE, 2024a), there is a gender gap of approximately 23.6%; that is, women earn on average 76.4% of men's average income in Paraguay. When income is compared across occupational categories, the smallest gap is observed in private sector employment, where women earn 97.8% of men's income, while the largest gap occurs in self-employment, where women receive approximately 55.6% of men's average income.

Overall, the average income gap amounts to Gs. 883,538—around 30% of the minimum wage in force in 2024 (Gs. 2,798,309)—as illustrated in Figure 2. This gap exists, although to varying degrees, across all occupational categories. It is not a minor phenomenon but rather an additional factor of labor precarization that compounds those already mentioned, as it demonstrates that men's earnings exceed women's even in occupations commonly recognized as highly feminized, such as domestic work.

However, differences between men and women in Paraguay are not limited to the type of activities they perform or their income levels; they are also evident in their labor trajectories. Women not only earn lower

wages but do so over a shorter span of their productive lives. On average, men reach an income equivalent to the minimum wage at age 27, whereas women do not attain this level until age 35. Moreover, women maintain income equivalent to the minimum wage for a shorter period: they sustain this level until age 50, while men do so until age 63 (Serafini et al., 2025).

All these inequalities have multiple implications. For women with social security coverage, lower earnings affect the amount received during maternity leave, impacting not only them but also the living conditions of their children and other dependents. Likewise, the likelihood that a Paraguayan woman will access retirement benefits is limited if she does not accumulate the required contribution years; even when she does, the benefit amount will be significantly lower as a result of lower lifetime earnings, restricting the possibility of financing care services or domestic support in older age. All this occurs in a country where 50.1% of women aged 15 and over have no personal income (i.e., income derived from their own work), compared with 25.1% of men in the same age group (INE, 2024a).

This situation reflects the fact that 75.2% of employed women in Paraguay work without social security coverage (INE, 2024a), implying—as previously noted—the exclusion from labor rights and increased long-term vulnerability. Women generally have higher life expectancy, resulting in a larger population of older women but with higher poverty levels, thus requiring social protection policies in old age. The non-contributory pension for older adults in Paraguay illustrates this pattern: 55.4% of individuals aged 65 and over receiving this transfer in 2024 were women (INE, 2024a).

Another factor demonstrating gender inequality is the high proportion of the population outside the labor force (i.e., not engaged in paid work nor seeking employment). In this regard, it is important to recognize that a large share of those reporting inactivity are in fact performing care work and/or household activities, and therefore are more likely to be women. The data confirm this: 29.5% of the population aged 15 and over is outside the labor force (1,300,754 individuals), with a marked gender disparity—40.9% of women compared with 17.8% of men (INE, 2024a). The reasons for inactivity, as shown in Figure 3, also display a gender bias and reflect the sexual division of labor: 54% of women do not participate in the labor market due to household work and family responsibilities, whereas for men the main reason is studying (INE, 2024a).

This contrast between the male and female populations in relation to employment illustrates how

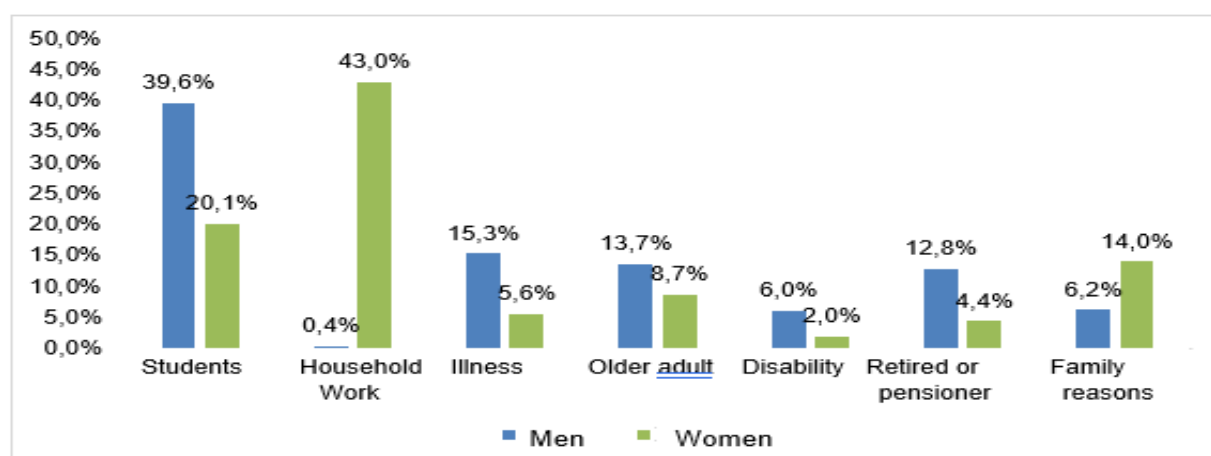
family, domestic, and care responsibilities shape life trajectories both within and outside households and, consequently, participation in paid work.

b. Fiscal policy: the main instrument for empowerment and structural transformation

Paraguay stands out in the region for its macroeconomic stability and sustained growth which, between 2010 and 2024, averaged 3.7% annually, with per capita growth of 1.7%, as shown in Figure 4 (Banco Central del Paraguay [BCP], 2025). This trajectory of the Paraguayan economic system has been supported by the expansion of agriculture and construction, but it also remains highly vulnerable to climatic conditions and international shocks.

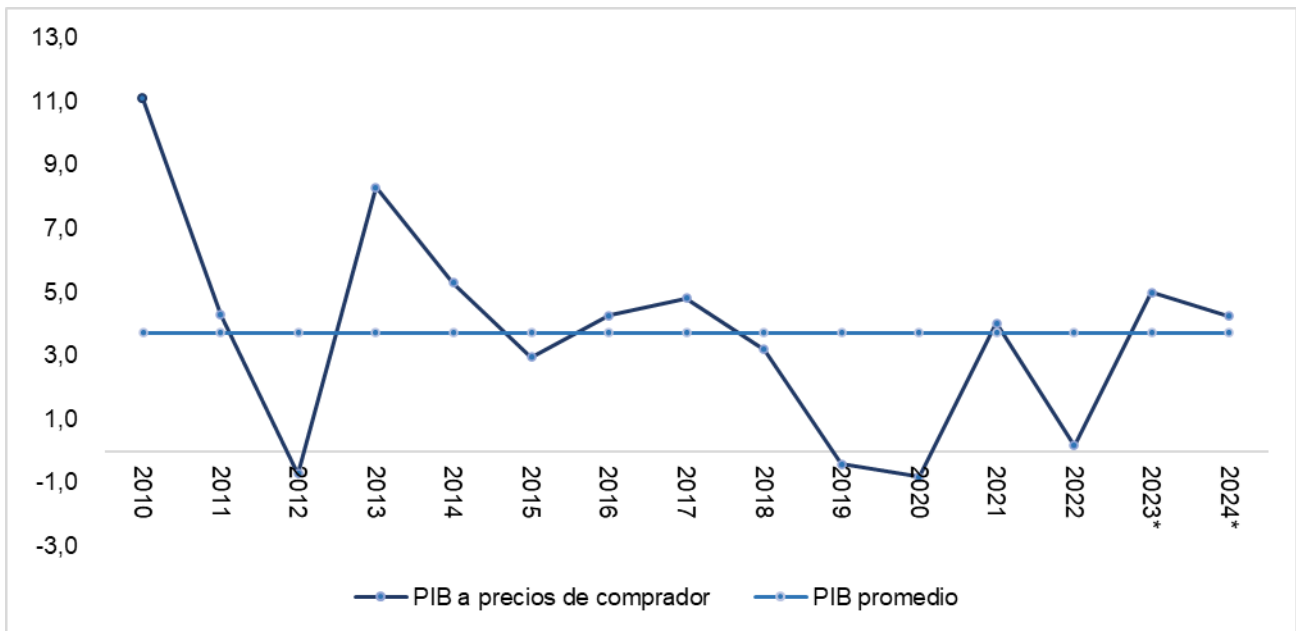
However, this economic dynamism contrasts with the structure of the tax system, which is characterized by a high degree of regressivity. The country's tax revenue is among the lowest in Latin America: the tax burden averaged around 13.8% of GDP between 2010 and 2023, whereas the regional average is approximately 21% (OCDE, 2025).

This regressivity stems from the fact that the tax system is primarily based on the Value Added Tax (VAT), which accounted on average for 52.9% of total revenue between 2010 and 2024, as shown in Figure 5 (Dirección Nacional de Ingresos Tributarios [DNIT], 2025). Other taxes represented, on average, only 2.2% of total revenue. Although income tax has increased its share of total revenue since its implementation in 2012, it still accounted for only 3.2% during the period under analysis.



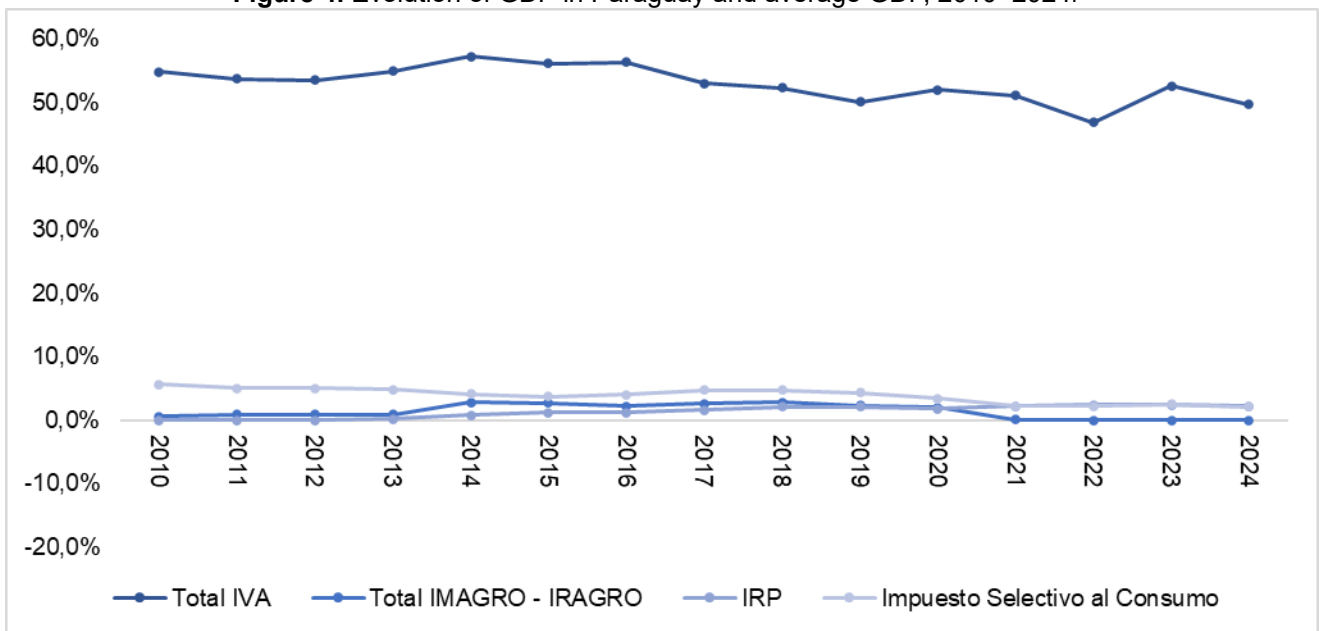
Source: Author's elaboration based on data from the National Institute of Statistics (INE), Continuous Permanent Household Survey 2024 (INE, 2024a).

Figure 3. Reasons for being outside the labor force by sex, 2024.



Source: Author's elaboration based on data from the Statistical Annex of National Accounts (BCP, 2025).

Figure 4. Evolution of GDP in Paraguay and average GDP, 2010–2024.



Note: Percentages do not add up to 100% because only selected types of taxes were included, not all. Source: Author's elaboration based on statistical data from "Tax Revenue by Type" (DNIT, 2025).

Figure 5. Share of tax types in total revenue in Paraguay, 2010–2024.

During the same period, tax revenues represented, on average, 6.3% of GDP from VAT, while taxes on income, profits, and capital gains reached only an average of 2.3% of GDP (Ministerio de Economía y Finanzas [MEF], 2025).

This tax regressivity reduces fiscal space—that is, the State's capacity to invest in public, social, and care-related policies. VAT is an indirect tax that levies consumption without considering individuals' ability to pay. In this context, women—who, as previously

discussed, have lower incomes, hold more precarious jobs, and experience time poverty—ultimately contribute a larger share of their resources to taxation because they are proportionally greater consumers of goods and services (Larios Campos, 2024).

This confirms that the Paraguayan tax system is not neutral, as it shifts a greater relative burden onto lower-income groups, where women are highly represented. With 50.1% of women aged 15 and over lacking their own income, more than 64% working in

the informal sector, and an income gap of 23.6%, women end up paying a larger share of taxes and contributing proportionally more to public revenues than large corporations handling substantial capital flows. Paraguay's income tax rate is among the lowest in the region. Thus, far from being neutral, fiscal policy deepens these inequalities, as its design and implementation determine the distribution of resources, priorities, and opportunities.

It has been demonstrated that if an economic value were assigned to the unpaid work performed by women, their total contribution to GDP would amount to 17.1%, compared with 5.3% for men—equivalent to 35 trillion guaraníes and 10.9 trillion guaraníes, respectively (in 2021 values) (OCR et al., 2021). Additionally, the economic cost of violence against women has been estimated at 5.12% of GDP, equivalent to USD 1,450.6 million in 2016 values (IP Paraguay, 2018). These figures represent substantial expenditures that could otherwise be allocated to strengthening gender policies aimed at promoting women's empowerment.

In this regard, Paraguay is making steady progress in implementing the National Care Policy and its Action Plan, thereby reinforcing efforts toward establishing a comprehensive care system as the fourth pillar of social protection in the country. The objective is not only to guarantee accessible, high-quality care services but also to coordinate interinstitutional actions for the implementation of an inclusive model that recognizes care as a fundamental right for the entire population. The principal challenge, therefore, lies in securing the resources necessary for its sustainability in a country with significant outstanding gaps in gender equality.

This challenge becomes even more relevant when considering that the limitations of Paraguay's tax system are closely linked to the sexual division of labor, the overload of unpaid work, family responsibilities, income gaps (Serafini & Iturbe, 2022), the increase in female-headed households (in 2024, four out of ten households were headed by women), and the high proportion of women without their own income. All of this reflects how structural inequalities

constrain the State's capacity to finance a fair and sustainable care system.

These issues are further exacerbated within a highly inequitable tax system that disproportionately affects lower-income populations. In this context, strengthening the redistributive effects of taxation requires incorporating a gender perspective into fiscal revenues in order to address overlapping and mutually reinforcing inequalities that undermine women's empowerment, development, and the well-being of the population as a whole.

From this perspective, the contributions of feminist economics and gender-responsive fiscal policy can be examined in light of Paraguay's limitations and opportunities. In a country characterized by a primary-based productive structure, high labor informality, and tax regressivity, promoting women's labor market participation, integrating a care perspective, and advancing fiscal justice demand a reconfiguration of redistribution mechanisms and social protection systems.

Discussion

In Latin America and the Caribbean, as well as in Paraguay, obstacles to gender equality persist. The region is the most unequal in the world: the top 10% of the population concentrates incomes 12 times higher than those of the poorest sector, and one in five people lives in poverty. Although progress in reducing inequality was recorded between 1990 and 2014, this process has stalled in recent years (Bachelet, 2024).

Marked structural heterogeneity and high levels of inequality are reflected in the sexual division of labor and socioeconomic gaps. Labor segregation constitutes a central factor: women participate less in the labor market and, when they do, they tend to be concentrated in precarious sectors and occupations (Valenzuela et al., 2020).

Approximately half of the region's workforce operates under informal conditions, with very low incomes and inadequate access to social protection. This situation is compounded by the limited diversification of Latin American economies, which remain largely dependent on natural resource exploitation, as well as by rapid population aging and declining fertility

affecting most countries (Cecchini, 2022). In this context, the matrix of social inequality is closely linked to the productive matrix and is reproduced through factors such as social class, gender, ethno-racial belonging, life cycle, and territory. Each of these dimensions contributes to the persistence and deepening of social and economic gaps (CEPAL, 2016).

The situation is further intensified by productivity differences across sectors and worker groups, as well as by women's limited access to productive resources (credit, water, technology, time, and training), which are essential for their autonomy and economic development. These multiple dimensions of inequality intersect and reinforce one another, disproportionately affecting the most vulnerable groups, including women (CEPAL, 2016).

In the face of persistent inequities and demographic pressures, advancing toward comprehensive care and support systems that facilitate the reconciliation of family responsibilities is urgent. Such transformations require expanding fiscal space to finance job creation, formalization, and social protection (Cecchini, 2022). Co-responsibility among the State, the private sector, communities, households, men, and women in addressing care as a right is indispensable for reducing structural gaps, advancing gender equality, and building more just and inclusive societies.

Given that unpaid work is fundamental to sustaining life and the functioning of the productive system, it constitutes a free contribution by women that provides the indispensable foundation for social and economic reproduction. All household activities are essential, yet because they remain undervalued and invisible, they effectively operate as a subsidy (CIPPEC, n.d.).

An OECD study highlights that although considerable improvements have occurred in women's outcomes across a group of countries, inequalities persist that hinder broader economic and social development. Women generally face worse material conditions, long working hours, and ongoing risk of job loss within a one-year period (OCDE, 2022).

These structural gaps demonstrate that progress toward gender equality has not yet been sufficient to

achieve transformation toward more inclusive societies. This "sticky floor" ⁽³⁾ of structural inequality is compounded by current contextual conditions that further complicate and deepen injustice, perpetuating an economic system that benefits from women's unpaid work while systematically denying opportunities to escape it.

Conclusions

This article offers a reflection grounded in data and evidence on the situation and role of women in Paraguay from a structural feminist perspective, highlighting how the social organization of care, the sexual division of labor, and fiscal policy shape gender inequalities and the country's growth and development. The conditions under which women engage in paid and unpaid activities were examined, emphasizing that the issue extends beyond income disparities or labor market participation. The social organization of care emerges as a central axis reproducing gender inequality and constraining the well-being of individuals, families, and society as a whole.

In light of this, it is essential to analyze labor and income gaps through a feminist economics lens capable of problematizing not only gender inequalities but also the institutional, cultural, and social mechanisms that reproduce them. Paraguay is advancing in recognizing the importance of care and in building a system that acknowledges, redistributes, and adequately values it. However, the most significant challenge remains aligning this progress with a less regressive fiscal policy oriented toward greater progressivity, thereby laying the foundations for sustainable, inclusive, and equitable development. Women are indispensable protagonists of structural change through their work, substantial contributions, and multiplier potential across the various spaces in which they participate.

Fiscal policy, far from being neutral, not only shapes the broader macroeconomic context but also expands or restricts women's economic opportunities depending on how care and unpaid work are valued and integrated into state priorities. In Paraguay, where women assume the majority of these activities, barriers to labor market participation and income

generation persist. Consequently, care policies represent one of the most important tools for reducing gender inequality: they can free time from unpaid work to be devoted to paid employment. However, this transition must occur under conditions of decent, high-quality work with social protection and dignity, rather than perpetuating poorly paid and unprotected employment. This responsibility directly challenges the State, its institutions, and society as a whole.

The heavy burden of care partly explains women's interrupted or unstable labor trajectories, as they enter—when they are able to do so—the labor market under disadvantageous conditions. Moreover, a larger share of their already limited income is devoted to indirect consumption taxes. The result is an interaction of inequalities that translates into lower earnings and fewer opportunities for women, despite their longer overall working hours compared with men. Their contribution through unpaid work constitutes an invisible yet essential subsidy to the productive system that must be accounted for and valued.

Although Paraguay's macroeconomic growth has been sustained, it has been insufficient and uneven, as it has not been accompanied by structural transformation recognizing and redistributing unpaid work. This disproportionate burden on women hinders the promotion of economic autonomy, the reduction of informality, and the narrowing of gender gaps. Moving beyond the discourse of individual empowerment toward structural transformation requires reorganizing the social organization of care and domestic responsibilities, framing them as a collective rather than exclusively private, familial, and feminine issue.

Fiscal policy is the primary instrument for advancing in this direction. Nevertheless, Paraguay's current tax system—regressive and characterized by low tax pressure—deepens rather than mitigates inequality. Strong reliance on VAT, which disproportionately affects lower-income sectors where women are concentrated, constrains fiscal space and limits the State's capacity to finance public policies. A gender-responsive fiscal reform that strengthens direct and progressive taxation is therefore essential not only for tax justice but also for generating the resources

needed to invest in a national care system, social infrastructure, and expanded protection.

Ultimately, investing in care means investing in development, equity, and economic efficiency. Recognizing, reducing, and redistributing unpaid work unlocks women's productive potential, energizes the formal economy, creates quality employment, and strengthens the foundations of inclusive growth. This article therefore argues that co-responsibility among the State, the market, communities, and households—including the equitable redistribution of care tasks between women and men—is imperative for overcoming structural gender gaps and building a more just development model.

Paraguay's macroeconomic growth is stable but does not translate into real opportunities for women, as it remains grounded in structural inequalities. Expanding opportunities requires profound transformation: recognizing women's contribution to sustaining life and the economic system is insufficient without guaranteeing the material and policy conditions that support it. This entails mobilizing the resources necessary to create quality employment, ensure social protection, and effectively redistribute responsibilities within and beyond households, thus moving beyond the notion of women's work as a subsidy to the productive system.

In this sense, reducing the “stickiness” of the floor on which women's labor trajectories unfold implies creating opportunities for a better present and a more promising future—for women, their families, and, ultimately, the country.

Notes on the article

1. Due to methodological adjustments made to ensure cross-country comparability, the data may not coincide with national reports on the same topic.
2. Population aged 15 and over who are working or looking for work (employed and unemployed).
3. A metaphor describing the difficulties women face within precarious and feminized occupations—generally in care and domestic work—in advancing upward, such that the glass ceiling

becomes unattainable (Prats, 2022). The concept was first used in 1992 by Catherine Berheide.

Data availability

Tax statistics. <https://www.dnit.gov.py/web/portal-institucional/estadisticas>

Informal employment: EPHC 2017–2023. <https://www.ine.gov.py/Publicaciones/Biblioteca/documento/250/Bolet%C3%ADn%20informal%202017%202022%202023.pdf>

Financial situation of the Central Administration: Annual series 2003–2024. <https://www.mef.gov.py/es/situfin>

Review comments

This article underwent an anonymous peer-review process in accordance with the journal's editorial transparency policy. Reviewers who participated anonymously in this process consented to the publication of the comments issued during the review.

Review comment 1: This article is highly valuable for discussing a topic of great relevance. It presents interesting data and opens avenues for discussion aimed at enabling women to become protagonists of structural change in Paraguay.

Review comment 2: The title suggests the presence of a structural change led by women, whereas the manuscript, as indicated in the abstract, offers a theoretical and statistical linkage concerning the issue of care within the framework of social protection sustainability. I would suggest avoiding the notion of structural change because it implies that such change already exists; alternatively, if the title is intended as an ironic device, it might be appropriate to frame it as a question.

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