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Social Panorama of Latin America



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Alicia Bárcena

Executive Secretary

Laura López

Secretary of the Commission

Martin Hopenhayn

Director of the Social Development Division

Luis Beccaria

Director of the Statistics and Economic Projections Division

Dirk Jaspers_Fajier

Director of the Latin American and Caribbean Demographic Centre (CELADE) -
Population Division of ECLAC

Diane Frishman

Officer-in-Charge

Documents and Publications Division

The *Social Panorama of Latin America* is prepared each year by the Social Development Division and the Statistics and Economic Projections Division of ECLAC, under the supervision of Martin Hopenhayn and Luis Beccaria, respectively, and with participation by the Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, led by Dirk Jaspers_Fajier.

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Abstract

A constant in the *Social Panorama of Latin America* is the chapter on poverty dynamics in Latin America. The 2008 edition is no exception. Up-to-date estimates and analyses of the relevant figures, based on household surveys conducted in 18 countries, are provided for the year 2007. Three other chapters focus on the specific topics of the new employment-related target which has been incorporated into the Millennium Development Goals, the demographic dividend as an opportunity for expanding secondary education coverage, and the issue of youth violence and family violence as viewed from a perspective of social inclusion.

In the first chapter, the most recent estimates available for the countries of Latin America indicate that, in 2007, 34.1% of the region's population was living in poverty and 12.6% in extreme poverty or indigence. The total number of poor people stood at 184 million, of whom 68 million were indigent. The downward trend observed since 2002 has continued, with the number of poor persons falling by 37 million and the number of indigent persons down by 29 million. Rising food prices in 2007 (and part of 2008), however, are estimated to have prevented some 4 million persons from escaping from poverty and indigence, thus wiping out some of the gains made in terms of growth and income distribution. Nevertheless, in 2007, Latin America was well set to achieve the first target of the Millennium Development Goals.

The factors associated with poverty reduction are also analysed in chapter 1. The region continues to bear

the stigma of being the most unequal region in the world, and the disparity in its income distribution remains high, with the average per capita income of households in the tenth decile is approximately 17 times greater than that of the poorest 40% of households. Nevertheless, most of the progress made in 2002-2007 was due to an increase in the average incomes —mainly labour income— of the poorest households.

The discussion on social disparities looks at the perceptions of people in different socio-economic sectors and, in particular, seeks to determine whether they feel that they are part of society or are excluded from it. For most Latin Americans, social inclusion is associated with having a profession and an income of one's own, owning property, and having obtained a higher education, speaking a foreign language and being computer-literate. On the other side of the coin, perceptions and feelings of solitude, powerlessness and disorientation are greater among persons who are living in households with fewer assets and who have a lower level of education. Perceptions and feelings of exclusion do not, however, make any substantial reduction in individuals' expectations of social mobility, which tend to be more closely linked with perceptions relating to the future of the economy.

Between 1990 and 2002, some countries found it difficult to reduce poverty. The year 1990 was taken as a base year for measuring the advances made by countries towards the Millennium Development Goals, and 2002 reflects the consequences of the worldwide economic

stagnation seen in the early years of the twenty-first century, as well as the economic crisis that overtook Argentina and Uruguay, in particular.

In the past five years (2003-2007), at over 3% per year, per capita GDP growth in Latin America has been at its highest since the 1970s. For 2008, as a result of the recent international financial crisis, slower, albeit still positive, growth is projected. Weaker demand for the region's commodity exports, declining migrant remittances and scarce credit are just some of the factors that will have an adverse effect on aggregate demand in the region's countries. International financial market constraints and particularly the tight liquidity situation will be further obstacles to the countries in their attempt to maintain the pace of growth achieved in the past five years.

In 2009, this economic slowdown will have an impact on poverty trends and may thus prolong the less favourable turn that poverty levels took in 2008 as compared to the trend in 2003-2007, when poverty in the region fell significantly. Notwithstanding the most recent forecasts, which suggest that the relative incidence of poverty continued to decline in 2008, albeit at a slower pace than in previous years, there is no denying that the absolute number of extremely poor or indigent persons has increased slightly. This is mainly attributable to the fact that escalating food and oil prices triggered a small upswing (0.43 of a percentage point) in indigence in mid-2008. Clearly, food accounts for a major part of the basic basket of consumer items, especially in poor households. Although domestic prices for food and fuel have stopped rising, an even less favourable situation in 2009 in terms of poverty level is to be expected owing to the slower rate of growth that will be seen in the region in the wake of the current international financial crisis.

Generally speaking, aggregate employment for the region as a whole will probably be flat or even lower in 2009, and average real wages are expected to remain unchanged or to diminish somewhat. Moreover, the outlook in terms of how this deterioration in household income will be distributed is not encouraging: own-account workers and wage earners lacking in job security will be the hardest hit, since their jobs are usually most sensitive to movements in the business cycle. Poverty and indigence will probably increase, and even if the extent of this rise is limited, it will still prolong the negative trend that had already started in 2008.

The overall situation will differ from one group of countries to the next. Those that are most dependent on remittances or that have more direct links with the United States market are likely to be among the most seriously affected. The same applies to those which have a less diversified export structure and which rely on the commodity markets that have borne the brunt of the global crisis.

The chapter on employment shows that joblessness in Latin America remains high and that, as of 2006, the rate was still 2.4 percentage points higher than in 1990. However, since 2002, unemployment rates have fallen in most urban areas in the countries of the region. Notwithstanding this reduction, sharp inequities persist and take the form of higher rates of unemployment among the poor, women and youth. This is due to the fact that female participation rates, especially among very young women, have continued to rise (54.2% around 2006), while the male participation rate has remained stable (78.9%) and has even declined slightly among the youngest age groups.

The precarious situation in the region's labour markets is associated with employment in low-productivity sectors, which is generally characterized by poor job quality, a lack of job security, low wages and a lack of access to social security coverage. This situation is often referred to as "labour informality". In 2006, informal workers in urban areas of Latin America accounted for 44.9% of all workers. Of particular concern is the high percentage of urban women employed in low-productivity sectors (50.7%), compared with the figure for men (40.5%).

This chapter also looks at the new target (target 1B) of the first Millennium Development Goal: achieve full and productive employment and decent work for all, including women and young people. It notes that, for three out of the four indicators for monitoring progress towards this target, the trend in the region has been favourable: labour productivity and the rate of employment have increased and worker poverty has diminished. Nevertheless, worker vulnerability —measured as own-account and family workers over total employed— has remained unchanged.

Improving the quality of workforce integration in the labour market, in particular among the poorest, is identified as a crucial need. This would involve providing better wages, stable contracts, secure working conditions, and access to and membership in health-care schemes as well as paying into the social security system. Advances in these areas are of fundamental importance in order to reduce both poverty and income inequality.

One of the dimensions that should be taken into account in evaluating future social development opportunities is the demographic transition. This edition of the Social Panorama of Latin America contains a chapter which assesses the advantages provided by what it known as the "demographic dividend", which accrue to all Latin American countries. This dividend is associated with the more favourable ratio of the working-age population to the dependent-age population (children and older persons) that arises during one of the stages of the transition and will come to an end once the older population begins to increase substantially. Individual countries are at different

stages in the demographic transition, since, for some, this window of opportunity is closing, while for others it is just opening up.

The education sector in most countries is now benefiting from a clearly positive demographic dividend, since the demand for primary education will continue to decline in the coming decades (owing to a relative and absolute reduction in the child population) while the demand for secondary education will begin to decrease (as a result of the relative and subsequently absolute decline in the adolescent population). This is a period when governments are well placed to set ambitious targets for increasing levels of coverage and improving the quality of the secondary education cycle.

However, as pointed out in this section of the report, the benefits to be derived from this period do not accrue automatically: they depend on the adoption of macroeconomic policies that stimulate investment in production, increase job opportunities and foster a stable social and economic environment that is conducive to sustainable development. They also depend on education policies and investment in this sector being oriented towards anticipating the virtuous effects of the demographic dividend, especially in order to expand enrolment in secondary schools, improve the quality of the supply of public services, and support sectors of the population that have less educational capital in order to improve their effective learning, their advancement within the school system and their graduation from the secondary cycle.

The chapter on the social agenda focuses on the issue of youth and domestic violence in Latin America. Violence committed by and against young people is expressed in multiple forms, including self-inflicted violence, criminal violence, violence associated with international crime (drug trafficking), domestic violence and territorial violence. Such violence feeds on various forms of social and symbolic exclusion among youth, including a lack of equal opportunities, a lack of access to employment,

alienation, discrepancies between symbolic consumption and material consumption, territorial segregation, the absence of public facilities for social and political participation, and an increasingly informal labour market.

Government authorities consulted for the purposes of the preparation of this year's edition of the Social Panorama have stated that the main problems they have to contend with in addressing the issue of youth violence are crime, gangs, street violence and the carrying of weapons. Indeed, the use of weapons is a serious concern in urban areas in several Latin American countries. A particularly alarming pattern is the involvement of youth gangs in drug use, drug trafficking and trafficking in persons.

Government authorities also drew attention to family violence, dating violence and intergenerational violence. While reporting of gender-based violence and violence against women has increased, abused children and youth remain largely without protection. Other serious problems are self-inflicted violence and violent behaviour related to alcohol and drug abuse.

In Latin American, various approaches have been used for preventing youth violence, including approaches that focus on risk, citizen security, conflict resolution theory and human rights. However, a holistic approach by government institutions and the adoption of policies that support and coordinate initiatives coming from both government and non-governmental institutions are needed. Experts suggest that policies geared towards reducing violence should be specific, concerted, decentralized and participatory. In addition, they recommend primary preventive measures, together with appropriate social reintegration schemes for rehabilitated youth.

The chapter on the international agenda also reviews the agreements adopted in Santiago in November 2007 at the seventeenth meeting of the Ibero-American Summit of Heads of State and Government, whose central theme was social cohesion and social policy and how they can be used to create more inclusive societies in Ibero-America.

Summary

Poverty, social exclusion and unequal income distribution

Recent poverty trends

According to the latest estimates available for Latin American countries for 2007, the poor accounted for 34.1% of the total population. Of that percentage, those living in extreme poverty or indigence represented 12.6%. These figures signify that in 2007 there were 184 million poor persons, of whom 68 million were indigent (see figure 1).¹

This means that, in 2007, poverty diminished by 2.2 percentage points from its 2006 level, while indigence was down by 0.7 percentage points, thereby continuing the downward trend in poverty and indigence observed in the region since 2002, when the declines represented a remarkable advance: 9.9 and 6.8 percentage points, respectively (corresponding to 37 million fewer poor people and 29 million fewer indigent persons).

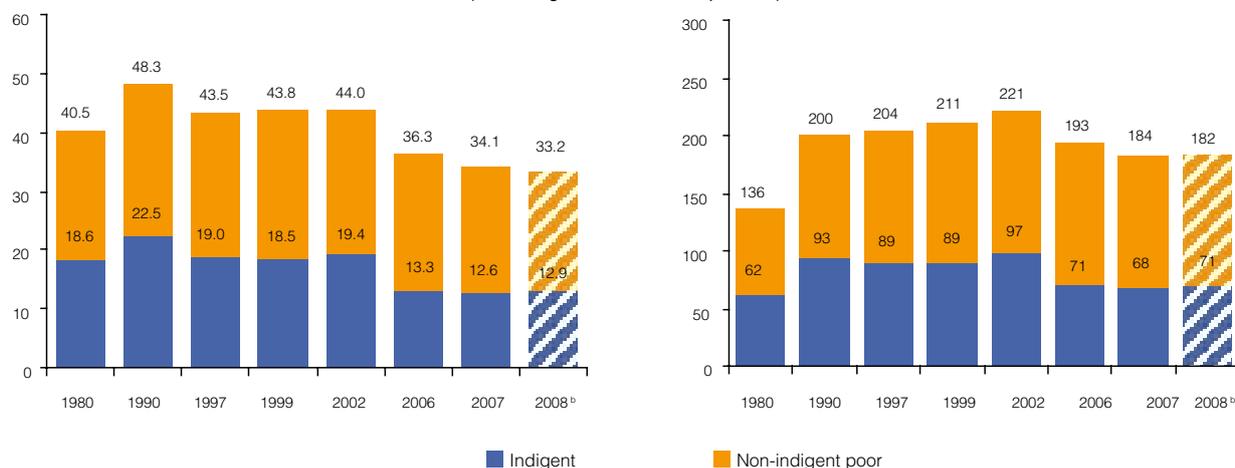
A comparison of the current figures with those of 1990 shows that the situation in the region is decidedly different

from what it was 17 years ago. While the percentage of Latin Americans living in straitened circumstances remains very high, it has fallen by 14 percentage points since the beginning of the 1990s. In the case of extreme poverty, the reduction has been even more significant: while in 1990, one out of every two persons was indigent, the proportion is now down to one in three. Historically, however, 2002 is the year in which the absolute numbers of persons living in poverty and indigence were at their highest: 221 million and 97 million persons, respectively.

The latest figures available for 2007 for 11 Latin American countries confirm the downward trend that had been observed up to 2006, since practically all showed reductions in poverty. The most significant decreases (of over 3 percentage points per year) occurred in Bolivia and Brazil, followed by the Bolivarian Republic of Venezuela, Honduras and Paraguay, where they exceeded 2 percentage points per year. Indigence levels also fell considerably. In absolute terms, the sharpest reductions were observed, all within the space of one year, in Honduras (3.7 percentage points), Panama (2.3 percentage points) and Costa Rica (1.9 percentage points) (see table 1).

¹ According to the approach used by ECLAC in estimating poverty, a person is classified as “poor” when the per capita income of that person’s household is below the poverty line, i.e., the minimum income needed to meet a person’s basic needs. In the case of indigence, the line is based on the cost of satisfying a person’s food needs only.

Figure 1
LATIN AMERICA: POVERTY AND INDIGENCE, 1980-2008^a
 (Percentages and millions of persons)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.
^a Estimate for 19 countries of the region, including Haiti. The figures above the bars are the percentage and total number of poor persons (indigent plus non-indigent poor).
^b Projections.

Table 1
LATIN AMERICA (18 COUNTRIES): PERSONS LIVING IN POVERTY AND INDIGENCE, AROUND 2002, 2006 AND 2007
 (Percentages)

Country	Around 2002			Around 2006			2007		
	Year	Poverty	Indigence	Year	Poverty	Indigence	Year	Poverty	Indigence
Argentina ^a	2002	45.4	20.9	2006	21.0	7.2	...	...	...
Bolivia	2002	62.4	37.1	2004	63.9	34.7	2007	54.0	31.2
Brazil	2001	37.5	13.2	2006	33.3	9.0	2007	30.0	8.5
Chile	2000	20.2	5.6	2006	13.7	3.2	...	...	...
Colombia	2002	51.5	24.8	2005	46.8	20.2	...	...	...
Costa Rica	2002	20.3	8.2	2006	19.0	7.2	2007	18.6	5.3
Dominican Republic	2002	47.1	20.7	2006	44.5	22.0	2007	44.5	21.0
Ecuador ^a	2002	49.0	19.4	2006	39.9	12.8	2007	38.8	12.4
El Salvador	2001	48.9	22.1	2004	47.5	19.0	...	...	...
Guatemala	2002	60.2	30.9	2006	54.8	29.1	...	...	...
Honduras	2002	77.3	54.4	2006	71.5	49.3	2007	68.9	45.6
Mexico	2002	39.4	12.6	2006	31.7	8.7	...	...	...
Nicaragua	2001	69.4	42.5	2005	61.9	31.9	...	...	...
Panama	2002	36.9	18.6	2006	29.9	14.3	2007	29.0	12.0
Paraguay	2001	61.0	33.2	2005	60.5	32.1	2007	60.5	31.6
Peru ^b	2001	54.7	24.4	2006	44.5	16.0	2007	39.3	13.7
Uruguay ^a	2002	15.4	2.5	2005	18.8	4.1	2007	18.1	3.1
Venezuela (Bol. Rep. of)	2002	48.6	22.2	2006	30.2	9.9	2007	28.5	8.5

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.
^a Urban areas.

^b Figures compiled by the National Institute of Statistics and Informatics (INEI) of Peru. These values are not comparable with those of previous years owing to changes in the sample framework used in the household survey. In addition, the figures given for 2001 correspond to the fourth quarter, whereas those shown for 2006 and 2007 correspond to the entire year.

Judging from GDP growth projections and inflation forecasts in the various countries, it is to be expected that poverty will continue to diminish in 2008, albeit at a slower pace, to stand at 33.2% (almost one percentage point below the 2007 rate). Indigence is expected to increase

slightly, however, by approximately 0.4 of a percentage point. These results reflect, to a great extent, the impact of the upswing in inflation recorded since the beginning of 2007 and, in particular, during the last part of that year and the first half of 2008.

Although food and fuel costs are no longer spiralling out of control and inflation has eased, the international financial crisis growth is likely to be reflected in a slowdown in the region. This, in turn, would suggest that the situation with regard to poverty rates will be less favourable in 2009.

The repercussions of the crisis will be felt on several fronts. Some of its main manifestations may well be weaker demand for the region's exports and a reduction in migrant remittances. These factors will dampen aggregate demand in the countries of the region, while international financial market constraints and the tight liquidity and credit situation will also restrain per capita GDP growth. In this context, total employment in the region will probably tend to stagnate, while real wages are not likely to increase and may even fall slightly. Own-account workers and wage earners in unstable jobs are those that are most likely to suffer from this deterioration in household income, since they are the most vulnerable

to cyclical downturns. Poverty and indigence levels will therefore probably rise, thus prolonging the negative trend that emerged in 2008 that put an end to a five-year period of declining poverty and indigence rates.

This slight increase in poverty overall, which may be steeper in some countries, could be moderated if governments implement policies that prevent the burden of the crisis from falling on the lowest-income sectors and that salvage some of the improvements achieved since 2002.

As indicated in two recent ECLAC publications, *Economic Survey of Latin America and the Caribbean, 2007-2008* and *Latin America and the Caribbean in the World Economy, 2007. Trends 2008*, the region will not remain immune to the crisis, but is nonetheless better placed than it has been in the past to cope with such an event by, inter alia, implementing or stepping up measures to mitigate the impact that the slacker demand for labour will have on poor households and on those that might slip into poverty.

Rising food prices and their impact on poverty rates

Like most other regions in the world, the Latin American and Caribbean countries were hit, especially in 2007 and the first half of 2008, by sharp rises in international food prices that were triggered by a series of entirely external factors. Moreover, many of the products whose prices climbed the most sharply were items in the basket of staple foods used by the poorest, such as rice, wheat and maize. Between January 2007 and June 2008, prices for these products shot up by between 80% and 90%. The situation started to ease towards the middle of 2008, when prices began to subside, although they have remained above the levels recorded in or prior to 2006.

Some Latin American and Caribbean countries are expected to be less vulnerable than others to higher food prices, in particular those that are net exporters of food products and those that have higher foreign exchange reserves or whose terms of trade allow them greater flexibility. This is not the case of Central America, for example, and the increase in food prices is thus expected to have a regressive impact in that subregion, although it will vary depending on the country and population in question. Generally speaking, the impact of rising international food prices on poverty rates will depend on the extent to which they are passed through to the local market, the level of poverty existing in the country, the ratio of households

that are net food purchasers to those that are net food vendors, the percentage of the household budgets that are spent on food and the variation in the purchasing power of earnings from low-productivity jobs.

The poverty and indigence measurements presented at the beginning of the chapter take into account the impact of higher food prices, since these higher prices are reflected in the increase in the value of the respective poverty lines.² Therefore, the very limited reduction in poverty and the increase in indigence projected for 2008, which, as mentioned earlier, represent a departure from the downward trend recorded since 2002, are indications of the influence that this trend is expected to have had on prices. In order to estimate the impact of this factor, a simulation exercise has been conducted which consisted of recalculating indigence and poverty rates based on the assumption that prices for food have risen at the same rate as those of other goods.

² Since 2007, different price deflators have been used for indigence and poverty lines. This marks a departure from previous practice, where both lines were updated using a single deflator. The value of the indigence line is now updated on the basis of variations in the consumer price index (CPI) for food, while the portion of the poverty line that relates to expenditure on non-food items is updated on the basis of the variation in the corresponding CPI.

The simulations that were carried out suggest that the rise in food prices in 2007 prevented 4 million persons from escaping from poverty and indigence who would otherwise have done so. This effect was even more significant in 2008, since the cumulative increase in food costs since late 2006 has swelled the numbers of poor persons by 11 million compared

with the numbers that would have been in this situation if food costs had risen at the same rate as those of other goods (see table 2). This means that, if the actual situation matched the simulation, the rate of indigence projected for 2008 would have been 1 percentage point lower, rather than 0.34 of a percentage point higher, than the 2007 level.

Table 2
LATIN AMERICA: SIMULATION OF THE IMPACT OF THE RISE IN FOOD PRICES ON THE INCIDENCE OF POVERTY AND INDIGENCE, 2007 AND 2008^a
(Percentages and millions of persons)

	Percentages			Millions of persons		
	Effective incidence	Simulated incidence ^a	Difference	Effective incidence	Simulated incidence ^a	Difference
2007						
Indigence	12.6	11.9	0.7	67.8	64.2	3.6
Poverty	34.1	33.4	0.7	183.9	180.0	3.9
2008 (projection)						
Indigence	12.9	10.9	2.0	70.8	59.6	11.2
Poverty	33.2	31.2	2.0	181.6	170.7	10.9

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries

^a The rise in food prices was equal to the rise in the CPI for all other goods as from December 2006.

In terms of the impact on different countries, the situation varies considerably. The simulation exercise indicates that cumulative price rises in 2007 and 2008 had the greatest impact on indigence in the Bolivarian Republic of Venezuela, Bolivia, Chile, Ecuador and Uruguay, where the number of persons living in indigence is approximately 50% higher than it would have been if food price rises had not been so much steeper than they were for other goods. In these countries, together with

Costa Rica, the rise in food prices accounts for an increase of 15% or more in the number of poor persons.

In short, the rise in food prices has been a major factor in the deterioration in the living conditions of the poorest groups, wiping out a portion of the advances achieved in terms of growth and income distribution. Although this phenomenon subsided somewhat towards the end of 2008, mechanisms are needed to mitigate the impact of price rises on the budgets of the poorest households.

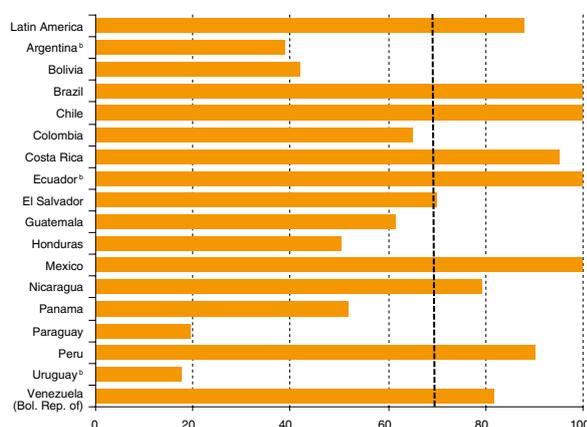
Assessing progress towards the first target of the Millennium Development Goals

Up to 2007, Latin America was well set to fulfil the first target of the Millennium Development Goals. The percentage of indigent persons in the region (12.6%) was just a bit more than one percentage point short of the target of 11.3%. This means that, in the 68% of the total time available for meeting the target that has elapsed so far, 88% of the ground has already been covered.

The progress made at the regional level is the result of varying trends in the different countries. Four of them, Brazil, Chile, Ecuador (data for urban areas) and Mexico, have achieved the first target of the Millennium

Development Goals, and Costa Rica may be regarded as being in the same category, since it is 95% of the way to the target. Five other countries (the Bolivarian Republic of Venezuela, Colombia, El Salvador, Nicaragua and Peru) have advanced at a similar rate or at a faster pace than expected, with percentages ranging from 65% to 90%. The remaining countries have lagged behind. Bolivia, Guatemala, Honduras and Paraguay are the countries that are the farthest from achieving the proposed target, in absolute terms, with shortfalls that are close to or exceed 12 percentage points (see figure 2).

Figure 2
**LATIN AMERICA (17 COUNTRIES): ADVANCES IN REDUCING
 EXTREME POVERTY BETWEEN 1990 AND 2007^a**
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

^a The amount of progress made (expressed as a percentage) is calculated by dividing the percentage-point reduction (or increase) in indigence registered during the period by one half of the indigence rate for 1990. The dotted line represents the amount of progress expected by 2007 (68%).

^b Urban areas.

From the simulations based on the household surveys, it may be inferred that the average growth rate required by the region in order to achieve the first target of the Millennium Development Goals is 1.2%, a figure similar to the population growth forecast up to 2015. This rate is very low partly because of the “subsidy” represented by the fact that Brazil, Chile and Mexico, which account for approximately 60% of the region’s population, have already exceeded the target.

The international financial crisis and the resulting world economic slowdown are expected to have repercussions on poverty levels that cast doubt on the feasibility of achieving the target set for 2015. As already indicated, a moderate increase in poverty and indigence is predicted for

2009. In any event, bearing in mind the degree of progress achieved up to 2007, the target continues to be achievable for most countries, although the final result will ultimately depend on the duration of the period of low growth and the depth of the difficulties it entails. Since the region is in a sounder macroeconomic position to confront this episode than it was during previous crises, it will be better able to deploy measures to lessen the negative consequences of slower growth on the incomes of the poorest households. If the recession continues for an extended period of time, however, it may prevent the countries that are currently furthest from the mark (and that therefore need to attain and sustain high growth rates in order to achieve the required reduction) from reaching the target.

The aggregate analyses conducted at the national level should be complemented with others that describe the advances made in relation to specific population groups and categories. To this end, four dimensions have been selected: (i) the place of residence of the population, by urban and rural area; (ii) the educational background of the household, in other words, the average number of years of schooling of the head of household and the spouse, which captures the stock of human capital (a determining factor with respect to access to employment and household income); (iii) the sex of the head of household, which serves to highlight the greater vulnerability associated with having a female head of household and which normally is the case in households without a male partner; and (iv) the ethnic or racial origin of the population.

The breakdown by country yields varying results, since some countries have achieved inclusive progress, in which there are no significant differences between the groups considered, while in others the gap has widened. In any event, it is clear that an exercise of this type is necessary in order to arrive at a better understanding of the process of poverty reduction and in order to determine whether there are groups that are lagging behind the overall trend.

Factors associated with poverty reduction in the region

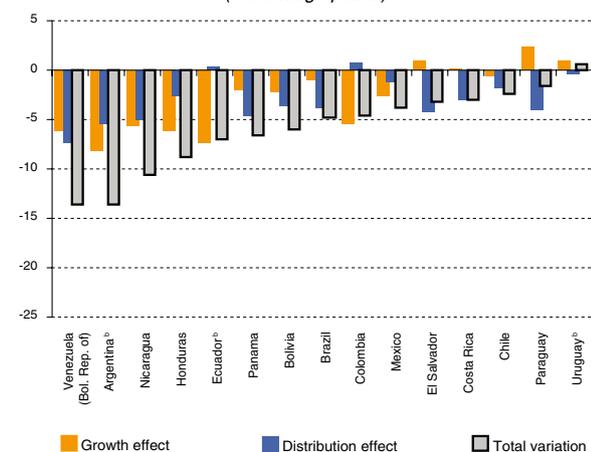
The relationship between the variation in household income and its impact on the poverty rate may be analysed by examining, on the one hand, the increase in the average income of individuals, or the “growth effect”, and, on the other, changes in the way in which that income is distributed, or the “distribution effect”.

On this basis, much of the progress made in alleviating poverty and indigence in Latin America in 2002-2007 is

attributable to an increase in average household income. This is especially true in the countries that have achieved the highest percentage-point reductions in poverty. Nevertheless, the parts played by the growth and distribution effects in the various countries of the region have differed, and improvements in income distribution have been the main cause of the reductions in poverty and indigence achieved in a number of countries.

Higher average income has been the main factor in diminishing poverty and indigence in Argentina (urban areas), Bolivarian Republic of Venezuela, Colombia, Ecuador (urban areas), Guatemala, Honduras, Mexico and Nicaragua, which are, moreover, among the countries that have achieved the most significant improvements in poverty and indigence rates during the period under consideration. In the case of Bolivia, Brazil, Chile, Costa Rica, El Salvador and Panama, more than half of the decrease in poverty and indigence rates has been due to the distribution effect (see figure 3).

Figure 3
LATIN AMERICA (15 COUNTRIES): GROWTH EFFECT AND DISTRIBUTION EFFECT OF CHANGES IN POVERTY AND INDIGENCE LEVELS, 2002-2007^a
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the relevant countries.

^a The Dominican Republic has been omitted as well as Guatemala (under indigence) because the disaggregated results are not significant.

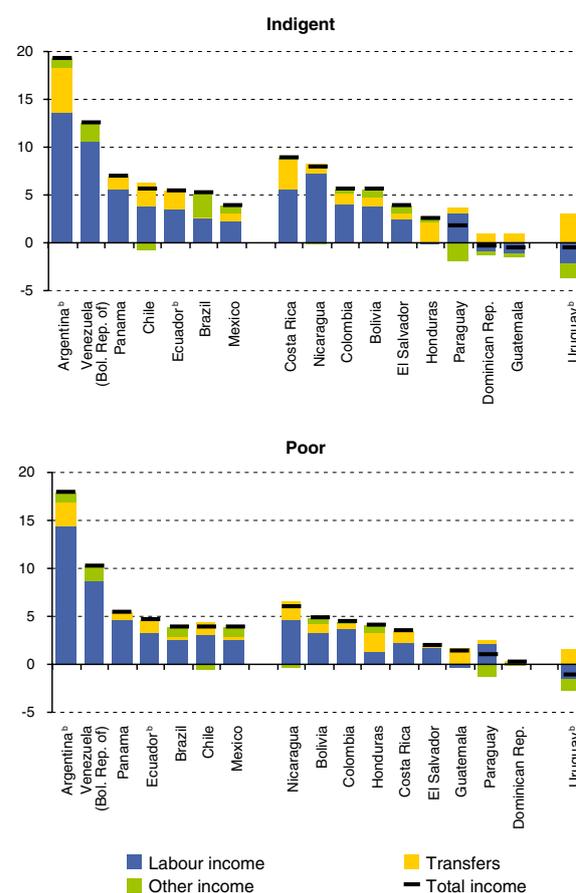
^b Urban areas.

Nevertheless, even in the countries where the distribution effect was the predominant factor, the progress that was made would have been considerably less if it had not been supplemented by improvements in distribution. In fact, there are few countries where the increase in average income corresponds to more than three quarters of the reduction in poverty and indigence. This is the case in Colombia, Ecuador and Guatemala. In the other countries in which the growth effect has been predominant, the change in distribution accounts for between 30% and 40% of poverty reduction and for somewhat higher percentages in the case of the decline in indigence levels.

The variation in total household income may also be analysed on the basis of the change in the main sources of income, namely: labour income, government transfers, private transfers, capital income and other income. This analysis indicates that between 2002 and 2007, labour income accounted for most of the variation observed in

the average household income of lower-income groups. In particular, in the seven countries with the most significant poverty rate reductions, the increase in labour income accounts for approximately 77% of the growth in total income (69% in the case of indigent households). Labour income was also the most important factor in the variation in total per capita income of poor households in the other countries. In Bolivia, Colombia, Costa Rica, El Salvador, Nicaragua and Paraguay, no less than 65% of the change in total income stemmed from the increase in labour income. Guatemala and Honduras were the only countries in which, this source played a smaller part and, in Guatemala, the pattern of variation was actually the opposite of what it was in the case of the other sources (see figure 4).

Figure 4
LATIN AMERICA (17 COUNTRIES): ANNUAL INCREASE IN TOTAL INCOME PER PERSON AND CONTRIBUTION OF EACH SOURCE TO INCOME OF INDIGENT AND POOR HOUSEHOLDS, 2002-2007^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

^a Countries are grouped in three categories on the basis of poverty trends from 2002 to 2007: significant reduction, no change or significant increase.

^b Urban areas.

The increase in wages was mainly attributable to an increase in labour income per employed person, in particular in the countries that reduced their poverty rates the most. In countries where there has not been any substantial decline in

poverty levels, labour income per employed person has also had an impact, although in most cases it has been less of a factor than the net employment rate (number of employed persons over the number of economically active persons).

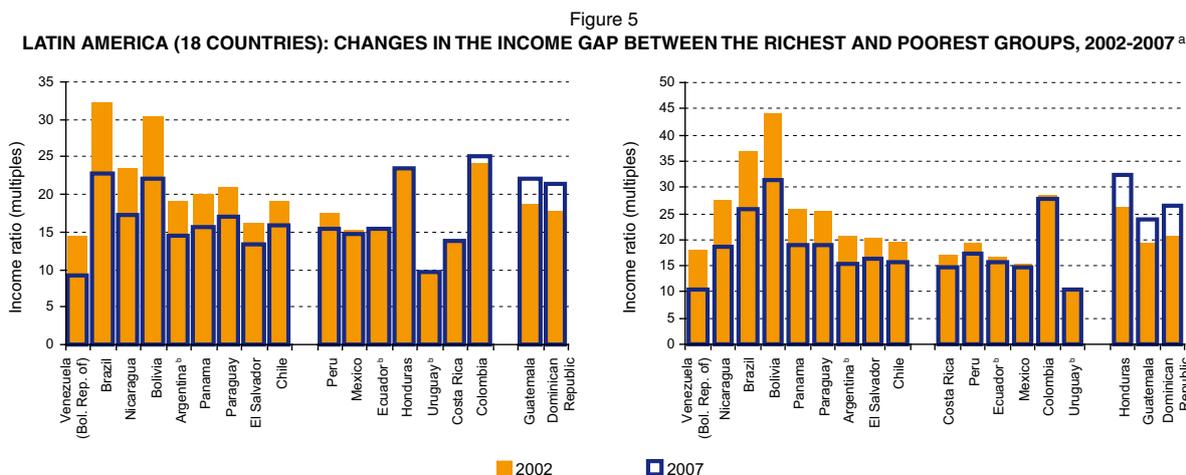
Recent changes in income distribution

Income distribution is still more unequal in Latin America than anywhere else in the world. Improving the distribution of income and other assets will therefore continue to be one of the most important tasks facing the region in the years ahead. The huge gaps between rich and poor that exist in the Latin American countries can be seen by comparing the ratios between the highest-income decile and the four lowest-income deciles and between the fifth quintile (i.e., the 20% of households at the upper end of the spectrum) and the first quintile. According to the first of these two indicators, average per capita income in the tenth decile is about 17 times higher than among the poorest 40% of households. This ratio varies considerably from one country to another, from 9-to-1 in the Bolivian Republic of Venezuela and Uruguay, to 25-to-1 in Colombia. Per capita income in the richest quintile is on average 20 times higher than it is for the poorest quintile and ranges from 10 times higher in Uruguay to 33 times higher in Honduras.

Changes in the structure of income distribution between 2002 and 2007 reveal three clearly distinct situations. Nine countries (Argentina, Bolivian Republic of Venezuela, Bolivia, Brazil, Chile, El Salvador, Nicaragua, Panama and

Paraguay) have significantly narrowed the gap between the groups at the extreme ends of the spectrum, both by increasing the poorer groups' share of total income and by lowering that of the highest-income households. The most notable reductions in the two aforementioned indicators (36% and 41%, respectively) were recorded in the Bolivian Republic of Venezuela. Significant improvements were also observed in Bolivia, Brazil and Nicaragua, where both indicators fell by about 30% (see figure 5). The second group consists of countries in which income distribution has remained relatively unchanged. These countries are Colombia, Costa Rica, Ecuador, Mexico, Peru and Uruguay. Although the income gap has tended to shrink in most of them, the variations have not been highly significant. Meanwhile, the income gap has widened between the richest and poorest segments of society in the Dominican Republic, Guatemala and Honduras.

Most of the improvements in income distribution were generated by changes in labour income. Higher wage income was in fact the main factor of income growth in the lowest quintile. This also applied to some extent in the highest quintile, where a small increase in wage income was partially or totally counteracted by decreases in other sources.



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

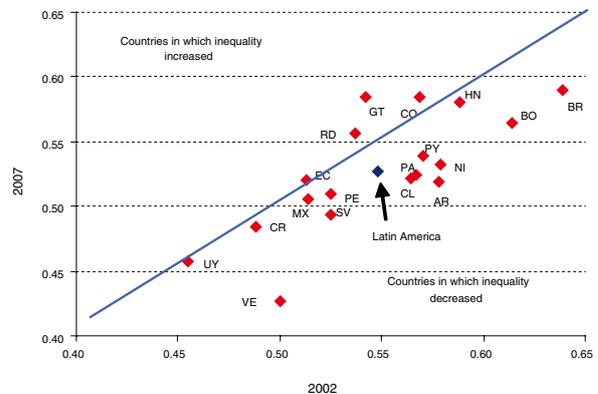
^a Countries ordered by percentage variation in the indicator.

^b Urban areas.

Inequality in income distribution can also be measured using synthetic indices that sum up the situation of income distribution for the whole population in a single indicator.³ The inequality indicators for 2002-2007 corroborate the existence of an overall positive trend in income distribution. In the nine countries mentioned, each inequality indicator fell by at least 5%. Guatemala and the Dominican Republic are the countries in which income distribution worsened notably in the period in question (see figure 6).

A longer-term comparison of Gini indices reveals that current inequality levels are at their lowest since the beginning of the 1990s. Around 1990, the simple average of the Gini indices for the region's countries was 0.532. In 2007, this average, when calculated on a comparable basis in terms of countries and geographical areas, was 0.515. Nevertheless, this represents a decline of barely 3%, which can by no means be interpreted as a significant shift in income distribution patterns in the region.

Figure 6
LATIN AMERICA (18 COUNTRIES): GINI COEFFICIENT, 2002-2007



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

Poverty and perceptions of inclusion and exclusion

The recent agreement between ECLAC and Corporación Latinobarómetro has made it possible to incorporate a long-overlooked element into the analysis, namely, people's perception of social inclusion and exclusion and how that perception is related to the assets they have.

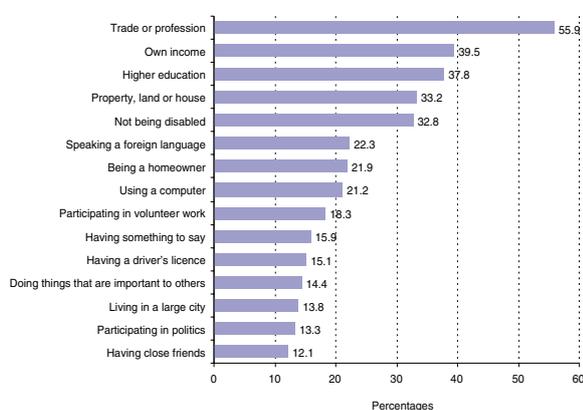
In Latin America, how the very poor (and the rest of the population, for that matter) perceive social inclusion reflects their aspirations for economic autonomy and material well-being and their desire to possess the essential skills needed to get ahead in a knowledge- and information-based society. In 18 countries in the region and across all socio-economic groups, the most frequently cited signs of inclusion are: having a trade or profession, having an income of one's own, owning property and having a post-secondary education. Also, for a large percentage of Latin Americans, and again without answers varying substantially from one socio-economic group to another, speaking a foreign language and knowing how to use a computer are viewed as skills that are necessary in today's society. A large proportion of people also maintain that not having a disability is essential for social inclusion (see figure 7).

³ There are several synthetic indicators, such as the Gini, Theil and Atkinson indices, which differ in, among other things, the relative weight they assign to each aspect of income distribution. They are therefore useful in complementing one another.

Given that the poorest members of society lack most of the elements that contribute to social inclusion, it is not surprising that perceptions and sensations of exclusion are stronger among the poor than among the non-poor. Feelings of loneliness, impotence and disorientation are most common among Latin Americans who live in lower-income households and have lower levels of education. Feelings of exclusion are not linked solely to a lack of material assets, however. Belonging to an ethnic minority that is discriminated against, not participating in conventional institutions and suffering from social isolation are also associated with higher levels of perceived exclusion (see figure 8).

Feelings of exclusion do not substantially lower expectations of social mobility among the poor, however, because these are more closely linked to perceptions of the country's economic prospects. Latin Americans from poorer households who are pessimistic about the country's economic future have lower expectations (the standard of living they expect to attain) than aspirations (the standard of living they think they deserve), while poor people who are optimistic about the future of the economy have higher expectations than aspirations. This suggests that the poorer segments of the population would respond positively to social policies that create opportunities for them.

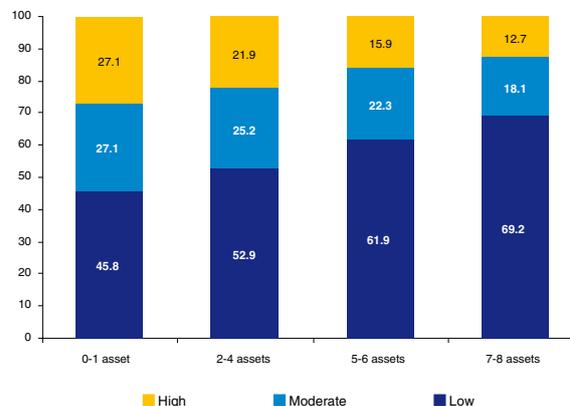
Figure 7
LATIN AMERICA (18 COUNTRIES): WHAT IS NEEDED TO FEEL PART OF SOCIETY, 2007^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the 2007 Latinobarómetro survey.

^a The question asked was: "People can feel included or excluded in society. Which of the following do you think are necessary in order for you to feel part of the society in which you live?"

Figure 8
LATIN AMERICA (18 COUNTRIES): PERCEPTIONS AND FEELINGS OF EXCLUSION, BY HOUSEHOLD ASSETS, 2007^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the 2007 Latinobarómetro survey.

^a The perceptions-of-exclusion index was constructed on the basis of people's agreement or disagreement with the following statements: "sometimes I feel I am a failure," "I have no influence over most problems," "often I feel alone" "sometimes you have to do things that aren't right in order to get on in life," and "life is so complicated that I don't think I will be able to get ahead."

Employment, poverty and the new target of the first Millennium Development Goal

The labour market is the main link between economic growth and poverty reduction. Job creation, increases in real wages (associated with higher productivity) and the coverage and characteristics of the social protection afforded to workers are the mechanisms through which growth is translated into better incomes and well-being

for households with economically active members. A lack of access to quality employment, on the other hand, is a determining factor in poverty and social inequalities that are reproduced over time, as reflected in the stark and persistent income concentration existing in the region.

Overview of regional employment: structural problems and trends

Unemployment in Latin America remains high and, according to data from household surveys, is 2.4 percentage points higher than it was in 1990. However, during the period of sustained economic growth between 2002 and 2006, unemployment rates dropped in the vast majority of urban areas in the region's

countries, following a widespread rise in unemployment during the 1990s (see table 3 and figure 9). The most dramatic reductions were observed in Argentina, Bolivarian Republic of Venezuela, Colombia, Panama and Uruguay, which had all experienced extremely high unemployment up to 2002.

Table 3
LATIN AMERICA (18 COUNTRIES): RATES OF UNEMPLOYMENT, PARTICIPATION, EMPLOYMENT, WAGE LABOUR AND INFORMAL EMPLOYMENT (BOTH SEXES AND MEN AND WOMEN), AROUND 1990, 2002 AND 2006^a
(Urban areas)

	Both sexes			Women			Men		
	1990	2002	2006	1990	2002	2006	1990	2002	2006
Unemployment rate ^b	6.2	10.5	8.6	6.9	12.5	10.4	5.8	9.1	7.1
Participation rate	60.3	64.4	65.8	43.0	51.4	54.2	79.8	78.9	78.9
Employment rate	56.6	57.6	60.2	40.0	45.0	48.6	75.2	71.8	73.3
Wage labour rate	67.5	66.3	67.4	63.9	67.6	68.2	69.7	65.4	66.8
Informal employment rate ^c	48.5	47.2	44.9	54.5	52.6	50.7	45.0	43.5	40.5

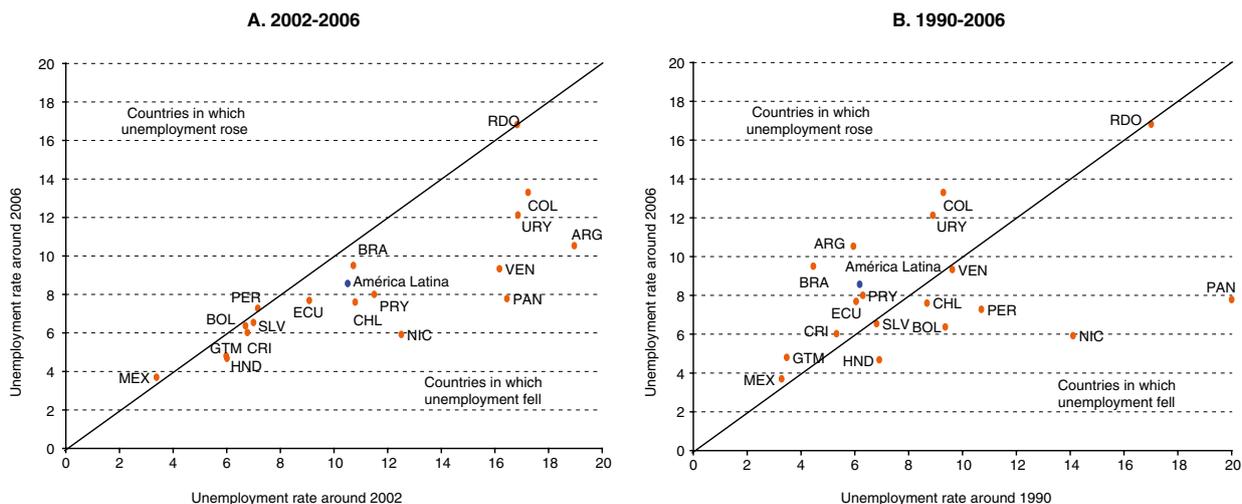
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

^a Weighted average.

^b Unemployment rates derived from household surveys in Colombia, Dominican Republic and Panama include hidden unemployment.

^c Percentage of people employed in low-productivity sectors. The weighted average does not include Colombia.

Figure 9
LATIN AMERICA (18 COUNTRIES): TRENDS IN UNEMPLOYMENT RATES AMONG PEOPLE AGED 15 AND ABOVE, URBAN AREAS, 2002-2006 AND 1990-2006^a
(Percentages)



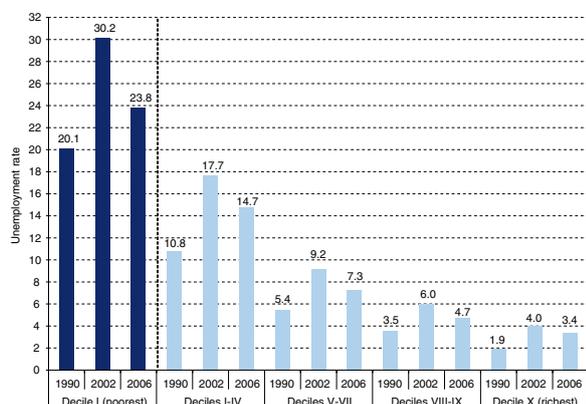
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

^a The regional total is a weighted average. The figures for Argentina refer to Greater Buenos Aires, for Bolivia to the eight main cities plus El Alto, for Paraguay to Asunción and the Central Department, and for the Bolivarian Republic of Venezuela to the national total. Unemployment rates derived from household surveys in Colombia, Dominican Republic and Panama include hidden unemployment. The regional figure does not include Nicaragua because no information on that country was available for 2006.

The region's labour markets continue to exhibit structural problems in terms of equity, as is reflected in the fact that unemployment rates are higher among women, young people and the poor (see figure 10). Although unemployment rates in the poorest decile of households fell from 30.2% to 23.8% in 2002-2006, the gap between that and the wealthiest decile is still over 20 percentage points. The reduction in urban unemployment has not narrowed the gaps between men and women, as unemployment rates remain higher among women. Although youth unemployment declined significantly between 2002 and 2006, it is nonetheless higher than in other age groups and also exceeds the level recorded in 1990.

The labour participation rate is continuing to rise in the region, thanks to the growing incorporation of women into the labour market. The participation rate for women climbed from 51.4% to 54.2% between 2002 y 2006, while the rate for men remained stable at 78.9%. During the period 1990-2006, the participation rate for women increased by 11 percentage points, while the rate for men dropped by almost one percentage point. However, the male participation rate is 25 percentage points higher than the rate for women (see table 3). In this regard, cultural factors related to the division of labour in the household are still a determining factor, especially in the poorest strata: around 2005, the participation rate for women in the poorest decile of Latin American society was 37%, compared with 76% for men.

Figure 10
**LATIN AMERICA (18 COUNTRIES): UNEMPLOYMENT RATES
 AMONG PEOPLE AGED 15 AND ABOVE, URBAN AREAS,
 1990, 2002 AND 2006, BY INCOME DECILE ^a**
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

^a Weighted average. The data for 2006 do not include Nicaragua. Data on the Bolivarian Republic of Venezuela are nationwide figures. Unemployment rates derived from household surveys in Colombia, Dominican Republic and Panama include hidden unemployment.

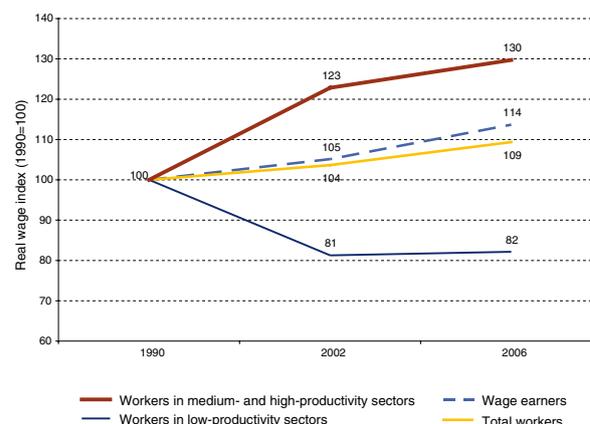
Precarious employment in the region has a high correlation with low-productivity employment, which also tends to be of low quality with limited job security, low wages and lack of access to social security systems. The percentage of informal workers in urban areas dropped from 47.2% to 44.9% between 2002 and 2006 (the trend has been fairly positive since the early 1990s, when the figure was 48.5%). In all the countries except Chile, 40% or more of those who work are own-account workers or domestic workers or are employed in low-productivity and low-income micro- or small enterprises. Of particular concern is the high proportion of women in urban areas who work in low-productivity sectors (50.7%) compared with men (40.5%).

Another indicator to be considered when analysing the quality of employment is the proportion of wage earners among the total number of workers, as shortfalls in this area encourage own-account work but also result in less competitive sectors becoming part of the informal sector (which has a particularly strong impact on contractual relations). In the period 2002-2006, wage labour in urban areas increased by one percentage point to 67.4%, which is higher than the level observed in the early 1990s (see table 3).

Income from employment is another aspect of job quality that is vital for poverty reduction. Variations in this category of income are linked to the behaviour of human capital and patterns of productivity, the competitiveness of the sectors providing employment, and the level of protection and the negotiating power of workers (which in turn is related to factors such as the degree of unionization and the possibility of collective bargaining). According to

household surveys, the labour income of workers in urban areas increased slightly in real terms in 2002-2006, with the regional average rising from US\$ 377 to US\$ 397 per month at 2000 prices (an annual increase of 1.3%). Monthly wages increased at a faster rate (annual growth of 2.0%), climbing from US\$ 350 to US\$ 378 at 2000 prices.⁴ These increases are not in line with the growth of per capita GDP in the region for the same period, which was around 3.3% per year. This is partly because the monthly labour income of urban workers in low-productivity sectors fell from US\$ 345 to US\$ 283 at 2000 prices between 1990 and 2006, widening the gap with formal-sector workers, whose incomes averaged US\$ 493 in 2006 (see figure 11).

Figure 11
**LATIN AMERICA (18 COUNTRIES): TRENDS IN REAL WAGES,
 URBAN AREAS, AROUND 1990, 2002 AND 2006 ^a**



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

^a Some of the years falling between the periods considered above, wage levels have fallen as a result of various crises.

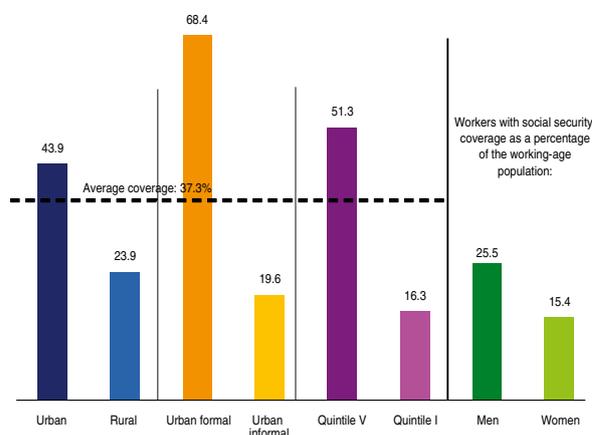
Around 2006, 37% of workers nationwide and 44% of those in urban areas reported that they were paying contributions to social security systems, and these figures have been fairly stable since 2002. These averages nonetheless conceal major differences among countries. In Bolivia, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay and Peru, a third or less of urban workers were contributing to social security systems, while in Chile and Costa Rica, coverage was above two thirds of all workers. These data clearly show that the region's labour markets

⁴ A recent report by the International Labour Organization (ILO) states that, between 1995 and 2006, trends in real wages in 11 of the region's countries had been fairly unsatisfactory, increasing in some cases and falling in others: in Argentina, Brazil, Panama, Paraguay and Uruguay wages declined to varying degrees, while in the Bolivarian Republic of Venezuela, Chile, Costa Rica, Mexico and Peru there were slight increases. Honduras was the only country to post significant wage increases in the period of the study (see ILO, *Evolución de los salarios en América Latina 1995-2006*, Santiago, Chile, October 2008).

have not fulfilled their role of providing universal access to social protection systems. The situation is particularly difficult in rural areas and for informal workers, although this is not to say that urban workers in formal employment automatically enjoy protection. Furthermore, although rates of contributing workers are similar among men and women, a significant gender gap is revealed when the total working-age population is included (rather than just the employed): only 15% of women are members of social security systems, compared with 25% of men (see figure 12).

The low coverage rate of social protection systems in the region's countries is a factor that is largely determined by the level of formality of their labour markets. It is therefore vital to implement policies that create formal jobs for workers who are supporting dependents but have no access to social protection systems. In Latin American countries, the nature of the challenges inherent in introducing such policies depends on the stage of maturity of the labour market (which determines the number of workers funding contributory social protection) and the country's stage of demographic transition (which dictates the level and structure of dependency).

Figure 12
LATIN AMERICA (16 COUNTRIES): WORKERS^a COVERED BY THE SOCIAL SECURITY SYSTEM, AROUND 2006
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

^a Employed workers aged 15 and above who declared labour income. The figure corresponds to wage earners in general in Argentina and the Bolivarian Republic of Venezuela. Simple average.

The new employment target of the first Millennium Development Goal

Employment is a human right that plays a fundamental role in social integration, in having a meaningful personal life and in opportunities to participate actively in society. At the same time, employment is also the engine driving material progress in Latin American households, as labour earnings are the main source of monetary income.⁵ The importance of employment and the close link between the labour market and improvements in people's levels of well-being have recently been recognized by the United Nations as a new target of the Millennium Development Goals (target 1.B): "to achieve full and productive employment and decent work for all, including women and young people". The target was adopted in 2008 and has been included in the first Millennium Development Goal: "to eradicate extreme poverty and hunger". Although this is not a quantitative target with levels to be reached by a certain date, the message for the region's countries is clear: efforts should be focused on improving the

functioning of the labour market in order to generate quality employment, as this represents the main means of reducing poverty and inequality.

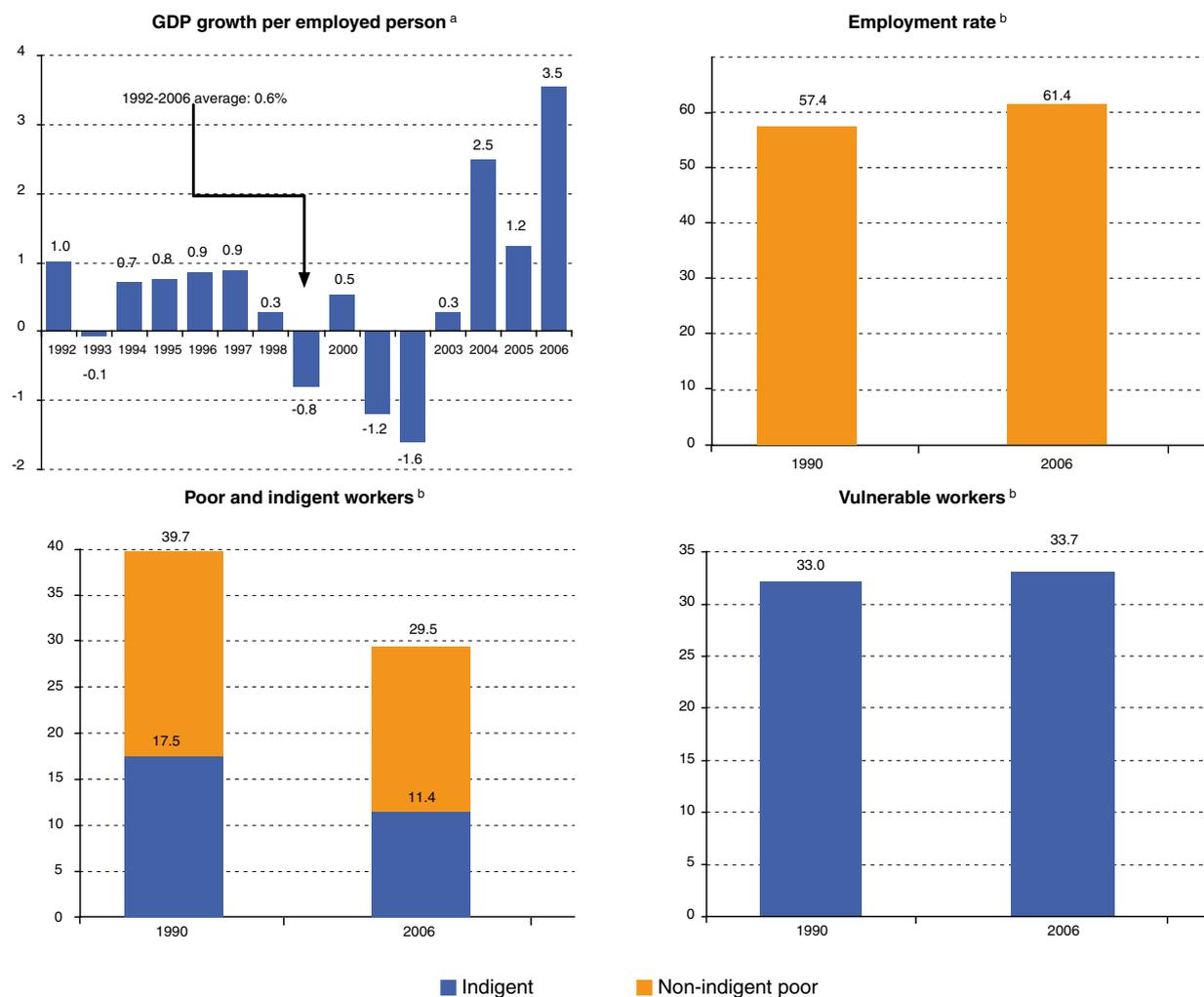
Measuring complex concepts such as full and productive employment and decent work as part of the new target is a major challenge. There are four official indicators to be used to monitor the new employment target, with two focusing on income as a part of decent work:

- 1.4 Growth rate of GDP per person employed
- 1.5 Employment-to-population ratio
- 1.6 Proportion of employed people living on less than US\$ 1 (PPP) per day
- 1.7 Own-account and contributing family workers as a proportion of total employment

Between 1990 and 2006, the regional trends for three of the four indicators were positive: labour productivity and the employment rate increased, while poverty among the employed fell. However, the vulnerability of workers (measured as the proportion of the employed who are own-account workers and unpaid family workers) remained stable (see figure 13).

⁵ Around 2006, 79% of total household income in urban areas of Latin America came from the participation of members of the household in the labour market.

Figure 13
LATIN AMERICA: TRENDS IN INDICATORS USED FOR MONITORING THE NEW EMPLOYMENT TARGET OF THE FIRST MILLENNIUM DEVELOPMENT GOAL, 1992-2006, 1990 and 2006
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries, and United Nations, Millennium Goals Indicators [online] <http://mdgs.un.org/unsd/mdg/>.

^a Simple average.
^b Weighted average.

Productive employment is one of the elements that make up the concept of decent work, and it is a fundamental factor in poverty reduction. The first indicator for monitoring the new employment target of the first Millennium Development Goal is therefore the growth rate of GDP per person employed, which can be used to assess whether the country's economic conditions are able to generate and sustain opportunities for decent work with fair and equitable wages. Countries that successfully increase productivity are expected to see lower poverty, and this correlation will be even more apparent in countries with more equitable income distribution, where the impact of increased production should reach low-income groups more quickly. In Latin

America, however, the slow growth of labour productivity since the beginning of the 1990s has failed to contribute to the reduction of extreme poverty. Between 1992 and 2006, value added per job grew at an annual average rate of 0.6% for the 18 countries of Latin America.

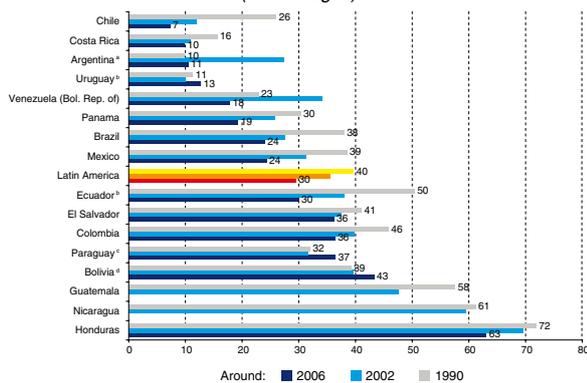
The link between increased productivity and poverty reduction is even stronger when the productivity gain goes hand in hand with job creation. The second indicator for monitoring target 1.B is therefore the employment rate, defined as the proportion of the working-age population that is employed. This measures both labour-market participation and the economy's capacity to absorb the workforce.

The employment rate in Latin America rose between 1990 and 2006, mainly because of women entering the labour market. During this period, employment rates fell among men and edged up slightly among young people. The latter was the net effect of two contrasting phenomena: fewer employed people among the male population and higher employment rates among young women.

The proportion of employed people living on less than US\$ 1 (PPP) per day reflects a key element of the lack of decent work worldwide: if workers do not generate enough income to pull themselves and their families out of extreme poverty, their jobs can hardly be called “decent”. In Latin America and the Caribbean, the percentage of employed people living on less than US\$ 1 per day fell by just over three percentage points, from 11.6% in 1997 to 8.0% in 2007.

Based on the method traditionally utilized by ECLAC, indigence and poverty rates for employed persons were calculated using individual poverty lines for each country. These calculations show that large groups of workers are still poor: in Chile and in Honduras, between 7% and 63% of workers live in poverty, and between 1% and 40%, respectively, are indigent. The regional trend was positive between 1990 and 2006, with the percentage of poor workers falling from 39.7% to 29.5% and the percentage of indigent workers dropping from 17.5% to 11.4%. In most countries the percentage of poor workers fell throughout the period: there was a reduction of 18 percentage points in Chile and a drop of 14 percentage points in Brazil and Mexico. The exceptions were Argentina and Uruguay, where poverty among the employed increased slightly, and Bolivia and Paraguay, where the poverty rate for workers rose by around four percentage points (see figure 14).

Figure 14
LATIN AMERICA (16 COUNTRIES): POVERTY RATE AMONG
THE EMPLOYED, NATIONWIDE TOTALS,
AROUND 1990, 2002 AND 2006
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

^a Greater Buenos Aires.

^b Urban areas.

^c Asunción and the Central Department.

^d Eight major cities plus El Alto.

The proportion of own-account and family workers within the total employed population can be a useful means of identifying persons in a vulnerable employment situation, as workers in these categories are less likely to have access to social protection. Vulnerable workers have no social protection system or safety net to protect them when labour demand is slack, and they are often unable to save enough money to see themselves through such situations so that they can avoid slipping below the poverty line. The percentage of vulnerable workers in Latin America rose from 33.0% in 1990 to 33.7% in 2006 (the rate increased to 35.0% between 1990 and 2002 but subsequently fell). Vulnerable forms of employment increased among both men and women. In most Latin American countries (the exceptions are Brazil, Chile, Colombia, Panama and Uruguay), the percentage of own-account and unpaid family workers is higher among women than among men. As with other indicators, national averages conceal sharp geographical differences: in rural areas (where own-account and unpaid family workers tend to account for over 50% of the employed), vulnerable workers are much more common than in urban areas (where around 30% of workers are vulnerable).

To monitor the employment target at the regional level, it may also be useful to quantify the relative significance of the three main factors associated with increases in per capita household income (the first two of which are directly related to target 1.B): the number of employed people in relation to the total number of household members (or “overall employment rate”), labour income per employed person (representing labour productivity) and income from non-labour sources. This methodology shows that the way in which growth leads to changes in the monetary resources of members of poor households depends on the quantity and quality of jobs created, increases in wage and non-wage income, and transfers of resources from the State through social programmes.

The results are summarized in table 4, which shows that between 1990 and 2006 the main factors behind increases in per capita income in indigent households were the proportion of total household members who are employed and non-labour income.⁶ Since 1990, labour income per employed person (which is related to productivity) increased in indigent households only in Brazil, Chile and the urban areas of Ecuador, while it fell or remained unchanged in the other countries. This is due to the poor performance of the labour market in 1990-2002, when the average pay levels of wage earners and independent (own-account) workers in indigent households either fell or remained constant in all countries except Brazil.

⁶ Changes in these two factors, as well as in labour income per worker, refer to deciles that were below the indigence line at the beginning of the period.

Table 4
LATIN AMERICA (16 COUNTRIES): TRENDS IN THE OVERALL EMPLOYMENT RATE, LABOUR INCOME PER WORKER (PRODUCTIVITY) AND NON-LABOUR INCOME IN DECILES THAT INCLUDE INDIGENT HOUSEHOLDS, AROUND 1990-2006

Countries ^a	Indigence in around 1990 ^b	Overall employment rate ^c	Labour income per worker ^d	Non-labour income ^e	Indigence in around 2006 ^b
Chile	12.9	+	+	+	3.2
Brazil	23.3	+	++	++	9.0
Ecuador ^f	26.0	+	++	+	12.8
Mexico	18.6	++	-	+	8.7
Panama	19.2	+	=/+	+	11.7
Guatemala	43.4	++	-	++	31.5
Costa Rica	9.8	=/+	=/+	+	7.2
Colombia	25.8	=/+	=/+	+	20.2
El Salvador	21.6	+	--	++	19.0
Bolivia ^f	22.8	++	-	=/+	18.5
Honduras	60.6	++	--	++	49.2
Venezuela (Bol. Rep. of)	14.6	++	=/+	-	9.9
Paraguay ^g	12.7	=/+	-	+	15.2
Uruguay ^f	3.4	=/+	-	+	4.2
Argentina ^g	5.2	+	--	+	6.7
Dominican Republic	14.8	+	--	-	22.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

Note:

++ Significant advance

+ Advance

=/+ Unchanged / advances and declines

- Decline

-- Significant decline

^a Countries are shown in order of the annual reduction in indigence, estimated on the basis of the following formula: $ARI = ((FP-IP) / IP) * 100 / y$, where ARI = annual reduction in indigence, FP = final percentage of indigence, IP = initial percentage of indigence and y = number of years in the period.

^b These percentages may not correspond to those appearing in the Social Panorama of Latin America, 2007 owing to a different treatment of domestic service. For Guatemala, adjustments were made in the way the data were processed in order to adjust for the lack of measurements that included the population under the age of 10 in 1989 and the age of 7 in 2002. Due to issues related to the years in which surveys were carried out, 1990 and 2006 are not included in the poverty figures of all countries.

^c Number of employed persons relative to total household members.

^d Labour income per employed person (productivity).

^e Non-labour income relative to total household members.

^f Urban areas.

^g Metropolitan area.

With few exceptions, overall employment rates helped to raise the per capita incomes of indigent households. Rising employment cannot, however, be interpreted as being entirely attributable to a growing capacity for job creation in the region's economies. The increase is also partly a result of falling total fertility rates and the tendency to form smaller families, which have both reduced the number of

members (the denominator of the overall employment rate) in households with low per capita incomes. Furthermore, changes in the age structure of the population have increased the proportion of working-age people in households, while the growing incorporation of women into the labour market has raised the average number of workers per household (the numerator of the rate).

Employment situation of young people and women

The recommendation made at the World Summit in 2005 to explicitly include an employment target in the first Millennium Development Goal is based on a recognition of the fact that employment is one of the main mechanisms for accessing well-being and for overcoming poverty and the associated deprivation. The fact that the recommendation emphasizes the importance of monitoring employment indicators, especially among

young people and women, is an acknowledgement of the valuable economic and productive contribution that both groups make to society and of their disadvantageous position in this regard. Young people and women have particular difficulty in obtaining employment and are vulnerable to various forms of discrimination which may make it more likely that they will end up in low-quality and low-paid jobs.

Labour participation of young people and women

Between 1990 and 2006, labour-market participation among people between 15 and 29 years of age rose slowly but steadily from 59.4% to 62.8%. This was the result of two major trends: a slight reduction in the participation of young men and a strong increase in that of young women (mainly those aged 20 and above). The first was mainly attributable to the expansion of education systems and higher retention rates among younger students. The second trend reflects the gradually increasing participation of women in the labour market, which in the period under consideration rose from 40.7% to 53.2% in the region as a whole.

Furthermore, unemployment rates among young people are usually high and often increase dramatically in times of crisis as they move into the labour market to supplement household income (see figure 15.A). In 2006, the youth employment rate was around 12.9%.

Unemployment rates are highest among the poorest young people. Around 2005, the average unemployment rate among young people in the lowest per capita income quintile was just over 24%, while the rate dropped to 6.6% for young people in the top quintile.

Another of the most striking disparities in terms of unemployment among young people is the difference between the rates for males and females. Gender is clearly still a criterion that influences which people are selected for

jobs, and this is a factor that affects women throughout their productive life cycle: in 2006, the overall unemployment rate for women (9.4%) was 56% higher than it was for men. High rates of youth unemployment are largely attributable to the higher jobless rates for young women.

The position of young people and women in the labour market

Young people tend to have lower-quality jobs than adults, and women's jobs tend to be of lower quality than those of men. A larger proportion of the members of both groups work in low-productivity sectors, in low-paying jobs in which working conditions are poor and which often do not provide health-care or social security benefits.

The proportion of own-account workers among young people has remained stable at around one in four. Among women, the proportion increased slightly from 34.1% to 35.9%, even during the post-2002 recovery.

Despite these trends, employment in low-productivity sectors dipped somewhat between 1990 and 2006 among both men and women and both young people and adults. Around 2006, half of Latin American workers (51%), or almost 67 million people, were employed in low-productivity sectors. A higher proportion of women are employed in low-productivity sectors throughout their lifetimes (see figure 15.B).

Figure 15

LATIN AMERICA (18 COUNTRIES): RATES OF UNEMPLOYMENT AND INFORMAL EMPLOYMENT, BY AGE GROUP AND SEX; LABOUR INCOME, BY AGE GROUP, SEX AND LABOUR CATEGORY; AND GENDER PARITY INDEX, NATIONAL TOTAL, AROUND 2006^a
(Percentages, dollars at 2000 prices and ratio of women's to men's incomes)

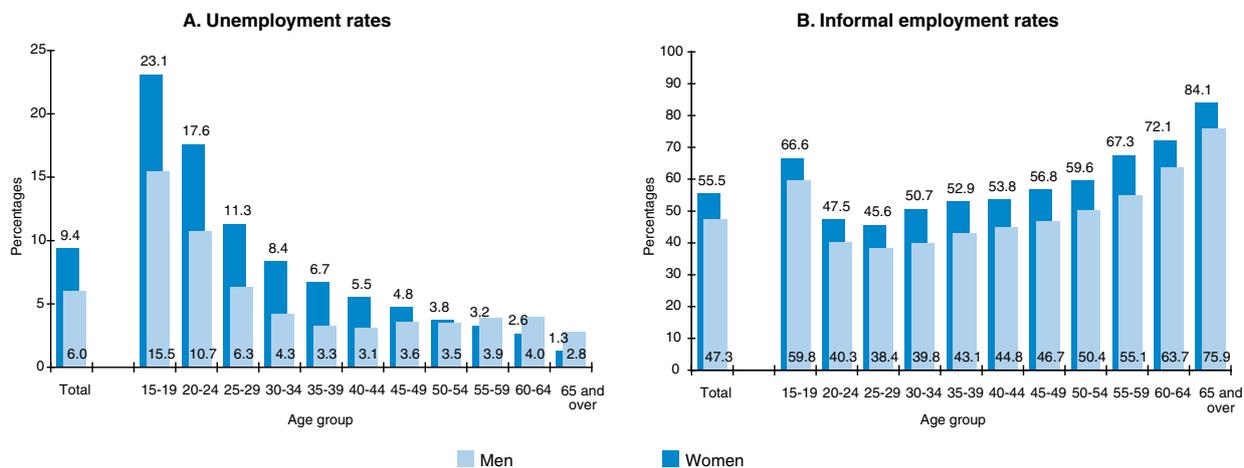
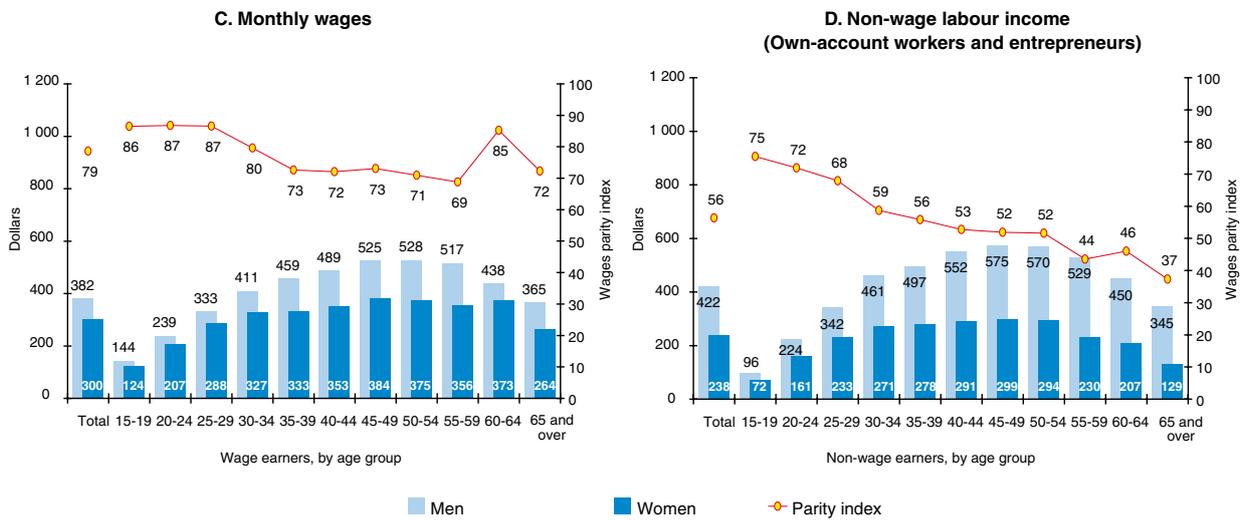


Figure 15 (concluded)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.
^a Weighted average of countries at the national level. The figures for Argentina correspond to Greater Buenos Aires, for Bolivia to eight major cities plus El Alto, for Ecuador and Uruguay to urban areas and for Paraguay to Asunción and the Central Department. Does not include Colombia.

There has been a significant deterioration in the situation with regard to social protection. Informal hiring and the use of atypical contracting procedures that do not include social security and health benefits have become more widespread in the region’s countries. Young people are particularly subject to such practices: between 1990 and 2006, the proportion of wage earners between the ages of 15 and 29 who had social security coverage fell from 61% to 53%. Women’s situation has deteriorated the most, as the percentage of social security coverage among female wage earners dropped from 74% to 62%.

There have, however, been some regional improvements in terms of labour income. These improvements have benefited young people to a certain degree, as their labour incomes rose by 21.4% (compared with 19.4% among adults). Women’s incomes have increased by more than men’s, especially among non-wage workers (the increase in this group’s labour income was 38%). This has slightly

narrowed the wide wage and income gaps between young people and adults and also (to a somewhat greater extent) between men and women. This having been said, the gaps are still substantial: among wage earners, the gender difference in employment rates is as much as 21%, and this increases with age, as does the income gap (see figure 15.C); among non-wage workers, the differences are even larger (44%) and become even greater among older age groups (see figure 15.D).

In conclusion, an improvement in the quality of the jobs held by a large portion of the workforce, especially its poorest members, is imperative. This will entail providing sufficient wages, stable contracts, safe working conditions, access to health care and social security coverage. Achieving full and productive employment and decent work in the countries of Latin America is key to reducing poverty and income inequality, whose roots lie in the way in which the labour market operates.

The demographic dividend: an opportunity to improve coverage and progression rates in secondary education

Demographic transitions represent important turning points in terms of development opportunities. While they do not create such opportunities, they clearly do influence them and pose challenges for their realization. It is therefore important to consider the timing of demographic transitions in the region and the ways in which they can be taken advantage of in order to maximize the impact of investment and social expenditure. All the countries of Latin America are now going through a favourable stage known as the “demographic bonus” or “demographic dividend”, in which the proportion of people in the potentially productive age bracket grows steadily relative to the number of people of potentially inactive ages (children and older persons). Owing to the unevenness of demographic change, however, this window of opportunity is beginning to close for some countries whereas in others it has just begun to open up.

The benefits associated with this period do not accrue automatically. They are subject to the adoption of macroeconomic policies that will encourage productive investment, increase employment opportunities and promote a stable social and economic environment conducive to sustained development. In particular, they require major investments in human capital, especially in the education of young people, to increase their productivity and thereby strengthen the positive effects of the demographic dividend.

A positive demographic impact on the education sector is already apparent in most of the countries. In the coming decades, not only will demand for primary education continue to decline, but so will demand for secondary education, relatively at first, but subsequently in absolute terms. During this period, governments will have the opportunity to pursue ambitious goals for increasing coverage and quality in secondary education.

Generating more opportunities for young people, as well as investing in their education and health and in the creation of productive jobs, during the period corresponding to the demographic dividend will constitute a unique opportunity to prepare for the future. This is because the fruits of such investments are essential for achieving the savings and productive leaps forward needed for dealing with the exponential increase in costs which will accompany society’s inexorable

ageing. In particular, the demographic bonus opens up an opportunity for moving towards universal coverage for secondary education in conjunction with on-time progression. While this achievement depends mostly on countries’ efforts as regards investments and the quality of policies, the demographic dividend undeniably boosts the impact of those efforts, as will be discussed in the present section.

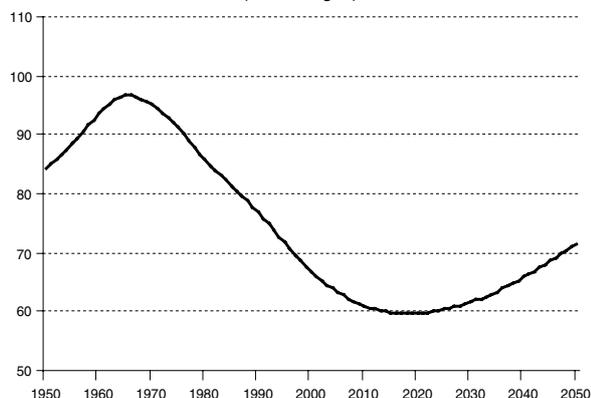
The countries of Latin America are at differing stages in the demographic transition, given their varying fertility rates and life expectancy. Despite those differences, Latin America in general is experiencing demographic transition dynamics at higher rates than those experienced in the past by the industrialized countries. In other words, changes in the age structure of the population, especially ageing, are occurring more quickly in Latin America than they did in the industrialized countries.

During the initial stage of demographic transition—during which mortality, especially among children, has fallen but fertility remains high—the region’s population remained very young and even became somewhat younger as a result of the growing proportion of children. Beginning in the mid-1960s, the continuing fall in fertility and a sustained rise in life expectancy led to the start of a gradual ageing of the population as the more numerous generations progressed through the life cycle.

Since people’s economic behaviour depends on the stage they have reached in the life cycle, changes in the age structure tend to have a major impact on economic development. This is reflected in trends in the dependency ratio, which relates the numbers of people in potentially inactive age groups (under 15 years and over 60 years) to the population in potentially active age groups (15-59 years).

The average dependency ratio in Latin America is estimated to have risen in the period between 1950 and the mid-1960s owing to the relative increase in the child population; subsequently, it began to decline steadily as fertility rates fell. This marked the beginning of the demographic dividend. The dependency ratio (i.e., the ratio of members of potentially inactive age groups relative to members of potentially active ones) is projected to continue falling until about 2020, when it will begin to rise slowly as a result of the relative increase in the older population (see figure 16).

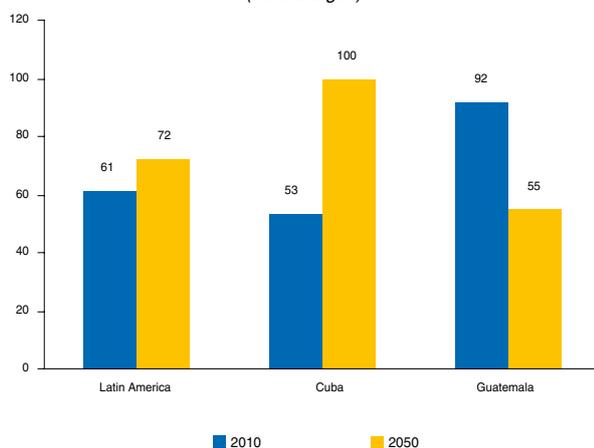
Figure 16
LATIN AMERICA: DEPENDENCY RATIO, 1950-2050
 (Percentages)



Source: Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, population estimates and projections, 2007.

While the Latin American countries generally match this model in formal terms, the rates of change that they are experiencing vary considerably. The dependency ratio shows a downward trend in the countries which are the farthest back in the transition process, but a clear uptrend in those which are farthest ahead. A comparison of the extreme cases of Cuba and Guatemala clearly reflects the diversity of demographic situations in the region. As figure 17 shows, Cuba's dependency ratio is expected to practically double by 2050 (from 53 to 100 inactive persons per 100 active persons), but in Guatemala the ratio is expected to be nearly halved.

Figure 17
LATIN AMERICA, CUBA AND GUATEMALA: DEPENDENCY RATIO, 2010 AND 2050
 (Percentages)



Source: Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, population estimates and projections, 2007.

On average, the Latin American population is currently in the second—the most favourable—stage of the demographic transition, in which the dependency ratio tends to be relatively low and continues to fall.⁷ While the countries of the region show little difference as regards the onset of the demographic dividend, the extent and duration of its different phases vary significantly.

Generally speaking, the countries which are most advanced in the demographic transition have a shorter dividend period left than countries that are further behind in the process. In Cuba and Chile, for example, the dividend is expected to end some time in the first quarter of this century, but it should last until 2062 in Bolivia and 2069 in Guatemala.

Although the duration and magnitude of the demographic dividend vary greatly among the Latin American countries, trends for the secondary-school age group through the various stages of the demographic dividend tend to follow a similar pattern in all of the countries. This population generally increases considerably during the initial stage of the dividend, as large groups of children move into adolescence. This leads to a series of demands on public policy, especially in terms of providing quality secondary education and creating enough jobs to make good use of a growing supply of increasingly well educated and trained labour.

As countries move through the period of the dividend, the secondary-school age group stabilizes and then begins to decrease, first in relative and later in absolute terms, which provides a unique opportunity to extend coverage and improve the quality of schooling provided at the secondary level. This increases the amount of possible investment per secondary-school pupil, as pressure on public spending from the older population is still relatively low because this group has yet to reach its highest rate of expansion.

Although the downward trend in the secondary-school-age population will tend to continue beyond the period of the dividend in all countries, by this point the situation will be less propitious for investment in education because the process of population ageing will have increased demand for public spending in other areas, such as health care and pensions.

⁷ There is no exact measurement of the beginning and ending points of the demographic dividend, and its definition in terms of the dependency ratio may vary. In this study, the period corresponding to the demographic dividend has been subdivided into three phases. In the first of these phases, the dependency ratio declines but is still fairly high (above 2:3, i.e., two dependents for every three persons in economically active age groups). In the second, the dependency ratio falls below 2:3 and continues to decrease. In the third and final phase, the dependency ratio begins to rise as the proportion of older persons increases, but is still below 2:3.

Given the current economic, social and demographic conditions in Latin America, the countries of the region should focus their efforts on achieving significant advances in secondary education, since the demographic dividend offers an opportunity for governments to adopt increasingly ambitious targets for that level of education.

Such efforts are essential for development in a number of ways. First, because completion of secondary education marks a crucial threshold as regards rates of return on education and future working careers, it will enable large groups of people to escape from poverty or to avoid lapsing into it. Second, widespread completion of secondary education may be expected to have a positive impact on equality of opportunities. Third, this achievement entails a qualitative leap forward in terms of society's human capital and can therefore be expected to pave the way for future growth on the basis of greater competitiveness. Lastly, a higher level of education is an important resource for full citizenship in a knowledge society.

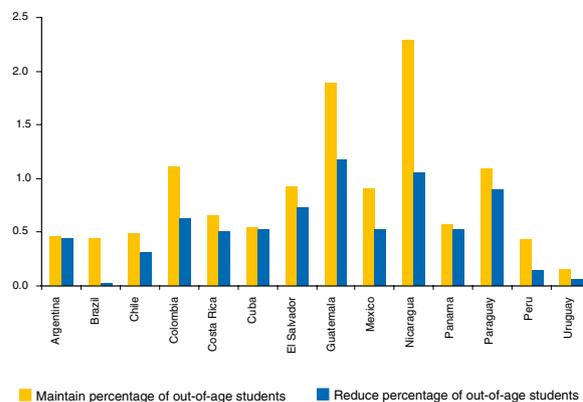
Although access to primary education in the Latin American countries is almost universal, many of them will need to make additional efforts to achieve that goal, especially because of their high repetition and dropout rates. Under these circumstances, considerable numbers of children will not reach secondary school at the appropriate age, which, in turn, undermines efforts to improve the coverage of secondary education.

While there are targets that remain to be attained at the primary level, the countries should seek to achieve those relating to the secondary level as soon as possible. On the one hand, the fact that the secondary-school age group has greatly increased in numbers means that its many needs, among which education is of vital importance, must be analysed and attended to. On the other hand, quality secondary education is needed to ensure that young people have access to higher-productivity jobs and thus to incomes which will enable them to remain above the poverty line.

To attain the net coverage target of 75% for secondary education by 2010, as agreed at the Summit of the Americas in 1998, calculations based on the demographic situation as of 2005 indicate that the region will need to commit additional expenditure of between US\$ 1.5 billion and US\$ 3.1 billion at current prices, equivalent to a further 0.1% of its total GDP. This is, therefore, an achievable goal. Five of the countries of the region (Argentina, Brazil, Chile, Cuba and Uruguay) have already attained it. Starting from today's demographic situation, most of the remaining countries are close to achieving it.

A higher cost would be involved in reaching the goal of universal secondary-school coverage⁸ in the region; this would entail added spending of between US\$ 8.8 billion and US\$ 17.3 billion. For most of the countries, this target could be reached with spending increases of 0.5% of GDP or less. In some cases, the necessary increase would be greater, but with reductions in out-of-age enrolment,⁹ the cost would fall to about 1% of GDP (see figure 18).

Figure 18
ADDITIONAL INVESTMENT REQUIRED TO ACHIEVE THE TARGET
OF UNIVERSAL SECONDARY EDUCATION, AROUND 2005
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of UNESCO Institute for Statistics, Data Centre 2008 [online] <http://stats.uis.unesco.org/unesco/tableviewer/document.aspx?ReportId=143>.

To move towards an even more ambitious target, the region would need to make an effort not only in the area of coverage but also in terms of increasing its spending per student. Thus, a more logical target for Latin America would be to achieve the average figure for the Organisation for Economic Co-operation and Development (OECD), that is, 93% coverage and spending per secondary-school student equivalent to 17% of GDP per working-age adult.¹⁰ This would mean that the region's total spending level would have to be far more than doubled, with added expenditure of from US\$ 56 billion to US\$ 66 billion at

⁸ This target is used for purposes of the simulation, although there is still some doubt as to whether or not it is actually achievable or even desirable.

⁹ Percentage of out-of-age enrolments in secondary school owing to repetition or other reasons.

¹⁰ This does not mean that the average level of expenditure on secondary education in the countries of the region should be raised to equal that of the OECD countries, but rather that the percentage of GDP per working-age adult should be placed on a par with the percentage for the OECD. Clearly, given the existing differences in GDP, the available monetary resources vary considerably, both between the Latin American and the OECD countries and within Latin America itself.

current prices (4% of GDP).¹¹ It may seem surprising that Latin America would have to spend 4% of its GDP on secondary education to achieve OECD levels of coverage and of spending per student (as a percentage of GDP), since those countries currently spend about 2.6% of their GDP on education. The explanation lies in the favourable demographic structure existing in the OECD countries. As demographic changes move forward in Latin America, the required expenditure will decline as a consequence of the demographic dividend.

Thus, although the cost of achieving the targets relating to secondary education is high within the current demographic context, it may be mitigated by a decrease in the dependency ratio in Latin America in the coming years. A sizeable dividend will result from reductions in the primary-school and secondary-school age groups throughout the demographic dividend period. This currently represents as much as 1.7% of the present value of the countries' GDP, with an average of 0.8% of the present value of the region's GDP. In fact, this dividend is sufficient to cover the cost of attaining the target of universal secondary education in all the countries and would make a significant contribution towards achieving more ambitious goals, such as reaching OECD levels (again, in relative GDP terms).

In the cases of both primary and secondary education, the countries which lag behind the most are also the least advanced in the demographic transition process. These are countries with younger populations which face greater potential demands at the levels of primary and secondary education and which have had to cope with serious constraints associated with their geographical locations. They have only recently begun to reap the demographic dividend. Accordingly, from this point on until the end of the dividend cycle, they will have the opportunity to improve their educational systems through the timely implementation of appropriate policies.

Although the demographic dividend will generate savings in the future, the countries should not wait for it to take effect, but should instead take early action in order to obtain the maximum advantage. Actually, the countries are not going to benefit immediately from the resources freed up by the "educational bonus" since these

resources will be generated with the passage of the entire demographic dividend period in each country. There are, however, a number of reasons why the countries should make efforts to realize the expected future dividend in the present, particularly by investing in secondary education. If future generations are insufficiently educated, this will compromise each country's ability to compete successfully in the globalized economy. Furthermore, the countries would then be less prepared to respond to the pension and the other demands of an ageing population.

In other words, to achieve greater advances in secondary education, the countries of the region could reinvest the entire secondary-education demographic dividend in that system. They could also invest part of the positive balance of the primary-education bonus in the secondary education system, since a smaller population of children with a higher rate of primary-school completion will also make it possible to devote more resources to secondary education. Since these dividends are realized not in the present but in the course of the demographic transition and up to the end of each country's demographic dividend period, each one will need to find a way to make use now of the resources it will save in the future. One possibility would be to redistribute resources over time by borrowing to finance today's investments and then using the proceeds of the demographic dividend to repay that loan later on.

To sum up, the savings associated with the demographic dividend provide the opportunity to adopt more ambitious targets in terms of secondary education. However, demographic changes do not always produce the same results in every case. The experiences of some countries which have already gone through a large part of their demographic dividend periods attest to the fact that achievements are not always proportional to improvements in demographic conditions. Optimizing the potential benefits of this phenomenon calls for special efforts in education policy, and in investment in education, to increase secondary-school enrolment, improve the quality of public-sector service provision, and help areas with lower levels of educational capital to improve effective teaching, progression and completion of the secondary cycle.

¹¹ The top end of this estimate (US\$ 66 billion at current prices) includes current out-of-age enrolment rates, whereas the low-end figure (US\$ 56 billion at current prices) was calculated on the basis of the average out-of-age enrolment rate of the OECD countries.

Youth and family violence in Latin America: the social agenda and inclusive approaches

Violence committed upon and by young people takes the shape of self-inflicted violence, individual violent crimes such as robbery, violence in organized crime, domestic violence, territorial violence, violence motivated by gender and other forms of discrimination, and various types of group violence. This section will primarily discuss the problem of violence, of which young people are among the main victims and perpetrators, from the viewpoint of the material and symbolic social exclusion which, to a great extent, underlies the phenomenon. This form of

exclusion is reflected in inequality of opportunities, a lack of access to employment, alienation among young people who are neither studying nor working, and the gaps between symbolic consumption (images, symbols and information) and reduced material consumption (due to people's lack of incomes of their own), with the consequent frustration of their expectations. Other considerations include territorial segregation, which creates pockets of exclusion and violence, and the lack of public spaces for social and political participation.

Diagnostic analysis

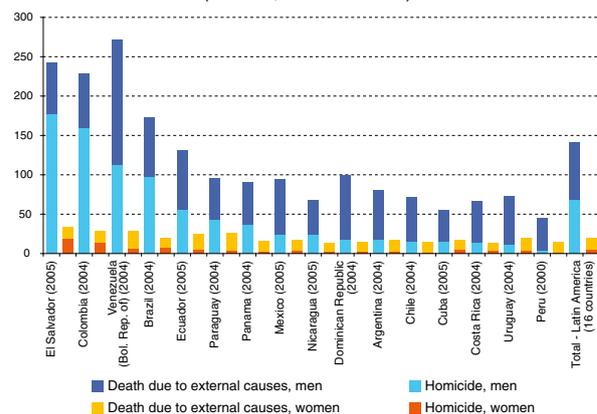
In recent decades the issue of youth violence in Latin America has become increasingly prominent in public debate, government agendas and in forums and conferences held within the international system. Not only has violence grown in most of Latin America in recent years, but young people are also clearly over-represented in terms of the incidence and gravity of violence, as both victims and perpetrators. In many countries in the region, young people are committing violent crimes at increasingly early ages and are dying at increasingly early ages as a result of such crimes. It is therefore a matter of urgency to adopt policies to deal with the causes of this escalating violence among the young.

It is very difficult to measure all forms of violence, but violent deaths among young people constitute one available indicator. The figures show that the incidence of violence among the causes of young people's deaths in Latin America is rising and has a strong gender bias: the rates for young men are more than double those for young women in deaths by homicide, traffic accidents and suicides (see figure 19).

While there is an obvious gender-based difference in the figures on violence among young people, the statistics underrepresent violence against young women in Latin America because such violence is not visible in vital statistics, and society is reluctant to discuss the issue openly. Gender-based violence places a heavy burden on public health systems and is associated with risks related to sexually transmitted diseases. About one in three women in Latin America has been the victim of physical, psychological or sexual violence at the hands of family members. The

World Health Organization (WHO) calculates that, as of 2002, between 10% and 36% of Latin American women had been subjected to physical or sexual violence and that between 70% and 80% of the victims of sexual violence were girl children. In almost half of these cases, the abuser lives with the victim and, in three quarters of them, the abuser is a close relative of the victim.

Figure 19
LATIN AMERICA (16 COUNTRIES): RATE OF MORTALITY DUE TO EXTERNAL CAUSES^a AMONG PERSONS FROM 15 TO 29 YEARS OF AGE, BY SEX
(Per 100,000 inhabitants)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from World Health Organization (WHO), *Health Statistics from the Americas, 2007*, Washington, D.C., 2007; Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC and the United Nations.

^a Vehicular accidents, homicides, suicides, drownings, suffocation and other violent causes of death.

Problems of youth violence as perceived by the authorities

In 2008, ECLAC conducted a survey of the interior ministries of Latin American governments on the subject of policies and programmes for tackling youth violence. The respondents stated that the main problem in relation to violence among young people had to do with organized youth crime, whether in the form of ordinary offences, gang activities, street violence or possession of weapons in particular urban areas in a number of countries in Latin America. Gangs (commonly referred to as *pandillas*, but known as *maras* in Central America and *quadrilhas* in Brazil), rising crime in the countries of the Southern Cone and violence in the Andean countries clearly shows that special-purpose measures for young people are needed. Of particular concern is gang involvement in drug abuse, drug trafficking and human trafficking.

Second, the authorities reported that domestic, intergenerational and partner violence were a major problem. Although the reporting of gender violence has increased, protection for abused children and young people still fall far short of the mark. The respondents' main concerns included self-inflicted violence and violence committed against others in connection with alcohol and drug abuse. The authorities also stated that the greatest problem affecting young people of both sexes was poverty; young males saw unemployment as their worst problem, whereas for young women, the most serious problem was domestic violence. The two sexes are equally affected by addiction to drugs and other substances, the lack of access to education, the absence of social networks and a lack of participation.

Policies and programmes to prevent and control youth violence

The Latin American countries have adopted a variety of approaches in seeking to address the problem of youth violence. These approaches have focused on exposure levels, citizen security, dispute settlement and rights-based perspectives. Based on these various courses of action for reducing youth violence, all of the above-mentioned prevention models are designed to build protective mechanisms for adolescents and young people and to develop their strengths.

The large variety of initiatives in place reflect considerable differences among countries. National programmes are based on multi-layered paradigms for addressing the issues of concern for young people, policies are founded upon varying legislative bases (legal and regulatory structures), the levels of public administration responsible for activities to help young people vary as to their institutional ties, and there are divergences in relation to the type of actions to be conducted by official bodies in each country. Two areas appear to be central to youth policies: a comprehensive approach by government institutions, and policies to support and coordinate initiatives by both official and non-governmental bodies.

The authorities' responses to the ECLAC survey reflect four major areas of reform in national legal provisions: general laws on youth; reforms to codes for the protection of children and adolescents; new legislation on domestic violence and gender equality; and measures relating to the legal responsibility of adolescents and young people. These legislative advances should be carried forward by means of the monitoring and assessment of their implementation and results.

The Latin American countries have a wide variety of policies and programmes for the prevention and reduction of youth violence. These include measures oriented towards civil coexistence and security, the elimination of violence against women and of domestic and intra-family violence; recreation; interventions in schools and educational reintegration for offenders; job training; and health care for adolescents and young adults. The ECLAC study indicates that only a few of the countries have incorporated programmes against youth violence into their national youth systems; in other countries, such programmes come under specialized and sectoral areas.

Assessment of experience

The economic and social costs of violence tend to be greater than the effective cost of programmes for prevention or for the reintegration of young victims and offenders. The earlier society invests in an individual, the greater the chances of preventing violent conduct in adulthood. Preventive and comprehensive investment in young people at social risk has complementary effects in terms of poverty reduction, the build-up of social capital and the prevention of negative externalities. Such investment therefore helps to reinforce the right to social justice and human rights in general.

Assessments of a number of programmes and of the experiences gained in the course of those programmes point to some achievements in the area of inter-ministerial coordination and private- and public-sector networking, but the weakness of the institutions and departments executing the programmes has a negative impact on the dissemination and replication of positive experiences. An analysis of these programmes reveals at least two omissions which make it harder to deal with the problem of youth violence. One of these omissions relates to the implementation of a diverse range of actions without targeting specific sectors among young people. The other has to do with the fact that little or no action is being taken which is focused expressly on children, women and young males living in the streets. Experts recommend that policies to reduce violence should be specific, coordinated, decentralized, participatory and selective. They suggest essential primary preventive measures, together with secondary and tertiary measures and appropriate support for the social reintegration of young people who have been rehabilitated.

In order to address the problem of youth violence, young people need to be recognized as actors and subjects of rights, should be provided with access to assets that will allow them to attain independence, and should be given opportunities for public and political self-affirmation.

The more young people are brought into society and the more they are allowed to exercise their rights as citizens, the more the causes of violence can be mitigated. Within this framework, innovative strategies should take a preventive approach, should be based on community assets and should include a participatory dimension. Programmes of this kind already exist which incorporate national, subnational and local levels of implementation and that are expressly directed towards creating institutional networks for prevention, building awareness, generating knowledge and encouraging participation by young people.

Policies for dealing with the problem of youth violence should maintain high levels of flexibility and adapt to the characteristics of young people and their environment. There is a great deal of evidence which shows that the most effective means of preventing violence is at the local level, where proximity to the young people concerned and the feasibility of working with them is greater and where actions in different sectors aimed at dealing with specific types of violence and their associated risk factors can be coordinated.

Attempts to increase the criminalization of youth violence have failed to show positive results or bring about a reduction in the violence. As a result, there is a growing consensus as to the need to move towards prevention- and rehabilitation-based models. This will entail concrete actions at the time of the first or second offence; separate sections for minors in prisons in order to prevent contact with adult offenders from turning young persons who have had occasional run-ins with the law into repeat offenders; modernizing judicial systems and the administration of justice; and the creation of legislative committees specifically focused on young people's issues in order to modernize the current legislation through broadly-based political agreements.

International agenda

In the international social agenda, emphasis is placed on the seventeenth Ibero-American Summit of Heads of State and Government, whose main theme was "Social cohesion and social policy for the creation of more inclusive societies in Ibero-America". This conference was held

in Chile in 2007 and saw the adoption of the Santiago Declaration, which includes important agreements by the Ibero-American governments on social cohesion, universal access to basic services, gender equity, and protection for young people and vulnerable groups.

Public social spending in the context of the financial crisis and its role as a redistributive mechanism

The countries of the region are currently faced with the need to mitigate the impact of the recent international financial crisis and its worldwide recessionary effects and to minimize its repercussions in terms of jobs and poverty levels.

One of the main challenges is how to use fiscal resource management as an economic reactivation and containment mechanism and as a means of halting the expected deterioration in the social situation. Public expenditure plays a key role in redistributing wealth and in ameliorating substandard living conditions, as well as in boosting some sectors of the domestic economy (such as construction, school supplies, and medical equipment and supplies).

Social security is still the largest public spending item in the region, followed by education and, in third place, health. Most countries' social protection schemes offer limited coverage, provide low-quality benefits and are largely financed by contributions. There are few examples of effective countercyclical social expenditure policies for financing compensatory mechanisms that mitigate social risks when the economy starts to contract.

Social expenditure has become more progressive as the coverage of public services has been expanded to take in more economically depressed or remote geographical areas. Various kinds of social welfare programmes have also been developed to attend to the needs of traditionally excluded population groups. The redistributive impact of social spending (as an income supplement) is highly significant among lower-income segments, which absorb up to half of the available resources. These segments benefit mainly from public education and social welfare programmes and to a lesser extent from access to public health care. Social security expenditure, on the other hand, is highly regressive due to its eminently contributory nature.

As a consequence of the financial crisis and economic slowdown, it is likely that, in the short term, social spending in the region may not increase (as a percentage of GDP) and may lose ground as a macroeconomic priority, although it will probably continue to rise in absolute terms. This will depend, of course, on each country's fiscal revenue projections, the size of its present surplus or deficit, how long it calculates that the crisis and the worldwide recession will last and how the national budget is drawn up (i.e.,

on the basis of past income or according to projected future revenue).

Public social expenditure may become less of a fiscal priority if some of the public resources allocated to social projects are re-channelled into investments in infrastructure to prop up the construction sector. The social areas that are historically more sensitive to changes in the business cycle, such as health and, to a lesser extent, education, will probably be negatively affected as a result. When economies contract, it is investment in these sectors (as well as in housing and basic services) that usually suffers first.

The following courses of action are recommended under these circumstances:

- Implement a countercyclical public expenditure policy, especially in the case of social spending.
- Maintain the principles of universality, solidarity and efficiency as a normative horizon. When resources are in short supply, establish transparent and effective mechanisms for targeting expenditure.
- Strengthen the institutional framework for programmes designed to combat poverty and provide resources for social assistance programmes; lengthen the duration of unemployment benefits, where they exist, and, if possible, broaden coverage to include other potential beneficiaries (non-contributory unemployment insurance).
- Boost public investment in housing and basic services.
- Maintain, as far as possible, the level of public investment in education and health, especially in the case of investment related to the creation and renovation of infrastructure in order to buoy the construction sector.
- Maintain a fiscal reserve for emergency social assistance (employment programmes, the expansion of anti-poverty schemes, food programmes) and for financing public transfers to the redistributive components of pension systems.
- Reinforce the State's revenue-collection capacity (take steps to combat tax avoidance and evasion) and develop new fiscal pacts and social contracts that make it possible to increase receipts (raise taxes) and increase the efficiency and transparency of public resources management.

Chapter I

Poverty, social exclusion and distributive inequality

A. Recent poverty trends

Regional rates of poverty and extreme poverty fell again in 2007, to 34.1% and 12.6% of the population, respectively. Although projections see general poverty continuing to decline in 2008, the same is not expected in the case of extreme poverty, mainly owing to the rise in food prices. Moreover, the international financial crisis that broke out recently could cause a moderate increase in both extreme and general poverty in 2009.

1. The economic situation

The Latin American and Caribbean economy reported positive results in 2007, including 5.7% growth of gross domestic product (GDP), equivalent to per capita output growth of 4.3%. These figures represent a fifth year of continuous expansion, in which per capita GDP has risen from US\$ 3,960 in 2002 to US\$ 4,712 in 2007 (measured in constant 2000 prices).

All of the region's countries recorded a net increase in per capita GDP in 2007, albeit of differing amounts. Some countries grew faster than 7% per year, such as Argentina (7.6%), Cuba (7.3%), Panama (9.4%), Peru (7.6%) and Uruguay (7.2%), while elsewhere growth was weaker: e.g., Ecuador (1.2%), Haiti (1.5%) and

Mexico (2.0%). As many as 12 of the 18 countries in the region posted growth rates at least as high as in 2006 (see table I.1).

As noted in *Economic Survey of Latin America and the Caribbean, 2007-2008*, the regional economy grew in a favourable international setting between 2003 and 2007. In addition to the expansion of the world economy and abundant liquidity on international markets, the rapid industrialization process unfolding in several Asian developing countries, particularly China and India, generated greater demand which boosted the region's export volumes and improved its terms of trade (ECLAC, 2008b).

Table I.1
LATIN AMERICA (20 COUNTRIES): SELECTED SOCIO-ECONOMIC INDICATORS, 2000-2007

Country Year	Per capita GDP (Average annual rate of change) ^a	Urban unemployment Simple average for the period (percentages)	Average real earnings ^b (Average annual rate of change)	Total consumer price index ^c	Country Year	Per capita GDP (Average annual rate of change) ^a	Urban unemployment Simple average for the period (percentages)	Average real earnings ^b (Average annual rate of change)	Consumer price index ^c
Argentina					Haiti				
2000-2005	0.5	15.8	0.0	10.2	2000-2005	-1.9	...	...	19.7
2006	7.4	10.2	8.7	9.8	2006	0.7	...	...	10.2
2007	7.6	8.5	12.1	8.5	2007	1.5	...	...	9.3
Bolivia					Honduras				
2000-2005	0.7	8.0	1.8	3.4	2000-2005 ^g	2.7	6.8	...	8.5
2006	2.6	8.0	-8.0	4.9	2006	4.2	4.9	...	5.3
2007	2.4	7.7	-2.8	11.7	2007	4.2	4.1	...	8.9
Brazil					Mexico				
2000-2005	1.5	9.8	-2.8	8.1	2000-2005	1.7	4.3	2.6	5.3
2006	2.3	10.0	3.5	3.1	2006	3.7	4.6	0.5	4.1
2007	4.0	9.3	1.5	4.5	2007	2.0	4.8	0.9	3.8
Chile^d					Nicaragua				
2000-2005	3.1	9.7	1.6	2.9	2000-2005	1.9	9.5	0.7	7.3
2006	3.3	7.7	1.9	2.6	2006	2.5	7.0	1.3	10.2
2007	4.0	7.1	2.8	7.8	2007	2.4	6.9	-1.8	16.2
Colombia					Panama				
2000-2005	2.2	16.5	1.5	6.7	2000-2005	2.2	15.1	-2.0	1.5
2006	5.5	13.0	3.8	4.5	2006	6.8	10.4	2.0	2.2
2007	6.8	11.4	-0.5	5.7	2007	9.4	7.8	0.9	6.4
Costa Rica					Paraguay				
2000-2005	1.7	6.4	0.3	11.3	2000-2005	-0.4	10.7	-0.1	8.9
2006	6.9	6.0	1.6	9.4	2006	2.4	8.9	0.6	12.5
2007	5.5	4.8	1.4	10.8	2007	4.9	7.2	2.3	6.0
Cuba					Peru^h				
2000-2005 ^e	4.9	3.2	5.9	...	2000-2005	2.7	9.3	0.8	2.1
2006	12.0	2.0	11.6	...	2006	6.3	8.5	1.2	1.1
2007	7.3	1.9	-0.9	...	2007	7.6	8.4	-1.8	3.9
Dominican Rep.^d					Uruguay				
2000-2005	2.2	16.5	...	17.1	2000-2005	0.4	14.7	-3.6	9.6
2006	9.0	16.2	...	5.0	2006	6.8	11.4	4.3	6.4
2007	6.9	15.6	...	8.9	2007	7.2	9.6	4.7	8.5
Ecuador					Venezuela (Bol. Rep. of)^d				
2000-2005	3.5	10.2	...	22.3	2000-2005	0.9	14.8	-2.9	19.6
2006	2.4	8.1	...	2.9	2006	8.5	10.0	5.1	17.0
2007	1.2	7.4	...	3.3	2007	6.6	8.4	1.2	22.5
El Salvador									
2000-2005	0.4	6.6	...	3.5					
2006	2.4	5.7	...	4.9					
2007	2.9	...	...	4.9					
Guatemala					Latin America				
2000-2005 ^f	0.6	5.0	-0.4	7.3	2000-2005	1.5	10.3	0.3	8.2
2006	2.7	...	-1.1	5.8	2006	4.3	8.6	2.5	5.0
2007	3.1	...	-4.6	8.7	2007	4.3	8.0	1.1	6.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

^a Based on per capita GDP in dollars at constant 2000 prices. The 2007 figure is a preliminary estimate.

^b In general, the coverage of this index is very incomplete. In most countries it refers only to formal-sector workers in the manufacturing sector. The 2007 figure is a preliminary estimate. Figures for Latin America represent the simple average variation of the indices in the different countries.

^c Represents a simple average of December-December variations each year.

^d Average urban unemployment corresponds to total national unemployment.

^e The variation in the minimum real wage corresponds to the period 2001-2005.

^f Average urban unemployment corresponds to the period 2002-2004.

^g Average urban unemployment corresponds to the period 2001-2005.

^h Average urban unemployment corresponds to the city of Lima.

Nonetheless, the international economic scenario has changed since 2007, with growth faltering and inflation accelerating worldwide. The rise in international food and energy prices that gathered pace in that year fuelled inflationary forces and, although the process weakened as from the second half of 2008, it was partly counteracted by the devaluation of a number of local currencies. The financial crisis in the United States is affecting—and will continue to affect—the growth of exports and the remittance flows the region has benefited from in recent years. Some current features of the Latin American economies, such as their lesser external vulnerability, greater fiscal solvency and high levels of reserve, should make it possible to implement countercyclical policies to mitigate the effect of external developments on the region's performance. Nonetheless, although it is better prepared to cope with this international situation than in the past, one should not assume that Latin America and the Caribbean is immune to the changes that are taking place, and trends in the second half of 2008 and in 2009 will reflect developments in the current setting. Accordingly, ECLAC forecasts GDP growth of 4.6% for Latin America and the Caribbean in 2008, a figure which, although lower than in 2007, “shows continuity insofar as this would be the sixth consecutive year in which growth would be exceed 3%, an unprecedented achievement, at least in the past 40 years” (ECLAC, 2008b). Nonetheless, recent events can be expected to have a greater effect in 2009, with regional GDP expected to grow by around 3%.

The economic expansion created new jobs and resulted in a 0.5 percentage-point rise in employment. The average rate of urban unemployment in Latin America continued its downward trend in 2007, falling to a level 0.6 percentage points below the 2006 figure and 2.3 points

below the average for the period 2000-2005. Unemployment retreated across the board in all countries, with reductions of more than 1.5 percentage points from the 2006 levels in Argentina, Bolivarian Republic of Venezuela, Colombia, Panama, Paraguay and Uruguay. Mexico was the only country to report a slight rise in the urban unemployment rate during this period, although it is still one of the lowest in the region (see table I.1).¹

The average unemployment rate for the region in 2008 is forecast at 7.5%—a 0.5 percentage-point improvement on the previous year's figure as a result of the continuing upswing. Nonetheless, the growth slowdown expected in 2009 could cause employment to stall and halt the downward trend of unemployment, which may actually rise slightly.

Regionwide, inflation settled around 6.4%, 1.4 percentage points higher than in 2006, thus interrupting the previous downward trend. These figures mainly reflect higher food prices, the poverty-impact of which is reviewed later in this chapter, compounded by high energy costs. These trends intensified in mid-2007 and continued into the first half of 2008. The rest of 2008 saw a slowdown in inflation as international commodity prices fell back; and this pattern is likely to last throughout 2009, given the possible slowdown in the pace of economic activity.

Lastly, average earnings grew slowly in 2007 (1.1% on average compared to the previous year's 2.5%), despite rising in Argentina by over 12%. Real earnings declined by at least 1% in Bolivia, Cuba, Guatemala, Nicaragua and Peru. Progress in 2008 was eroded by higher inflation, and, while the latter is expected to ease next year, weaker job creation associated with slower economic growth means earnings growth is likely to be zero in real terms.

2. Poverty and indigence in the region

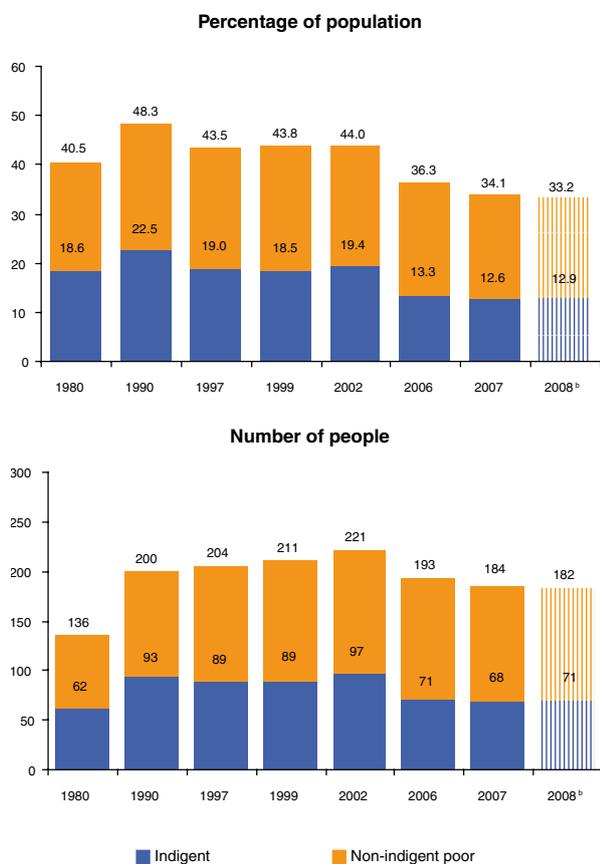
The most recent estimates for Latin American countries, relating to 2007, show that 34.1% of the region's population are living in poverty. Of this proportion, 12.6 percentage points represent those living in conditions of extreme

poverty or indigence, which means that in 2007 a total of 184 million people were poor, of whom 68 million were living in extreme poverty (see figure I.1 and tables I.2 and I.3).²

¹ Chapter II makes a detailed analysis of the employment situation in the region since 1990.

² The approach used to estimate poverty in this report consists of classifying a person as “poor”, when the per capita income of his or her household is below the “poverty line” i.e., the minimum amount needed to satisfy basic needs. In the case of extreme poverty, the line used reflects the cost of satisfying food needs only. For further details, see box I.1.

Figure I.1
LATIN AMERICA: POVERTY AND INDIGENCE RATES, 1990-2008^a
(Percentages and million people)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Estimate for 18 countries of the region, plus Haiti. The figures shown in the orange sections of the bars are the percentage and total number of poor people (plus non-indigent poor).

^b Projections.

Table I.2
LATIN AMERICA: POVERTY AND INDIGENCE RATES, 1980-2007^a
(Percentage of population)

	Poor ^b			Indigent ^c		
	Total	Urban	Rural	Total	Urban	Rural
1980	40.5	29.8	59.9	18.6	10.6	32.7
1990	48.3	41.4	65.4	22.5	15.3	40.4
1997	43.5	36.5	63.0	19.0	12.3	37.6
1999	43.8	37.1	63.7	18.5	11.9	38.3
2002	44.0	38.4	61.8	19.4	13.5	37.9
2005	39.8	34.1	58.8	15.4	10.3	32.5
2006	36.3	31.0	54.0	13.3	8.5	29.2
2007	34.1	28.9	52.1	12.6	8.0	28.1

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Estimate for 18 countries of the region, plus Haiti.

^b Percentage of the population living below the poverty line. Includes people living in situations of indigence.

^c Percentage of the population living below the indigence line.

Table I.3
LATIN AMERICA: POOR AND INDIGENT POPULATION, 1980-2007^a
(Million people)

	Poor ^b			Indigent ^c		
	Total	Urban	Rural	Total	Urban	Rural
1980	135.9	62.9	73.0	62.4	22.5	39.9
1990	200.2	121.7	78.5	93.4	45.0	48.4
1997	203.8	125.7	78.2	88.8	42.2	46.6
1999	211.4	134.2	77.2	89.4	43.0	46.4
2002	221.4	146.7	74.8	97.4	51.6	45.8
2005	209.0	137.9	71.1	81.1	41.8	39.3
2006	193.5	127.0	66.3	70.6	34.7	35.9
2007	183.9	121.0	62.9	67.8	33.9	33.9

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Estimate for 18 countries of the region, plus Haiti.

^b Number of people living below the poverty line. Includes people living in situations of indigence.

^c Number of people living below the indigence line.

The data for 2007 reveal an ongoing trend-reduction in poverty and indigence across the region since 2004. Compared to 2006, poverty declined by 2.2 percentage points, while extreme poverty decreased by 0.7 points. These variations, following those achieved in earlier years, place the poverty and extreme poverty rates 9.9 and 6.8 percentage points below the 2002 figures, which is significant progress.

The retreat of poverty and indigence has also meant a reduction in the number of people living below the poverty and indigence lines, which decreased in net terms by 9 million and 3 million people, respectively, between 2006 and 2007.³ Accordingly, the number of poor people has decreased by roughly 37 million compared to 2002, including 29 million fewer indigent.

If current figures are compared to those for 1990, the situation in the region today is visibly different from 17 years ago. Although much of the Latin American population still lives in conditions of deprivation, the proportion has decreased by 14 percentage points since the start of the 1990s. In the case of extreme poverty, the reduction has been even sharper: whereas one in every two poor people was indigent in 1990, today the ratio is one in three.

The composition of poverty and indigence differs markedly between geographic areas. Of the population living in conditions of general poverty, 34% are in rural zones, compared to half of all extremely poor people. Although this composition has changed very little since

³ As these figures are calculated from cross-section surveys that reflect the situation at a given moment but do not track the same group of interviewees through time, it is possible to ascertain the difference in the number of poor people from one year to the next, but not the dynamic of entering and escaping from poverty that gives rise to that difference.

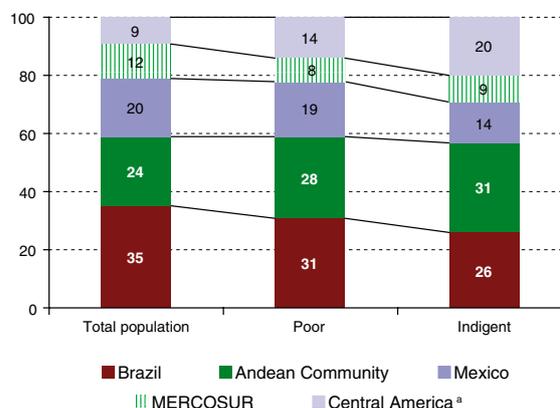
the late 1990s, it is possible to discern a growing trend towards the urbanization of both poverty and indigence (see table I.3).

The contribution made to regional poverty by the various subregions is similar to their share in total population, although the same is not necessarily true in the case of indigence. Of the total number of poor people living in Latin America, 31% are in Brazil, 28% are in Andean Community countries, 19% in Mexico, 8% in the MERCOSUR countries plus Chile, and 14% in Central America (including the Dominican Republic). These figures closely match total population share, with the largest differences occurring in Central America and the Andean Community, which have a larger proportion of people living in poverty than their total population share, and in MERCOSUR where the opposite is the case. The situation is substantially different in the case of indigence, since Brazil, Mexico and MERCOSUR see their proportionate shares drop to 26%, 14% and 9%, respectively, while those of the Andean Community and Central America grow to 31% and 20%, respectively (see figure I.2).

Based on GDP growth projections and inflation forecasts for the different countries, poverty can be expected to continue fall further to a level of 33.2% in 2008, or nearly 1 percentage point below the 2007 figure. In contrast, extreme poverty is set to grow by roughly 0.3 percentage points. Although this is only a slight increase, it would represent a change in the behaviour of this

indicator compared to the last five years (see figure I.1). The rise in the percentage of people living in extreme poverty in 2008 and, to some extent, the small drop in the percentage of non-indigent poor, is mainly explained by the steep rise in food prices, which is analysed in greater detail in section B of this chapter. Expectations are also highly influenced by the potential effects of the economic crisis that broke out in industrialized countries, as summarized in box I.2.

Figure I.2
LATIN AMERICA: DISTRIBUTION OF THE POOR AND INDIGENT POPULATION BY SUBREGIONS, AROUND 2007
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Includes Panama and, exceptionally, the Dominican Republic.

Box I.1

METHOD USED TO MEASURE POVERTY

The method used to estimate poverty in this report classifies a person as “poor” when the per capita income of the household in which he or she lives is below the “poverty line” or minimum income required to meet their basic needs. Poverty lines expressed in national currency are calculated as the cost of a basket of goods and services, using the “cost of basic needs” method.

Where the relevant information was available, the cost of a basic food basket covering the population’s nutritional needs was estimated for each country and geographical area, taking into account consumption habits, the effective availability of foodstuffs and their relative prices, as well as the differences between metropolitan areas, other urban areas and rural areas. To this value, which constituted the “indigence line”, was then added an estimate of the

resources households need to satisfy their basic non-nutritional needs, to make up the total value of the poverty line. For this purpose, the indigence line was multiplied by a constant factor of 2 for urban areas and 1.75 for rural areas.^a

The monthly equivalent in dollars of the most recent poverty lines varies between US\$ 57 and US\$ 175 in urban areas, and between US\$ 39 and US\$ 101 in rural areas. The figure for indigence lines ranges from US\$ 29 to US\$ 93 urban areas, and from US\$ 22 to US\$ 58 in rural areas (in all cases, the lower values relate to Bolivia and the higher ones to the Bolivarian Republic of Venezuela and Mexico (see table A-5 of the statistical appendix).^b

In most cases, data concerning the structure of household consumption, of

both foodstuffs and other goods and services came from surveys on household budgets conducted in the respective countries.^c As these surveys were carried out before the poverty estimates were prepared, the value of the poverty lines was updated according to the cumulative variation in the consumer price index (CPI). Up to December 2006, the same variation was applied to both lines; from 2007 onwards, however, the indigence line has been adjusted by the variation in the CPI for foodstuffs, whereas the part of the poverty line that corresponds to expenditure on non-food products is updated using the variation in the corresponding CPI. From 2007 onwards, therefore, the difference between the indigence and poverty lines is no longer constant.

Box I.1 (concluded)

Data on family income were taken from household surveys conducted in the respective countries, in the years that correspond to the poverty estimates contained in this publication. In line with the usual practice at ECLAC, both partial non-response to income questions—in the case of wage-earners, independent workers and retirees—and probable

biases arising from underreporting were corrected. This was done by comparing the survey entries for income with figures from an estimate of the household income and expenditure account of each country's System of National Accounts (SNA), prepared for this purpose using official information. The concept of income corresponds to total current income; i.e.,

income from wage labour (monetary and in kind), independent labour (including self-supply and the consumption value of homemade products), property, retirement and other pensions and other transfers received by households. In most of the countries, household income included the imputed rental value of owner-occupied dwellings.

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

^a The sole exceptions to this general rule were Brazil and Peru. For Brazil, the study used new indigence lines estimated for different geographical areas within the country, in the framework of a joint project conducted by the Brazilian Geographical and Statistical Institute, the Brazilian Institute of Applied Economic Research and ECLAC in the late 1990s. For Peru, the indigence and poverty lines used were estimates prepared by the National Institute of Statistics and Informatics under the Programme for the Improvement of Surveys and the Measurement of Living Conditions in Latin America and the Caribbean implemented in that country.

^b The exchange rate used is the average rate from the reference month used to compile information on income through household surveys.

^c When data from the processing of a recent survey of this type were not available, other information on household consumption was used.

Box I.2

THE CURRENT ECONOMIC CRISIS AND ITS POTENTIAL IMPACT ON POVERTY

The most recent projections see the incidence of poverty continuing to decline in 2008, but more slowly than in the immediately preceding years, while the number of extremely poor or indigent people is expected to have risen slightly. These figures largely reflect the impact of the upsurge in inflation since early 2007 and, in particular, the steep rise in food prices. The international financial crisis which began in the United States has started to affect the real economy, causing a slowdown and even a fall in the level of economic activity in the industrialized world. One of the repercussions has been a slump in the demand for commodities and their prices. Domestic food and fuel prices have thus stopped rising in the region, and some are even falling, thereby alleviating inflation. This trend is positive in terms of its effect on expected poverty trends, since the factor that is thought to have worsened the poverty and indigence situation in 2008 is no longer in play.

The international crisis will also affect the global economic dynamic of Latin American and Caribbean economies, however. Weaker demand for the goods exported by the region and a reduction in migrant remittances are factors which, to a greater or lesser extent, will undermine aggregate demand in the region's countries.

Similarly, constraints on the international financial market will pose another obstacle to maintaining the pace of growth recorded over the last year. The resultant slowdown is likely to affect the behaviour of the poverty line next year, potentially prolonging the less favourable trend forecast for 2008.

Aggregate employment for the region as a whole is expected to remain broadly constant in 2009, in line with much weaker output growth than in 2008, when employment rose slightly. In this setting, it will also be difficult for real wages to improve significantly, and on average they are expected to remain unchanged. Accordingly, average real household income from employment—the main financial source for most of the population—could fall in per capita terms.

The outlook is not very promising either for the distribution of the small change expected in total household income, since unskilled workers, who account for most of the people with jobs among lower-income groups, will be the first and most intensively affected by the production slowdown. This group consists predominantly of own-account workers and wage earners in precarious jobs, which are usually more sensitive to the business cycle. This would also make their incomes more vulnerable.

In economies in which employment and the earnings of lower-income households are set to decline, poverty and indigence could also increase. While any such increase is not expected to be large, it would prolong a negative trend that began in 2008, ending a five-year period of declining poverty and indigence rates.

This general panorama conceals differences between country groups. Those most affected by the reduction in remittances, or by their more direct link with United States market, could be among the worst hit, along with countries whose exports are less diversified and concentrated in the markets that have suffered most.

This backdrop of slightly rising poverty, which could gain intensity in some countries, could be alleviated if Governments deploy policies to prevent lower-income sectors having to bear the burden of the crisis and thus lose the gains achieved since 2002. While the region will not be immune to the effect of this crisis, it is better placed to cope with it than on other occasions. Policies should include the implementation or intensification of measures to alleviate the impact of weaker labour demand on poor households and on those likely to slip into poverty.

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

3. Poverty and indigence in the countries of the region

Poverty and indigence levels have fallen in most of the region's countries during the current decade. An analysis of what happened between 2002 and 2006 (roughly, depending on the availability of data in each country) shows that poverty levels have retreated by at least 1.5 percentage points per year in Argentina, Bolivarian Republic of Venezuela, Colombia, Ecuador (urban area), Honduras, Mexico, Nicaragua, Panama and Peru. The indices have also fallen sharply by around one percentage point per year in Brazil, Chile and Guatemala;⁴ and only Bolivia and Uruguay have seen an increase in poverty (see figure I.3).

Indigence rates also generally trended downwards between 2002 and 2006, with the largest reductions, in terms of percentage points per year, recorded in Argentina, Bolivarian Republic of Venezuela, Colombia, Ecuador, Nicaragua and Peru, with significant progress also in Bolivia, El Salvador, Honduras, Mexico and Panama. The Dominican Republic and Uruguay were the exceptions as in the case of non-indigent poverty.

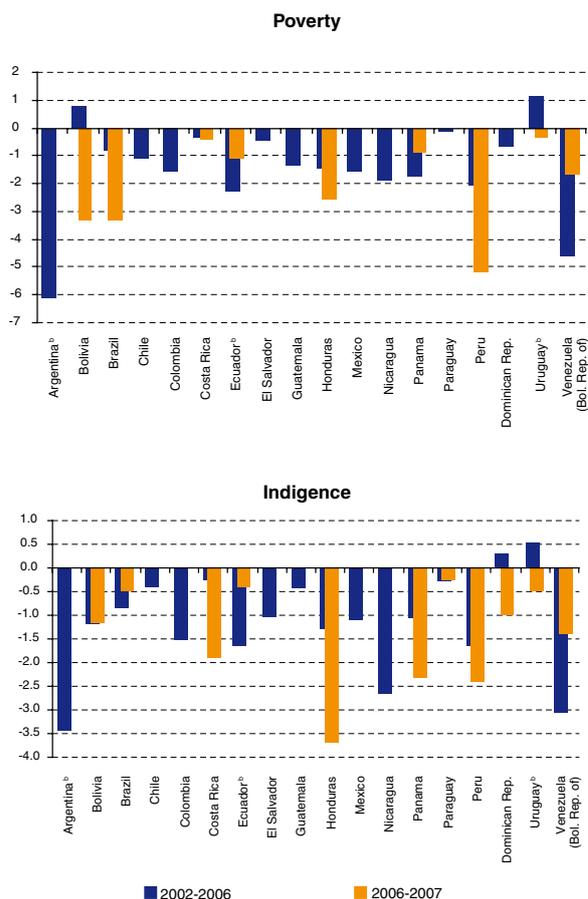
New figures available for 2007 in 11 of the region's countries confirm the downward trend recorded until 2006, with nearly all of them reporting a reduction in poverty. The steepest falls occurred in Bolivia Brazil—over three percentage points per year— followed by the Bolivarian Republic of Venezuela, Honduras and Paraguay with annual reductions of more than two percentage points.

Indigence also receded sharply, with the largest reductions in absolute terms occurring in Honduras (3.7 percentage points), Panama (2.3 points) and Costa Rica (1.9 points) in a year in all three cases.

The reductions achieved over the last five years can be seen not only in terms of the percentage of the population living in poverty and indigence, but also when the poverty-gap and poverty-gap-squared indices are used (also known as the index of the severity of poverty). These indicators provide a more complete view of poverty conditions by taking account not only of the percentage of people who are poor, but also measuring the shortfall between the average income of the poor and the poverty line, and how those incomes are distributed among the poor (in the case of the second index). In fact, in most countries, the percentage reduction in these indicators was at least

as large as in the poverty and indigence rates. In other words, in addition to having reduced the proportion of the population with incomes below the poverty line, the average income of the poor also increased and the dispersion of their incomes narrowed. The few countries that do not fit this pattern include Guatemala and Honduras, where the percentage reduction in the poverty rate was not very significant, unlike the absolute reduction in percentage-point terms (see figure I.4).

Figure I.3
LATIN AMERICA (18 COUNTRIES): ANNUALIZED VARIATION IN POVERTY AND INDIGENCE RATES, 2002-2006 AND 2006-2007^a
(Percentage points)



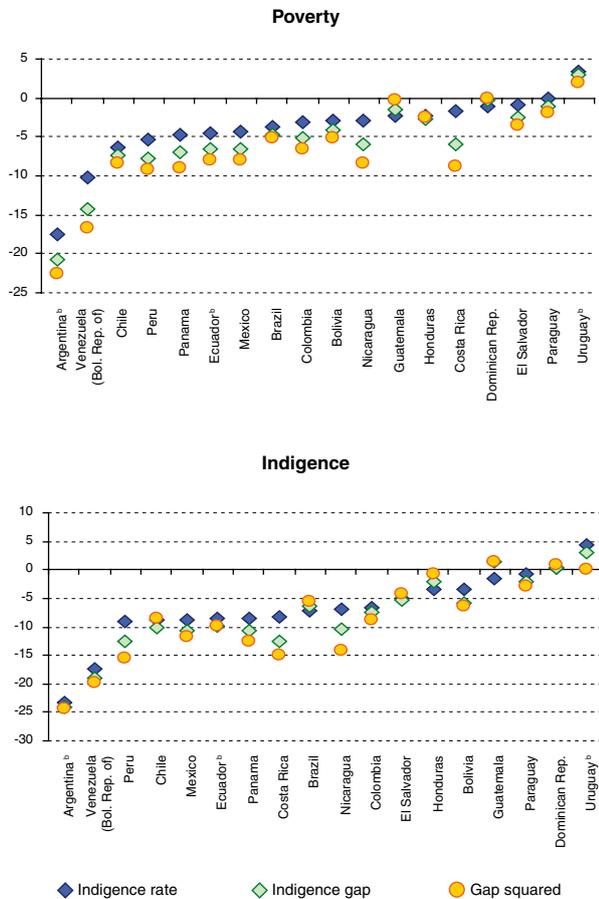
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a The survey year used differs from country to country. The data for 2002 are based on the most recent available estimates for 2000-2002, and those for 2006 are based on surveys available between 2004 and 2006.

^b Urban areas.

⁴ As the comparison periods vary between countries, the total percentage-point variation in the poverty rate is divided by the number of years covered in the period. The years considered in each country coincide with those reported in table I.4.

Figure I.4
**LATIN AMERICA (18 COUNTRIES): ANNUALIZED VARIATION IN
 POVERTY AND INDIGENCE RATES, 2002-2007^a**
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

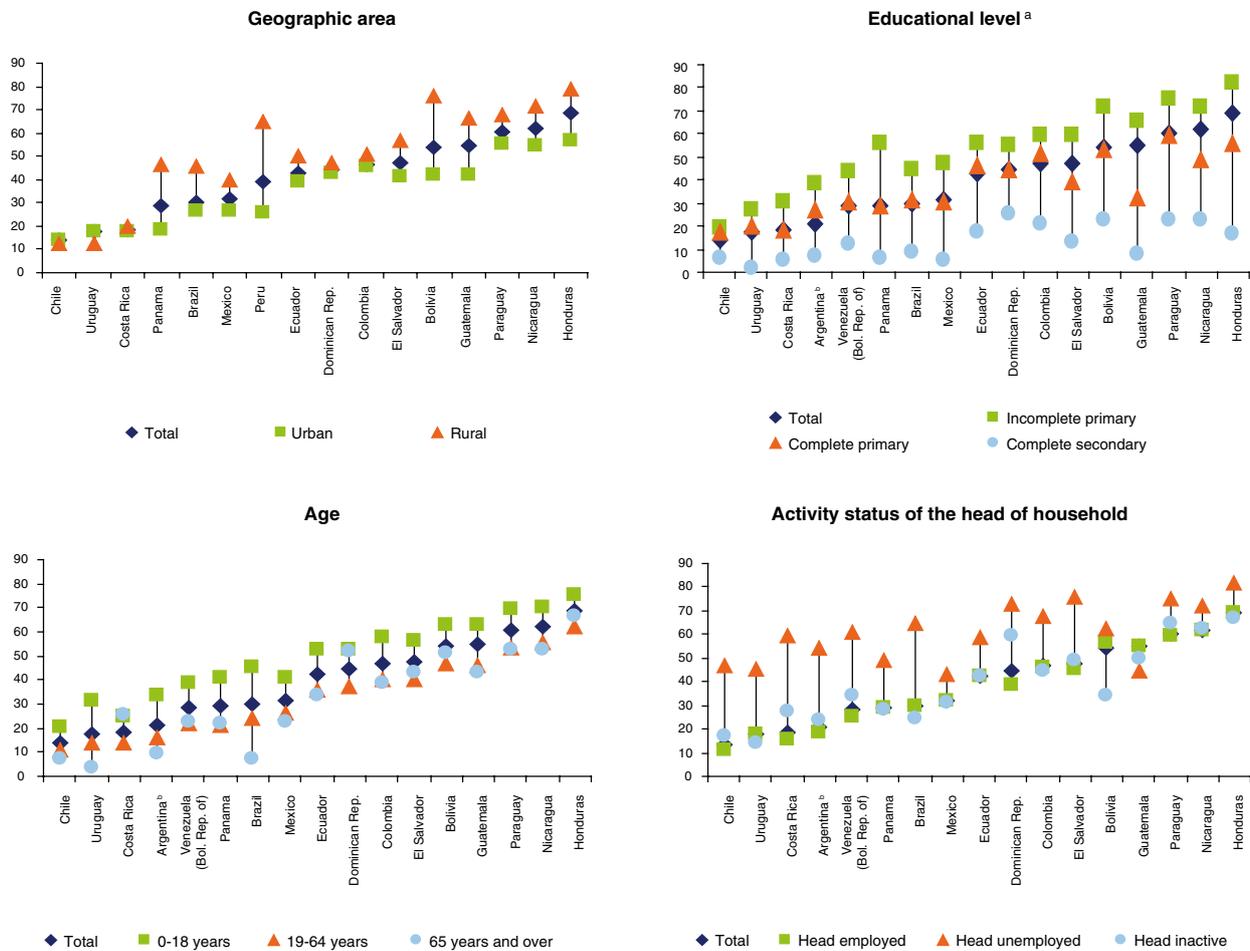
^a The survey year used differs from country to country. The period 2002 corresponds to the most recent survey available between 2000 and 2002, and the period 2006 represents surveys available between 2004 and 2006.

^b Urban areas.

Although the gaps between countries in terms of poverty and indigence levels have narrowed, the region remains highly heterogeneous. The most recent figures available for each country report the lowest poverty levels in Argentina (figures covering the urban area only), Chile, Uruguay and Costa Rica, which have poverty rates below 22% and indigent rates between 3% and 7%. The medium-low poverty group consists of the Bolivarian Republic of Venezuela, Brazil, Mexico and Panama, where poverty rates are below 32%. Countries with medium-high poverty levels include Colombia, Dominican Republic, Ecuador, El Salvador and Peru, with poverty rates between 38% and 48%. Those with the highest poverty and indigence rates, above 50% and 30% respectively, are Bolivia, Guatemala, Honduras, Nicaragua and Paraguay (see table I.A-1 in the annex at the end of this chapter).

The heterogeneity of poverty in the region can also be seen in the wide variety of ways it affects individual subgroups of the population. The incidence of poverty is always greater in rural areas than in urban zones (except in Chile and Uruguay). Moreover, a lack of income to satisfy basic needs is largely correlated with educational achievement. The incidence of poverty is greater among individuals whose head of household and partner have not completed primary school education than among individuals living in families with a higher education level. There are also life-cycle differences in poverty rates, with the highest levels being reported among children, and also differences according to activity status (employed, unemployed, or not economically active) (see figure I.5). Other relevant dimensions include the sex of the head of household, ethnic origin (poverty affects indigenous and Afro-descendent people more) and disability status (which is also highly correlated with poverty), among others. Several of these factors are reviewed in greater detail in section C of this chapter, which analyses progress made towards meeting the first target of the Millennium Development Goals (MDGs).

Figure I.5
LATIN AMERICA (18 COUNTRIES): POVERTY INCIDENCE ACCORDING TO INDIVIDUAL OR HOUSEHOLD CHARACTERISTICS, AROUND 2007
(Percentage of the population)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.
^a Corresponds to the average number of years of schooling of the head of household and partner.
^b Urban areas.

**Box I.3
 WORLD BANK POVERTY FIGURES: RECENT UPDATES**

To work with an absolute poverty measure that is comparable between the different regions and developing countries, over the last few decades the World Bank has been using an international standard based on the national poverty lines adopted by countries with the lowest per capita income levels of in the world.

This approach assumes that two people with the same purchasing power are treated the same, even through they live in different countries. An alternative is to use the exchange rate, but this can produce an underestimate of the incomes of people living in the poorest countries

and thus overstate poverty. As the lower wage level in developing economies is reflected in lower prices of goods that are not traded internationally, one unit of the local currency will have greater purchasing power domestically than worldwide. For that reason, the World Bank has used purchasing power parity (PPP), which is calculated by converting a local currency into a reference currency (US\$) in terms of purchasing power equivalent. Following this logic, in 1991, an international poverty line was estimated equivalent to one PPP dollar per day at 1985 prices. In 2000 the line

was recalculated at 1993 prices and set at 1.08 PPP dollars.

In 2005, the World Bank coordinated an exercise to update PPP values, which aimed to correct a number of problems encountered in the previous measurements. These include biases in the price surveys used and a lack of clear standards in selecting and valuing the goods subject international comparison. The changes made resulted in a significant increase in PPP values for 2005 compared to those estimated for 1993. For example, a PPP rate of 1.42 yuans per dollar was estimated for China in 1993, whereas in

Box 1.3 (concluded)

the 2005 exercise this value rose to 3.46 yuans per dollar. This means that in China the price level index (i.e., the PPP rate divided by the exchange rate) rose from 25% in 1983 to 52% in 2005. A similar situation has been observed in India: the price index in 1993 was 23% and it had risen to 40% by 2005. One reason for this growth is differences in the quality of products covered in 1993 and 2005. It is thus plausible that goods considered in 1993 were of lower quality in poorer countries than in the United States market. According to the International Comparison Programme (ICP) the 1993 PPP values underestimated the cost of living in the poorest countries.

The new PPP values for 2005 were used as basic inputs to update the international poverty line used by the World Bank. The new threshold proposed is 1.25 PPP dollars per day, representing the average of the national poverty lines used in the 15 countries (with surveys available) that have the lowest per capita income or consumption levels in the world (Malawi, Mali, Ethiopia, Sierra Leone, Niger, Uganda, Gambia, Rwanda, Guinea-Bissau, United Republic of Tanzania, Tajikistan,

Mozambique, Chad, Nepal and Ghana). Based on this new international line, the incidence of poverty was estimated for developing countries in 2005, and the estimates for previous years were amended retroactively to 1981.

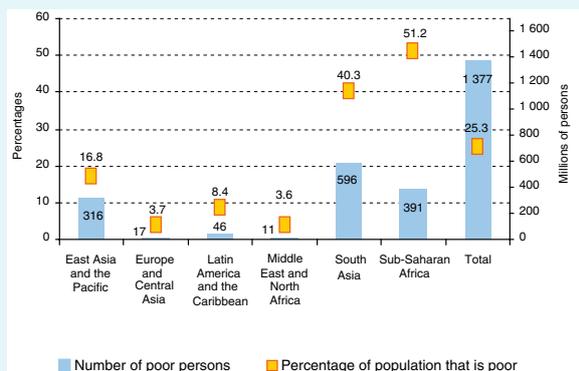
The review conducted by the World Bank has two effects that work in opposite directions. Firstly, the higher PPP rates in poor countries mean that one unit of the local currency yields less in parity terms, thereby increasing the value of the international line in local currency terms. Secondly, the review lowered the international poverty line, because if the poverty line of 1.08 DPP dollars of 1993 had been updated in terms of inflation, the value of the line for 2005 would have been 1.45 DPP dollars per day. As, according to the World Bank, the first effect dominates the second, there was an increasing incidence of poverty overall.

Shortcomings in the review performed by the World Bank in 2005 include the fact that PPP rates are national averages, which means that the weights specified for the various goods might not be appropriate for the poorest segments of the population. Moreover, the use of a national measure

ignores potential cost of living differences between urban and rural zones, a situation that could be aggravated by problems of representativeness of rural areas in certain price surveys used in the International Comparison Programme in 2005. Lastly, data comparability issues need to be kept in mind when reviewing the 2005 World Bank estimates; for instance the PPP values for the various reference years do not necessarily coincide with national sources, as the conversion to PPP values is only done once for each country. Moreover, in countries where only one survey was available between 1981 and 2005, national accounts were used for interpolation, assuming a constant Lorenz curve.

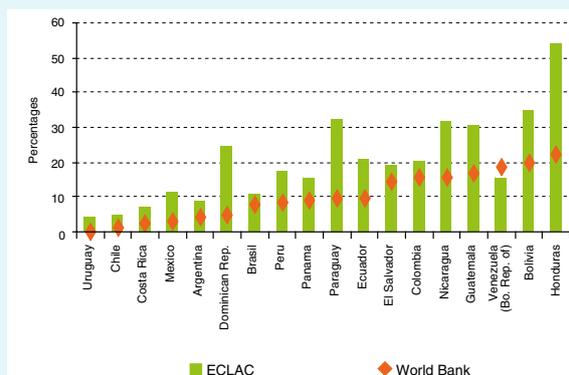
The methodology described differs from that used by ECLAC to estimate poverty and indigence for Latin American countries. In particular, ECLAC measures are based on poverty standards that are specific to the region and higher than those used for the world's poorest countries. Consequently, the World Bank figures tend to be lower. It should be noted that the methodological differences also produce different country rankings by poverty levels.

POVERTY ESTIMATED BY THE WORLD BANK IN DIFFERENT REGIONS OF THE DEVELOPING WORLD, 2005



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, "PovcalNet" [online] <http://research.worldbank.org/PovcalNet/povDuplic.html>.

LATIN AMERICA (18 COUNTRIES): INCIDENCE OF EXTREME POVERTY, WORLD BANK AND ECLAC, AROUND 2005



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and World Bank.

^a The World Bank figures correspond to 2002 in the case of Guatemala, 2003 for the Bolivarian Republic of Venezuela, Chile, Colombia and El Salvador, and 2004 in the cases of Mexico and Nicaragua. The figures for Argentina and Uruguay are urban totals. ECLAC figures show the percentage of the population living below the indigence line. The data correspond to 2002 in the case of Guatemala, 2003 in the cases of Chile and Honduras, and 2004 for Bolivia and El Salvador. The figures for Argentina and Uruguay are urban totals.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Shaohua Shen and Martin Ravallion, "The developing world is poorer than we thought, but not less successful in the fight against poverty", *Policy Research Working Paper*, No. 4703/2008; World Bank, "Global purchasing power parities and real expenditures. 2005 international comparison programme", *Working Paper*, No. 45196, Washington, D.C., 2008 and "PovcalNet" [online] <http://research.worldbank.org/PovcalNet/povDuplic.html>.

Box I.4

INDICATORS FOR MEASURING POVERTY

The poverty measurements used in this document belong to the family of parametric indices proposed by Foster, Greer and Thorbecke (1984), which are obtained from the following equation:

$$(1) FGT_{\alpha} = \frac{1}{n} \sum_{i=1}^q \left(\frac{z - y_i}{z} \right)^{\alpha}$$

Where n represents the size of the population, q denotes the number of people with income below the poverty line (z), and the parameter $\alpha > 0$ assigns varying weights to the difference between

the income (y) of each poor or indigent individual and the poverty or indigence line.

When $\alpha = 0$ equation (1) corresponds to what is known as the headcount index (H), which represents the proportion of the population with income lower than the poverty or indigence line

$$(2) H = \frac{q}{n}$$

When $\alpha = 1$, however, the equation yields an indicator that measures the relative income shortfall of poor people with respect to the value of the poverty

line. This indicator is known as the poverty or indigence gap (PG):

$$(3) PG = \frac{1}{n} \sum_{i=1}^q \left[\frac{z - y_i}{z} \right]$$

Lastly, when $\alpha = 2$ the indicator gives greater relative weight in the final result to those who fall furthest below the poverty (or indigence) line, by squaring the relative income difference:

$$(4) FGT_2 = \frac{1}{n} \sum_{i=1}^q \left(\frac{z - y_i}{z} \right)^2$$

Source: James Foster, Joel Greer and Erik Thorbecke, "A class of decomposable poverty measures", *Econometrica*, vol. 52, 1984.

B. The rise in food prices and its impact on poverty

Convergence among a set of domestic and, in particular, external factors has caused a sharp increase in food prices that has undermined living standards among the poorest in Latin America. The cumulative rise in food prices in 2007 and 2008 is thought to have prevented roughly 11 million people from moving out of poverty and a similar number from escaping indigence. Accordingly, the countries of the region need to implement policies to protect the poorest sectors from the rise in these prices and strengthen the productive capacity of the food system to sustainably satisfy the population's needs over the medium and long terms.

1. Factors related to the rise in food prices

The convergence of a number of factors has meant that in Latin American and Caribbean countries, as in the rest of the world, food prices have risen steadily throughout the decade, with the process intensifying from 2006 onwards. Although in the latter months of 2008, prices trended downwards as a result of the global financial crisis, they are likely to take time to return to their previous levels.

International food prices rose on average by 138% between 2000 and 2008. The largest increases occurred between 2006 and 2007, with prices rising by 23.8% in

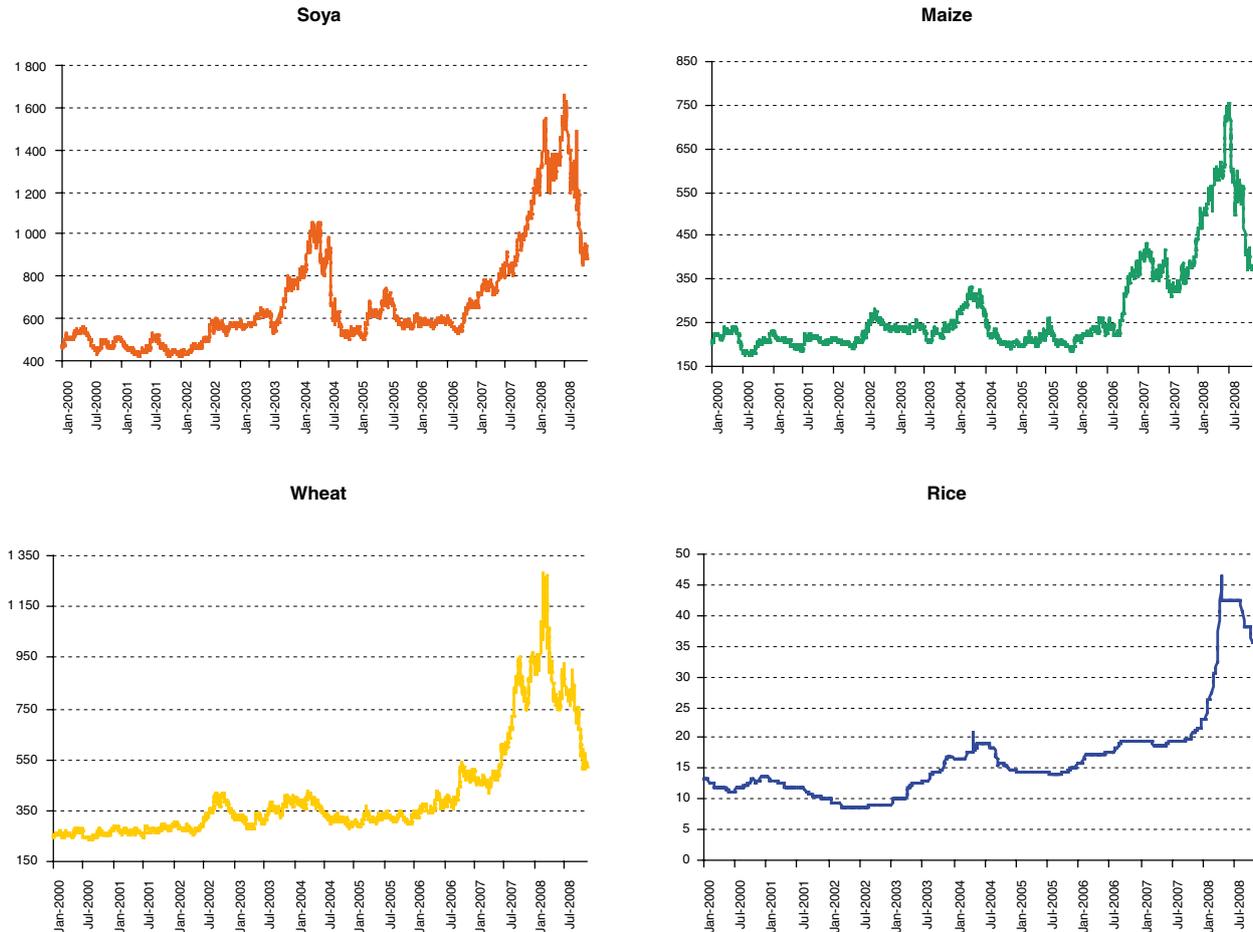
that biennium, and between 2007 and June 2008 when they rose by 40%.⁵ Furthermore, several of the commodities whose prices have risen by most, such as rice, wheat and maize, are essential items in the basic shopping basket of the poorest people. Between June 2007 and June 2008, the

⁵ Average of a set of price indices covering 55 food products, weighted by the share of these products in total world exports between 1998 and 2000, as estimated by the Food and Agriculture Organization of United Nations (FAO) [online]. <http://www.fao.org/worldfoodsituation/foodpricesindex/es/>.

prices of these products rose between 80% and 90% (see figure I.6). The trend altered in the middle of this year, when prices began to fall, although they have remained higher than in 2006 and earlier. On this point, the Food

and Agriculture Organization of the United Nations (FAO) (2008) has argued that although the downward trend could gather pace, it seems unlikely that prices will return to their levels of earlier periods.

Figure I.6
TREND OF THE INTERNATIONAL PRICES OF SELECTED ESSENTIAL FOOD PRODUCTS, JANUARY 2000-NOVEMBER 2008
(US dollars per ton)

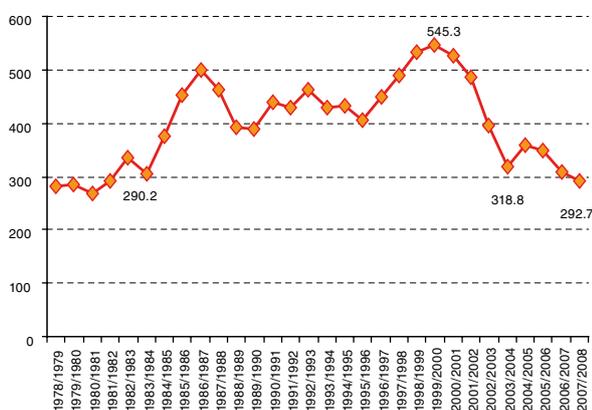


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Strictly speaking, the rise in food prices reflected a combination of structural and other more temporary factors (ECLAC, 2008b; Rodríguez, 2008). Among the structural factors, according to FAO (2008) the low level of exportable food products has been the main factor explaining the rise in prices. This problem stems from

the fact that consumption has outstripped production in many exporting countries, resulting in drastic rundown of inventories. For example, the rise in grain prices coincided with an surge in consumption and a reduction in inventories that has been visible since early in this decade (see figure I.7).

Figure 1.7
**TREND OF GLOBAL GRAIN INVENTORIES (WHEAT, MAIZE
 AND RICE), 1981/1982 - 2007/2008^a**
 (Millions of tons)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United States Department of Agriculture (USDA), "Grain: world markets and trade archives" [online] http://www.fas.usda.gov/grain_arc.asp, April 2008.

^a The value for the commercial year is equal to the sum of worldwide wheat, maize and rice inventories in that year. It should be noted that commercial years vary by country and product. In the case of wheat, the most frequent commercial year runs from July to June, that for maize extends from October to September, whereas rice follows the calendar year.

Another factor that has had an impact on food price inflation has been the growth in demand from emerging countries, particularly those in developing Asia, such as China and India (ECLAC, 2008b, 2008c), and a number of African countries. In these countries, population has grown, urbanization rates have increased and incomes have risen in the wake of economic growth. For example, in Asia economic growth raised the average income of the

population by 9% between 2005 and 2007, while in Africa average incomes grew by 6% (Von Braun, 2008).

The rise in energy prices has also had a major effect in pushing up food prices, not only by increasing food production and marketing costs (fertilizers, transport), but also by stimulating a search for alternative energy forms. In United States and Europe, the subsidies offered for biofuels have boosted the demand for agricultural products. According to Jiménez, Jiménez and Kacef (2008), between 50% and 75% of the increase in demand for certain grain products reflects the greater demand for biofuels, while the World Bank estimates that ethanol production will consume 30% of the maize crop in the United States in 2010.⁶ Recent empirical research has concluded that the expansion in the production of biofuels has been the key factor explaining the reduction in maize and wheat inventories and has encouraged export restrictions and fuelled a speculative boom (Mitchell, 2008).

ECLAC (2008b) has argued that the factors influencing the trend of commodity prices reflect dynamics on both the financial and goods markets. Since 2006, the demand for instruments indexed to commodity prices has increased (Jiménez, Jiménez and Kacef, 2008), and between January and September 2008, grain and oilseed futures contracts expanded by 15.2% compared to the same period in 2007 (Chicago Chamber of Commerce, 2008). Nonetheless, the data also show a reduction in the volume of contracts for grains, oilseeds and other food commodity products in the latter months of 2008, so the impact of commodity price speculation could be limited to a specific period (ECLAC, 2008b).

2. The impact of higher food prices on regional poverty

Latin America and the Caribbean is likely to be less vulnerable to rising food prices than other regions, since it is a net food exporter and has greater foreign currency liquidity and flexibility in the terms of trade (Von Braun, 2008). Nonetheless, there are several reasons to expect the rise in food prices to have a regressive impact varying from country to country and the population concerned. Generally speaking, the poverty impact of world food prices will depend on the degree to which international prices are passed through to local markets, the initial scale of poverty, the balance between households that are net buyers and net sellers of food products, the percentage of the budget that poor households spend on food, and the trend of the ratio between incomes earned from low productivity jobs and food inflation.

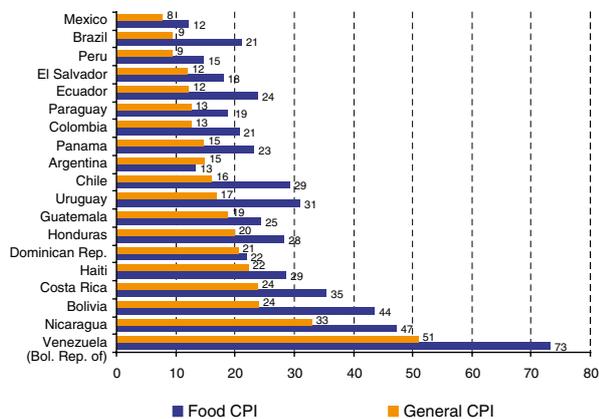
The countries of the region that are most vulnerable to the pass-through of international food prices are net food and energy importers. These include several Central American and Caribbean countries, which also face high logistics and transport costs, access difficulties to food products and productive bottlenecks (such as a shortage of seeds and fertilizers). In contrast, countries that are net food exporters and net energy importers face positive agricultural shocks but negative energy ones, while net food and energy exporters would, theoretically, be the

⁶ See World Bank [online] <http://web.worldbank.org/WBSITE/EXTERNAL/BANCOMUNDIAL/EXTSPPAISES/LACINSPANIS/HEXT/0,,contentMDK:21789713~pagePK:146736~piPK:146830~theSitePK:489669,00.html>.

least vulnerable to the rise in prices (ECLAC, 2008b). Nonetheless, the behaviour of inflation in individual countries also will depend on the fiscal and monetary policies being implemented and private expenditure trends, among other factors.

In fact, the available evidence shows that Latin America and the Caribbean is by no means shielded from the rise international prices. Up to September 2008, total inflation in the previous 22 months had risen in all countries, and, with one exception, the food price index had outpaced the overall index (see figure I.8). In line with the drop in international prices since the middle of 2008, domestic inflation eased in the second part of the year in most countries. Despite the inflationary effect that could be generated by local currency devaluations in some countries, domestic prices look likely to rise by less in 2009.

Figure I.8
LATIN AMERICA AND THE CARIBBEAN (19 COUNTRIES):
VARIATION OF GENERAL CPI AND FOOD CPI,
DECEMBER 2006-SEPTEMBER 2008



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the respective countries.

One factor that could cause a difference in the magnitude of the impact of higher food prices on poverty is the balance between the number of poor households that are net food producers and consumers in the different countries. If poor people consume more than they produce, the impact will be negative, but if the opposite is the case the impact will be positive. Nonetheless, even in countries that are net exporters of food products, most households are net food consumers, since most food is not produced by family businesses. These differences can also be extended to the degree to which international prices will be passed through to the local market; in urban zones that are more integrated into the international economy, pass-through is more likely, and they will have a larger proportion of net food-consuming households.

The poorest groups are likely to be the worst hit by the rise in food prices because, the lower a family's income, the larger the proportion of its income that will be spent on food to satisfy its members' nutritional needs. If food prices rise by more than other prices, then expenditure by the poorest population groups will be subject to greater relative inflation. In fact, data show that the rise in food prices seriously erodes the purchasing power of the poorest households: for example, in rural areas of El Salvador, households in 2008 were buying 58% of what they bought 18 months earlier for the same money. This erosion of purchasing power will not only worsen the food situation among the poorest people, but it may also result in the loss of other essential goods, such as heating, water, sanitation, education and health (Von Braun, 2008).

There are thus several factors affecting the potential impact of food price inflation on the incidence of poverty in the region's countries. The poverty and indigence measures discussed in the first section include the effect of higher food prices, since this is reflected in the higher level of the respective thresholds.⁷ Accordingly, the rise in indigence projected 2008, which breaks with the downward trend seen since 2002, is an indication of the impact of the behaviour of prices. To estimate the impact of this factor, a simulation was performed to recalculate indigence and poverty rates assuming food prices rose by the same amount as other goods.

The simulations suggest that the rise in food prices in 2007 prevented roughly 4 million people moving out of poverty and indigence in that year. The effect was even greater in 2008, because the cumulative increase in food costs since late 2006 would have increased the number of poor and extremely poor people by 11 million, compared to the figures that would have obtained if food prices had risen at the same pace as other goods (see table I.4). This means that, if the simulated situation had actually occurred, the indigence rate projected for 2008 would have been nearly one percentage point lower than in 2007, instead of 0.3 percentage points higher.

⁷ From 2007 onwards, the value of the indigence line has been adjusted according to the consumer price index for food products, whereas the segment of the poverty line that corresponds to expenditure on non-food products is updated using the corresponding CPI (see table I.1).

Table I.4
LATIN AMERICA: SIMULATED IMPACT OF THE RISE IN FOOD PRICES ON POVERTY AND INDIGENCE, 2007 AND 2008^a

	Percentages			Millions of people		
	Actual incidence	Simulated incidence ^a	Difference	Actual incidence	Simulated incidence ^a	Difference
2007						
Indigence	12.6	11.9	0.7	67.8	64.2	3.6
Poverty	34.1	33.4	0.7	183.9	180.0	3.9
2008 (projection)						
Indigence	12.9	10.9	20.0	700.8	59.6	11.2
Poverty	33.2	31.2	20.0	181.6	170.7	100.9

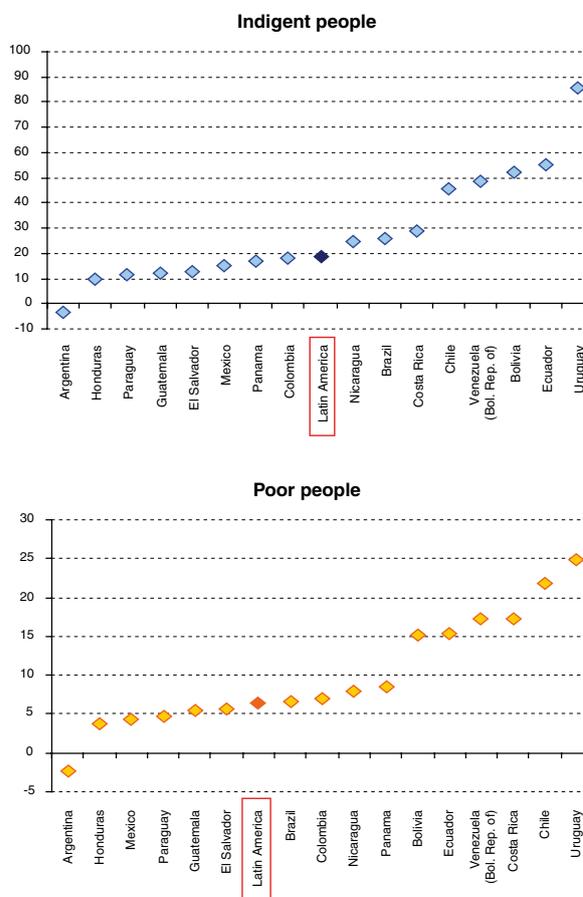
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a The rise in food prices is assumed equal to the increase in the CPI for other goods as from December 2006.

The impact of the price increase varies from country to country. The simulation exercise shows that the cumulative rise in prices in 2007 and 2008 is likely to have the largest impact on indigence in the Bolivarian Republic of Venezuela, Bolivia, Chile, Ecuador and Uruguay, where the number of people living in extreme poverty is roughly 50% higher than what would have been the case if food prices had not risen by more than other products. In these countries, along with Costa Rica, the rise in food prices is likely to have increased the number of poor people by 15% or more (see figure I.9).

In brief, the rise in food prices has been a key factor eroding living standards among the poorest segments of the population, partly offsetting the progress achieved earlier in terms of income growth and distribution. Although this phenomenon weakened towards the end of 2008, mechanisms are still needed to alleviate the impact of rising prices on the budgets of the poorest families. Some of the policies applied in the region for this purpose are outlined in box I.5.

Figure I.9
LATIN AMERICA (16 COUNTRIES): POOR AND INDIGENT PEOPLE, WITH AND WITHOUT THE RISE IN FOOD PRICES, SIMULATION FOR 2008 (Percentage difference)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

Box I.5
POLICIES TO OFFSET THE IMPACT OF HIGHER FOOD PRICES ON THE POOREST SEGMENTS OF THE POPULATION

Although much the inflationary upsurge stems from external factors, which reduces room for manoeuvre among the region's countries (ECLAC, 2008c), a wide variety of instruments have been and can be used to protect the poorest from the effects of food price inflation and strengthen food production systems. Each of these policy alternatives has advantages and disadvantages, and they need to be chosen in the light of local realities.

Macroeconomic policies to protect food purchasing power have been widely implemented by countries in the region. For example, import duties on food products were lowered in Brazil, El Salvador,

Guatemala, Honduras, Nicaragua and Peru; and a number of tariff barriers were eliminated in Mexico. Some countries have imposed export restrictions (such as setting quotas for rice exports in Brazil, and for wheat and grains in Argentina; and price controls have been applied to specific food products (ECLAC, 2008b). Measures such as these may reduce food shortages in the short run, but they distort the price system and can discourage food production and foster the formation of local cartels, among other problems (Von Braun, 2008).

Some Governments have purchased food on the international and domestic

markets for sale at controlled prices in the poorest zones. Such initiatives include the Food Mission (*Misión Alimentación*) of the Bolivarian Republic of Venezuela, set up in 2003. According to figures from the statistics unit of the Food Markets Mission (MERCAL), in September 2008, food was distributed to over 13 million people at prices representing a 71.7% saving on market prices.^a Nonetheless, the impact of this initiative has not been rigorously evaluated to its identify its effects on poverty and food security, or the progressive nature of the expenditure and repercussions on private food supply.

Box 1.5 (concluded)

Possible measures to increase the production and availability of food products, and thus lower prices, include the supply of inputs (such as seeds and fertilizers), financing and technical cooperation for small-scale producers. In this area, some countries have provided support to small-scale farmers and have given incentives for the production of food for self-consumption (ECLAC, 2008b). An example is the Brazilian Government's Zero Hunger Programme, introduced in 2003, under which the Government has provided credits, training and technical assistance to small-scale farmers through the National Programme for the Improvement of Family Agriculture (PRONAF); and it has recovered and distributed food products wasted by commercial production, through the Food Bank Programme. By 2006, an estimated 2 million small-scale Brazilian

producers had received PRONAF credits (FAO, 2006).

Various types of programme to increase human capital and reduce poverty could be adapted to alleviate the effects of higher food prices on the most vulnerable population groups. Examples include school food programmes and mother-child programmes, which have broad coverage and a long tradition in several of the region's countries. There are also conditional income transfers, which have improved the quality and diversity of family diets and the proportion of family incomes spent on food products, although their nutritional impacts are not entirely clear. Other types of transfer are specifically designed to sustain consumption among the poorest families during economic crises, such as food vouchers or food supply schemes that are conditional on work or school attendance.

Lastly, a recent trend is the implementation of programmes to serve population groups subject to nutritional risk, who are given complementary food enriched with multivitamin supplements. Initiatives of this type include the MÁS VIDA (More life) plan implemented in Buenos Aires province, which targets expectant and breast-feeding mothers and children from birth to five years old in extremely poor families, by providing food supplements, health checkups, nutritional surveillance and training. Another programme is the Micro-Nutrient Initiative in Nicaragua, which provides food products (sugar, salt, flour) fortified with vitamin A and iron—covering over 80% of the micronutrient needs of the beneficiary population— together with preventive health care services (Cohen and Franco, 2005).

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

^a See the website of the Ministry of Popular Power for Food [online]http://www.minpal.gob.ve/portal/index.php?option=com_content&task=view&id=9&Itemid=27.

C. Progress towards meeting the first target of the Millennium Development Goals

In late 2007, the Latin American region was well on the way to fulfilling the first MDG target; The region as a whole was already 90% of the way towards achieving this, and nine countries had made progress that was at least on track. Although future prospects are still positive, the scenario of uncertainty and volatility prevailing in the latter months of 2008 could reduce the chances of meeting this target. Moreover, the chances of halving total poverty seem more remote, since only 59% of this target had been achieved by 2007. An evaluation based on national averages needs to be complemented with a specific review of specific population groups, leading to practical policy formulations. Factors such as area of residence, the educational climate in the family, the sex of the head of the household, or the ethnic group to which it belongs, display wide disparities in terms of the incidence of extreme poverty and progress towards meeting the target.

1. Prospects for meeting the target at the aggregate level

An essential benchmark for a country's social development is provided by the Millennium Development Goals (MDGs), for which the evaluation framework has recently been revised (see box I.6). As part of the periodic review made by ECLAC on the progress made by countries towards meeting the various targets, this section draws on the new poverty estimates that are available to monitor the first MDG target to halve the proportion of people living on less than one dollar a day, between 1990 and 2015.⁸

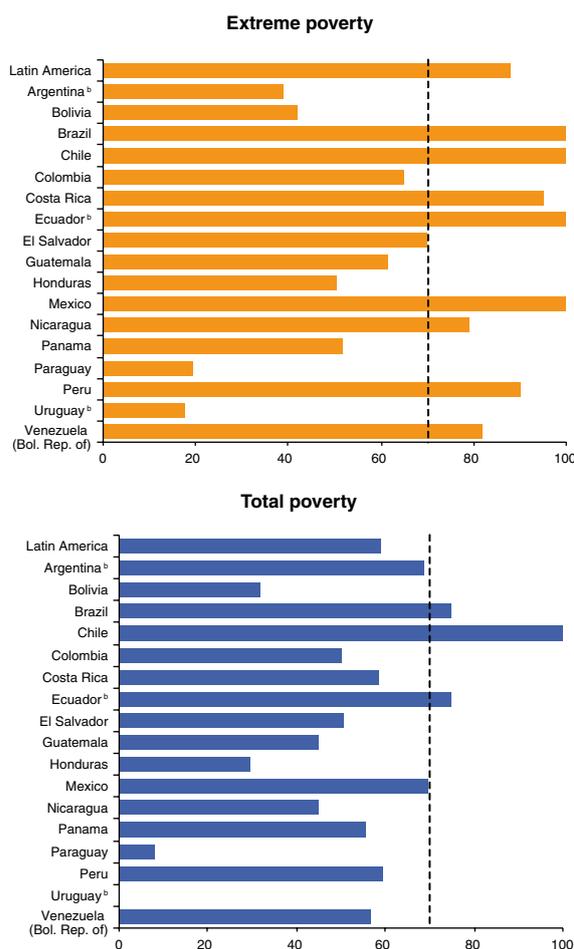
According to the 2007 poverty estimates, the Latin American region as a whole is fully on track to meet its commitment. The proportion of the region's people who are indigent (12.6% in 2007) is just over one percentage point away from the target (11.3%), which means that in 60% of the total time available to meet the target, 88% of the path has been travelled (see figure I.10).

With regard to the somewhat more demanding target of halving total poverty between 1990 and 2015, which in previous editions of the *Social Panorama of Latin America* was considered more appropriate to the region's economic development level, only 59% has been achieved, so progress is behind schedule. Although the total poverty rate in Latin America has declined significantly, from 48.3% in 1990 to 34.1% in 2007, the target (24.2%) is still a long way off.

Progress at the regional level is the outcome of heterogeneous trends in the individual countries. Four of them, Brazil, Chile, Ecuador (data from urban areas) and Mexico have already met the first MDG target, while Costa Rica is 95% of the way there. Five other countries, the Bolivarian Republic of Venezuela, Colombia, El Salvador, Nicaragua and Peru show progress that is similar to or better than expected (between 65% and 90%); while the remainder are behind schedule. Bolivia, Guatemala, Honduras and Paraguay display the largest absolute gaps between the current situation and the target, in all cases wider than 12 percentage points.

In the case of total poverty, Argentina, Brazil, Chile, Ecuador and Mexico have made progress that is at least as good as expected, although only Chile has already succeeded in halving total poverty from its 1990 level. At the other extreme, several countries have made progress of less than 30%, i.e., under half of what was expected at this stage.

Figure I.10
LATIN AMERICA (17 COUNTRIES): PERCENTAGE PROGRESS IN
REDUCING EXTREME POVERTY AND TOTAL POVERTY
BETWEEN 1990 AND 2007^a



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

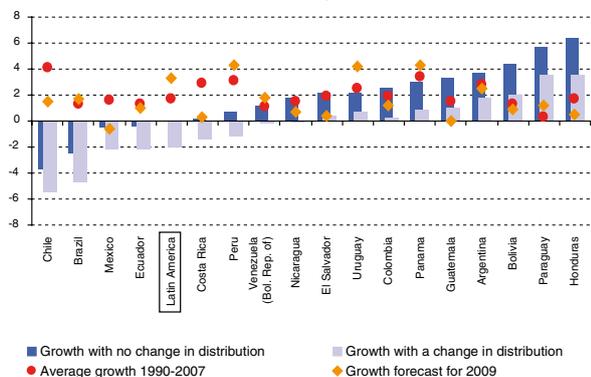
^a The amount of progress made (expressed as a percentage) is calculated by dividing the percentage-point reduction (or increase) in indigence registered during the period by one half of the indigence rate for 1990. The dotted line represents the amount of progress expected by 2007 (68%).

^b Urban areas.

Simulations based on household surveys suggest the region needs an average growth rate of 1.2% to meet the first MDG target, which is similar to forecast population growth up to 2015. This low rate partly reflects the "subsidy" that assumes Brazil, Chile, Ecuador and Mexico, representing about 60% of the region's population, have already met the target (see figures I.10 and I.11).

⁸ See chapter II for an up-to-date analysis of the new MDG targets and indicators on employment.

Figure I.11
**LATIN AMERICA (17 COUNTRIES): PER CAPITA GROWTH RATES
 NEEDED TO ATTAIN THE FIRST MDG TARGET**
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the relevant countries.

The growth needed regionally involves very different efforts by the individual countries. Whereas per capita GDP in some cases would need to grow by over 4% per year, the rates needed in other countries are below 2%, while those that have already met the target have a margin enabling them to remain in the same category despite possible reductions in per capita income.

Broadly speaking, three groups of countries can be defined in terms of their prospects of meeting the target. The first group, consisting of Brazil, Chile, Costa Rica, Ecuador and Mexico, has the best chances of reaching 2015 with an extreme poverty rate below half of that recorded in 1990. Although several of these countries could be vulnerable in the current scenario, the progress achieved thus far provides a cushion that other countries do not enjoy. The second group consists of countries that, while not having met the target yet, require a growth rate that is consistent with their historical performance and with growth expectations for the near future. These include Argentina, Bolivarian Republic of Venezuela, Colombia,

El Salvador, Panama, Peru and Uruguay. Lastly, in a third group of countries the growth rate needed is above their average growth since 1990, and also above projections for 2009. These include Bolivia, Guatemala, Honduras, Nicaragua and Paraguay.

It should be noted that small distributive improvements have a major effect on the chances of meeting the first MDG target. Even small growth that largely benefits the poor can significantly lower the necessary growth rate to more feasible levels. Even in countries that face the greatest growth challenges, a distributive change equivalent to a 10% reduction in the Gini index would enable nearly all of them to reduce poverty in line with the proposed target (see figure I.11). This topic is analysed in section D of this chapter, which shows how the “distribution effect” has generated significant progress in poverty reduction, beyond what would have been achieved exclusively from a uniform rise in average household incomes.

Evaluating the feasibility of meeting the target set for 2015 is an exercise that is highly sensitive to the setting of economic uncertainty that started to prevail in the latter months of 2008 in the wake of the international financial crisis and resultant slowdown in the world economy. As noted above, slower economic growth is forecast for Latin America and the Caribbean in 2009, together with some distributive deterioration (see box I.2)—factors that could lead to an increase in poverty and indigence. Nonetheless, given the progress already made, the target still seems to be attainable in most countries, although this will clearly depend on the duration of the low-growth period and the depth of the difficulties it entails. The fact that the region is confronting this episode in a more robust economic setting than on previous occasions makes it easier to implement measures to mitigate the negative effects of slower growth on the incomes of the most poor. Nonetheless, a lengthy recession could prevent some countries from meeting the target, particularly those that still have furthest to go and require high and sustained growth rates.

Box I.6

REVISED MILLENNIUM DEVELOPMENT GOALS MONITORING FRAMEWORK^a

The development goals and targets were announced in the United Nations Millennium Declaration, which was signed in September 2000 by 189 United Nations Member States. The first monitoring framework consisted of a list of 18 targets and 48 indicators responding to the following eight specific goals: (1) Eradicate extreme poverty and hunger (2) Achieve universal primary

education; (3) Promote gender equality and empower women; (4) Reduce child mortality; (5) Improve maternal health; (6) Combat HIV/AIDS, malaria and other diseases; (7) Ensure environmental sustainability; and (8) Develop a global partnership for development.

The 2005 World Summit added four new targets to the monitoring framework in force at that time, to allow for more

quantitative supervision of the established goals. The new targets highlighted issues of productive employment and decent work, access to reproductive health services, access to HIV/AIDS treatment and biodiversity. The technical work to select suitable indicators for the new targets was done by the Inter-Agency and Expert Group on Millennium Development Goal Indicators.

Box 1.6 (concluded)

The Expert Group presented the official revised Millennium Development Goals Monitoring Framework at the 62nd Session of the General Assembly in 2007. The framework will be used to report annually to the General Assembly and is expected to serve to monitor the MDGs in all official matters. It contains 21 targets and 60 indicators that have been renumbered sequentially according to the respective goals and targets.^b In addition, several targets and indicators were eliminated and others reformulated. The most significant changes include the following:

- **Goal 1:** Eradicate extreme poverty and hunger. A new target was introduced, relating to “Achieve full and productive employment and decent work for all, including women and young people.” Four official indicators were defined for that purpose, involving measurement of the rate of productivity growth per worker, the percentage of the population employed, the percentage of extremely poor workers and the proportion of workers that have unstable and insecure jobs (“vulnerable workers”). In addition, the recommendation to monitor poverty trends by using national poverty lines was made explicit. Although the “dollar-a-day” poverty line makes it possible to compare the various realities of countries

around the world in absolute terms, national poverty lines also allow for measurements that are more relevant to each country and thus more useful for designing public policies.

- **Goal 2:** Achieve universal primary education. The previous indicator was replaced by one measuring survival to the last grade of primary education (Proportion of pupils starting grade 1 who reach last grade of primary). Although calculation of the new indicator is methodologically more difficult, it is a more direct measurement of target 2.A, which seeks to ensure that by 2015 children throughout the world can complete a full cycle of primary education.
- **Goal 5:** Improve maternal health. A new target to be attained by 2015 was introduced, namely universal access to reproductive health, which is recognized as a fundamental right for women. To quantify progress, three new official indicators are added, relating to the birth rate among adolescents, the coverage of antenatal care, and unmet needs in terms of family planning.
- **Goal 6:** Combat HIV/AIDS, malaria and other diseases. A new target was incorporated for achievement by 2010, namely universal access to HIV/AIDS treatment for all people requiring it. The indicator for this is the proportion of population with

advanced HIV infection that have access to antiretroviral drugs. In addition, most of the indicators were reformulated: measurement of HIV/AIDS prevalence was targeted on the youth population; greater relevance was given to the incidence of malaria than to its prevalence; malaria prevention mechanisms were distinguished from medication-based treatment for the same purpose; and tuberculosis incidence was included in addition to measuring its prevalence and associated mortality rates.

- **Goal 7:** Ensure environmental sustainability. To measure progress in incorporating sustainable development principles in national policies and programmes and to reduce the loss of environmental resources, three indicators have been added of various types: consumption of substances that deplete the ozone layer, the proportion of fish populations that are within safe biological limits, and the proportion of water resources used. A new target has also been introduced relating to reducing biodiversity loss, with a new indicator that calculates the proportion of species in danger of extinction. These changes pose a major challenge for countries' statistics systems, because some of the new environmental indicators suffer from significant limitations in terms of obtaining data and monitoring.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of “Official MDG’s targets and indicator list” [online] http://www.eclac.org/mdg/official_indicators_en.html.

^a Approved at the General Assembly at its sixty-second session in 2007 and in force since 15 January 2008.

^b The new indicator numbering system consists of a figure composed by the goal number followed by the corresponding indicator (e.g., the fourth indicator for goal 1 is indicator 1.4).

2. Evaluation of progress towards the first MDG target by population subgroups⁹

It is useful to augment aggregate nationwide analyses with others that take account of different dimensions making it possible to measure progress in terms of specific population groups and strata, particularly in Latin America with its characteristically high level of inequality.

Based on information provided regularly by household surveys across the region, four dimensions were chosen

for studying the progress made by individual countries towards meeting the poverty target, namely: (a) place of residence of the population, distinguishing between urban and rural areas; (b) educational climate in the home, measured by the average number of years' education of the head of household and spouse, which captures the availability of human capital—a decisive factor for

⁹ This section adopts the structure and main arguments of the analysis developed in León (2008); progress percentages have been recalculated on the basis of the new information available.

access to employment and household incomes; (c) the sex of the head of household, which seeks to capture the greater vulnerability associated with families headed by women— usually households in which the male partner is absent; and (d) ethnic or racial origin of the population.

These dimensions are relevant in two ways: firstly, they refer to population subgroups which in all countries differ significantly in terms of the scale of poverty affecting them. The focus is on progress made by the most backward population strata, i.e., those displaying the highest poverty indices.

Secondly—and largely as a consequence of the above— these dimensions are often considered in the design of policies and programmes to combat poverty, either directly, by identifying specific policy target groups (such as poor rural populations), or indirectly as a basis for the design and evaluation of social programmes (e.g., the significance of female-head-of-household status in conditional monetary transfer programmes and the presence of school-age children to establish the usual requisites of those programmes).

(a) Progress in urban and rural zones

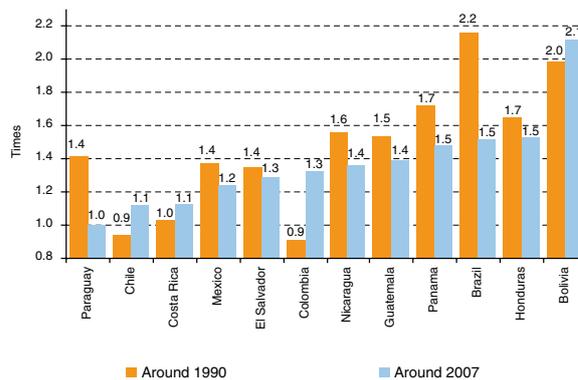
Poverty measurements based on income and those based on indicators of unmet basic needs show that people living in rural areas in Latin American countries tend to suffer greater deprivation than those living in urban zones. Average incomes are higher in urban households than in rural ones, although the differences between the two vary greatly from one country to another. In Bolivia, urban income is more than double the level in rural areas; in Brazil, Honduras, Nicaragua and Panama, urban income exceeds rural income by between 50% and 60%; in Colombia, El Salvador, Guatemala and Mexico, average urban income is between 25% and 40% higher than in rural areas. The differences are smallest in Chile and Costa Rica where urban income is 12% higher than in rural zones, and especially in Paraguay, where average incomes in both areas are similar (see figure I.12).¹⁰

Rural-urban disparities have narrowed in most of the countries analysed since the 1990s. The largest reduction occurred in Brazil, where the gap narrowed from 2.2 to 1.5 thanks to a much larger increase in rural incomes than urban ones, which also grew substantially. Mexico, Panama and Paraguay also report significant reductions in income disparities between areas, although partly reflecting a deterioration in real incomes in urban areas.

¹⁰ It should be remembered that the average income in each area has been divided by the value of the poverty line as a way of approximating cost of living differences between areas. As urban poverty lines are higher than rural ones, the nominal disparity of average incomes is greater than reported here.

In contrast, the gap between the different geographic settings has widened in Bolivia, Chile and Colombia.

Figure I.12
LATIN AMERICA (12 COUNTRIES): DIFFERENCES IN AVERAGE HOUSEHOLD INCOME BETWEEN URBAN AND RURAL AREAS, AROUND 1990 AND 2007^a



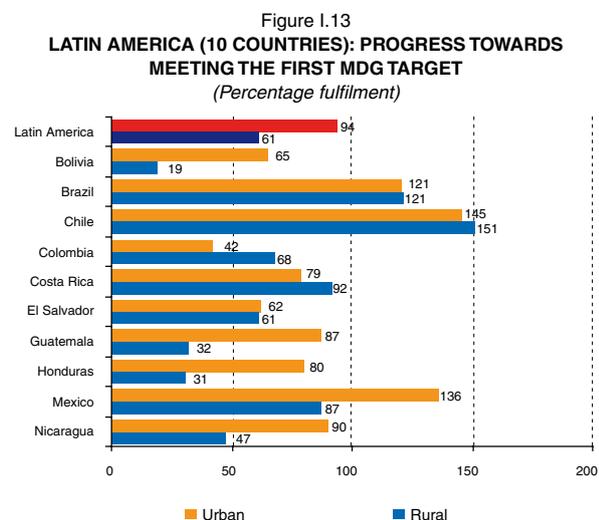
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Corresponds to the average income of urban households and the average income of rural households, both expressed as multiples of the poverty line for each geographic setting. The base years are 1997 in Bolivia, 1995 in El Salvador, 2002 in Panama and 1999 in Paraguay, since nationally representative household surveys are not available for earlier years.

At the regional level, the rate of progress in rural areas is significantly less than in urban ones. Whereas the former are about 61% along the way towards achieving the target, the latter have already virtually attained it. This unfavourable pattern for rural areas is repeated in several countries, particularly those with low rates of progress nationally, such as Bolivia, Guatemala, Honduras and Nicaragua, but also in Colombia and Mexico, which have made more substantial progress. In contrast, several of the countries that have made most progress in reducing extreme poverty nationwide are also those that have made this a priority in rural areas. For example, Brazil, Chile and Costa Rica, which have already met the first MDG target or are very close to doing so, display progress rates in rural areas that are a similar or superior to those in urban zones. This result suggests that prioritizing progress among the country's most backward groups can be a viable strategy when combined with pursuit of a general improvement in living standards (see figure I.13).

The results described also illustrate the importance of performing a disaggregated analysis. For example, both Chile and Mexico report significant reductions in poverty and have already met the target for extreme poverty. Nonetheless, while both rural and urban areas in Chile have benefited from similar progress, in Mexico, rural areas have fallen even further behind urban zones than at the start of the past decade. Although it is perfectly feasible for a country as a whole to attain the stipulated

target while a large part of its population does not move forward at the same pace, it is important not to lose sight of the situation of more deprived groups.¹¹



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

(b) Progress in households with different educational climates

A particularly important dimension for a disaggregated analysis of progress towards meeting the first MDG target involves household human capital. The educational achievement of family members is not only a reliable indicator of the socioeconomic group they belong to, but also decisive for the opportunities available to children that have not yet joined the labour market. The high rate of transmission of educational capital between parents and children and, hence, job opportunities, is one of the greatest influences on the glaring socioeconomic inequality and high levels of absolute poverty prevailing in most Latin American countries. This means that family educational capital is possibly the most appropriate criterion for classifying progress on poverty reduction in the various socioeconomic strata.¹²

In order to describe the household in terms of its educational climate, it is best to look at the members that are the main breadwinners and who, as a result of

this capital, influence the opportunities for well-being of the household members as a whole. For this purpose, the variable used is that of the educational climate of the household; this is defined as the average number of years of schooling completed by the head of household and his or her spouse.¹³

On the basis of the educational climate, three groups of households may be identified: (i) a low level, which corresponds to incomplete primary schooling (less than six years in most countries); (ii) an average level, equivalent to complete primary schooling to incomplete secondary schooling; and (iii) a high level, which corresponds to an educational level equivalent to or higher than complete secondary schooling.¹⁴

To point to note is that in all of the lower per capita income countries, 25% or more of the low-education household population was living in extreme poverty, and indigence affected over 40% in three cases (Bolivia, Honduras and Nicaragua and Paraguay). In high-education households, on the other hand, both in higher and in lower per capita income countries, the incidence of extreme poverty is no greater than 10%. This shows that household educational capital is an appropriate dimension for identifying population strata with different probabilities of being extremely poor.

Although all countries have achieved very high net primary school enrolment rates (above 90% in the vast majority of cases) (United Nations, 2005), people living in homes with very low levels of educational capital account for roughly a third of the regional population. Even in some of the relatively more developed countries, this group accounts for about 20% of the population, and the proportion rises as high as 50% in several lower-income countries.

Progress made between 1990 and 2007 towards achieving the first MDG target varies according to household educational capital. In 10 countries, indigence among lower-education households has decreased less than in other households (see figure I.14). This warrants special attention, because it shows that households that fail to overcome extreme poverty are precisely those most likely to reproduce conditions of structural poverty from one generation to the next and, therefore, need to be specially targeted by public policy. Nonetheless, it should also be remembered that many of these countries have seen a substantial increase in families' educational

¹¹ Something similar is happening at the regional level, since Latin America as a region has made considerable progress towards the target, yet several individual countries are still a long way from doing so.

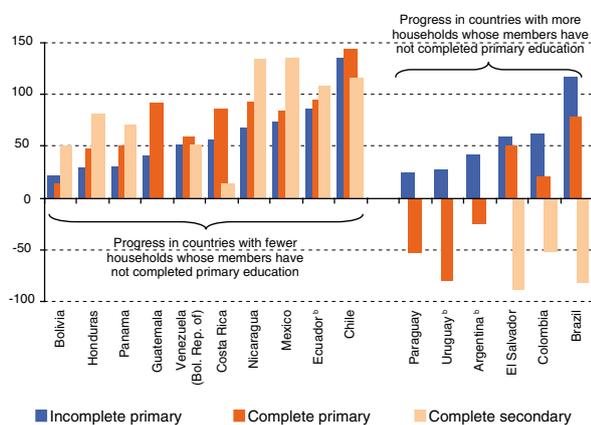
¹² From the operational standpoint too, using this variable has the advantage that all household surveys provide information on the education of family members and strata can be constructed on comparable bases.

¹³ In single-parent households (where there is no spouse), the educational background corresponds to the number of years of schooling of the man or woman who happens to be the head of household.

¹⁴ The criterion used for these groups is the duration of school cycles defined in the 1997 International Standard Classification of Education (ISCED), developed by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

levels, which has substantially reduced the proportion of people living in low-education homes. Thus, while the proportion of people living in low-education households may not have decreased as much as in other countries, the absolute number of people in this category may nonetheless have dropped. That is why this category includes countries with highly diverse indigence rates and degrees of fulfilment of the target nationwide. Whereas in countries such as the Bolivarian Republic of Venezuela, Chile and Mexico, the proportion of all households in which the education climate is poor has decreased by more than 15 percentage points, in Nicaragua and Panama it has fallen by less than five points. Lastly, it is worth noting that in six countries more progress has been made towards meeting the first MDG target in low-education households than in others.

Figure I.14
LATIN AMERICA (16 COUNTRIES): PROGRESS TOWARDS THE FIRST MDG TARGET, BY HOUSEHOLD EDUCATIONAL CLIMATE, 1990-2007^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Excludes progress percentages in categories where the indigence rate is below 1%, in either the initial or the final year. The base year is 1997 in Bolivia, 1995 in El Salvador, 2002 in Panama and 1000 in Paraguay, since nationally representative household surveys are not available for earlier years.

^b Urban areas.

(c) Progress in households headed by women

The multiple changes that have occurred in family types over the last two decades in the region include a reduction in the number of two-parent nuclear families with children, and an increase in the number of single-parent families (with or without children), where in most cases the woman plays the role of head

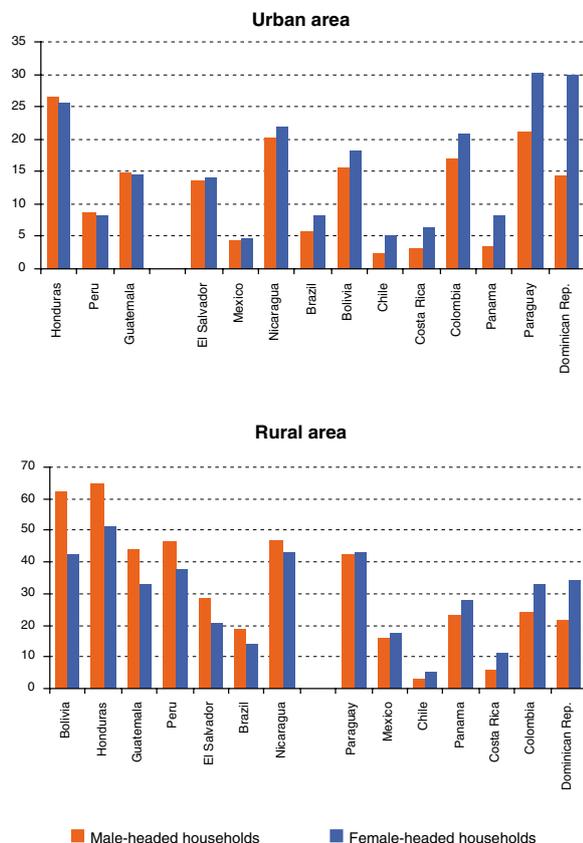
of household — a situation that has been accompanied by an increase in women's participation in economic activity (ECLAC, 2007a). The concept of female head of household is useful since it makes it possible to identify households where the absence of the male partner forces women to bear the entire burden of maintaining the household, which is particularly complex when there are small children. Another factor that increases the relevance of this dimension is the important role played by female household heads in the main poverty reduction programmes in Latin America, especially in terms of administering the resources of conditional transfer programmes.

In this setting, the key issue is an increase in the proportion of households declaring female heads in the region, and the rise in the proportion of people living in them. At the present time, one in every four Latin Americans lives in a household headed by a woman, compared to one in every seven in the early 1990s.

Secondly, the evidence shows that households headed by women are more vulnerable, although this is more of an urban phenomenon than a rural one. Thus, while there is a correlation between female-headed households and indigence, this is not equally strong in all countries nor in urban and rural zones. In many cases, rural households headed by women do not display higher indigence rates than those headed by men, e.g., in urban zones in all countries, except for Guatemala, Honduras and Peru (see figure I.15). This could, at least partly, be because in rural zones, the male partner often migrates or works away from home for lengthy periods (e.g., seasonal agricultural work).

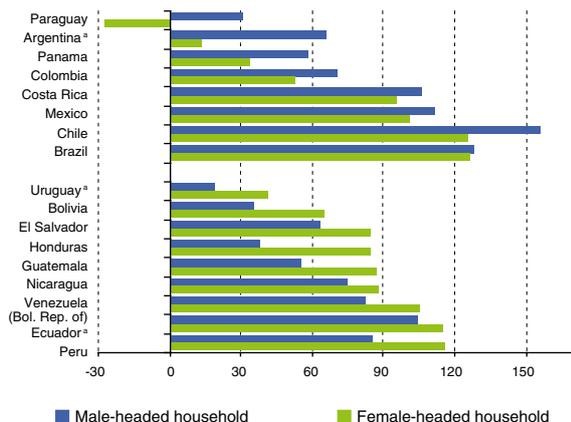
Progress towards meeting the first MDG target according to the sex of the head of the household varies from one country to another. Seven countries have achieved a faster reduction in incidence among male headed households, specifically Argentina, Chile, Colombia, Costa Rica, Mexico, Panama Paraguay. In these countries, the gap between the two groups of households ranges from 10 percentage points in Mexico to 50 in Argentina and also in Paraguay, a country where female headed households have recorded the only increase in extreme poverty in the region. In contrast, the Bolivarian Republic of Venezuela, Bolivia, El Salvador, Guatemala, Honduras, Peru and Uruguay display progress among female-headed households ranging between 11 and 47 percentage points higher than those headed by men. Brazil is the only country without a significant difference between male and female headed households (see figure I.16).

Figure I.15
LATIN AMERICA (14 COUNTRIES): INCIDENCE OF EXTREME POVERTY, BY SEX OF HEAD OF HOUSEHOLD, URBAN AND RURAL AREAS, AROUND 2007



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

Figure I.16
LATIN AMERICA (17 COUNTRIES): PROGRESS TOWARDS MEETING THE FIRST MDG TARGET, BY SEX OF HEAD OF HOUSEHOLD, 1990-2007
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Urban areas.

(d) Progress according to ethnic origin of the population

Despite the renewed interest in the situation of the indigenous peoples of Latin America, there is a significant backlog in the quality of information needed to make them “statistical visible”. The 2000 round of censuses contained questions on the ethnic identification of the population in nearly all countries, usually based on self-identification, in line with international recommendations.¹⁵ Nonetheless, censuses are not a suitable data source for monitoring progress towards meeting the first MDG target, because they do not provide information on household incomes. Household surveys, on the other hand, which do satisfy this requirement, are limited sources for reflecting the ethnic dimension, either because they do not ask questions on this subject; or they do so in different ways, which reduces the chance of making comparative analyses; or else they use samples that are too small to obtain representative estimates.

In view of these limitations, it is impossible to obtain a satisfactory breakdown of information for monitoring the first MDG target by ethnic groups. Nonetheless, the data available from population censuses and household surveys in seven countries clearly reveal the differences in living standards according to this dimension.

In general terms, the indigenous population is currently estimated at over 30 million people, representing about 6% of the total population of Latin America. Moreover, slightly over 80% of the indigenous population was living in Bolivia, Guatemala, Mexico and Peru, and about 70% was concentrated in low per capita income countries. Although a large proportion of the indigenous population lives in rural areas, a current trend is the marked ethnic diversity visible in the cities. Data from 10 countries show that, around 2000, over 80% of the indigenous population of Costa Rica, Ecuador, Honduras, Panama and Paraguay were living in rural areas. In contrast, in Guatemala and Mexico, roughly one in every three indigenous people lives in urban zones, and in Bolivia, Brazil and Chile, over half live in cities (ECLAC, 2007a).

The indigenous population usually lives in less favourable conditions than the rest of the population, irrespective of their zone of residence. For example, infant mortality (among children under one year of age) and mortality among the under-fives is much higher among the indigenous population. Estimates of the regional average show that infant mortality among

¹⁵ Differences in methods used in the most recent censuses to capture people’s ethnic or racial membership or origin do not ensure adequate recording of people belonging to the groups analysed, or comparability among the data collected.

indigenous populations is 60% higher than among their non-indigenous counterparts. Although the migration of indigenous populations to urban areas reduces infant mortality (compared to rates in rural zones), it does not close the gap on their non-indigenous counterparts. In fact, in some countries (Guatemala, Honduras, Mexico, Brazil and Costa Rica) the gap is wider in urban zones than in rural ones (see table III.9 in ECLAC, 2007a).

The situation is similar with respect to the incidence of extreme poverty among indigenous and Afro-descendent groups, which is higher than the in rest of the population in urban and rural areas alike. This shows that there are lower living standards which are not an effect of a rural or urban setting, but stem from inequities based on the ethnic and racial origin of the people in question (see table I.5).

Although the population belonging to an ethnic group has lower indigence rate in urban than in rural zones, it remains higher than among the rest of the population. In Bolivia and Brazil, this disadvantage is even accentuated

in urban areas, as shown by the larger relative gaps between the corresponding indigence rates, whereas the opposite is true in Chile and Ecuador.

In rural areas, extreme poverty has retreated more slowly among indigenous and Afro-descendent groups than in the rest of the population, as can be seen in the trends reported in Bolivia, Brazil, Chile, Ecuador and Panama.¹⁶ The pattern has been uneven between urban and rural areas: in Bolivia and Brazil, the incidence rate among groups has fallen faster in urban than in rural areas, whereas the opposite has happened in Chile and Paraguay.

To conclude, the disaggregated analysis of progress towards meeting the first MDG target shows, that an exercise of this type is needed to more accurately characterize poverty reduction processes and identify any groups that are lagging behind the general trends. Thus, while some countries have achieved inclusive process without significant differences between the groups studied, in other cases the gaps have widened.

Table I.5
LATIN AMERICA (6 COUNTRIES): INCIDENCE OF EXTREME POVERTY AMONG THE INDIGENOUS AND AFRO-DESCENDENT POPULATION AND THE REST OF THE POPULATION, URBAN AND RURAL AREAS^a
(Percentages)

		Urban area			Rural area		
		Neither indigenous nor Afro-descendent	Indigenous or Afro-descendent	Relative difference ^b	Neither indigenous nor Afro-descendent	Indigenous or Afro-descendent	Relative difference ^b
Bolivia	1999	12.9	25.4	2.0	56.7	66.3	1.2
	2007	11.3	21.4	1.9	46.8	63.8	1.4
	Percentage variation	-12.3	-15.8		-17.4	-3.8	
Brazil	1990	16.1	26.8	1.7	45.7	52.2	1.1
	2007	60.3	90.5	1.5	17.8	21.4	1.2
	Percentage variation	-60.9	-64.6		-61.1	-59.0	
Chile	1996	5.1	7.0	1.4	8.8	13.3	1.5
	2006	3.1	4.2	1.3	3.0	6.2	2.1
	Percentage variation	-38.2	-40.3		-65.8	-53.3	
Ecuador	2002	19.3	20.6	1.1	...	...	...
	2007	11.6	20.0	1.8	20.7	320.3	1.6
	Percentage variation	-40.0	-30.2		...	...
Panama	2002	9.0	...	...	27.0	68.7	2.5
	2007	5.0	...	...	17.5	49.1	2.8
	Percentage variation	-44.5	...		-35.4	-28.5	
Paraguay	1999	10.0	31.7	3.2	23.3	60.6	2.6
	2007	18.1	31.7	1.8	26.0	47.0	1.8
	Percentage variation	81.5	0.2		11.3	-22.4	

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Identified on the basis of information obtained from household surveys, according to the following categories: Bolivia, "Quechua, Aimara, Guaraní, Chiquitano, Mojeño and others"; Brazil, "Indigenous or black skin"; Chile, "Aimara, Rapa Nui, Quechua, Mapuche, Atacameño, Coya, Kawaskar, Yagán, Diaguita"; Ecuador, "indigenous, and negroes and mixed race (mulatos)"; Panama, "Indigenous", and Paraguay: Guaraní is only language spoken.

^b Ratio between indigence rates for indigenous and Afro-descendent populations and others.

¹⁶ It should be noted that the base years for the comparison are well after 1990, except in Brazil.

D. Factors associated with poverty reduction in the region

The reductions in indigence and poverty achieved in many countries between 2002 and 2007 stemmed both from increase in average household incomes and an improvement in its distribution. Although the predominance of one or other of these factors varies significantly between countries, distributive changes are recognized as a key element for empowering the effect of growth on poverty reduction. Moreover, in this period, income growth in poor households has mainly come from an increase in labour income per employed person, unlike what happens when the longer-term variation is analysed.

Following several years of meagre growth and, in some countries, deteriorating living standards, from 2002 onwards poverty indicators trended clearly downwards in most of the region's countries, consistent with the continuous and

sustained economic expansion spanning that period. This setting provides an ideal scenario for exploring the role played by a number of factors that are usually associated with poverty, in determining its trend.

1. Growth and distribution effects

A simple way to evaluate the relation between economic growth and the variation in poverty is to measure the elasticity of poverty in relation to income, i.e., the percentage change in the poverty rate for every percentage point change in per capita GDP. Evidence from 15 of the region's countries with information available for the period 2002-2007 shows that in the vast majority of cases the increase in per capita GDP was accompanied by a reduction in poverty, as one would normally expect. Uruguay is an exception, however, since it displays positive income elasticities, such that poverty increased despite per capita output growth (see table I.6).

In countries where economic growth has generated poverty reduction, the impact has been less than proportional (i.e., an income elasticity that is negative but greater than -1) in six cases (Colombia, Costa Rica, Dominican Republic, Honduras, Panama and Paraguay). In contrast, the percentage increase in income has reduced poverty more than proportionately (i.e., an income elasticity of less than -1) in 10 countries (Argentina, Bolivarian Republic

of Venezuela, Bolivia, Brazil, Chile, Ecuador, El Salvador, Guatemala, Mexico and Nicaragua).

The percentage reduction in indigence in response to each percentage point of economic growth is usually more pronounced than in the case of non-indigent poverty. The simple average income elasticity of indigence between 2002 and 2007 in the region's countries is -2.0, compared to -1.2 in the case of non-indigent poverty.¹⁷ In some countries, e.g., Brazil, Colombia, Ecuador and Uruguay, the elasticity of indigence is more than double that of non-indigent poverty, while in other cases, it is three or more times higher, such as in Costa Rica and El Salvador. The Dominican Republic and Guatemala are the only exceptions, where the income elasticity of indigence is less than the income elasticity of general poverty.

¹⁷ El Salvador is excluded from the average because the income elasticity of indigence in this country is very high by regional standards.

Table I.6
LATIN AMERICA (17 COUNTRIES): INCOME ELASTICITY OF POVERTY AND INDIGENCE, 2002-2007

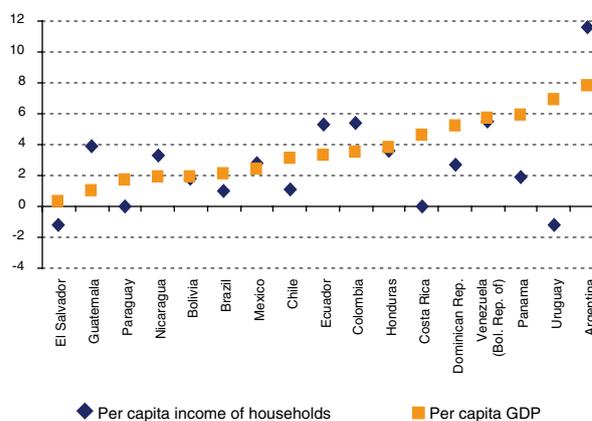
Country	Initial year	Final year	Annual percentage variation (Percentages)			Income elasticity	
			Poverty rate	Indigence rate	Per capita GDP	Poverty	Indigence
Argentina	2002	2006	-18	-23	7.8	-2.2	-3.0
Bolivia	2002	2007	-3	-3	1.9	-1.5	-1.8
Brazil	2001	2007	-4	-7	2.1	-1.7	-3.3
Chile	2000	2006	-6	-9	3.1	-2.0	-2.8
Colombia	2002	2005	-3	-7	3.5	-0.9	-1.9
Costa Rica	2002	2007	-2	-8	4.6	-0.4	-1.8
Dominican Rep.	2002	2007	-1	0	5.2	-0.2	0.1
Ecuador	2002	2007	-5	-9	3.3	-1.4	-2.6
El Salvador	2001	2004	-1	-5	0.3	-3.0	-15.6
Guatemala	2002	2006	-2	-2	1.0	-2.3	-1.5
Honduras	2002	2007	-2	-3	3.8	-0.6	-0.9
Mexico	2002	2006	-5	-9	2.4	-2.1	-3.6
Nicaragua	2001	2005	-3	-7	1.9	-1.5	-3.7
Panama	2002	2007	-5	-8	5.9	-0.8	-1.4
Paraguay	2001	2007	0	-1	1.7	-0.1	-0.5
Uruguay	2002	2007	3	4	6.9	0.4	0.6
Venezuela (Bol. Rep. of)	2002	2007	-10	-17	5.7	-1.8	-3.0
Simple average						-1.2	-2.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

Elasticity analysis reveals that similar growth rates can be compatible with very different outcomes in terms of poverty and indigence reduction. In the period analysed, Chile, Colombia and Honduras grew at rates averaging between 3% and 4%, yet the income elasticity of poverty in Chile is double that in Colombia and four times that in Honduras. A better understanding of these differences requires analysing the different modalities of growth in the countries concerned, or, more specifically, the way in which economic growth translates into changes in the level and distribution of household incomes.

Variations in the income received by households can differ from GDP growth. Between 2002 and 2007, growth rates of per capita household income were at least one percentage point below per capita GDP growth rates in eight of the region's countries, while the opposite was true in five others. The first group includes Costa Rica and Uruguay, where average household income did not grow but actually fell back despite substantial growth in per capita GDP. In Argentina, Colombia, Ecuador and Guatemala, countries that reported some of the highest rates of growth of average household income, the latter substantially outpaced GDP growth (see figure I.17).¹⁸

Figure I.17
LATIN AMERICA (17 COUNTRIES): AVERAGE ANNUAL GROWTH OF HOUSEHOLD INCOMES AND PER CAPITA GDP, 2002-2007 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

The relation between the variation in household incomes and its impact on the poverty rate can be analysed using a breakdown that considers, firstly, the growth of average

¹⁸ It should be noted that the deflator used to express the two variables in real terms is different. Whereas for per capita GDP, the implicit national accounts deflator was used, the variation in the general

CPI was used for the incomes measured in the survey. Although this might affect the strict comparability of the two variables, it is not a significant factor in explaining differences in their growth rates.

personal income or the “growth effect”, and, secondly, changes in the way this income is distributed, or the “distribution effect”. These two components represent the

total variation in the poverty rate for a given period and can be estimated through simulations based on household survey data (see box I.7).¹⁹

Box I.7

DECOMPOSITION OF CHANGES IN POVERTY

According to the traditional scheme for measuring poverty based on lack of income, a country's poverty rate at a given point in time is wholly determined by three elements: the poverty line, average income and the structure of the income distribution. Accordingly, if the poverty line is held constant in real terms, any change in the poverty indicator can be analysed in terms of changes in average income and the income distribution.

Following Datt and Ravallion (1992), a poverty indicator can be calculated using the income distribution for the initial period and the level of average income in the final period. The difference between this indicator and the poverty rate observed in the initial period can be interpreted as a “growth effect”. It is also possible to

calculate the poverty rate corresponding to average income in the initial period, but with an income distribution similar to that prevailing in the final period. The difference between this indicator at the initial poverty rate is the “distribution effect”. The two effects can also be calculated with the initial and final periods interchanged.

In formal terms, if $H(y_t, d_t)$ is the poverty indicator for period t , determined by average income (y_t) and the shape of the distribution (d_t), the decomposition into the growth and inequality effects can be expressed as:

$$H(y_2, d_2) - H(y_1, d_1) = \underbrace{[H(y_2, d_1) - H(y_1, d_1)]}_{\text{“Growth” effect}} + \underbrace{[H(y_1, d_2) - H(y_1, d_1)]}_{\text{“Distribution” effect}} + R$$

The decomposition as specified here has three disadvantages. Firstly it is not exact, because there is a residual that has no analytical interpretation. The second shortcoming is the fact that the size of each effect depends on the base year used in the comparison (initial or final year). Both disadvantages can be overcome by averaging the calculated effects using the two base years (Kakwani, 1997), a procedure that was used to make the calculations presented in the chapter.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Gaurav Datt and Martin Ravallion, “Growth and redistribution components of changes in poverty measures”, *Journal of Development Economics*, vol. 38, 1992 and Nanak Kakwani, “On measuring growth and inequality components of changes in poverty with application to Thailand”, *Discussion Paper*, University of New South Wales, 1997.

Most of the progress made on poverty and indigence in Latin American countries in the period 2002-2007 has been the result of growth in average household incomes. This is particularly true of countries reporting the largest poverty reductions, in percentage-point terms. Nonetheless, the share of the growth and distribution (i.e., inequality) effects in the region's countries has not been uniform, and in several cases reductions in poverty and indigence are mainly explained by a better distribution of income.

Average-income growth has been the predominant factor in reducing poverty and indigence in Argentina (urban area), Bolivarian Republic of Venezuela, Colombia, Ecuador (urban area), Guatemala, Honduras, Mexico and Nicaragua, which are also among the countries achieving the largest reductions in poverty and indigence rates in the period analysed (see figure I.18).

Nonetheless, considerably less progress would have been made if it had not been supported by distributive improvements. In fact, there are few countries where the increase in average incomes accounts for more than three quarters of the reduction in poverty and indigence. Examples are Colombia, Ecuador and Guatemala. In the other countries where the “growth effect” predominated, between 30% and 40% of the reduction in poverty and slightly higher percentages of the reduction in indigence are due to the change in distribution.

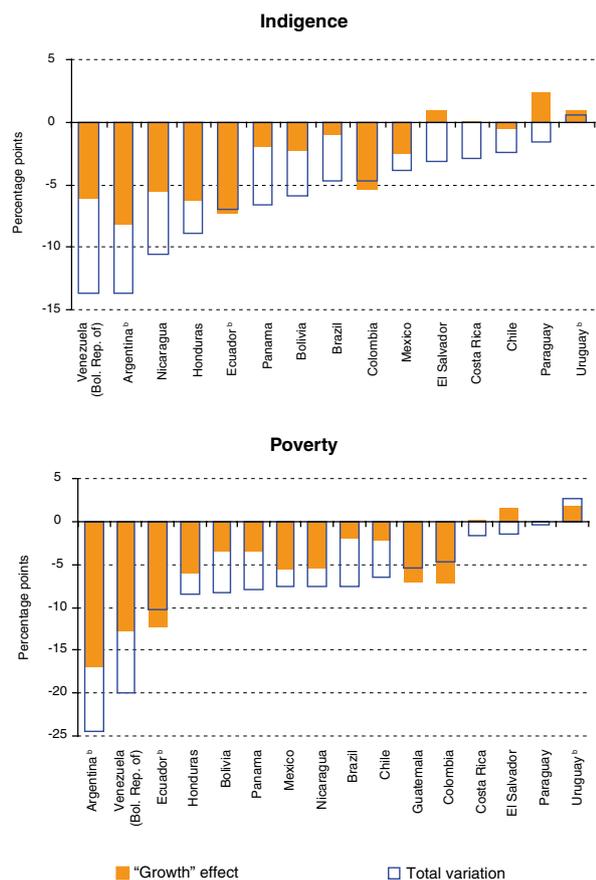
Over half of the reduction in poverty and indigence rates in Bolivia, Brazil, Chile, Costa Rica, El Salvador and Panama, along with Paraguay in the case of indigence, stems from the “distribution effect”. This has predominated in several of the countries that have made significant relative progress in terms of poverty reduction (albeit less so in percentage point terms), particularly in Brazil, Chile and Panama.

The growth and distribution effects complement each other in most countries, such that their interaction has made it possible to achieve better results than would have been the case if only one of these factors had been in play. In other words, the reductions in poverty and indigence recorded between 2002 and 2007 have been the outcome of growth in average incomes and a better distribution of them. There are a few exceptions to this pattern, such as Colombia, Ecuador and Guatemala, where the income distribution tended to aggravate poverty and indigence,

¹⁹ It should be noted that, as the “growth effect” represents the variation in average incomes in the survey and not per capita GDP, the “distribution effect” cannot be directly assimilated to the trend of commonly used inequality indicators. The Gini coefficient and other indicators, which are used to describe income distribution in the next chapter, summarize the average dispersion of household income as a whole, whereas the “distribution effect” refers to the segment of the distribution that is relevant for the subset of poor households.

and in El Salvador and Paraguay where the “distribution effect” alone would explain a larger reduction in indigence than actually occurred.

Figure I.18
LATIN AMERICA (16 COUNTRIES): EFFECT OF ECONOMIC GROWTH ON POVERTY AND INDIGENCE LEVELS, 2002-2007^a
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Guatemala is excluded in the indigence graph and the Dominican Republic in both graphs because the results of the breakdown are not significant.

^b Urban areas.

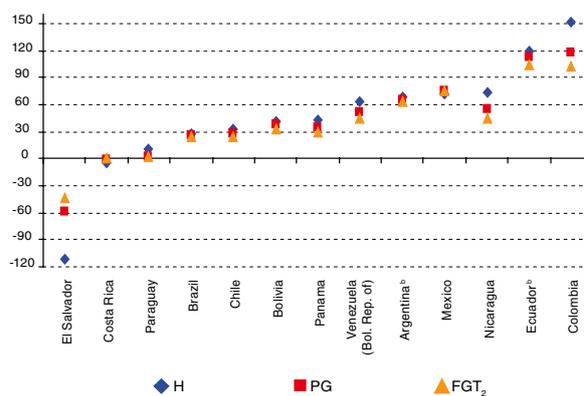
The results described above simply and directly verify that income distribution is a highly relevant factor in poverty reduction which should therefore not be relegated or excluded because it complements economic growth. Reducing the concentration of income has clearly been a key factor in reducing in the poverty rate in several countries, but a lack of distributional progress also undermines the chances of achieving larger poverty reductions.

The breakdown of changes in the poverty rate into the growth and distribution effects can also be applied to other poverty indicators, particularly indices of the poverty gap (PG) and the severity of poverty or FGT₂. As

indicated in section A, these indicators are useful because they provide a more complete view of poverty conditions, by measuring, in addition to the percentage of poor people, the gap between the average income of the poor and the poverty line (in the case of the PG index) and the way in which those incomes are distributed among the poor (in the case of the FGT₂ index).

The “distribution effect” plays more of a role in changes in the poverty gap and severity indices, because these are more sensitive than the headcount index to distributive issues in relation to those living below the poverty line. In fact, the percentage variation in the PG and FGT₂ indices resulting from average income growth is always less than the figure obtained for the poverty rate, with the sole exception of El Salvador. Moreover, differences in the weight of each effect are generally small, with few exceptions (Colombia, El Salvador and Nicaragua) (see figure I.19).

Figure I.19
LATIN AMERICA (14 COUNTRIES): GROWTH EFFECT ON CHANGES IN POVERTY INDICATORS: H (HEADCOUNT INDEX), PG (POVERTY GAP) AND FGT₂ (FOSTER, GREER AND THORBECKE) (SEVERITY OF POVERTY), 2002-2007^a
(Percentages)



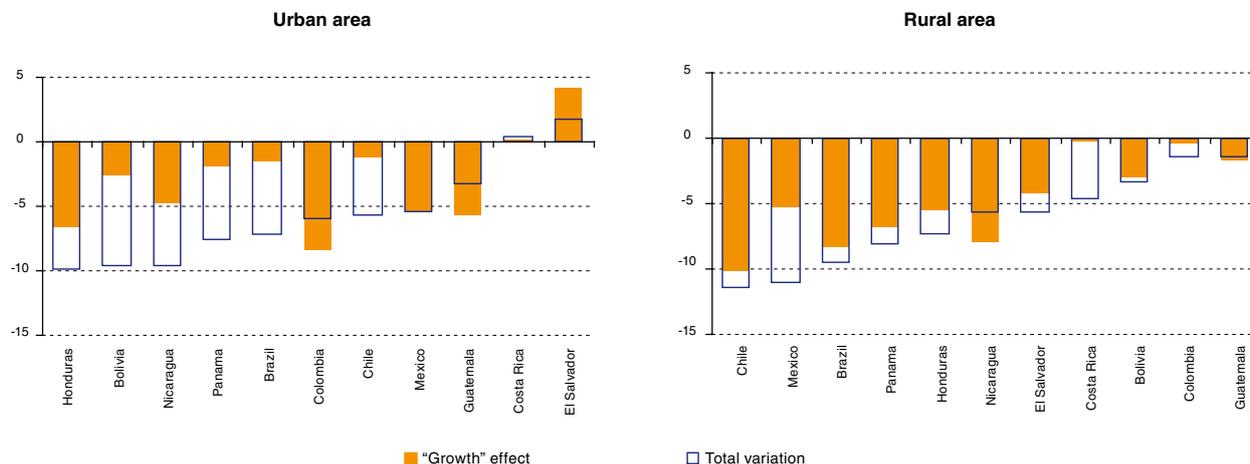
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Figures for the Dominican Republic, Guatemala, Honduras and Uruguay are excluded because the results of the breakdown of not significant for any of the three indicators.

^b Urban areas.

When the geographic dimension is brought into the analysis to distinguish between urban and rural areas, it can be shown that the growth and distribution effects have played different roles in each country. Whereas in Bolivia, Brazil, Chile, Nicaragua and Panama the “distribution effect” predominated in urban areas, the opposite is the case in rural zones. In contrast, the “growth effect” prevailed in urban areas of Colombia, Costa Rica and Mexico, but not in rural areas (see figure I.20).

Figure I.20
LATIN AMERICA (11 COUNTRIES): "GROWTH EFFECT" ON POVERTY IN URBAN AND RURAL AREAS, 2002-2007^a
(Variation in percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.
^a Figures for the Dominican Republic and Paraguay are excluded because the results of the breakdown are insignificant in terms of geographic areas.

2. Factors underlying changes in incomes

Broadly speaking, total household income consists of labour income received by workers (both employees and the self-employed), public transfers (including from social security and poverty reduction programmes), private transfers (such as remittances and gifts from other households), capital income and other income (including imputation of rent in the case of owner-occupied housing).

In both indigent and poor households alike, most income is obtained from the labour market. Labour income, including salaries and wages, tends to account for a larger proportion of total income in non-indigent poor households than in indigent ones. The lack of labour incomes in the latter is mainly compensated for by transfers, which are proportionately larger than in non-indigent poor households. Capital income is usually a less significant income source for the poor and indigent, although data suggest that Brazil is an exception (see figure I.21).

Consequently, it is no surprise that most of the variations recorded in average income among low-income groups over the last five years come from employment.²⁰ In particular, in the seven countries where poverty retreated the most,²¹

the growth of labour income accounts for roughly 77% of total income growth (69% in the case of indigent families). This source was particularly decisive in the Bolivarian Republic of Venezuela and Panama, where it represents at least 85% of the change in total income, followed by Argentina and Chile (about 80%), and Brazil, Ecuador and Mexico (at least 66%) (see figure I.22).

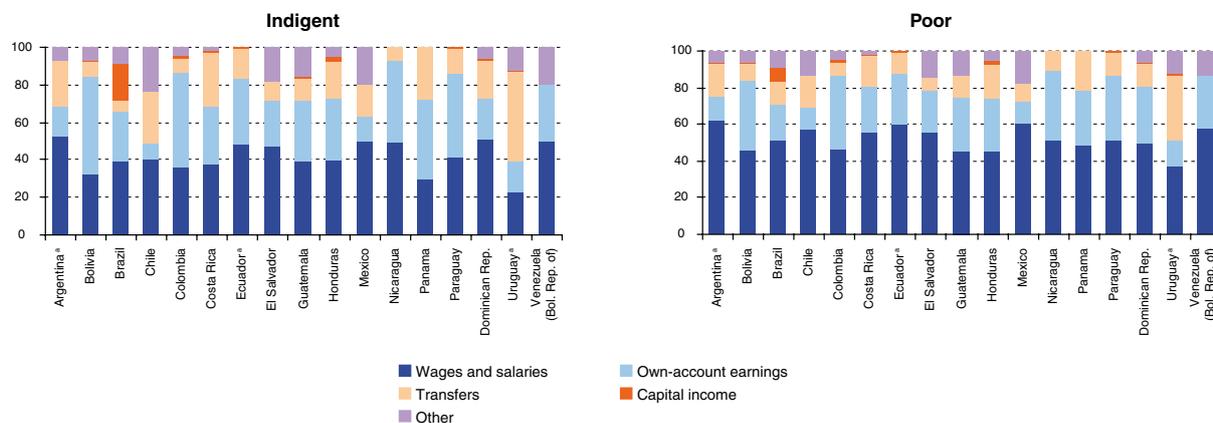
Labour income was also the key to explaining the variation in total per capita income among poor households in the other countries. In Bolivia, Costa Rica, Colombia, El Salvador, Nicaragua and Paraguay, at least 65% of the change in total income stems from an increase in labour incomes. Only in Guatemala and Honduras did this source make a minor contribution, and in the first case it actually changed in the opposite direction to the other income sources.

Transfers were not a key factor for income growth among the poor in those countries, but they were particularly important in countries such as Guatemala and Honduras, accounting for 50% or more of the income growth among the poor. In these countries, most of the increase in transfers stems from remittances received from abroad.

²⁰ The analytical group is the percentage of people below the poverty line in 2002.

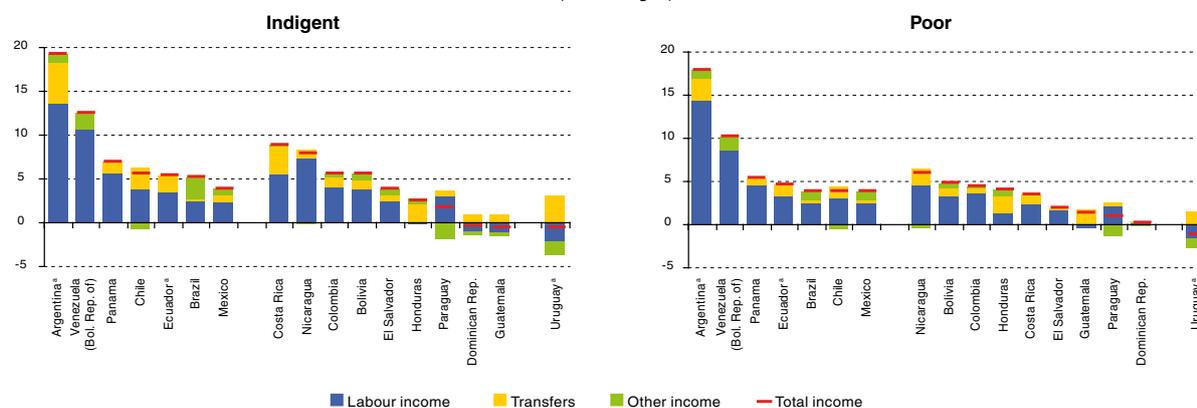
²¹ In relative terms (i.e., the percentage variation in the rate), although not necessarily in absolute terms (i.e., percentage points).

Figure I.21
LATIN AMERICA (17 COUNTRIES): INCOME STRUCTURE BY SOURCES, POOR AND INDIGENT HOUSEHOLDS, AROUND 2007
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.
^a Urban areas.

Figure I.22
LATIN AMERICA (17 COUNTRIES): ANNUAL GROWTH OF TOTAL INCOME PER PERSON AND CONTRIBUTION OF EACH SOURCE, IN INDIGENT AND POOR HOUSEHOLDS, 2002-2007^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.
^a Countries grouped in three categories according to the poverty trend between 2002 and 2007: Significant reduction, stagnation, or significant increase.
^b Urban areas.

Labour incomes, the most important source of changes in income among the poor and indigent, can be analysed using the breakdown scheme applied in *Social Panorama of Latin America 2007*, whereby labour income per person can be seen as the product of the following three components: labour income per employed person, the net employment rate (number of people employed divided by the number of economically active people), and the percentage of the population who are economically active.²²

Between 2002 and 2007, the growth of labour income per employed person was the key factor driving total income growth, particularly in countries reporting the

largest poverty reductions. This variable grew at more than 10% per year in Argentina and the Bolivarian Republic of Venezuela, and between 2.1% and 3.4% in Brazil, Chile, Ecuador, Mexico and Panama. In countries where poverty did not retreat by much, labour income per employed person also played a major role, especially in Costa Rica and El Salvador, although in most cases it was less decisive than other factors, and in some cases moved in the opposite direction, as in the Dominican Republic and Guatemala (see figure I.23).

The net employment rate has been another key factor in the growth of average income per person. In some of the countries achieving the largest poverty reductions, such as Argentina, Bolivarian Republic of Venezuela, Chile, Ecuador and Panama, this was the second most important variable in explaining the growth of labour

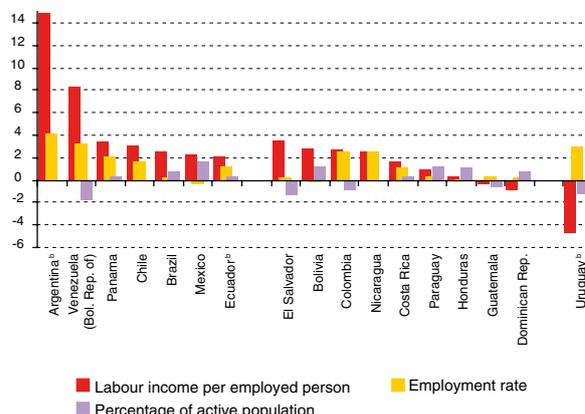
²² The latter factor can be further broken down into the product of the participation rate and (the inverse of) the dependency rate. Nonetheless, as these demographic variables hardly vary over short periods they are not analysed on a disaggregated basis.

income. In Colombia and Nicaragua, the employment rate was at least as important as average income per person employed. In Uruguay, the rise in the employment rate prevented labour income from falling further, partly offsetting the reduction in income per employed person and the percentage of household members who are economically active. The employment rate among the poor fell in Bolivia and Mexico only.²³

The proportion of household members who are economically active has behaved unevenly. Among countries where poverty decreased substantially, this variable increased significantly only in Brazil and Mexico, whereas it ended to decline in the Bolivarian Republic of Venezuela. There were also movements in both directions in other countries, although less than 1% per year in most cases.

In conclusion, the reductions in poverty and indigence reported over the last five years are mainly explained by an increase in labour income. Particularly in countries where poverty declined by most, this has been the result of an increase in average income per employed person, rather than a rise in the employment rate or household activity rate.

Figure 1.23
LATIN AMERICA (17 COUNTRIES): ANNUAL VARIATION IN THE COMPONENTS OF LABOUR INCOME PER PERSON, IN POOR HOUSEHOLDS, 2002-2007^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Countries arranged according to the change in labour income per person employed and grouped together in three categories according to the poverty trend between 2002 and 2007, classified as: significant reduction, no change or significant increase.

^b Urban areas.

E. Recent trend of distributive inequality

Over the last five years, the income distribution has shown signs of moving towards greater equity in several of the region’s countries, with a substantial narrowing of the gap between the richest and poorest groups. Significant distributive improvements were observed in nine countries between 2002 and 2007, which has reduced the average level of inequality in the region. Although income remains highly concentrated, these figures set an important precedent regarding the feasibility of improving the distribution of resources in Latin America.

1. Structure of income distribution

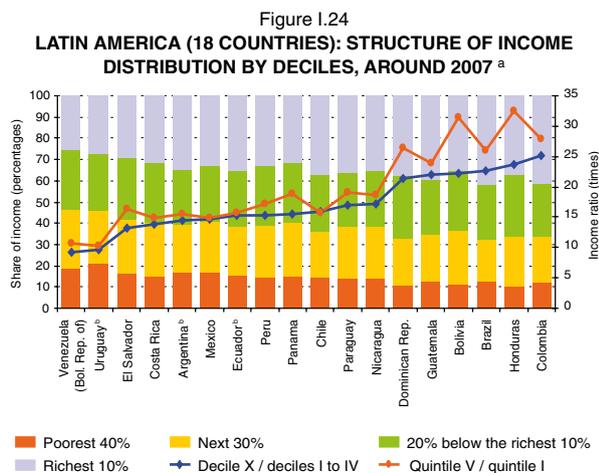
An initial understanding of the scale of distributional inequality in the region can be gained by measuring the share of total income received by the different income

groups: the poorest 40% of the region’s households receive an average of 15% of total income. This indicator is lowest in Bolivia, the Dominican Republic

²³ These figures differ from those obtained in *Social Panorama of Latin America 2007* for the period 1990-2005. In that period, the employment rate was the main factor driving income growth in

poor households in most countries, whereas labour income per employed person tended to recede.

and Honduras, never exceeding 11%. Only in Uruguay does the share of this group surpass 20%; in the other countries with a high share in the first quintile, such as Argentina, Bolivarian Republic of Venezuela and Mexico, it is between 17% and 18% (see figure I.24 and table I.A-2 in the appendix).



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Households arranged in order of per capita income.

^b Urban area.

In contrast, the wealthiest 10% of the region's households receive on average 35% of total income, although the income share of this group varies widely from country to country. While the highest levels are above 40%, such as in Brazil and Colombia, the lowest are below 28%, in the Bolivarian Republic of Venezuela and Uruguay.

The clear distributive disparity that characterizes Latin American countries can also be seen by comparing the ratio of incomes between the wealthiest and the four poorest deciles, and between the fifth quintile (i.e., the 20% of households in the highest part of the distribution) and the first. The first of these indices shows that average income per person in households located in the 10th decile is roughly 17 times higher than that of the poorest 40% of households. The ratio varies widely from one country to another, from about nine times in the Bolivarian Republic of Venezuela and Uruguay, to 25 times in Colombia. Meanwhile, per capita income in the wealthiest quintile is 20 times higher on average than that of the poorest quintile, ranging from 10 times in Uruguay to 33 times in Honduras.

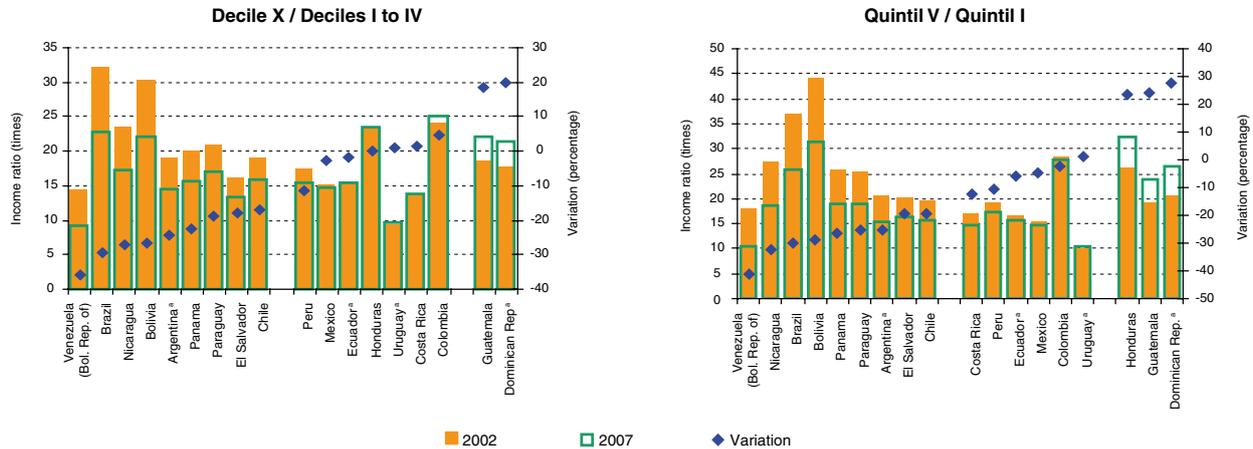
The pattern of income distribution between 2002 and 2007 reveals three distinct trends. Nine countries (Argentina, Bolivarian Republic of Venezuela, Bolivia, Brazil, Chile, El Salvador, Nicaragua, Panama and Paraguay) report a significant narrowing of the gap between groups at the two ends of distribution, reflecting both an increase in the share of income received by the poorest groups and a reduction in the share received by households in the top part of the distribution. In these countries, the 40% of households with lowest per capita incomes have increased their share of total income by at least one percentage point, and by up to four percentage points in the Bolivarian Republic of Venezuela. The proportion of total income received by the wealthiest decile has also shrunk by between four and five percentage points in all cases, except in Paraguay, where the reduction was less than one percentage point. Consequently, in these countries, the average-income gap between the wealthiest quintile and the four poorest deciles has narrowed by at least 17%, and the difference between the extreme quintiles has decreased by at least 20%. The largest reductions in the two indicators occurred in the Bolivarian Republic of Venezuela, of 36% and 41%, respectively. Significant improvements were also achieved in Bolivia, Brazil and Nicaragua, of around 30% in both indicators (see figure I.25).

In a second group of countries, consisting of Colombia, Costa Rica, Ecuador, Mexico, Peru and Uruguay, the structure of income distribution remained broadly unchanged. Although in most cases, the gaps have tended to narrow, the variations have not been very significant.

The Dominican Republic, Guatemala and Honduras form a separate group in terms of the structural trend of the income distribution, because the gaps between the two extremes of the distribution widened in all three cases. In Guatemala, the deterioration stemmed from a loss of income share in the lowest-income groups and an increase in the share of the wealthiest groups, whereas in the Dominican Republic and Honduras the deterioration was mostly due to the first of these factors.

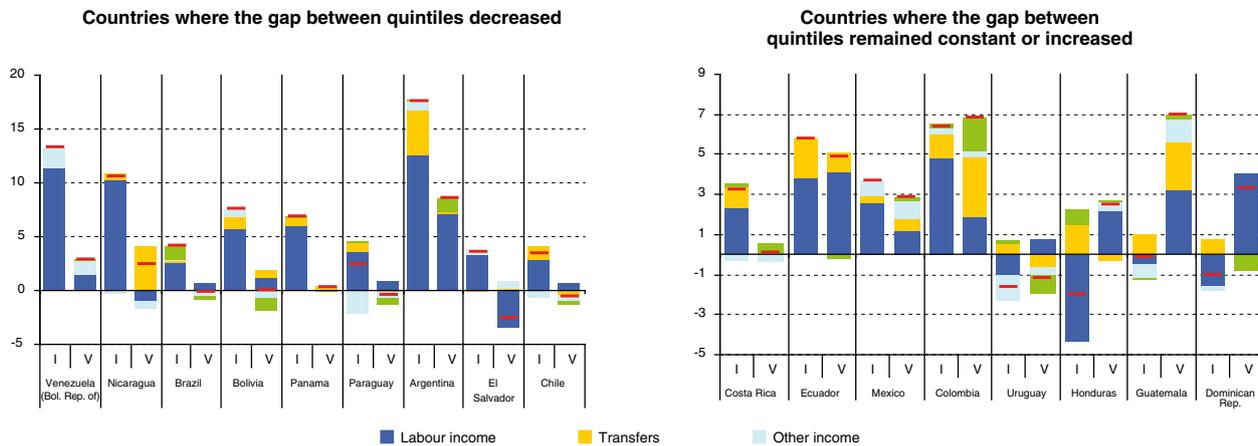
In several countries reporting a significant narrowing of the gaps between the groups at the two ends of the distribution, this result stemmed from the stagnation of real income in the wealthiest quintile, in contrast to a substantial increase in the first quintile. This did not happen in Argentina, Bolivarian Republic of Venezuela or Nicaragua, however, where the income of the highest quintile grew significantly, nor in El Salvador where the average real income of that group fell (see figure I.26).

Figure 1.25
LATIN AMERICA (18 COUNTRIES): CHANGES IN THE INCOME GAP BETWEEN THE WEALTHIEST AND POOREST GROUPS, 2002-2007



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.
^a Urban areas

Figure 1.26
LATIN AMERICA (17 COUNTRIES): GROWTH OF AVERAGE INCOME AND ITS MAIN SOURCES, QUINTILES I AND V, 2002-2007^a
(Percentages of annualized real growth rates)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.
^a To calculate the real income growth, income was expressed as multiples of the poverty line in each year. Possible differences in the trend of this variable between urban and rural areas mean that the results are not fully compatible with the trend of the gaps between the extreme quintiles shown in figure 1.25.

Most of the distributive improvements reported by certain countries resulted from the trend of labour incomes. Higher earnings from work were the main factor driving income growth in the lowest quintile. A similar thing happened with incomes in the highest quintile, where labour income grew slightly, and this was partly or fully offset by reductions in incomes from other sources. The clearest exception in this regard is Nicaragua, where income growth in the top quintile is entirely due to an increase in transfers.

In countries where the gap remained broadly unchanged, labour incomes were also the main factor

explaining the change in total incomes. In Costa Rica, Ecuador and Mexico, differences in income growth in the first and fifth quintiles broadly reproduced the trends in labour income for those same groups. A similar pattern can be seen in the Dominican Republic, Guatemala and Honduras, where the income gap between the wealthiest and poorest quintiles widened. There are some exceptions, however, such as the highest quintile in Colombia and Guatemala, where the increase in transfers and other incomes easily outpaced labour-income growth, or the widespread fall in income in Uruguay, in which all sources participated to the same extent.

2. Synthetic inequality indicators

From a different perspective, distributive inequality can be analysed through synthetic indices that summarize information on the income distribution for the entire population in a single value. There are several synthetic indicators, such

as the Gini, Theil or Atkinson indices, which differ, among other ways, in the relative weight they assign to each segment of the income distribution. For that reason, it is best to use them in a complementary way (see box I.8).

Box I.8

INDICATORS FOR MEASURING DISTRIBUTIVE INEQUALITY

The degree of concentration displayed by a given income distribution can be measured through a wide range of indicators. This chapter uses four of the best-known, which are described in detail below.

Gini index

$$G = \frac{1}{2n^2\mu} \sum_{i=1}^n \sum_{j=1}^n |y_i - y_j|$$

Theil index

$$T = \frac{1}{n} \sum_{i=1}^n \frac{y_i}{\mu} \log\left(\frac{y_i}{\mu}\right)$$

Atkinson index

$$A_\epsilon = 1 - \left[\frac{1}{n} \sum_{i=1}^n \left(\frac{y_i}{\mu}\right)^{1-\epsilon} \right]^{\frac{1}{1-\epsilon}}$$

Logarithmic variance

$$VL = \frac{1}{n} \sum_{i=1}^n \left[\log\left(\frac{y_i}{\mu}\right) \right]^2$$

where n = population size, y_i = per capita income of the i -th individual, μ = mean income, and \log denotes natural logarithm.

The Gini index is the best-known index for analysing income distributions. It corresponds to the area between the Lorenz curve and the equi-distribution line. The greater the income concentration, the larger will this area be, which increases the value of the indicator.

Despite its popularity, the Gini index does not satisfy the “transfer principle”—a desirable property for inequality indicators whereby inequality should decrease in response to a progressive transfer of income (i.e., from a “rich” household to a “poor” one). This makes it advisable to complement the analysis with other indicators that do satisfy this property, such as the Theil, Atkinson and logarithmic variance indicators.

In all four cases, the higher the value of the indicator, the greater the inequality. Nonetheless, while the Gini and Atkinson

indicators take values in the range [0,1] (where the 0 corresponds to absolute equality and 1 represents absolute inequality), the other two indicators have maximum values greater than 1.

It should also be noted that the formulation of the Atkinson indicator uses an additional parameter known as “inequality aversion” (ϵ). The greater the value used, the higher the weighting given to observations in the lower part of the distribution, most frequently between 0.5 and 2.0.

All inequality indicators are ordinal, so their values are not comparable. Furthermore, as each of them measures partial aspects of inequality, it is possible for them to generate different rankings for the same distribution. The ranking of a group of distributions can only be considered definitive if it does not vary depending on the index used. The best procedure, therefore, is to use inequality indices in a complementary way and analyse the results jointly.

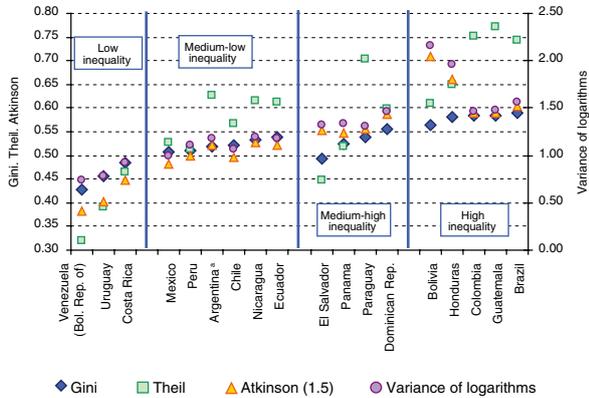
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Frank Cowell, “Measuring Inequality”, *LSE Handbooks in Economics*, Prentice Hall, 2000.

Owing to their specific properties, the ranking of the countries by inequality levels will depend on which indicator is being used. Nonetheless, certain regularities can be identified. Based on the most recently available figures, the least unequal countries in the region are the Bolivarian Republic of Venezuela, Costa Rica and Uruguay. It is also possible to identify Bolivia, Brazil, Colombia, Guatemala and Honduras as those with the highest levels of income concentration in the region. Classifying the other countries by their inequality levels is somewhat more arbitrary, because the rankings vary widely according to the indicator used. Nonetheless, one possible grouping would consider Argentina, Chile,

Ecuador, Mexico, Nicaragua and Peru as countries with medium-low inequality in the regional context, while the Dominican Republic, El Salvador, Panama and Paraguay would be medium-high inequality countries (see figure I.27 and table I.A-3 of the appendix).²⁴

²⁴ To classify countries by inequality levels, the k-means statistical clustering algorithm was used, which seeks to generate strata that are internally homogeneous but also have the maximum possible variability between them.

Figure I.27
LATIN AMERICA (18 COUNTRIES): INEQUALITY INDICATORS, AROUND 2007



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.
 * Urban areas.

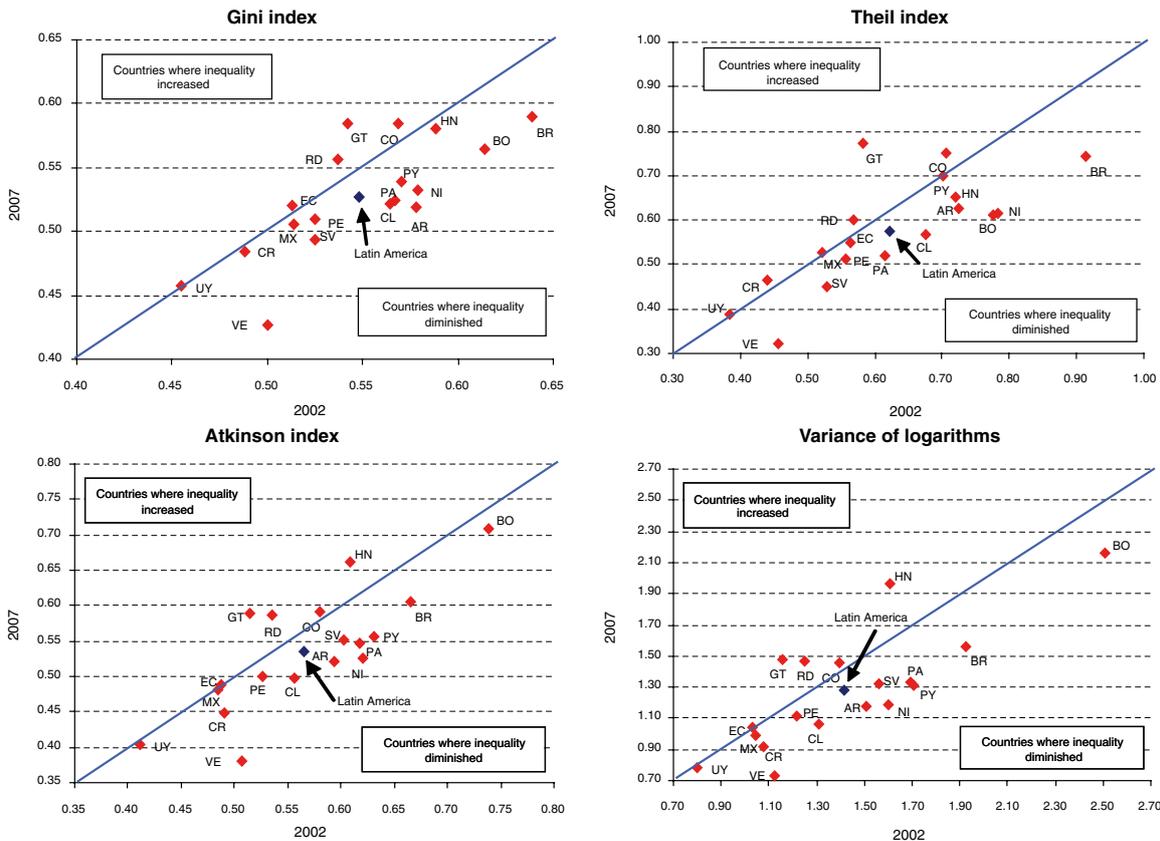
The trend of inequality indicators between 2002 and 2007 corroborates a majority trend towards a better income distribution. In all of the nine countries mentioned above (Argentina, Bolivarian Republic of Venezuela,

Bolivia, Brazil, Chile, El Salvador, Nicaragua, Panama and Paraguay) inequality indicators fell by at least 5%. Colombia, Guatemala and Honduras can also be identified as countries in which the distribution tended to deteriorate in the period under study (see figure I.28).

Reflecting the reduction in inequality that predominated in several of the region’s countries, the simple average of each of the four indicators analysed fell between 2002 and 2007 —by 4%, 8%, 5% and 10% for the Gini, Theil, Atkinson and Variance of logarithms indices, respectively. Although the region remains exceedingly unequal, these figures set a significant precedent regarding the feasibility of improving the distribution of resources in Latin America.

A longer term comparison, using the Gini index exclusively, shows that current inequality levels are the lowest recorded since the early 1990s. Around 1990, the simple average of Gini indices in the region’s countries amounted to 0.532, whereas the average around 2007, calculated on a comparable basis in terms of countries and geographic areas analysed, was 0.515. Nonetheless, these figures represent a reduction of just 3%, which by no means can be interpreted as a significant change in the distribution patterns prevailing in the region.

Figure I.28
LATIN AMERICA (18 COUNTRIES): INEQUALITY INDICATORS, 2002-2007



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

Box I.9

INEQUALITY TRENDS IN COUNTRIES OF THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

Distributive inequality is an important issue in all regions of the world, especially when it is tending to deteriorate. Such is the case in most member countries of the Organisation for Economic Co-Operation and Development (OECD), according to a study recently published by that institution, which analyses inequality trends over the last two decades.

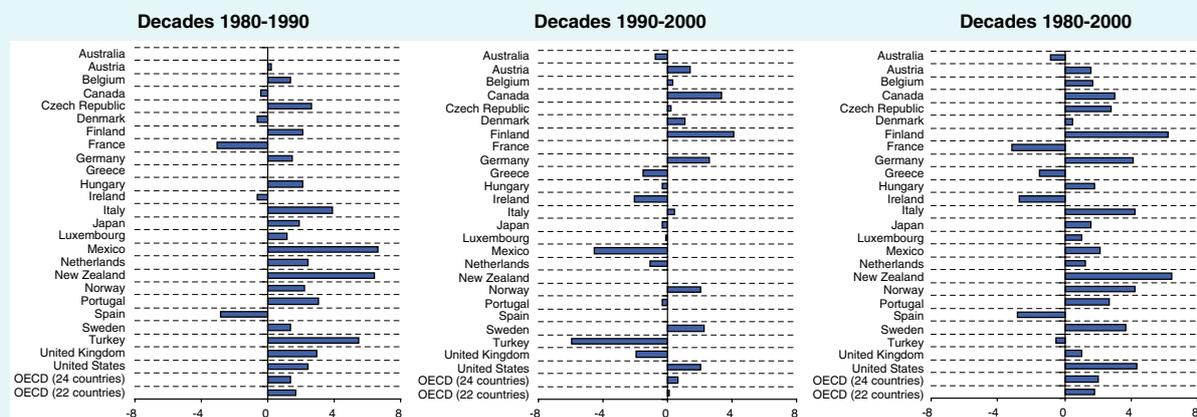
Inequality patterns in OECD countries vary widely. For example, the Gini index varies from less than 0.25 in countries

such as Denmark and Sweden, to almost 0.40 in the United States and Portugal, with Mexico and Turkey reporting even higher values.

Regardless of these differences, the study in question concludes that the income distribution has deteriorated on average with respect to the situation prevailing in the mid-1980s. The breakdown of the total variation in two subperiods shows that between 1980 and 1990 deterioration predominated, particularly in Mexico,

New Zealand and Turkey, with very few countries reporting improvements. In the subsequent decade, there was a wider variety of trends, with the distribution worsening in some countries, such as Canada and Finland, while improving in others, including Mexico and Turkey. The cumulative result over the two decades is that nearly all OECD countries suffered a slight but significant increase in their inequality levels, particularly in Finland, New Zealand and Portugal.

VARIATION OF THE GINI COEFFICIENT BY SUB-PERIODS
(Hundredths of the Gini Coefficient)



Source: Organisation for Economic Co-operation and Development (OECD), *Growing Unequal? Income Distribution and Poverty in OECD Countries*, Paris, 2008.

3. Inequality in different population groups

A useful property of some inequality indicators is the possibility of estimating the contribution made to the final outcome by mutually exclusive population groups. In particular, the Theil index can be broken down into the sum of two factors: intra-group inequality, or the extent of dispersion of incomes within each group; and inter-group inequality which is the dispersion of average income between groups. Intra-group inequality also corresponds to the sum of the Theil indices for each group weighted by their share in the total income of that group.

One way to explore the characteristics of inequality in the region's countries is to analyse the contribution made to inequality by some of the dimensions used above to evaluate the region's progress in reducing poverty—particularly geographic area, the sex of the head of household and the average education level.

Inequality in the income distribution affects urban and rural areas in the region's countries in very different ways. While rural areas in Bolivia, Honduras, Panama and Paraguay report indicators that are substantially higher than

in urban areas, the opposite is true of Colombia and the Dominican Republic. Nonetheless, the contribution made by rural areas to total inequality is always less than that of urban areas, because, while they may have high levels of inequality, their share of total income is considerably less than that of the urban area. Paraguay is the only country where the rural area accounts for almost 50% of intra-group inequality, and it joins Guatemala and Honduras as the only countries where this proportion is above 25% (see figure I.29).

In the breakdown of inequality by urban and rural areas, the intra-group factor dominates; i.e., income concentration is mostly explained by the dispersion of incomes within urban and rural areas, rather than the average-income gap between them.²⁵ Countries in which the inter-group factor is more important are Bolivia, El

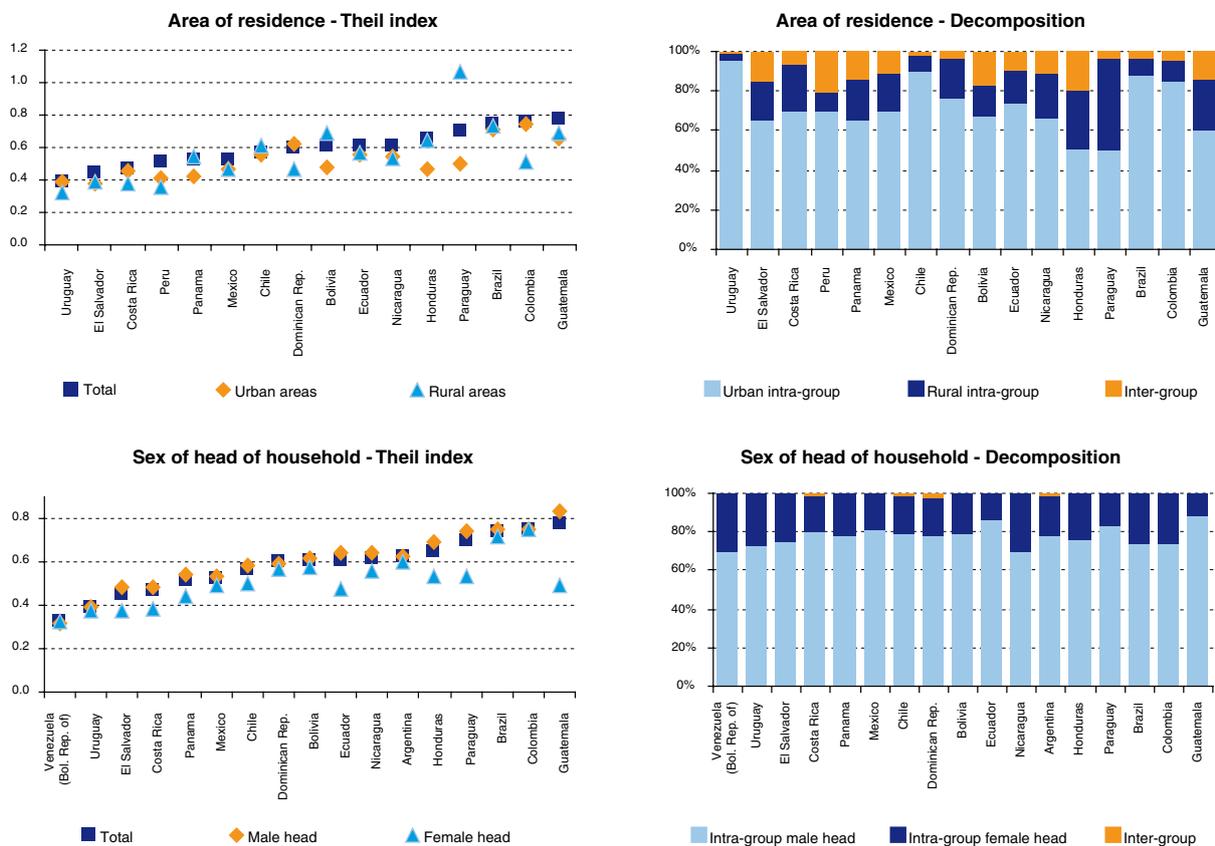
²⁵ The small share of the inter-group factor is partly due to the small number of groups used in the breakdown—in this case just two. The weight of this factor tends to increase as the number of groups grows, as is shown below in the breakdown by “household educational climate”.

Salvador, Honduras and Peru, with this factor accounting for between 15% and 20% of total inequality. In countries such as Brazil, Chile, the Dominican Republic, Paraguay and Uruguay, income differences between geographic areas explain less than 5% of total inequality.

A breakdown of the Theil index by the sex of the head of household shows an even greater predominance of the intra-group component, which accounts for virtually 100% of total inequality. In other words, there are no major differences in average income between households headed by men and women, at least compared to the wide income disparity among households headed by a person of the same sex. Here it can be shown that inequality in households headed by men is clearly greater than in families headed by women, except in a few countries where the differences are negligible. In keeping with this, male-headed households contribute most to total inequality.

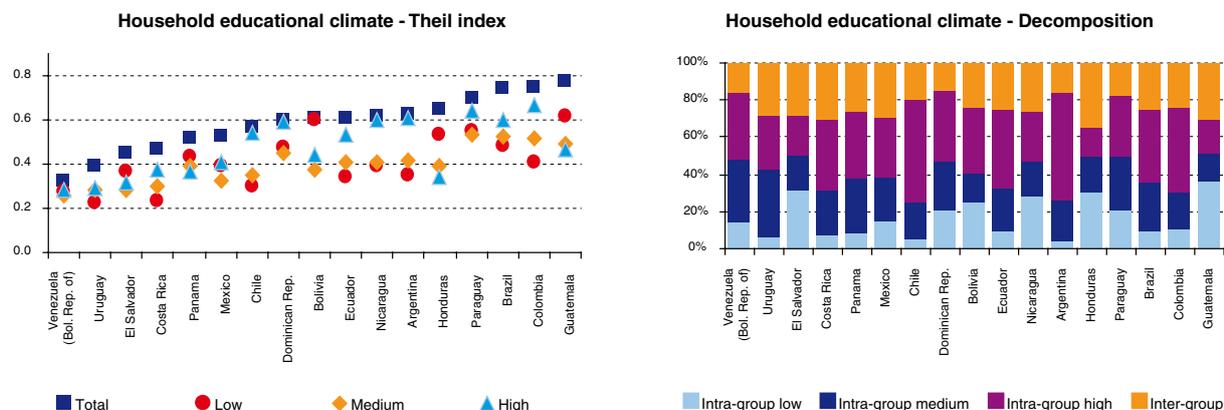
The stratification of households by education level, measured by the “educational climate” variable used in previous sections of this chapter, shows that intra-group inequality stems mainly from the highest educational strata.²⁶ This happens not only because the dispersion of incomes received by members of that group is generally larger than in the other two groups, but also because of its large share of total income, which magnifies its contribution to overall inter-group inequality. This is particularly clear in Chile, where 70% of inter-group inequality comes from households in the highest education level. Moreover, this pattern is not present in countries where the average education level is relatively low by regional standards. In El Salvador, Guatemala and Honduras for example, the largest contribution to intra-group inequality stems from low-education households. The intra-group component accounts for roughly 30% of total inequality in countries such as Costa Rica, El Salvador, Guatemala, Mexico and Uruguay.

Figure I.29
LATIN AMERICA (18 COUNTRIES): THEIL INDEX AND ITS DECOMPOSITION BY HOUSEHOLD CHARACTERISTICS, AROUND 2007



²⁶ “Educational climate” is measured by the average number of years study by the head of household and his or her partner. This variable is stratified in three levels: Incomplete primary education; Incomplete secondary education; and Complete secondary education.

Figure I.29 (concluded)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.
^a Corresponds to the average number of years' study completed by the head of household and spouse. "Low" represents incomplete primary education; "Medium", represents complete primary but incomplete secondary education; and "High", represents complete secondary education and beyond.

F. Poverty and perceptions of inclusion and exclusion

The poorest sectors in Latin America, like the rest of the population, see social inclusion as reflecting their aspirations for economic autonomy and material well-being, and also their desire to possess the skills needed to participate in information- and knowledge-based societies that are permanently in flux. As the poorest groups are short on all social constituents of inclusion, it is hardly surprising that they express perceptions and sentiments of exclusion, such as loneliness, impotence and disorientation, more intensively than the non-poor. Nonetheless, feelings of exclusion do not significantly reduce expectations of social mobility among the most poor, which tend to reflect perceptions of the future of the economy, thereby suggesting that the poorest people will react positively to new opportunities. Social policies should therefore reduce poverty and at the same time promote social inclusion and strengthen the sense of belonging.

Although Latin America has achieved a significant reduction in poverty and a slight improvement in the income distribution in recent years, there are still a substantial number of households that lack the resources to satisfy their basic needs, and the region is still the most unequal in the world. Moreover, the increasing integration of countries in the global economy has made the labour market more precarious and eroded traditional social security mechanisms (on this

point see chapter II). These trends have also contributed to higher levels of vulnerability and exclusion among broad swathes of the Latin American population, including newly impoverished sectors of former middle classes that are living just above the threshold for satisfying their basic needs. There are also extremely deprived groups that are not covered by social support networks, whether family, community or institutional based.

The persistence of absolute poverty and particularly high levels of inequality, compounded by the emergence of new forms of vulnerability and exclusion, call for more comprehensive public policy that complements actions to raise incomes with initiatives aimed at promoting participation by individuals and families in the social activities needed for them to have an acceptable life in terms of social inclusion. Governments also need to take account of the perceptions of the most excluded members of their population, regarding their sense of belonging in society, since these groups would be most prone to feelings of disorientation and uncertainty generated by globalization processes, which would compound the potential adverse psycho-social repercussions of opportunity structures that are traditionally highly asymmetric. At the same time, a widening of the gap between expectations and effective material achievement among the poorest members of society could threaten inclusion and cohesion policies, owing to their potential effects in terms of frustration and destabilization of democracy.

Despite the greater visibility of the concept of inclusion on country agendas in the region, there is currently no

consensus as to which inclusion standards are most relevant to the Latin American reality, for use as a frame of reference for designing public policies and constructing social exclusion and inclusion indicators. Nor have any regional quantitative studies analysed the perceptions and feelings of exclusion and gaps between aspirations and expectations of mobility prevailing among the poorest and most excluded sectors, against a backdrop in which major inequities converge with changes in economic, social, and cultural structures. This section makes: (i) a characterization of the Latin American population's perceptions based on the main pillars of inclusion, for the purpose of producing inputs for applying the inclusion-exclusion approach in public policies; (ii) a comparative analysis of perceptions of exclusion among different socioeconomic strata to provide an initial overview of the psycho-social impact of a highly unequal opportunities structure and growing exposure to changes in the different domains of life; and (iii) a review of factors that could be associated with the gap between aspirations and expectations of well-being, bearing in mind people's socioeconomic position, their feelings of exclusion and perceptions for the future of the economy.

1. Perceptions of inclusion

The inclusion-exclusion approach began to be seen as a useful analytical tool for public and social policies, both in Latin America and in other parts of the world, in a context where the categories traditionally used to understand deprivation processes were becoming limited. In particular, repercussions on the social structure of the transformations associated with globalization (Hopenhayn, 2001), greater precariousness in the labour market and a weakening of the social protection system, revealed the need to take a broader view of problems of deprivation. New forms of poverty began to be mentioned, such as that affecting recently impoverished households that are slightly above the thresholds for satisfying basic needs, or extreme deprivation which afflicts people that have no access to social safety nets.²⁷ In the last few years, ECLAC (2007b) has argued that the persistence of high levels of inequality is an obstacle to social inclusion and weakens the basic social links needed to maintain a sense of integration and belonging.

One of the issues to bear in mind when applying the inclusion —exclusion approach is the wide variety of meanings that have been attributed to these concepts in social policy discourses. The pillars on which these distinctions have been established have usually considered participation in activities that are essential for society (e.g., daily activities in which most members of the country take part); the quality of links and social ties that exist between people, groups and institutions (where exclusion is a disconnecting process that results in cumulative disadvantages and persistent deprivation); and the degree to which basic citizenry entitlements are guaranteed. Inclusion and exclusion processes have also been defined on the basis of structural factors that result in unequal access to resources and opportunities and, mainly, their reproduction through time.

In the European tradition, the concept of exclusion has been used as part of a political strategy aimed at redefining poverty as a condition of relative deprivation, in which individuals or households lack resources to participate in normal society activities (Townsend, 1979). This approach has given rise to relative poverty measures based on the cross-section of the income distribution at specific

²⁷ The concept of “new poverty” refers to the impoverishment of urban middle classes in some middle-income Latin American countries, in particular reflecting wage and labour impoverishment, rather than job loss. For further details see Kessler and Di Virgilio (2008).

standard thresholds (e.g., 60% of the median income of the population), below which people are poor (Atkinson and others, 2005). In Europe, social exclusion has also been used to refer to a lack of wage-earning employment. In this case, its opposite would not be social participation, but participation in the labour market (although having a job might serve as a proxy indicator for participation in other spheres of life). The third distinction stems from the idea that social exclusion is an extreme form of poverty; those who are excluded would be in the worst situation, the poorest of the poor (Gordon, 1998).

The three approaches used in the European tradition are hard to apply in Latin America. In the approach that relates to activities in which the average citizen participates, the high levels of absolute poverty existing in the region (seven countries have absolute poverty rates close to or well above 50% of the population), suggest that median income would hardly guarantee adequate participation in social life. Moreover, using different relative poverty thresholds in the region does not produce differences larger than 10% between countries, without discriminating by development level (ECLAC, 2007a; ECLAC/EUROSocial, 2007). With regard to the notion of inclusion through labour-market participation, it has long been clear that merely being employed does not ensure permanent escape from poverty in the region, owing to the high prevalence of the informal sector (ECLAC, 2007b; ECLAC/EUROSocial, 2007). Nor does the concept of exclusion as confined to a minority of “hardcore” poverty does seem appropriate for the region, where deprivation in terms of basic needs remains widespread.

At the same time, while social exclusion has often been used as a synonym for poverty, it is important to maintain the distinction between the two terms. It has been argued that poverty means a lack of economic resources, whereas social exclusion refers to the broader issue of social integration. One way of visualizing the relations that exist between poverty and exclusion is that the first impedes social participation and the exercise of citizenship. Thus, if poverty entails a lack of resources to participate in society, social exclusion refers to the dynamic processes that end up disconnecting individuals from the social, economic, political, cultural systems that determine their social integration (Levitas, 1998). The difference between poverty and exclusion can also be illustrated through situations in which a poor resource endowment does not cause social isolation, or through exclusions that stem from more than just a lack of resources, such as disability (Gordon, 1998).

Thus, while the inclusion-exclusion approach provides opportunities for designing multidimensional policies that go beyond the issues traditionally addressed in poverty

reduction schemes, lack of consensus over the meaning of the terms “inclusion” and “exclusion” makes them hard to apply. As Levitas (1998) points out, it is complicated to specify the types of participation that are considered necessary for inclusion in different contexts and dimensions of well-being, and to determine the level and quality of material resources that would make it possible to establish a minimum level of inclusion. Moreover, both categories can be seen as a continuum with an intermediate zone of vulnerability, which further complicates the issue, since there would be no threshold or borderline between inclusion and exclusion in this case.

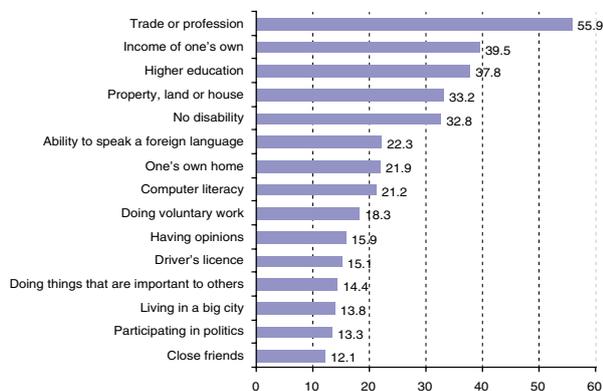
Furthermore, what constitutes social exclusion or inclusion will depend on the prevailing representations in a given society regarding the activities-participation standards that need to be satisfied for people to be included. One way to approach how people define social inclusion in Latin America is to question them about the things individuals need to possess to feel part of the society they live in. This exercise can provide information on individuals’ aspirations and the importance citizens attach to the different dimensions of inclusion, and analyse the distribution of these perceptions in terms of the different socioeconomic indicators. Not only is this of interest for policy design, but it can also provide inputs for constructing exclusion and inclusion indicators based on citizens’ perceptions.

The data shown in figure I.30 show that the ideas Latin American people hold regarding the things that people need to feel included contain more dimensions than the concepts usually proposed by experts or decision-makers. Although interviewees prioritize the things needed for autonomy²⁸ (trade or profession and own income) and economic well-being (property ownership), which usually predominate in the public policy discourse, they also mention skills relating to participation in information- and knowledge-based societies (speaking a foreign language, having higher education, using a computer), activities related to the exercise of social and political citizenship, and basic social ties for belonging (having close friends and one’s own home).²⁹ A large proportion of people also cite not suffering from a disability as a condition for belonging to society, so it is important to bear this aspect in mind when designing inclusion policies.

²⁸ The items prioritized by the interviewees mainly correspond to things achieved by adults (having a trade, own income, having a home, having obtained higher education qualifications).

²⁹ The proposed grouping of the things people consider necessary for social inclusion, mainly reflects conceptual criteria. Nonetheless, an exploratory analysis of the factors underlying individuals’ replies shows that these are grouped more or less consistently in terms of two main factors: the dimensions of autonomy and economic well-being and the skills needed to participate in globalized information- and knowledge-based societies. For further details see table I.A-2 of the appendix.

Figure I.30
**LATIN AMERICA (18 COUNTRIES): THINGS THAT PEOPLE NEED
 TO HAVE TO FEEL PART OF SOCIETY^a**
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2007 survey.

^a The question asked was: "People can feel included or excluded in society. Which of the following do you think are necessary in order for you to feel part of the society in which you live?". The percentages were estimated using as the denominator respondents who mentioned at least one of the things people should have. Those who did not choose any category were treated as missing cases.

The replies given by interviewees to the question on the things people should have to feel included can be interpreted as reflecting the aspirations and values of the Latin American population. The frequent reference to categories relating to autonomy and material well-being could be an expression of a desire for economic and social mobility and values associated with a degree of economic success. This would not correspond to the standard of living prevailing among the wealthier strata of society, nor to the predominant standard of living of the average citizen (given the extent of deprivation in terms of basic needs in several countries of the region); instead it would serve more as a reference group to the wealthier segments of the middle-class.³⁰ At the same time, mention of the skills needed to participate in information- and knowledge-based societies shows that socially perceived inclusion criteria reflect changes in contemporary life, particularly those relating to the new requirements for adequate participation in labour markets.

Differences between the various socioeconomic groups in terms of the importance attached to each constituent of inclusion are very small, particularly in the inclusion categories that are most important for the whole population (having a trade or profession, own income and higher

education).³¹ The differences between socioeconomic groups are larger in the more peripheral categories (those obtaining smaller percentages of referrals), such as "living in a large city" and "having something to say". The importance of the first category decreases as household goods increase, and the weight of the second category is greater among interviewees from households with more goods. In the case of differences by educational level, people with less schooling give less importance to inclusion criteria based on social and political citizenship (participating in political and voluntary activities, doing things that are important for others, and having something to say).

The high degree of continuity between the different socioeconomic groups in terms of socially perceived inclusion criteria suggests very similar underlying aspirations and values between the different social segments. This means that a setting of unequal distribution of opportunities is likely to produce perceptions and feelings of exclusion among those who are disadvantaged.³² Thus poverty-reduction policies should go beyond merely handing out compensatory monetary transfers and aim to promote social inclusion, which entails addressing aspirations for entering the labour market, gaining economic self-sufficiency (having a profession, having own income) and possessing assets (property, house, land) that ensure sustainable livelihoods. The acquisition of human capital to participate in information- and knowledge-based societies is also important to the most poor (e.g., having higher education qualifications).

Lastly, the similarities observed show that it is feasible to construct inclusion and exclusion indicators based on majority social perceptions, which could be used to complement traditional poverty measures. One alternative is to prepare an exclusion index that considers the dimensions that are most relevant for the population (having a trade or profession, own income, higher education and property/house/land) and use the importance that people attach to each of these dimensions as a weighting criterion.³³ Another possibility is to construct a subjective exclusion indicator based on perceptions of the activities people need to engage in to avoid being excluded. This could result

³⁰ When people are asked to indicate the level of well-being they believe corresponds to them, on a scale of 1 to 10 (1 corresponding to worst conditions and 10 to the best), the replies have a median of 7. This cannot not be interpreted as indicating that the Latin American population aspires to living in the style of the wealthiest people.

³¹ Preference has been given to comparing the positions obtained by each of the inclusion categories within each of the groups, because the comparison of raw values between groups could be affected by interviewees with more education and goods systematically selecting more inclusion criteria.

³² Homogeneity is also maintained when comparing by zone of residence, ethnic belonging and country. For further details see tables I.A-5 and I.A-6 in the appendix.

³³ This would mean in inverting the categories (excluded people would be those that did not have a trade or profession, or did not have their own income, among other situations). Nonetheless, this requires better definition of the categories, particularly since people do not necessarily see inclusion or exclusion as dichotomous.

in a threshold consisting of the minimum income needed for social inclusion. Nonetheless, as this replicates the subjective poverty method, it could be prone to problems

such as producing a very high threshold, which would make it hard to argue that all people below the inclusion line are excluded (Gordon and others, 2000).³⁴

Table I.7
LATIN AMERICA (18 COUNTRIES): THINGS THAT PEOPLE NEED TO HAVE TO FEEL PART OF SOCIETY, ACCORDING TO POSSESSION OF GOODS IN THE HOME AND SCHOOLING^a
(Percentages and position of the category within each group)

	Possession of goods in the home				Schooling			
	0-1 goods	2-4 goods	5-6 goods	7-8 goods	No formal education	Primary incomplete or complete	Secondary incomplete or complete	Higher incomplete or complete
Having a trade or profession	49.5 (1)	53.6 (1)	59.1 (1)	66.3 (1)	47.4 (1)	52.9 (1)	57.6 (1)	63.9 (1)
Having one's own income	35.5 (3)	37.4 (2)	42.5 (2)	47.2 (2)	32.7 (5)	37.8 (2)	40.2 (2)	45.5 (2)
Having higher education	35.8 (2)	36.8 (3)	39 (3)	42.8 (3)	34.8 (3)	34.1 (4)	39.8 (3)	43.3 (3)
Owning property, land or a house	35.8 (2)	31.9 (4)	33.5 (4)	35.6 (4)	34.6 (4)	34.2 (3)	32.7 (4)	31.4 (5)
Not being disabled	30.6 (4)	31.6 (5)	33.4 (5)	35.6 (4)	35.7 (2)	32.9 (5)	32.2 (5)	32.2 (4)
Speaking a foreign language	18.6 (6)	21.4 (7)	23.2 (7)	26.7 (6)	21.9 (7)	20.3 (7)	23.5 (6)	24.6 (7)
Having a home with a father and mother	21 (5)	22.3 (6)	22.7 (8)	20.2 (9)	22.6 (6)	21.3 (6)	22.7 (7)	20.8 (9)
Being able to use a computer	17.4 (7)	19.1 (8)	23.4 (6)	27 (5)	19.9 (8)	19 (8)	22 (8)	25.3 (6)
Participating in voluntary activities	14.9 (9)	17.6 (9)	19.5 (9)	21.8 (8)	14.5 (12)	17.4 (9)	18.9 (9)	21.6 (8)
Having something to say	10.8 (13)	13.4 (12)	19.2 (10)	24.2 (7)	13.6 (14)	13.8 (12)	16.4 (10)	20.8 (9)
Holding a driving licence	13.8 (10)	14.6 (10)	15.7 (12)	16.6 (11)	16.1 (10)	15.2 (10)	15.4 (11)	140.1 (12)
Doing things that matter to others	10.7 (14)	12.6 (14)	16.6 (11)	19.5 (10)	11.2 (15)	12.2 (14)	15.4 (11)	18.8 (10)
Living in a large city	15.3 (8)	13.8 (11)	14 (13)	12.6 (14)	16.8 (9)	14.4 (11)	13.6 (13)	11.6 (14)
Participating in politics	13.2 (11)	12.7 (13)	12.8 (14)	14.9 (12)	14.3 (13)	12.1 (15)	13.8 (12)	14.6 (11)
Having close friends	12.7 (12)	11.8 (15)	12.2 (15)	13.7 (13)	15 (11)	12.8 (13)	11.7 (14)	12.5 (13)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2007 survey.

^a The percentages were estimated using as the denominator respondents who mentioned at least one of the things people should have. Those who did not choose any category were treated as missing cases. The indicator of possession of durable goods and basic household services includes possession of the following: (1) refrigerator/freezer; (2) washing machine; (3) fixed-line telephone; (4) computer; (5) piped hot water; (6) automobile; (7) sewerage; and (8) mobile phone. Location within each group is obtained by ranking the percentage of referrals to each of the categories in descending order. The figures are shown in parentheses.

³⁴ For further details see Gordon and others (2000) and Feres and Mancero (2001).

2. Perceptions of exclusion

While concern for the psycho-social aspects associated with material deprivation is nothing new in Latin America, virtually no quantitative empirical research has been done on the subject. The first more or less systematic approach to this component of the problem in the region can be found in modernization theory (Germani, 1980), which viewed marginal zones as areas that have not been permeated by modern values and attitudes, and their inhabitants are incapable of overcoming marginalization on their own (Cortés, 2002). This view coincides with the belief that there is a group of poor people who are so radically different from the rest of society that they form a distinct culture that reproduces itself through time. From the psycho-social standpoint, people in the poverty culture generally display feelings of impotence, despair, neglect and marginalization, among other sentiments (Lewis, 1969). A factor that would determine whether or not people are in the poverty culture is social participation, since ignorance of the forms of organization and functioning of groups outside the family would cause integration attempts to fail and thus generate despair (Miller, 1976; Lewis, 1969).

“Cultural” explanations of deprivation were so influential that, in the late 1970s, ECLAC enhanced

its definition of poverty by including attitudes of discouragement and anomie (see box I.10), lack of participation and, possibly, adherence to a scale of values that were different from those of the rest of society (Altimir, 1979). Nonetheless, criticisms also began to be made of some of the implications of hypotheses such as the culture of poverty, and the need to “culturally rehabilitate” the poorest people to overcome deprivation. Doubts also emerged about the causal role of cultural and psycho-social factors. In the historical-structural perspective, it was argued that marginality was not the outcome of a lack of integration, but represented a way of participating in dependent capitalism; the survival strategies of the poor were thus forms of adaptation and not expressions of a subculture. United States sociology also put forward hypotheses that were very close to those of the historical-structural perspective; for Wilson (1991) the persistence of urban poverty was explained by the concentration of poverty and social isolation, which cuts access to paths of mobility and affects perceptions of opportunities, thereby encouraging adaptive strategies that would end up reproducing the causes of poverty (Gould, 1999).³⁵

Box I.10

ANOMIE AND ALIENATION: “CLASSIC VISIONS” AND SOME CURRENT ONES

Alienation and anomie are concepts that seek to explain mental states arising from regulation failures in differentiated social systems. Social regulation is defined as the moral demands imposed on the individual as a result of group membership, whereas social integration is the extent to which social relations expose people to the moral demands of the group (Bearman, 1991). The sociological concept of anomie stems from the work of Durkheim (influenced by Jean-Marie Guyeau), and the idea of alienation discussed here was developed by Marx and is compatible with several of Durkheim’s residual arguments. Anomie in the Durkheim sense is expressed in terms of a lack of validity for socially imposed limits and a loss of trust in normative guidelines. In situations of change or crisis, norms are not fulfilled, either because society is incapable of

monitoring them, and/or because people do not accept them (Girola, 2005). In contrast, Marx characterized alienation as a cognitive state of impotence resulting from inequitable interactions that undermine freedom and the development of human capacities, causing individuals to feel neglected and governed by external forces that put them in social positions that they have not themselves chosen. For Durkheim, however, fatalism occurs when individuals experience such persistent coercion that it drives them to total despair. Thus, if anomie is the dissonance generated by a position on the border between the old and new world, fatalism relates to the fact that expectations are so limited that life itself becomes a matter of indifference. Alienation is thus a consequence of excessive regulation, whereas anomie results from deregulation (Bearman, 1991;

Acevedo, 2005). Anomie in the Durkheim sense is not synonymous with a lack of belonging and group integration. Although it has been associated with the absence of solidarity groups and associated links, the lack of a satisfactory moral life and a need for social networks are distinguishable. In fact, the cognitive dissonance experienced by anomic individuals stems from participation in different social groups that impose different normative requirements (e.g., adolescents that have to respond simultaneously to the demands of their parents and those of their peer group) and, for that reason, they try to balance their networks and reduce dissonance, casting off old relations and creating new ones. This is different from egotistical suicide, which involves a simultaneous lack of regulation and networks (Bearman, 1991; Girola, 2005).

³⁵ Gould (1999) argues that for Wilson, the situations into which the poorest people are born produce forms of adaptation and create subcultural patterns that become a self-replicating pathology, which would be contradictory to the critique made by Wilson on “cultural” approaches to poverty.

Box I.10 (concluded)

Since these classical formulations, both concepts have been used to analyse a wide variety of problems, such as the inability of the poorest people to overcome deprivation, or the failure of third world countries to achieve development (Girola, 2005). For example, Merton (1987) considers the characteristics of relative deprivation that cause anomie, particularly the disjunction between the opportunities structure and cultural goals. The pressure that stems from anomie operates unevenly between the different strata, having greatest effect on the most deprived. Other authors have viewed anomie from an individual perspective; Srole (1956, cited in McClosky and Schaar, 1965) defined it as a continuum that includes the widespread sense of belonging at

one extreme and the sense distance or alienation at the other. Srole and Middleton (1963, cited in Huschka and Mau, 2005) made the psychological concepts of anomie and alienation operational, thereby giving rise to many empirical studies, especially in the United States. More contemporary versions have argued that inequities and social polarization produce anomie at times of social change. From this perspective, anomie consists of difficulties of individual adaptation, which are expressed in a loss of a sense of orientation; the development of feelings of insecurity, relative deprivation; and a questioning of the core values of social life (Huschka and Mau, 2005).

Although the concept of anomie has been used extensively, it has not been possible to reach a unanimous definition

of the term, which at the present time seems somewhat exhausted (Girola, 2005). Criticisms have also been made of the “psychologizing” emphasis which has overshadowed the fact that alienation and anomie are properties of social systems; and synthetic indices have been called into question, as the sentiments of deprivation included in measures of alienation/anomie would be different phenomena (Seeman, 1975). Recently it has been argued that Durkheim’s theories on anomie have no empirical support given the lack of control over psychological variables. A study on suicide in eight European countries between 1973 and 1997, which used proxy indicators for depression and alcoholism as controls, found moderate support for Durkheim’s theories (Fernquist, 2007).

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

During the 1990s in some of the region’s countries, the theoretical approaches that came to the fore emphasized the potentials, assets and networks of the poorest people (resilience theory, the social capital approach, or discourses on empowerment, among others) as key elements for overcoming poverty. According to these approaches, characterizations of the subculture type contributed more to forming a concept of poverty dominated by negativity and lack, while giving secondary importance to economic, social and political mechanisms that reproduce deprivation through time (Raczinsky and Serrano, 2002; Consejo Nacional para la Superación de la Pobreza, 1996). In a retrospective view, Hopenhayn (2007) pointed out that the ideas of the poverty culture and anomie had historically served to identify the poor and make them responsible for their situation (see box I.10). Clearly, one of the possible functions of the symbolic representation of the poorest groups as “spiritually lacking” in the discourses of elite groups is to legitimize inequality by blaming those affected for their own problems.

In the current decade, however, psycho-social expressions of deprivation have gained renewed currency, but this time under the social-exclusion approach and bearing in mind the transformations caused by globalization that are undermining the pillars of biographical experiences (family stability, lifetime employment, social protection and traditional gender roles) and increasing sentiments of uncertainty and vulnerability (Esping Andersen, 1999; Giddens, 2001; Beck, 2002).³⁶ Apart from adapting this approach to the regional context, the process of biographical construction could become

more problematic, especially for the poorest in society, who would have fewer means available to adapt to the changes caused by globalization.³⁷ These trends could be accentuated in settings where the State is precarious; for, in situations of State institutional failure and when local networks are unable to regulate community life, the individual is cast adrift (Hernández de Padrón, 2006).

Simultaneously, exposure to stress began spreading in the social epidemiology, as a result of people’s position in the social structure and as a determinant of psychological problems. People who are disadvantaged, whether as a result of poverty or discrimination, display higher rates of mental disorder because they face harsher conditions of life, are more exposed to risks, and have less access to resources to cope with crisis situations (Aneshensel, 1992; Payne, 1998; House, 2001).³⁸ The notion of stress in the social psychology of mental health is close to the idea of pressure in the theory of relative deprivation; thus, pressure will stem from a mismatch between people’s living standards and their aspirations (which, as noted above, seem to be similar among the various socioeconomic groups), and from a mismatch between individual competencies and requirements for integration into permanently changing societies.

zones felt a diffuse sense of control and high levels of insecurity. Public punishment thus sought to repair links and restore solidarity among community members (Snodgrass, 2004).

³⁷ In the region, social security and lifelong employment were never dominant biographical pillars for broad segments of the population.

³⁸ Social causation models in the context of mental health have been criticized because of the possibility that psychological disorder generates downward social mobility. Nonetheless, according to Aneshensel (1992), the empirical evidence supports the thesis of social causation except for the most complex disturbances.

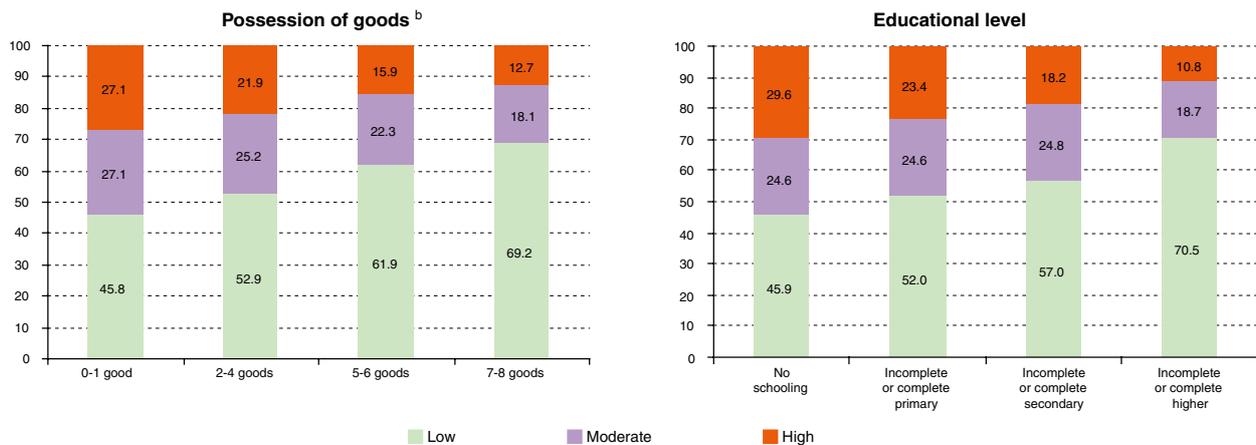
³⁶ A qualitative study of the lynching of criminals in Guatemala found that they were probably fuelled by “globalization anxiety”. Exposed to rapid social and economic changes, residents in the affected

Nonetheless, there is little empirical evidence on the psycho-social expressions of deprivation in Latin America, and virtually none in terms of quantitative studies using samples from different countries. This section sets out the main results of a review of selected perceptions and sentiments of exclusion, such as loneliness, impotence, disorientation and normative dissonance, among people from different socioeconomic strata in 18 of the region’s countries.³⁹ Although these perceptions express different social regulation problems (which stem from highly coercive social structures and those generated by process of change), it was decided to consider them in grouped form, firstly because the use of two indices —one for sentiments of loneliness and impotence and the other for perceptions of disorientation and normative dissonance— does not produce significant differences in comparisons based on socioeconomic situation, education or ethnic origin; and secondly because the aggregate index generates more reliable results than those obtained using separate instruments.⁴⁰

The data in figure I.31 show that perceptions and feelings of exclusion are inversely related to the possession of goods in the household and the educational levels of those interviewed. Feelings and perceptions of exclusion are

stronger among people living in households with fewer goods and among interviewees of lower education levels. This is most clearly evident among individuals without any formal education living in households that have at most one of the goods and services included in this research. Moreover, the tendency for perceptions of exclusion to increase as the quantity of goods and services available in households declines, is confirmed in 17 of 18 countries in the region (see table I.A-7 in the appendix). Lack of a school or employment activity and membership of an ethnic minority are associated with a higher incidence of perceptions of exclusion (see figure I.32). The indicator of a lack of school or employment activity proxies for a lack of links with conventional institutions, so the high perceptions of exclusion expressed by the group that does not have links with school and employment institutions at the time of the interview could be interpreted as indicating the psycho-social effects of institutional disconnect. Moreover the high incidence of perceptions of exclusion among the poorest Afro-descendants supports the findings of research undertaken in other parts of the world (Huschka and Mau, 2005) and could express the effects of the dual exclusion associated with their economic and ethnic situation.⁴¹

Figure I.31
LATIN AMERICA (18 COUNTRIES): PERCEPTIONS AND FEELINGS OF EXCLUSION, ACCORDING TO POSSESSION OF GOODS IN THE HOUSEHOLD AND EDUCATIONAL LEVEL OF THE INTERVIEWEES ^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2007 survey.

^a The index of exclusion perceptions was calculated from people’s agreement or disagreement with the following statements: “I sometimes think I’m a failure”; “I can’t influence most of the problems”; “I often feel alone”; “Sometimes you are forced to do things that are not good for getting ahead”; and “Life is so complicated that I don’t think I’ll be able to find a way forward”. The replies were coded with values ranging from 1 to 4, where 1 = strongly disagree and 4 = strongly agree. The total individual score was obtained by adding together the values for each question and dividing by the number of questions. Three levels of sentiment/perceptions of exclusion were generated from the coding of total scores; (a) low = 1 - 2.2 points; (b) moderate = 2.4 - 2.6 points; and (c) high = 2.8 - 4 points. 2.8 - 4 points.

^b The indicator of possession of durable goods and basic services in the home includes possession of the following: (1) refrigerator/freezer; (2) washing machine; (3) fixed line telephone; (4) computer; (5) piped hot water; (6) automobile; (7) sewerage; and (8) mobile phone.

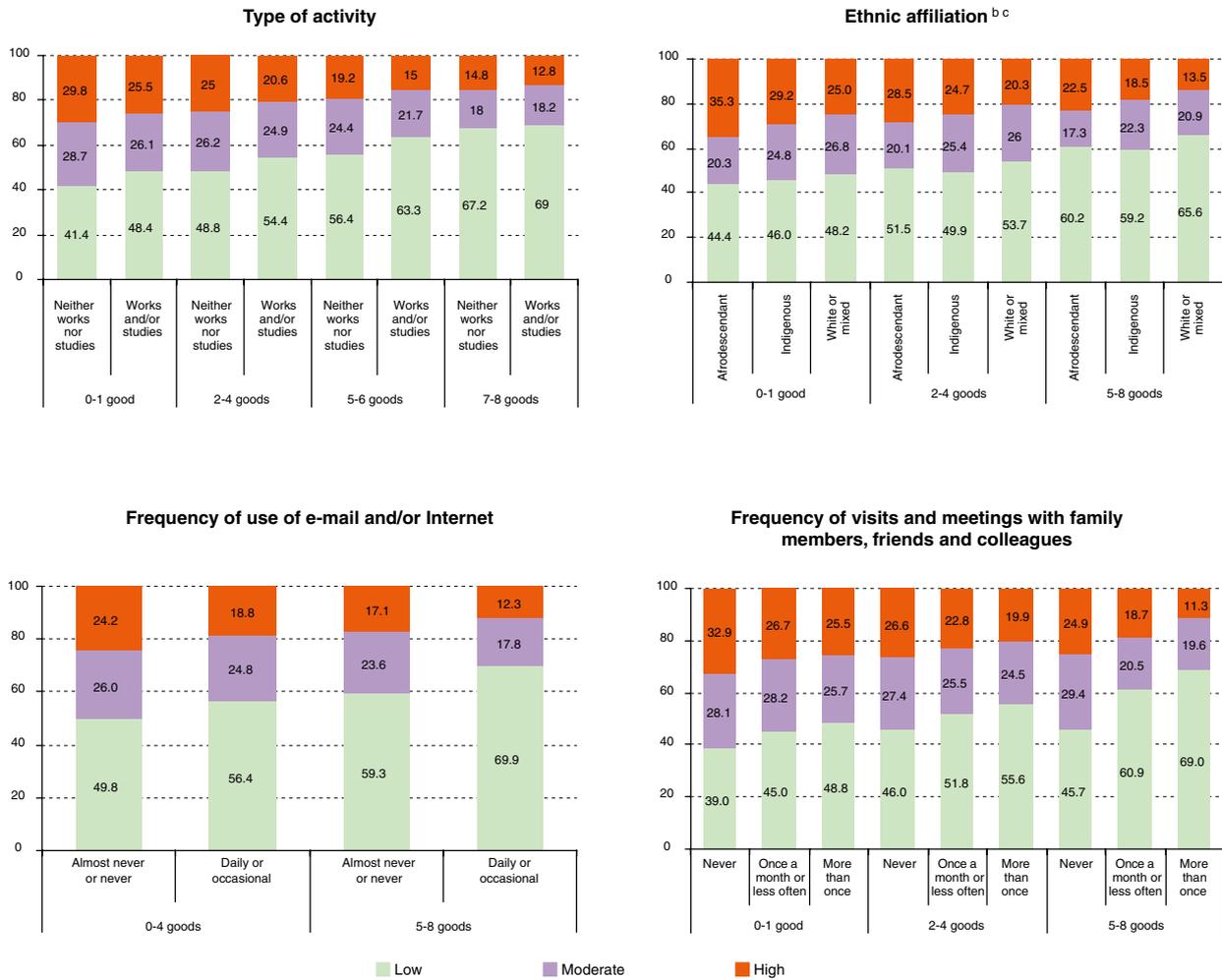
³⁹ This chapter does not include perceptions of being discriminated against, which were treated in previous editions of the *Social Panorama*. For further details see ECLAC (2008a).

⁴⁰ The internal consistency of the index of perceptions of exclusion is acceptable (alpha = 0,75), whereas that of indices measuring

sentiments of loneliness and impotence and perceptions of cultural dissonance and disorientation reach levels of 0.65 and 0.64 respectively, which can be considered modest.

⁴¹ Verifying this hypothesis would require interaction analysis, which is beyond the scope of this study.

Figure I.32
LATIN AMERICA (18 COUNTRIES): PERCEPTIONS AND FEELINGS OF EXCLUSION, ACCORDING TO PERSONAL OR HOUSEHOLD CHARACTERISTICS, BY NUMBER OF GOODS IN THE HOUSEHOLD ^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2007 survey, 2007.

^a The index of exclusion perceptions was calculated from people's agreement or disagreement with the following statements: "I sometimes think I'm a failure"; "I can't influence most of the problems"; "I often feel alone"; "Sometimes you are forced to do things that are not good for getting ahead"; and "Life is so complicated that I don't think I'll be able to find a way forward". The replies were coded with values ranging from 1 to 4, where 1 = strongly disagree and 4 = strongly agree. The total individual score was obtained by adding together the values for each question and dividing by the number of questions. Three levels of sentiment/perceptions of exclusion were generated from the coding of total scores; (a) low = 1 - 2.2 points; (b) moderate = 2.4 - 2.6 points; and (c) high = 2.8 - 4 points. 2.8 - 4 points. The indicator of possession of durable goods and basic services in the home includes possession of the following: (1) refrigerator/freezer; (2) washing machine; (3) fixed line telephone; (4) computer; (5) piped hot water; (6) automobile; (7) sewerage; and (8) mobile phone.

^b Ethnic identity was established through a self-identification question.

At the same time, sentiments of exclusion weigh more heavily on people who have never or hardly ever used e-mail or Internet. This information should be taken into account, given the fact that at least 1/5 of all people claimed that computer use was one of the things that people should know how to do to be included in today's society. On this point, it has been argued that technological change, without a knowledge

base and adequate skills, could entail the suppression of traditional knowledge and cause disorientation and isolation among individuals who are unable to adapt; but, at the same time, the new technologies would establish a new base of knowledge and opportunities that would increase people's prospects and inspire a greater sense of self-sufficiency and personal responsibility (Foley, 2004).

Perceptions of exclusion are also stronger among people who report the lowest levels of social activities with family members, friends and colleagues — a situation that is repeated in all socioeconomic conditions (see figure I.32). The group with the strongest perceptions of exclusion consists of people living in families with the fewest goods and do not participate in visits or meetings outside the home with other family members, friends or colleagues. Nonetheless, it the most isolated people and those belonging to most wealthy socioeconomic group also have a disproportionately high perceptions of exclusion. Thus, objective situations of social isolation that have been mentioned in the literature as factors that diminish capacities to deal with the crisis among the poorest population groups and influence the reproduction of poverty, would strengthen the effect of relative deprivation. This is expressed in psychologically negative sentiments, but,

at the same time there seems to be an isolation effect that goes beyond people's socioeconomic situation.

In short, the analyses made suggest that it is not only material deprivation that leads to perceptions and sentiments of exclusion. More specifically, membership of ethnic minorities that are discriminated against, lower educational achievement, lack of skills to participate in information- and knowledge-based societies, lack of integration in conventional institutions and social isolation are all correlated with higher levels of perceived exclusion. Thus, the challenge for social policies is to reduce poverty, while stressing social inclusion and belonging. As noted by Márquez (2003), while traditional policies aimed overcome given income threshold, they have neglected the links that allow people to achieve stronger citizenship and a greater sense of belonging.

3. The mismatch between aspirations and expectations

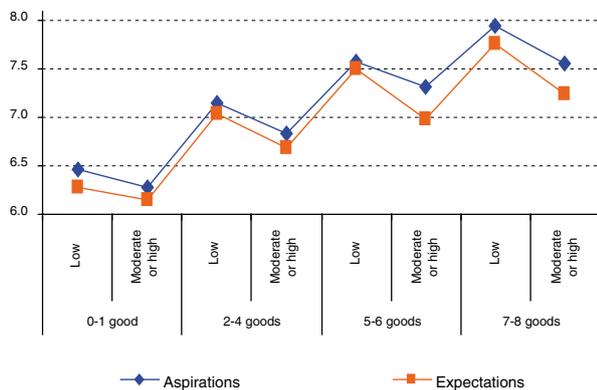
Aspirations and expectations of social mobility form the foundations of a society based on equal opportunities and meritocracy. One of the threats facing social cohesion in highly exclusive societies is the potential for creating a widening gap between expectations and actual achievements, or for large discrepancies to develop between symbolic integration mechanisms (which increasingly operate through communications media) and the systemic means of material integration, which could turn into sentiments and conduits of frustration and aggression (ECLAC, 2007a; Hopenhayn, 2000, 2001). For approaches that highlight the role of cultural factors in the persistence of deprivation, low expectations of mobility and despair would be crucial expressions of social exclusion and poverty transmitted between generations (Atkinson, 1998; Narayan and others, 2000).

Generally speaking, the literature has not clearly defined the differences between normative expectations, which are stable in the face of situational changes, and cognitive expectations which respond to discrepancies caused by changes in the environment (Gould, 1999). For example, people might want quality education for their children (a normative expectation); but, at the same time, they might see this as unachievable (cognitive expectation) — either because of the multiple constraints they face in the opportunities structure,

or else because of feelings of exclusion and despair generated by failed attempts at social integration in the past. It is plausible that a mismatch could exist between aspirations, understood as the level of well-being that people desire, and expectations of well-being in terms of the socioeconomic position that individuals actually hope to achieve. This would be the result of an evaluation of their personal capacities and the opportunities provided to them by the social structure.

Figure I.33 shows that individuals living in poorer households have lower aspirations and expectations of well-being. In the case of expectations, the data are consistent with information that shows that these vary according to the individual's position in the social structure (ECLAC, 2008a). Nonetheless, this does not mean that the association between welfare expectations and the household's economic situation has the properties of a direct relation. For example, the characteristics of schools (such as the capacity and social status of teachers and students) could affect self-image and the setting of targets by students, through processes of social comparison with significant others (Buchman and Dalton, 2002). This mediation of the education system could be even more pronounced in societies such as Latin American ones, which are characterized by major educational segmentation and segregation (ECLAC, 2008a).

Figure I.33
LATIN AMERICA (18 COUNTRIES): ASPIRATIONS^a AND EXPECTATIONS OF WELL-BEING ACCORDING TO PERCEPTIONS AND FEELINGS OF EXCLUSION AND POSSESSION OF GOODS IN THE HOME
(Averages based on a scale of 1 to 10, where 1 = worst standards and 10 = best standards)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2007 survey, 2007.

^a With respect to aspirations, the question people were asked was: "Imagine a ladder with 10 rungs in which the top represents the best living standards you can imagine and the bottom the worst. Where would you place the living standards that correspond to you? With respect to expectations, the question people were asked was: "Imagine a ladder with 10 rungs in which the top represents the best living standards you can imagine and the bottom the worst. Where would you see yourself in five years time?"

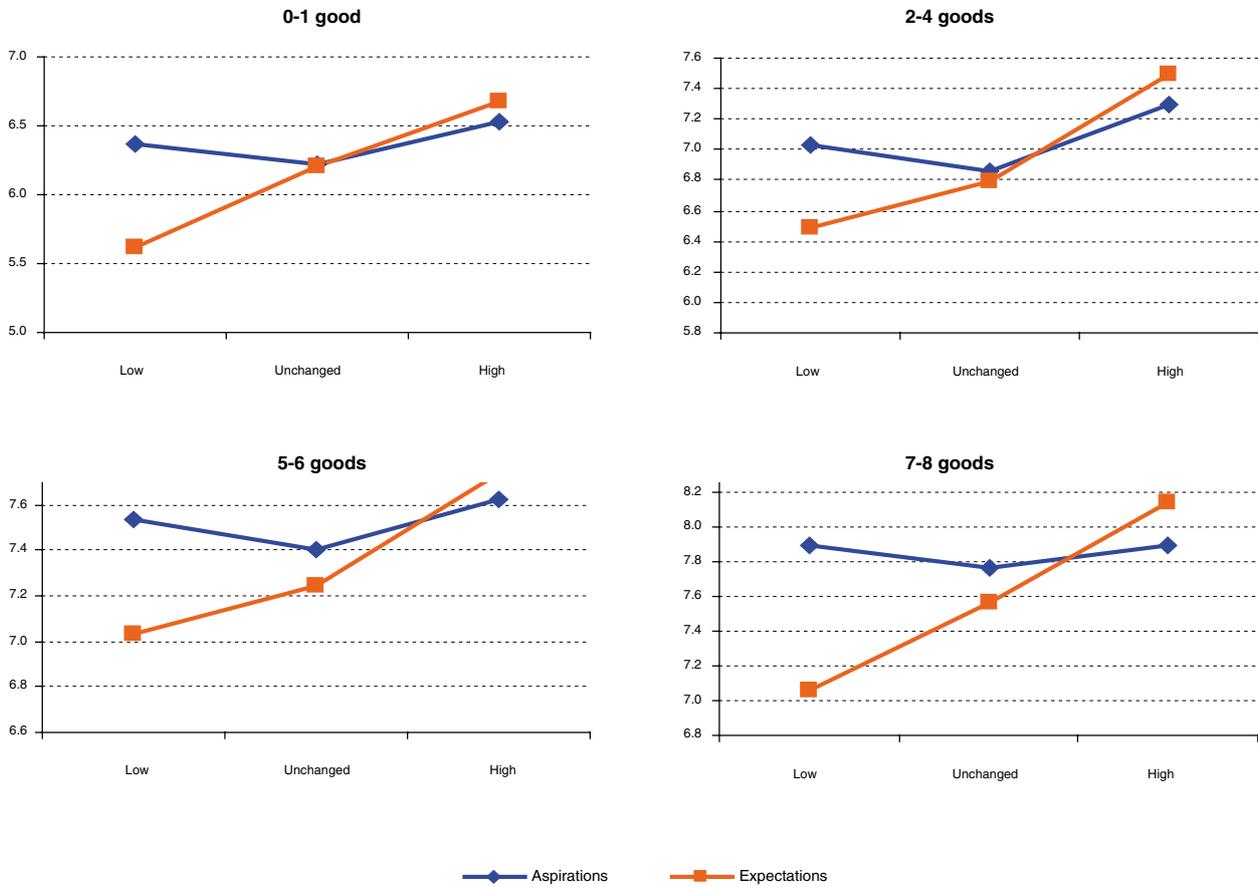
At the same time, perceptions and sentiments of exclusion are associated with aspirations and expectations of well-being. Strictly speaking, in all economic conditions, individuals with the greatest perception of exclusion display the lowest aspirations

and expectations of welfare. Nonetheless, the data shown in figure I.33 reveal a close correlation between aspirations and expectations, and there is only a small gap between individuals living in households with more goods that feel moderately or highly excluded. In the poorest group, the differences between aspirations of expectations claimed by individuals with different levels of perceived exclusion are small. An alternative explanation is that the gap between aspirations of expectations could be revealed by using a circumstantial indicator, which is consistent with the distinction proposed earlier between the normative and cognitive components of expectations.

The data illustrated in figure I.34 show that the mismatch between aspirations of expectations is closely associated with the people's perceptions about the future of the economy. Strictly speaking, in all economic conditions, individuals who are pessimistic about the economic future of the country display a significant negative gap between their aspirations of expectations, whereas in the case people who are optimistic about the future of the economy, expectations are located almost at the same level or slightly above their aspirations.⁴² Among the poorest groups, the data show that their expectations of well-being are elastic with respect to changes in economic and social circumstances and changes in the opportunities structure; so they should not be treated as more or less stable individual characteristics stemming from socialization in a specific subculture. Thus, given suitable opportunities, the most underprivileged should change their expectations and act accordingly.

⁴² If peoples' perceptions of the economy were a reliable reflection of the behaviour of the business cycle, it could be argued that the gap between aspirations of expectations behaves procyclically, i.e., widening in situations of crisis and narrowing in boom periods.

Figure I.34
LATIN AMERICA (18 COUNTRIES): ASPIRATIONS AND EXPECTATIONS OF MATERIAL WELL-BEING, ACCORDING TO PERCEPTIONS OF THE FUTURE OF THE ECONOMY AND POSSESSION OF GOODS, 2007^a
(Averages based on a scale of 1 to 10, where 1 = worst standards and 10 = best standards)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2007 survey, 2007.

^a With respect to aspirations, the question people were asked was: "Imagine a ladder with 10 rungs in which the top represents the best living standards you can imagine and the bottom the worst. Where would you place the living standards that correspond to you? With respect to expectations, the question people were asked was: "Imagine a ladder with 10 rungs in which the top represents the best living standards you can imagine and the bottom the worst. Where would you see yourself in five years time?"

Table I.A-1
LATIN AMERICA (18 COUNTRIES): POVERTY AND INDIGENCE INDICATORS, 1990-2007^a
(Percentages)

Country	Year	Poverty ^b				Indigence			
		Households	Population			Households	Population		
		Incidence (H)	Incidence (H)	Gap (PG)	Gap squared (FGT2)	Incidence (H)	Incidence (H)	Gap (PG)	Gap squared (FGT2)
Argentina ^c	1990 ^d	16.2	21.2	7.2	3.4	3.5	5.2	1.6	0.8
	1999	16.3	23.7	8.6	4.3	4.3	6.6	2.1	1.1
	2002	34.9	45.4	21.1	12.8	13.9	20.9	8.4	4.6
	2005	18.7	26.0	10.4	5.8	6.0	9.1	3.4	1.8
	2006	14.7	21.0	8.3	4.6	4.9	7.2	2.8	1.5
Bolivia	1989 ^e	48.9	52.6	24.5	15.0	21.9	23.0	9.7	6.1
	1999	54.7	60.6	33.9	24.1	32.5	36.4	20.3	14.7
	2002	55.5	62.4	34.4	23.8	31.7	37.1	19.5	13.5
	2004	56.4	63.9	32.1	20.1	29.9	34.7	15.0	8.9
	2007	47.2	54.0	27.8	18.2	27.2	31.2	14.5	9.7
Brazil	1990	41.4	48.0	23.5	14.7	18.3	23.4	9.7	5.5
	1999	29.9	37.5	17.0	10.2	9.6	12.9	5.3	3.3
	2001	29.9	37.5	17.3	10.7	10.0	13.2	5.8	3.8
	2006	26.1	33.3	14.3	8.4	6.7	9.0	3.7	2.3
	2007	23.4	300.0	13.0	7.8	6.7	80.5	3.9	20.7
Chile	1990	33.3	38.6	14.9	8.0	10.6	13.0	4.4	2.3
	1998	17.8	21.7	7.5	3.8	4.6	5.6	2.0	1.1
	2000	16.3	20.2	7.0	3.7	4.5	5.6	2.1	1.2
	2003	15.3	18.7	6.3	3.2	3.9	4.7	1.7	1.0
	2006	11.3	13.7	4.4	2.2	2.7	3.2	1.1	0.7
Colombia	1994	47.3	52.5	26.6	17.5	25.0	28.5	13.8	9.1
	1999	48.7	54.9	25.6	15.7	23.2	26.8	11.2	6.9
	2002	45.6	51.5	24.3	15.1	21.8	24.8	10.5	6.6
	2004	45.2	51.1	23.8	14.6	21.4	24.2	10.2	6.3
	2005	40.6	46.8	20.7	12.3	17.4	20.2	8.3	5.0
Costa Rica	1990	23.6	26.3	10.7	6.5	10.0	10.1	4.8	3.4
	1999	18.2	20.3	8.1	4.8	7.5	7.8	3.5	2.3
	2002	18.6	20.3	8.4	5.2	7.7	8.2	3.9	2.7
	2006	18.0	19.0	7.6	4.5	7.3	7.2	3.1	2.0
	2007	17.1	18.6	6.2	3.3	5.1	5.3	2.0	1.2
Dominican Republic	2002	42.2	47.1	20.9	12.6	18.2	20.7	8.8	5.3
	2006	41.1	44.5	21.1	12.9	20.2	22.0	9.1	5.4
	2007	41.2	44.5	20.6	12.6	19.6	21.0	8.9	5.5
Ecuador	1990 ^c	55.8	62.1	27.6	15.8	22.6	26.2	9.2	4.9
	1999 ^c	58.0	63.5	30.1	18.2	27.2	31.3	11.5	6.3
	2002 ^c	42.6	49.0	20.8	11.8	16.3	19.4	6.9	3.7
	2006	36.8	43.0	17.2	9.2	13.6	16.1	5.4	2.7
	2007	36.0	42.6	16.7	9.0	12.9	16.0	5.6	3.0
El Salvador	1995	47.6	54.2	24.0	14.3	18.2	21.7	9.1	5.6
	1999	43.5	49.8	22.9	14.0	18.3	21.9	9.4	5.8
	2001	42.9	48.9	22.7	14.0	18.3	22.1	9.5	5.7
	2004	40.4	47.5	21.1	12.6	15.6	19.0	8.1	5.0
Guatemala	1989	63.0	69.4	35.9	23.1	36.7	42.0	18.5	11.2
	1998	53.5	61.1	27.3	15.4	26.1	31.6	10.7	5.1
	2002	52.8	60.2	27.0	15.4	26.9	30.9	10.7	5.5
	2006	46.7	54.8	25.5	15.2	22.7	29.1	11.3	5.8
Honduras	1990	75.2	80.8	50.2	35.9	53.9	60.9	31.5	20.2
	1999	74.3	79.7	47.4	32.9	50.6	56.8	27.9	17.5
	2002	70.9	77.3	45.3	31.2	47.1	54.4	26.6	16.2
	2006	65.7	71.5	43.1	31.3	43.4	49.3	27.4	19.0
	2007	63.1	68.9	39.5	27.6	39.9	45.6	23.9	15.7

Table I.A-1 (concluded)

Country	Year	Poverty ^b				Indigence			
		Households		Population		Households		Population	
		Incidence (H)	Incidence (H)	Gap (PG)	Gap squared (FGT2)	Incidence (H)	Incidence (H)	Gap (PG)	Gap squared (FGT2)
Mexico	1989	39.0	47.7	18.7	9.9	14.0	18.7	5.9	2.7
	1998	38.0	46.9	18.4	9.4	13.2	18.5	5.3	2.2
	2002	31.8	39.4	13.9	6.7	9.1	12.6	3.5	1.4
	2004	29.8	37.0	13.2	6.5	8.7	11.7	3.5	1.6
	2006	24.6	31.7	10.5	4.9	6.0	8.7	2.4	1.0
Nicaragua	1993	68.1	73.6	41.9	29.3	43.2	48.4	24.3	16.2
	1998	65.1	69.9	39.4	27.3	40.1	44.6	22.6	15.1
	2001	63.0	69.4	37.1	24.5	36.5	42.5	19.2	12.0
	2005	54.4	61.9	29.1	17.3	26.8	31.9	12.3	6.5
Panama	1991 ^c	27.4	32.7	13.7	8.1	10.1	11.5	5.2	3.4
	1999 ^c	17.0	20.8	7.6	4.1	4.9	5.9	2.3	1.4
	2002	30.0	36.9	16.8	10.2	14.4	18.6	7.6	4.3
	2006	23.2	29.9	13.4	8.0	10.5	14.3	6.0	3.4
	2007	22.2	29.0	11.7	6.4	8.6	12.0	4.3	2.2
Paraguay	1990 ^f	36.8	43.2	16.1	8.0	10.4	13.1	3.6	1.5
	1999	51.7	60.6	30.2	19.0	26.0	33.8	14.5	8.5
	2001	52.0	61.0	30.3	19.5	26.5	33.2	15.4	9.6
	2005	51.9	60.5	29.5	18.0	25.4	32.1	13.1	7.4
	2007	53.2	60.5	28.4	17.4	26.0	31.6	13.5	8.0
Peru	1997	40.5	47.6	20.8	12.0	20.4	25.1	10.1	5.7
	1999	42.3	48.6	20.6	11.7	18.7	22.4	9.2	5.1
	2001 ^g	48.7	54.7	24.7	14.5	20.4	24.4	9.6	5.2
	2006 ^g	38.4	44.5	17.7	9.3	13.0	16.0	5.2	2.4
	2007 ^g	33.9	39.3	15.3	8.1	11.4	13.7	4.3	1.9
Uruguay ^c	1990	11.8	17.9	5.3	2.4	2.0	3.4	0.9	0.4
	1999	5.6	9.4	2.7	1.2	0.9	1.8	0.4	0.2
	2002	9.3	15.4	4.5	1.9	1.3	2.5	0.6	0.2
	2005	11.8	18.8	6.0	2.7	2.2	4.1	1.0	0.4
	2007	11.3	18.1	5.2	2.1	1.7	3.1	0.7	0.2
Venezuela (Bol. Rep. of)	1990	34.2	39.8	15.7	8.5	11.8	14.4	5.0	2.4
	1999	44.0	49.4	22.6	13.7	19.4	21.7	9.0	5.5
	2002	43.3	48.6	22.1	13.4	19.7	22.2	9.2	5.7
	2006	26.2	30.2	11.5	6.3	9.0	9.9	3.8	2.4
	2007	24.5	28.5	10.2	5.4	7.5	8.5	3.2	1.9
Latin America ^h	1990	41.0	48.3	...	...	17.7	22.5	...	...
	1999	35.4	43.9	...	...	14.1	18.7	...	...
	2002	36.1	44.0	...	...	14.6	19.4	...	...
	2006	29.0	36.3	...	...	10.1	13.3	...	...
	2007	27.1	34.1	...	...	9.7	12.6	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a H = Headcount index; PG = Poverty gap; FGT2 = Foster, Greer and Thorbecke index.

^b Includes households (people) living in situations of indigence or extreme poverty.

^c Urban area.

^d Greater Buenos Aires.

^e Eight major cities and El Alto.

^f Asunción metropolitan area.

^g Figures from the National Institute of Statistics and Information Technology (INEI) of Peru. These figures are not comparable with those of previous years because of a change in the sample framework used in the household survey. Similarly, figures for 2001 refer to the fourth quarter, whereas those the 2005 to 2007 relate to the entire year.

^h Estimation for 18 countries of the region plus Haiti.

Table I.A-2
LATIN AMERICA (18 COUNTRIES): HOUSEHOLD INCOME DISTRIBUTION, 1990-2007^a
(Percentages)

Country	Year	Average income ^b	Share in total income of:				Ratio of average per capita income ^c	
			Poorest 40%	Next 30%	20% below the wealthiest 10%	Wealthiest 10%	D ¹⁰ / D ^(1 a 4)	Q ⁵ / Q ¹
Argentina ^d	1990 ^e	10.6	15.0	23.7	26.7	34.6	13.5	13.5
	1999	11.3	15.8	22.1	25.3	36.8	16.2	16.6
	2002	7.3	14.4	20.5	24.6	40.5	19.0	20.7
	2005	9.6	16.4	22.7	25.4	35.5	14.9	16.1
	2006	10.8	16.9	22.9	25.2	35.0	14.4	15.5
Bolivia	1989 ^f	7.7	12.1	21.9	27.9	38.1	17.1	21.4
	1999	5.6	9.3	24.1	29.6	37.0	26.7	48.1
	2002	6.1	9.5	21.4	28.3	40.8	30.3	44.2
	2004	5.3	12.2	22.7	27.3	37.8	20.6	24.8
	2007	6.1	11.2	25.2	28.2	35.4	22.2	31.5
Brazil	1990	9.4	9.6	18.5	28.0	43.9	31.2	35.0
	1999	11.3	10.0	17.4	25.4	47.2	32.0	35.6
	2001	11.0	10.3	17.4	25.6	46.7	32.2	36.9
	2006	10.5	12.2	18.8	25.1	43.9	24.9	27.2
	2007	10.8	12.7	19.5	25.7	42.1	22.7	25.9
Chile	1990	9.5	13.2	20.8	25.3	40.7	18.2	18.4
	1998	13.7	13.0	20.4	26.6	40.0	19.1	19.7
	2000	14.0	13.5	20.5	25.3	40.7	19.2	19.5
	2003	13.6	13.8	20.8	25.6	39.8	18.8	18.4
	2006	14.4	14.6	21.6	26.7	37.1	15.9	15.7
Colombia	1994	7.7	9.9	21.3	27	41.8	26.8	35.2
	1999	6.7	12.4	21.6	26.0	40.0	22.3	25.6
	2002	6.9	12.3	22.4	26.5	38.8	24.1	28.5
	2004	6.9	12.1	21.9	26.0	40.0	25.1	29.1
	2005	7.8	12.2	21.3	25.4	41.1	25.2	27.8
Costa Rica	1990	9.5	16.7	27.4	30.2	25.7	10.1	13.1
	1999	11.4	15.3	25.7	29.7	29.3	12.6	15.3
	2002	11.7	14.4	25.6	29.7	30.3	13.7	16.9
	2006	11.2	14.5	25.7	29.3	30.5	13.4	16.1
	2007	11.0	15.0	24.9	28.1	32.0	13.9	14.8
Dominican Republic	2002	6.9	12.7	22.7	26.9	37.7	17.8	20.7
	2006	8.1	9.8	20.1	29.0	41.1	24.5	29.1
	2007	7.5	11.0	22.0	29.2	37.8	21.3	26.4
Ecuador ^d	1990	5.5	17.1	25.4	26.9	30.6	11.4	12.3
	1999	5.6	14.1	22.7	26.5	36.7	17.2	18.4
	2002	6.7	15.5	24.3	26.1	34.1	15.7	16.8
	2006	8.1	15.7	24.1	26.1	34.1	14.8	15.6
	2007	8.3	15.4	23.1	26.1	35.4	15.4	15.8
El Salvador	1995	6.2	15.5	24.8	27.0	32.7	14.1	16.9
	1999	6.6	13.8	25.0	29.1	32.1	15.2	19.6
	2001	6.7	13.5	24.7	28.7	33.1	16.2	20.3
	2004	6.2	15.9	26.0	28.8	29.3	13.3	16.3
Guatemala	1989	6.0	11.8	20.9	26.9	40.4	23.6	27.4
	1998	7.1	14.3	21.6	25.0	39.1	20.4	19.8
	2002	6.8	14.1	22.4	27.3	36.2	18.6	19.3
	2006	7.6	12.8	21.8	25.7	39.7	22.0	23.9

Table I.A-2 (concluded)

Country	Year	Average income ^b	Share in total income of:				Ratio of average per capita income ^c	
			Poorest 40%	Next 30%	20% below the wealthiest 10%	Wealthiest 10%	D ¹⁰ / D ^(1 a 4)	Q ⁵ / Q ¹
Honduras	1990	4.3	10.2	19.7	27.1	43.0	27.4	30.7
	1999	3.9	11.8	22.9	29.0	36.3	22.3	26.5
	2002	4.3	11.4	21.7	27.6	39.3	23.6	26.3
	2006	4.5	8.8	22.5	29.3	39.4	27.8	40.9
	2007	4.7	10.1	23.5	29.5	36.9	23.6	32.5
Mexico	1989	8.6	15.8	22.5	25.1	36.6	17.2	16.9
	1998	7.7	15.0	22.7	25.6	36.7	18.4	18.5
	2002	8.2	15.7	23.8	27.2	33.3	15.1	15.5
	2004	8.3	15.8	23.3	26.3	34.6	15.9	16.0
	2006	8.7	16.9	24.1	26.1	32.9	14.7	14.8
Nicaragua	1993	5.2	10.4	22.8	28.4	38.4	26.1	37.7
	1998	5.6	10.4	22.1	27.0	40.5	25.3	35.1
	2001	5.8	12.0	21.7	25.6	40.7	23.6	27.5
	2005	6.5	14.3	24.0	26.2	35.5	17.2	18.6
Panama	1991 ^d	10.8	14.1	23.9	29.3	32.7	16.8	20.1
	1999 ^d	12.6	15.6	25.2	27.8	31.4	14.0	15.9
	2002	9.8	12.2	23.6	28.0	36.2	20.1	25.7
	2006	10.3	13.5	25.2	29.1	32.2	16.8	21.8
Paraguay	2007	10.1	14.7	25.4	28.2	31.7	15.6	18.9
	1990 ^g	7.7	18.7	25.7	26.8	28.8	10.2	10.6
	1999	6.2	13.2	23.0	27.8	36.0	19.3	22.6
	2001	6.2	12.9	23.5	26.3	37.3	20.9	25.6
	2005	5.5	14.9	23.9	26.4	34.8	16.0	18.2
Peru	2007	5.7	14.3	23.9	25.2	36.6	17.0	19.1
	1997	7.5	13.3	24.6	28.7	33.4	17.9	20.9
	1999	7.5	13.3	23.1	27.1	36.5	19.5	21.7
	2001	6.4	13.4	24.6	28.5	33.5	17.4	19.3
	2006	7.1	14.8	25.2	28.1	31.9	15.3	16.3
Uruguay ^d	2007	7.8	14.1	24.6	28.1	33.2	15.4	17.2
	1990	9.9	18.9	23.3	22.5	35.3	11.0	10.5
	1999	11.9	21.6	25.5	25.8	27.1	8.8	9.5
	2002	9.4	21.7	25.4	25.6	27.3	9.5	10.2
	2005	8.1	21.6	25.0	25.7	27.7	9.3	10.0
Venezuela (Bol. Rep. of)	2007	8.4	21.1	25.1	26.3	27.5	9.6	10.3
	1990	8.9	16.7	25.7	28.9	28.7	12.1	13.4
	1999	7.2	14.5	25.0	29.0	31.5	15.0	18.0
	2002	7.1	14.3	25.0	29.5	31.2	14.5	18.1
	2006	9.0	17.4	27.0	28.3	27.3	10.5	12.3
2007	8.9	18.4	27.5	28.5	25.6	9.3	10.6	

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Households arranged in order of per capita income.

^b Average monthly household income, in multiples of the per capita poverty line.

^c D(1 to 4) means the 40% of households with the lowest income, while D10 means the 10% of households with the highest income. Similar notation is used for quintiles (Q), where each group represents 20% of total households.

^d Urban total.

^e Greater Buenos Aires.

^f Eight major cities and El Alto.

^g Asunción metropolitan area.

Table I.A-3
LATIN AMERICA (18 COUNTRIES): INDICATORS OF INCOME CONCENTRATION, 1990-2007^a

Country	Year	Percentage of people with per capita income below 50% of the median	Indices of concentration			
			Gini ^b	Variance Log	Theil	Atkinson ($\epsilon=1.5$)
Argentina ^c	1990 ^d	20.5	0.501	0.982	0.555	0.473
	1999	22.2	0.539	1.194	0.667	0.530
	2002	24.3	0.578	1.510	0.724	0.593
	2005	22.1	0.526	1.190	0.602	0.525
	2006	21.7	0.519	1.173	0.626	0.522
Bolivia	1989 ^e	20.6	0.537	1.528	0.574	0.600
	1999	29.5	0.586	2.548	0.658	0.738
	2002	28.6	0.614	2.510	0.776	0.738
	2004	23.8	0.561	1.559	0.636	0.600
Brazil	2007	27.2	0.565	2.159	0.611	0.709
	1990	26.6	0.627	1.938	0.816	0.664
	1999	25.9	0.640	1.913	0.914	0.663
	2001	26.1	0.639	1.925	0.914	0.665
Chile	2006	24.4	0.604	1.646	0.807	0.621
	2007	24.7	0.590	1.559	0.744	0.605
	1990	20.4	0.554	1.261	0.644	0.546
	1998	21.0	0.560	1.302	0.654	0.553
	2000	20.3	0.564	1.308	0.676	0.556
Colombia	2003	19.5	0.552	1.203	0.674	0.535
	2006	18.5	0.522	1.065	0.568	0.497
	1994	26.0	0.601	2.042	0.794	0.684
	1999	21.8	0.572	1.456	0.734	0.603
	2002	22.4	0.569	1.396	0.705	0.580
Costa Rica	2004	22.0	0.577	1.410	0.727	0.580
	2005	21.2	0.584	1.460	0.752	0.591
	1990	19.4	0.438	0.833	0.328	0.412
	1999	20.7	0.473	0.974	0.395	0.457
	2002	21.2	0.488	1.080	0.440	0.491
Dominican Republic	2006	20.7	0.482	1.031	0.427	0.475
	2007	18.9	0.484	0.918	0.466	0.449
	2002	22.1	0.537	1.247	0.569	0.536
	2006	25.3	0.583	1.597	0.692	0.614
Ecuador ^c	2007	24.2	0.556	1.466	0.599	0.587
	1990	17.4	0.461	0.823	0.403	0.422
	1999	18.8	0.526	1.075	0.567	0.498
	2002	19.6	0.513	1.031	0.563	0.487
	2006	19.3	0.507	0.978	0.609	0.474
El Salvador	2007	19.0	0.520	1.043	0.550	0.488
	1995	22.0	0.507	1.192	0.502	0.525
	1999	24.2	0.518	1.548	0.496	0.601
	2001	24.4	0.525	1.559	0.528	0.602
Guatemala	2004	21.3	0.493	1.325	0.449	0.552
	1989	22.7	0.582	1.476	0.736	0.590
	1998	20.0	0.560	1.182	0.760	0.534
	2002	17.9	0.542	1.157	0.583	0.515
	2006	24.7	0.585	1.475	0.773	0.590

Table I.A-3 (concluded)

Country	Year	Percentage of people with per capita income below 50% of the median	Indices of concentration			
			Gini ^b	Variance Log	Theil	Atkinson ($\epsilon=1.5$)
Honduras	1990	26.1	0.615	1.842	0.817	0.649
	1999	25.7	0.564	1.560	0.636	0.603
	2002	26.5	0.588	1.607	0.719	0.608
	2006	31.9	0.605	2.332	0.736	0.713
	2007	30.5	0.580	1.963	0.650	0.661
Mexico	1989	19.7	0.536	1.096	0.680	0.509
	1998	22.9	0.539	1.142	0.634	0.515
	2002	21.2	0.514	1.045	0.521	0.485
	2004	19.9	0.516	1.045	0.588	0.490
	2006	19.5	0.506	0.992	0.527	0.481
Nicaragua	1993	27.4	0.582	1.598	0.671	0.619
	1998	26.8	0.583	1.800	0.731	0.654
	2001	23.8	0.579	1.599	0.783	0.620
	2005	22.6	0.532	1.187	0.614	0.526
Panama	1991 ^c	22.0	0.530	1.254	0.543	0.534
	1999 ^c	21.7	0.499	1.088	0.459	0.490
	2002	26.6	0.567	1.691	0.616	0.618
	2006	26.6	0.540	1.580	0.548	0.597
	2007	25.9	0.524	1.334	0.520	0.547
Paraguay	1990 ^f	16.4	0.447	0.737	0.365	0.386
	1999	25.7	0.565	1.555	0.668	0.599
	2001	26.4	0.570	1.705	0.702	0.631
	2005	22.8	0.536	1.318	0.614	0.553
	2007	21.9	0.539	1.309	0.701	0.557
Peru	1997	25.6	0.533	1.351	0.567	0.554
	1999	23.6	0.545	1.357	0.599	0.560
	2001	23.9	0.525	1.219	0.556	0.527
	2006	22.8	0.501	1.036	0.496	0.480
	2007	24.2	0.509	1.112	0.513	0.499
Uruguay ^c	1990	17.4	0.492	0.812	0.699	0.441
	1999	19.0	0.440	0.764	0.354	0.393
	2002	19.6	0.455	0.802	0.385	0.412
	2005	19.9	0.451	0.798	0.383	0.414
	2007	19.5	0.457	0.787	0.389	0.403
Venezuela (Bol. Rep. of)	1990	20.1	0.471	0.930	0.416	0.446
	1999	21.6	0.498	1.134	0.464	0.507
	2002	22.4	0.500	1.122	0.456	0.507
	2006	19.3	0.447	0.811	0.359	0.409
	2007	18.1	0.427	0.734	0.321	0.381

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Calculated on the basis of per capita income distribution throughout the country.

^b Includes people with zero income.

^c Urban total.

^d Greater Buenos Aires.

^e Eight major cities and El Alto.

^f Asunción metropolitan area.

Table I.A-4
LATIN AMERICA (18 COUNTRIES): PERCEPTIONS OF INCLUSION, LATENT STRUCTURE ^a
(Coefficients of correlation between the replies to questions with each of the components)

Questions	Component 1	Component 2	Component 3
Holding a driving licence	0.61	-0.23	-0.16
Being able to use a computer	0.58	-0.16	-0.40
Speaking a foreign language	0.53	-0.21	-0.44
Having close friends	0.49	-0.30	0.13
Having something to say	0.48	0.04	0.38
Doing things that matter to others	0.47	-0.04	0.41
Having a home with a father and mother	0.46	0.18	0.25
Participating in voluntary activities	0.46	-0.10	0.47
Living in a large city	0.45	-0.28	-0.03
Having one's own income	0.45	0.52	0.03
Owning property, land or a house	0.44	0.47	-0.03
Having higher education	0.44	0.27	-0.32
Political participation	0.44	-0.24	0.19
Having a trade or profession	0.38	0.53	-0.16
Not suffering from a disability	0.33	-0.26	-0.24

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2007 survey, 2007.

^a Principal components analysis for categorical data (CATPCA) was used, with a three-dimension or component solution, where component 1 corresponded to 22% of the variance, component 2 accounted for 8.7% and component 3 corresponded to 8%.

Table I.A-5
**LATIN AMERICA (18 COUNTRIES): THINGS THAT PEOPLE SHOULD HAVE TO FEEL PART OF SOCIETY,
 BY A ZONE OF RESIDENCE AND IDENTITY ETHNIC**
(Percentages)

	Up to 10,000 inhabitants	Between 10,001 and 100,000 inhabitants	100,001 inhabitants or more	Afro-descendant or mixed race (mulato)	Indigenous	Mestizo or white
Having a trade or profession	53.5	54.8	57.7	55.2	48.9	57.1
Having one's own income	41.2	37.8	40.5	36.5	34.0	40.3
Having higher education	40.8	35.8	38.7	33.9	35.4	38.7
Owning property, land or a house	36.4	32.7	32.8	28.3	30.2	33.7
Not suffering from a disability	30.8	33.8	32.4	32.0	31.1	33.6
Speaking a foreign language	25.8	19.9	22.5	24.9	19.3	22.4
Having a home with a father and mother	23.9	21.9	22.2	18.4	20.5	22
Being able to use a computer	21.6	20.5	21.7	23.6	20.2	20.9
Participating in voluntary activities	19.5	17.5	18.8	17.7	14.7	18.7
Having something to say	19.3	15.1	13.9	18.4	11.9	15.8
Holding a driving licence	17	13.5	17.8	15.6	14.7	15.1
Doing things that matter to others	16.7	13.1	12.5	13.3	12.3	14.7
Living in a large city	16.4	13.0	13.8	13.1	14.3	13.9
Participating in politics	15.3	12.6	11.6	13.0	13.5	13.2
Having close friends	15.2	12.1	16.2	13.2	11.4	12.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2007 survey, 2007.

Table I.A-6
LATIN AMERICA (18 COUNTRIES): THINGS THAT PEOPLE SHOULD HAVE TO FEEL PART OF SOCIETY, BY COUNTRY
(Percentages and position of the category within each group)

	Argentina	Bolivia	Brazil	Colombia	Costa Rica	Chile	Ecuador	El Salvador	Guatemala	Honduras	Mexico	Nicaragua	Panama	Paraguay	Peru	Dominican Republic	Uruguay	Venezuela (Bol. Rep. of)
Having a trade or profession	72.3 (1)	58.6 (1)	74.6 (1)	55.7 (1)	67.5 (1)	65.7 (1)	49.8 (1)	49.9 (1)	33.6 (2)	46.1 (1)	41.1 (1)	57.8 (1)	49 (1)	63.4 (1)	57.7 (1)	49 (1)	57 (1)	47.6 (1)
Having one's own income	55.1 (2)	41.1 (2)	61.2 (2)	46 (3)	44 (2)	47.7 (2)	24 (4)	30.2 (5)	22.7 (4)	26.5 (6)	30.4 (3)	40.8 (3)	28.3 (4)	54.4 (2)	39.4 (2)	35.4 (2)	47.3 (2)	25.9 (5)
Having higher education	47.5 (3)	40 (3)	35.6 (5)	46.2 (2)	37.7 (5)	45.9 (3)	34.4 (3)	41.9 (2)	28.2 (3)	32.3 (4)	25.6 (4)	38.6 (4)	36.7 (2)	52 (3)	38.7 (3)	35 (3)	36.7 (4)	24.6 (6)
Owning property, land or a house	42.5 (5)	32.9 (4)	42.1 (3)	40.4 (4)	41.7 (4)	42.9 (4)	20.9 (5)	25.3 (3)	21.6 (6)	26.8 (5)	36.1 (2)	41.3 (2)	28.9 (3)	36.7 (4)	31 (4)	22.4 (4)	32.6 (5)	26.5 (4)
Not suffering from a disability	44.2 (4)	28.6 (5)	28.1 (6)	28.2 (5)	32.1 (6)	37.6 (5)	36.6 (2)	38.2 (3)	39.5 (1)	40.5 (2)	23.5 (5)	29.8 (6)	25.7 (5)	29.5 (5)	18.9 (5)	33.7 (4)	38.7 (3)	38.2 (2)
Speaking a foreign language	21.9	14.7	19.2	18.7	43.5 (3)	19.4	18.5	36.9 (4)	21.4	34.5 (3)	16.6	23.1	24.3 (6)	15.8	16.3	29.5 (6)	20.1	16.7
Having a home with a father and mother	19.9	23.8 (6)	9.3	25.8 (6)	28.3	25.1 (6)	10.2	27	15.1	19.9	22.6 (6)	34.9 (5)	17.4	27.4 (6)	17.4 (6)	31.5 (5)	23	18.7
Being able to use a computer	31.9 (6)	16.2	21.9	15.7	28.1	24.1	19.3	29.1 (6)	21.7 (5)	26.4	14.3	19.2	13.2	18.1	11.9	28	24.2 (6)	19.9
Participating in voluntary activities	16	18	20.6	20	23.1	16	8.8	22.5	10.9	24.3	15.9	18.4	13.9	21.8	17.4	15.4	19.1	27.8 (3)
Having something to say	17.2	13.8	38.9 (4)	14.4	16.5	23.4	5.6	18.9	11.4	13.4	15.6	10.4	7.8	15.9	10.8	13.2	17.7	15.7
Holding a driving licence	18.3	8.4	17.1	8.4	21.8	13.3	10.2	28.6	16.8	22.5	12	18.3	10.9	15.9	6.2	19.3	12.5	17.8
Doing things that matter to others	18.7	16.2	11	16	15.2	21	7	16.3	9.4	14.1	15.2	10.7	9.5	15	10.6	10.1	18.4	21.1
Living in a large city	16	11.9	11.8	11.6	10.9	16.9	19.4 (6)	24.2	16.8	19.6	11.6	12.1	14.7	12.7	9.2	12.8	7.5	12
Participating in politics	15.7	12.1	9.6	12.5	14.1	10	8.1	20.4	14.7	26	9.2	11.7	12.1	16.4	9.3	13.4	11	17.6
Having close friends	13.6	10.4	14	9.8	15.3	7.9	8.6	23.4	12.6	20.1	11	16.3	10.4	12.5	7.7	10.4	12.2	13.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2007 survey, 2007.

Table I.A-7
**LATIN AMERICA (18 COUNTRIES): SENTIMENTS AND PERCEPTIONS OF EXCLUSION,
 BY POSSESSION OF GOODS IN THE HOME AND BY COUNTRY**
(Percentages)

Country	Possession of goods	Low	Moderate or high
Argentina	0-4 goods	50.0	50.0
	5-8 goods	64.3	35.7
Bolivia	0-4 goods	47.6	52.4
	5-8 goods	66.7	33.3
Brazil	0-4 goods	52.8	47.2
	5-8 goods	67.1	32.9
Colombia	0-4 goods	41.4	58.6
	5-8 goods	61.3	38.7
Costa Rica	0-4 goods	58.1	41.9
	5-8 goods	69.2	30.8
Chile	0-4 goods	39.5	60.5
	5-8 goods	56.6	43.4
Dominican Republic	0-4 goods	43.1	56.9
	5-8 goods	61.0	39.0
Ecuador	0-4 goods	59.8	40.2
	5-8 goods	71.3	28.7
El Salvador	0-4 goods	54.9	45.1
	5-8 goods	65.1	34.9
Guatemala	0-4 goods	56.0	44.0
	5-8 goods	58.7	41.3
Honduras	0-4 goods	46.6	53.4
	5-8 goods	55.9	44.1
Mexico	0-4 goods	48.5	51.5
	5-8 goods	65.9	34.1
Nicaragua	0-4 goods	41.8	58.2
	5-8 goods	70.0	30.0
Panama	0-4 goods	63.0	37.0
	5-8 goods	64.7	35.3
Paraguay	0-4 goods	43.5	56.5
	5-8 goods	60.6	39.4
Peru	0-4 goods	55.8	44.2
	5-8 goods	72.5	27.5
Uruguay	0-4 goods	43.6	56.4
	5-8 goods	68.1	31.9
Venezuela (Bol. Rep. of)	0-4 goods	71.0	29.0
	5-8 goods	66.4	33.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro 2007 survey, 2007.

Chapter II

Employment, poverty and the new target of the first Millennium Development Goal

A. Overview of employment in the region: trends and structural problems

On average, 79% of household income in Latin America is derived from labour, with job creation and higher productivity being the main mechanisms through which economic growth translates into poverty reduction. The trend in Latin America has been positive since 2003, with continuous improvements in real wages in the formal sector and a steady decline in unemployment. The picture looks less encouraging for the longer term, however, with persistent structural problems such as the large size of the informal sector and the limited coverage of social welfare systems. The labour market remains a determining factor in the region's high levels of social inequality: labour income is responsible for between 71% and 92% of inequality as measured by the Gini coefficient.

1. The labour market: the link between economic growth and poverty reduction

Employment is a human right that plays a fundamental role in social integration, a meaningful life and active participation in society (ECLAC, 2007b). It is also the

driving force behind material progress for Latin American households, as labour earnings, particularly wages, are the main source of monetary income.

The labour market is the main link between economic growth and poverty reduction, as has been emphasized in a number of studies (ECLAC, 2000a, 2000b; United Nations, 2005). Job creation, increases in real wages (associated with higher productivity) and the coverage and characteristics of workers' social protection are the mechanisms through which growth is translated into higher incomes and greater well-being for households with economically active members. However, limited access to quality employment is a determining factor in poverty and social inequalities that are perpetuated over time and reflected in the persistently high levels of income concentration in the region (see chapter I) (ECLAC, 2007a and 2007b). Around 2005, with the exception of Uruguay, wage differentials accounted for between 70.5% (Panama) and 92% (Nicaragua) of overall inequality in the Latin American countries, as measured by the Gini coefficient (Medina and Galván, 2008).

Surveys taken around 2006 showed that 79% of total household income in urban areas in Latin America came from household members' participation in the labour market. Wages represent approximately two thirds of that amount, equivalent to 52% of total income.¹ In rural areas, wages are a much lower proportion of household income, representing approximately 38% of the total, although the proportion of total income corresponding to labour income (77%) is similar to that for urban areas.

Figure II.1 shows that in Uruguay, where labour income makes up the lowest proportion of overall income, only 63% of total urban household income is derived from labour income. In other countries with low levels of labour income as a proportion of total household income, such as Argentina, Brazil, Chile and Peru, the figure is no less than 70%. In the Bolivarian Republic of Venezuela, Ecuador, Nicaragua and Paraguay, labour income provides around 85% or more of total household income. Other sources of household income include property rent, transfers from social security systems and universal or targeted government social assistance programmes, and transfers from other households.

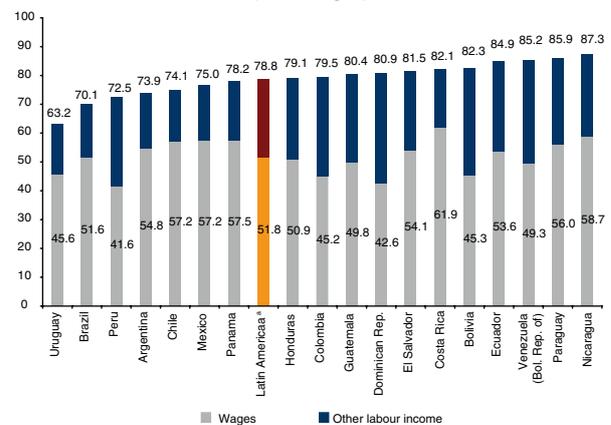
Transfers from other households include remittances sent by Latin American migrants working outside their home countries. After being a destination for immigrants for many years, the region is now a net exporter of labour owing to problems at home and the attractiveness of labour markets in developed countries. The migrant population from Latin America and the Caribbean in other regions is estimated at 4% of the region's total population.²

¹ Non-wage labour income is that of own-account workers and employers, in the case of the latter excluding profits.

² For 2005, this estimated percentage represents around 26 million people, most of whom (19.3 million) were living in the United States (CELADE, 2006).

Consequently, remittances play a considerable role in some countries, at both the micro- and macroeconomic levels. The *Social Panorama of Latin America, 2005* showed that remittances were equal to about a third of the current total income of households receiving such transfers.³ At the macroeconomic level, remittances make up a large proportion of GDP in several countries, particularly in Central America: close to 25% in Honduras, over 15% in El Salvador and Nicaragua, and 10% in Guatemala. Mexico receives the largest amount of remittances in absolute terms, with close to US\$ 24 billion in 2007, equivalent to 2.4% of the country's GDP (ECLAC, 2008b). The weight of remittances as a proportion of GDP is expected to decrease in 2008 as a result of the international financial crisis that began in the United States.

Figure II.1
LATIN AMERICA (18 COUNTRIES): LABOUR INCOME AND WAGES
AS A PROPORTION OF TOTAL INCOME IN URBAN AREAS,
AROUND 2006
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the relevant countries.

^a Simple average.

Social security transfers include pensions and retirement benefits, unemployment insurance, family allowances, and sickness or accident insurance payments (Beccaria, 2007). Unsurprisingly, the two countries where wages represent the lowest proportion of total household income (Brazil and Uruguay) also have the highest levels of public social spending on social security and welfare (over 12% of GDP).⁴ Conversely, countries

³ Calculation for an average of 11 countries around 2002 (ECLAC, 2006a).

⁴ In 2004-2005, social spending in this sector was 12.3% of GDP in Uruguay and 12% in Brazil. The country with the third-highest level of public social spending on social security and welfare (9.2% of GDP) was Argentina (ECLAC, 2008a). Medina and Galván (2008) found that in 2005, public and private transfers made up a quarter of household income in Uruguay and 20% in Brazil.

such as Ecuador or Paraguay, where non-labour income represents a low proportion of total household income,

allocate just 2.4% and 2.2% of GDP, respectively, to social security spending.⁵

2. Unemployment and labour participation

As indicated in chapter I, the past six years have been favourable in terms of economic growth and poverty reduction. The positive growth trend since 2003 has been accompanied by job creation, a situation reflected in the regional unemployment rate based on official figures from the countries, which dropped from 11.0% to 8.0% between 2002 and 2007.

The present period of growth not only shows higher and more stable growth rates over a number of years, but also reflects responsible macroeconomic management and better-quality growth compared with the recent past

(ECLAC, 2008e). However, the longer period analysed in this chapter (1990–2006) was not free from problems, as it included a number of economic crises affecting all or part of Latin America; among these were the Mexican crisis of 1994, the Asian crisis of 1997–1998, the Russian crisis in 1998, the major crisis that hit Argentina and Uruguay in 2001 and 2002, and a number of natural disasters, mainly in Central America and the Caribbean. Even though the region continued to grow in 2008, in 2009 the countries will feel the negative effects of the international financial crisis.

Table II.1
LATIN AMERICA (18 COUNTRIES): RATES OF UNEMPLOYMENT, PARTICIPATION, EMPLOYMENT, WAGE LABOUR AND INFORMAL EMPLOYMENT IN URBAN AREAS (BOTH SEXES, MALES, AND FEMALES), AROUND 1990, 2002 AND 2006^a

	Both sexes			Females			Males		
	1990	2002	2006	1990	2002	2006	1990	2002	2006
Unemployment ^b	6.2	10.5	8.6	6.9	12.5	10.4	5.8	9.1	7.1
Participation rate	60.3	64.4	65.8	43.0	51.4	54.2	79.8	78.9	78.9
Employment rate	56.6	57.6	60.2	40.0	45.0	48.6	75.2	71.8	73.3
Wage labour rate	67.5	66.3	67.4	63.9	67.6	68.2	69.7	65.4	66.8
Informal employment ^c	48.5	47.2	44.9	54.5	52.6	50.7	45.0	43.5	40.5

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the relevant countries.

^a Weighted average.

^b Unemployment rates based on household surveys in Colombia, Dominican Republic and Panama include hidden unemployment.

^c Percentage of employed persons working in low-productivity sectors. The weighted average does not include Colombia.

Data from household surveys show that, during the period of sustained economic growth between 2002 and 2006, unemployment rates dropped in the great majority of urban areas in the countries, following a widespread rise in unemployment during the 1990s (see figure II.2 (a)

and (b)).⁶ The most dramatic falls were seen in Argentina, Bolivarian Republic of Venezuela, Colombia, Panama and Uruguay, which had all experienced very high unemployment up to 2002. Unemployment in the Dominican Republic continued to rise steadily up to 2004, and the economic

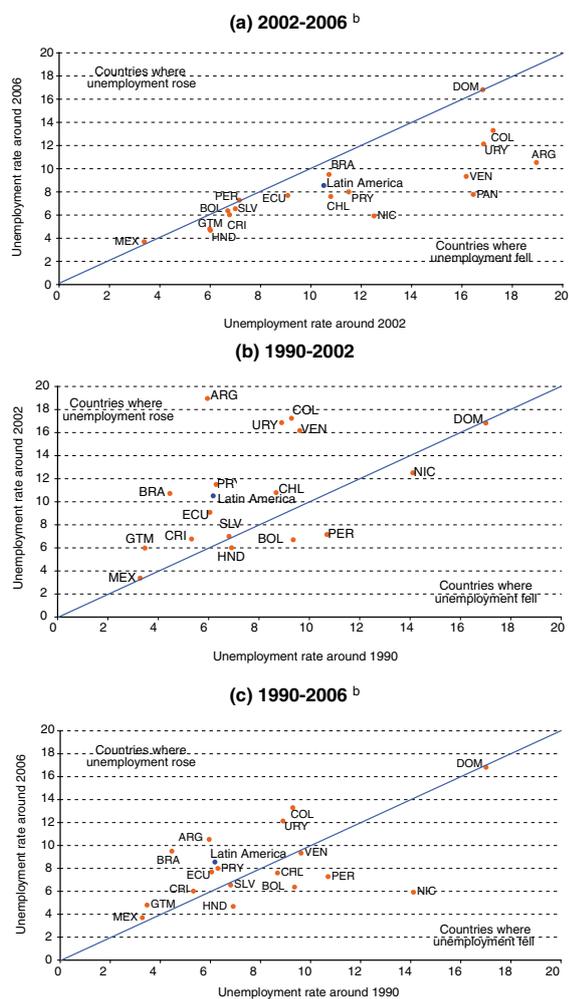
⁵ Figures for Paraguay correspond to the central government budget, which may have underestimated social security expenditure. No data are available for spending on social security and welfare in Nicaragua, the country with the lowest proportion of non-labour income in total household income.

⁶ Employment figures in the *Economic Survey of Latin America and the Caribbean* and the *Preliminary Overview of the Economies of Latin America and the Caribbean*, based on official data from the countries, may differ from figures published in the *Social Panorama*. The latter are calculated by ECLAC on the basis of multipurpose household surveys in order so that data can be broken down in various ways.

recovery of the following two years was not enough to bring down the high unemployment rate (16.8%).

In spite of the recovery in recent years, unemployment in Latin America remains high, partly because of the growth of labour participation, and according to data from household surveys it now stands 2.4 percentage points higher than in 1990. Present unemployment rates compared with those for 1990 show that the situation has worsened in nine countries, with significant rises in Argentina, Brazil, Colombia and Uruguay (see figure II.2 (c)).

Figure II.2
LATIN AMERICA (18 COUNTRIES): UNEMPLOYMENT RATES AMONG PEOPLE AGED 15 AND ABOVE, URBAN AREAS, 2002-2006 AND 1990-2006^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

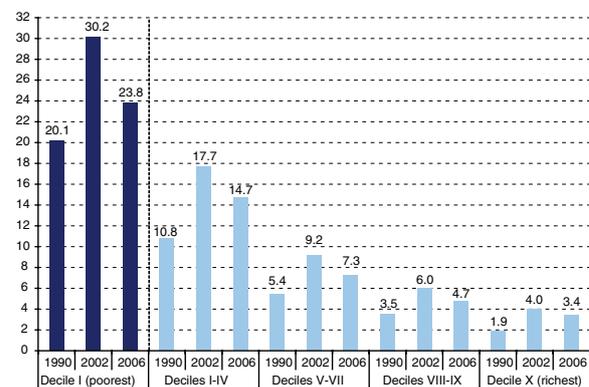
^a The regional total is a weighted average. Figures for Argentina refer to Greater Buenos Aires, for the Bolivarian Republic of Venezuela to the national total, for Bolivia to the eight main cities plus El Alto and for Paraguay to Asunción and the Central Department. Unemployment rates based on household surveys in Colombia, Dominican Republic and Panama include hidden unemployment.

^b The regional figure does not include Nicaragua because no information on that country was available for 2006.

The region's labour markets continue to exhibit structural problems in terms of equity, reflected in higher unemployment rates among women, young people, the poor and other specific social groups. Although unemployment rates in the poorest decile of households fell from 30.2% to 23.8% in 2002-2006, the gap in relation to the wealthiest decile is still over 20 percentage points. The reduction in urban unemployment has not reduced the discrepancies between males and females, with unemployment rates remaining higher among women. The two-point drop in unemployment for both sexes in 2002-2006 was more favourable to men, who had already enjoyed lower rates than those for women in 2002 (see figure II.3 (b)). Although youth unemployment declined significantly between 2002 and 2006, it is nonetheless higher than in other age groups and exceeds the level recorded in 1990 (see figure II.12).⁷ Unemployment rates among Afro-descendants and indigenous peoples are higher than those for the rest of the population in a number of countries, including Brazil, Chile, Ecuador and Uruguay (ILO, 2007b).⁸ A recent study on employment (ECLAC/UNDP/ILO, 2008) identified high levels of racial inequality in the Brazilian labour market: in 2006, the unemployment rate among Brazilian men of European origin was 5.6%, compared with 7.1% among male Afro-descendants and 12.5% among female Afro-descendants.

Figure II.3
LATIN AMERICA (18 COUNTRIES): UNEMPLOYMENT AMONG PEOPLE AGED 15 AND OVER, URBAN AREAS, BY GENDER AND INCOME DECILE, 1990, 2002 AND 2006^a
(Percentages)

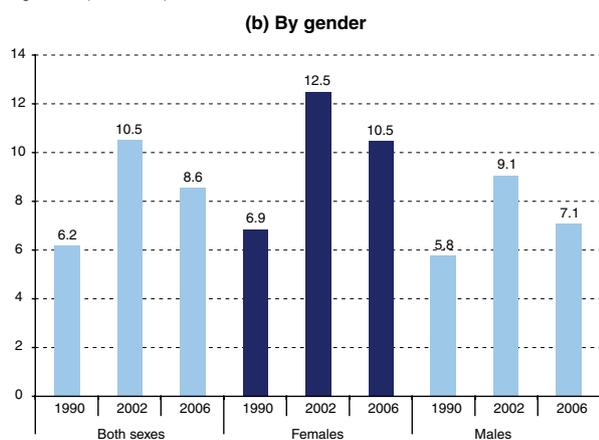
(a) By income decile



⁷ Section C of this chapter provides more detailed analysis of the problems faced by women and young people seeking to enter the labour market.

⁸ In Bolivia, Guatemala and Peru, however, the unemployment rate among indigenous people is lower than that of non-indigenous people (ILO, 2007b).

Figure II.3 (concluded)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries.

^a Weighted average. Data for 2006 do not include Nicaragua. Data on the Bolivarian Republic of Venezuela are nationwide figures. Unemployment rates based on household surveys in Colombia, Dominican Republic and Panama include hidden unemployment.

Labour participation is continuing to rise in the region owing to the growing numbers of women entering the

labour market. The participation rate for women climbed from 51.4% to 54.2% between 2002 and 2006, while the rate for men was unchanged at 78.9%. During the period 1990-2006, the participation rate for women increased by 11 percentage points, while the rate for men dropped by almost one percentage point. Although the gap between men and women is diminishing, the male participation rate is still 25 percentage points higher than that for females (see table II.1).

The growth of labour participation has played a key role in improving the incomes of poor households, many of which have succeeded in escaping from poverty since 2002 (see chapter I). Cultural factors related to the division of household labour, however, still play an important part in the persistent gap between the participation rates of men and women, especially in the poorest strata of the population. Around 2005, the participation rate for women in the poorest decile in Latin America was 37%, compared with 76% for men. This is why there is an urgent need to deal with the limitations that hinder women's participation in the labour market and their contribution to household incomes (ECLAC, 2008a).

3. Characteristics of job creation

(a) Low-productivity sectors

Apart from the trends related to unemployment and labour participation, the degree of quality and stability of jobs created in the region over the last five years

should be considered. Precarious employment is closely correlated with labour informality and employment in low-productivity sectors. Such jobs also tend to be of low quality, offer limited job security and low wages, and lack access to social security systems (see box II.1).

Box II.1

RECENT APPROACHES TO INFORMALITY

The concept of informality as first used by the International Labour Organization (ILO) in a report on poor workers in Kenya (*Employment, incomes and equity: a strategy for increasing productive employment in Kenya*, Geneva, 1972) has been modified a number of times over the last 35 years, leading to a range of analyses and policy proposals for the labour market. At the time, the concept of the informal sector was used to identify the large number of poor workers who survived, produced goods and conducted subsistence activities outside the legal framework. Over the years, various experts and international bodies have recognized that informality is a significant phenomenon in Latin America, where the labour market has failed to provide

productive, quality employment for the whole workforce without the implementation of targeted social and economic policies. There is general agreement regarding the problems faced by informal workers in developing countries, not only concerning low labour income, but also the lack of job security, labour rights and social protection and limited access to pensions, because Latin American workers must have formal work contracts in order to benefit from social welfare systems.

The measurement of informality, an issue of international concern, is closely linked to the conceptual debate. In 1993, the fifteenth International Conference of Labour Statisticians established that the enterprise was the appropriate unit of analysis. From

this viewpoint, the main factor in levels of informality is not compliance with the law, employment characteristics or the work relationship, but the productivity level of the unit. Informality is considered to result from the heterogeneity of the productive structure, which can be seen schematically as two sectors: one which is formal, has a medium to high production level, greater levels of investment, relatively high growth potential and effective social protection; and the other informal, with low levels of productivity, growth potential and social protection. Consequently, unskilled own-account workers, unpaid family workers or apprentices, owners and employees of micro-enterprises and domestic workers are all considered informal.

Box II.1 (concluded)

ILO has recently begun to consider that the “informal” category also includes workers subcontracted by formal companies, that is, firms with higher productivity levels. This is related to the introduction of the concept of decent work. In order to focus the discussion on the job rather than the company, the new conceptual framework of the “informal economy” has been proposed in order to complement that of the informal sector, given that informal activities are found in both low- and high-productivity sectors. This new approach includes waged workers in the formal sector whose working conditions are not covered by employment legislation, meaning that they have no access to the social protection or other benefits provided for by the labour laws in force in the country concerned. Accordingly, taking into account the recommendations of the Delhi Group (experts from different countries who study informal-sector statistics), the seventeenth International Conference of Labour Statisticians, held in 2003, approved a statistical definition of informal employment, defined by the total number of informal jobs regardless of whether they are in formal- or informal-sector companies.

ILO believes that the increasingly informal nature of the Latin American labour market is due to falling numbers of public-sector jobs as well as large corporations’ job-cutting measures in

the context of changes in the division of labour between countries. In response to this situation, priority should be placed on three areas: in the short term, working conditions should be improved by providing all workers with the right to protection and representation; in the medium-term, labour institutions should be improved in order to promote formalization of employment; and in the long term, greater numbers of decent and protected jobs should be provided for all.

The World Bank considers that the existence of the informal economy is largely due to high labour costs and excessively complex bureaucracy, which make it difficult to conduct economic activity formally and in accordance with labour law. Faced by this situation, economic agents use cost-benefit analysis to decide whether they will conduct their activities wholly or partly in the informal sector. This supposes that self-employment is voluntary, since some workers who decide to transfer from the waged to the own-account labour market do so for financial reasons. Using the same analytical approach, the Inter-American Development Bank (IDB) believes that many own-account workers, if not all, have voluntarily chosen to work informally. Accordingly, informality is characteristic of a labour-market dynamic: the decision to leave the waged market and prefer self-employment. Whether this concept of informality is appropriate for the study of employment situations in Latin

America is questioned by IDB, given that the status of “informal worker” would not allow the quality of such employment to be assessed.

Lastly, ECLAC links the term “informality” to that of low-productivity sectors, but does not yet take into account aspects such as social protection and subcontracting. Given that low productivity implies low incomes and limited investment capacity, ECLAC proposes that the informal sector should also be defined by its characteristic insecurity. It also argues that the heterogeneity of production mechanisms generates and maintains the informal sector. Priority must therefore be given to production convergence, together with measures to improve labour institutions and social policies. From this structuralist viewpoint, labour informality is a serious problem that should be dealt with by governments, owing to its negative influence on both economic development and social cohesion in the countries concerned.

In short, the definition and measurement of informality, along with identification of its main causes, strongly influences public policy and labour legislation, even though the lack of social protection and labour rights for workers is a common denominator in the different analyses. This, then, is an issue that governments should not overlook when attempting to improve the workings of the labour market.

Source: Alejandro Portes and William Haller, “La economía informal”, *Políticas sociales* series, No. 100 (LC/L.2218-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2004. United Nations publication, Sales No. S.04.II.G.138; Inter-American Development Bank (IDB), *Economic and Social Progress in Latin America, 2004 Report. Good Jobs Wanted: Labor Markets in Latin America*, Washington, D.C., 2004; Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America 2006* (LC/G.2326-P), Santiago, Chile, 2007. United Nations publication, Sales No. E.06.II.G.133; Ricardo Infante, “América Latina: informalidad y heterogeneidad estructural: los desafíos de la convergencia productiva”, unpublished, 2008; International Labour Organization (ILO), *2006 Labour Overview. Latin America and the Caribbean*, Lima, Regional Office for Latin America and the Caribbean, 2006; International Labour Organization (ILO), *2007 Labour Overview. Latin America and the Caribbean*, Lima, Regional Office for Latin America and the Caribbean, 2007; International Labour Office, *Report VI: Decent work and the informal economy*, International Labour Conference, 90th Session, Geneva, 2002; Guillermo Perry and others, *Informality: Exit and Exclusion*, Washington, D.C., World Bank, 2007; Victor Tokman, “Informalidad, inseguridad y cohesión social en América Latina”, *Políticas sociales* series, No. 130, Santiago, Chile, 2007. United Nations publication, Sales No. S.07.II.G.45 and *De la informalidad a la modernidad*, International Labour Organization (ILO), Santiago, Chile, 2001.

In urban areas of Latin America, almost half of all workers are employed in low-productivity sectors. Between 2002 and 2006, the percentage of informal workers dropped from 47.2% to 44.9%, and this situation has been improving gradually since the early 1990s, when the figure stood at 48.5%. In all countries except Chile, 40% or more of employed people are own-account workers or domestic workers or are employed in low-productivity and low-income micro- or small enterprises, with little or no social security coverage.⁹ Of particular concern is the

high proportion of women living in urban areas who work in low-productivity sectors (50.7%) compared with men (40.5%) (see tables II.1 and II.10); this reflects how the labour force is strongly divided, with women occupying the most precarious and worst-paid jobs (ECLAC, 2004a).

(b) Wage labour

Another indicator to be considered when analysing employment quality is the proportion of wage earners among

⁹ In eight countries in the region (Bolivarian Republic of Venezuela, Dominican Republic, El Salvador, Guatemala, Honduras,

Paraguay and Peru) fewer than 5% of those employed in low-productivity sectors contribute to social security systems (see table II.14).

the total number of employed persons. The generation of wage employment may be considered a reflection of an economy's buoyancy, while shortfalls in this area encourage own-account work and small-business start-ups, and also result in less competitive sectors moving into the informal sector, particularly as regards workers' contractual status.

In 2002-2006, wage labour in urban areas increased by one percentage point to 67.4%, recovering its level of the early 1990s (see table II.1). Differences in the proportion of urban wage labour by country highlight the diverse conditions found in the Latin American labour market. While more than 70% of the urban employed are wage earners in Argentina, Brazil, Chile, Costa Rica, Mexico, Panama and Uruguay, the figure stands at around 50% in Bolivia, Colombia and Peru.

(c) Formal hiring in wage employment

An additional element of employment quality is the presence of a formal contract, generally involving a set of legal obligations on the part of the employer such as payment for overtime, assistance in case of job loss, and annual-leave entitlement. In the urban areas of those countries for which information is available on hiring with formal or written contracts, formal employment increased by 1.4 percentage points between 2002 and 2006. In 2006, around 59% of the wage workers in 12 Latin American countries had formal contracts and more than half had long-term contracts. Informal employment is not exclusive to low-productivity sectors, where 70.5% of wage workers have no formal contract, for 30.8% of wage workers in medium- and high-productivity sectors are also in that position. Moreover, 63.7% of male wage workers have formal contracts compared with 61.8% of women, although a slightly lower proportion of men have long-term contracts (see table II.11).

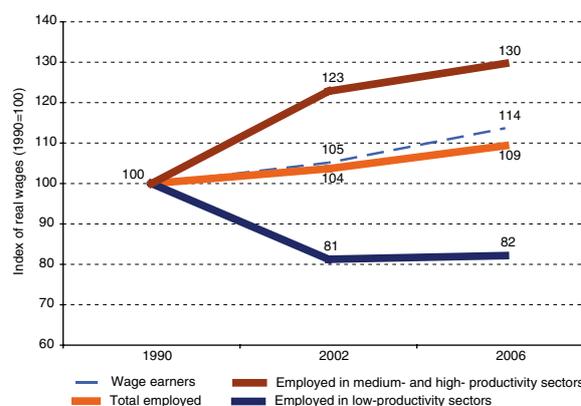
(d) Wage trends

Employment income is a key indicator of job quality and plays a fundamental role in poverty reduction. Its variations are linked to the behaviour of human capital and patterns of productivity, the competitiveness of the sectors providing the employment, and the level of protection and negotiating power of workers, which in turn is related to factors such as the degree of unionization and the possibility of collective bargaining. Trends in real wages can be negatively affected by inflationary surges, such as those observed in the subregion since 2007.

Household surveys show that the labour income of workers in urban areas increased slightly in real terms in 2002-2006, with the regional average rising from US\$ 377

to US\$ 397 per month at 2000 prices (an annual increase of 1.3%). Average monthly salaries increased more (annual growth of 2%), rising from US\$ 350 to US\$ 378 at 2000 prices.¹⁰ These increases did not match the expansion of per capita GDP in the region for the same period, which was around 3.3% per annum. These trends are the result of highly divergent levels and rates of variation among the region's countries, although they all showed labour-income and wage gaps between men and women, between the formal and informal sectors, and between the working population with and without social security coverage. Between 1990 and 2006 in particular, the labour income of urban workers in low-productivity sectors fell from US\$ 345 to US\$ 283 at 2000 prices, widening the gap with formal-sector workers, whose incomes averaged US\$ 493 in 2006 (see table II.12 and figure II.4).

Figure II.4
LATIN AMERICA (18 COUNTRIES): TRENDS IN REAL WAGES,
URBAN AREAS, AROUND 1990, 2002 AND 2006^a



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the relevant countries.

^a In the years falling between the periods considered above, some wage levels dropped as a result of various crises.

(e) Social security coverage

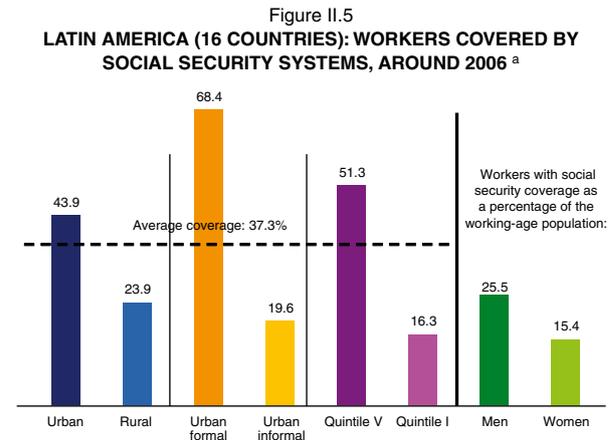
To have social protection —access to health-care systems, health insurance and social security coverage— is a fundamental right of workers. According to recent household surveys, around 37% of workers nationwide and 44% of those in urban areas reported that they were enrolled in and contributing to social security systems;

¹⁰ A recent report by the International Labour Organization (ILO) states that, between 1995 and 2006, trends in real wages in 11 of the region's countries were fairly unsatisfactory, increasing in some cases and falling in others: in Argentina, Brazil, Panama, Paraguay and Uruguay wages declined to varying degrees, while in the Bolivarian Republic of Venezuela, Chile, Costa Rica, Mexico and Peru there were slight increases. Honduras was the only country to post significant wage increases during the period of the study (ILO, 2008).

these figures have been fairly stable since 2002. These averages conceal major differences among the region's countries: around 2006 in Bolivia, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay and Peru, a third or less of urban workers were contributing to social security systems, while in Chile and Costa Rica, coverage was above two thirds of employed persons. In practically all the countries, increases in coverage were slight (see table II.13).

These data clearly show that the region's labour markets have not fulfilled their role of providing universal access to social protection systems. The situation is particularly difficult in rural areas and for informal workers, although this is not to say that urban workers in formal employment automatically enjoy protection. Furthermore, although percentages of contributing workers are similar among men and women, a significant gender gap is revealed when the total working-age population is included rather than only the employed: only 15% of women are affiliated to social security systems, compared with 25% of men. There are clear gender differences when both active and inactive population groups are taken into account, owing to women's long contribution gaps during periods spent caring for children, the elderly and the disabled. There is also a strong correlation in all the countries between levels of household income and social security coverage: workers belonging to the richest quintile of income distribution

recorded systematically higher rates of contributions and coverage than those belonging to the poorest quintile (see figure II.5) (ECLAC, 2006b). Also, the lower the income level the higher the percentage of own-account workers; this partly explains the lower affiliation to social security systems among the lower income groups.



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the relevant countries.

^a Employed workers aged 15 and above who declared labour income. In the case of Argentina and the Bolivarian Republic of Venezuela, the figure corresponds to wage earners. Simple average.

4. Formal workers and their dependants

The strong economic growth witnessed in recent years has been accompanied by persistent structural problems of informality and limited social protection. It is important to understand how difficult it is for social security systems which are financed by contributions from formal workers to cover the needs of population groups that have no direct access to the social services linked to such funding mechanisms.

This can be achieved by using the indicator for the number of dependants per formal worker presented in the *Social Panorama of Latin America, 2007*.¹¹ This indicator refers to the ratio between workers actively employed in the formal sector of the economy and the rest of the population, which has considerable difficulties in obtaining access to the social protection system.¹² The indicator identifies the degree of labour market segmentation in each country, which directly affects the capacity to respond to social protection needs and demands; it also allows countries

to be grouped together according to the maturity of their labour markets and their stage of demographic transition.

Figure II.6 shows that countries with high levels of formal dependency also show lower levels of per capita income, and government tax revenues available for meeting social protection needs are also lower. The first group of countries, with more than five dependants per formal worker, consists of Bolivia (which has the highest level in the region, with around 10 dependants per formal worker), followed by the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Peru. The second group, with four to five dependants per formal worker, includes the Bolivarian Republic of Venezuela, Mexico and Panama. In the third group, consisting of Argentina, Brazil, Chile, Costa Rica and Uruguay, there are three to four dependants per formal worker. A decline in the average number of those dependent on formal workers was recorded in 2006 compared

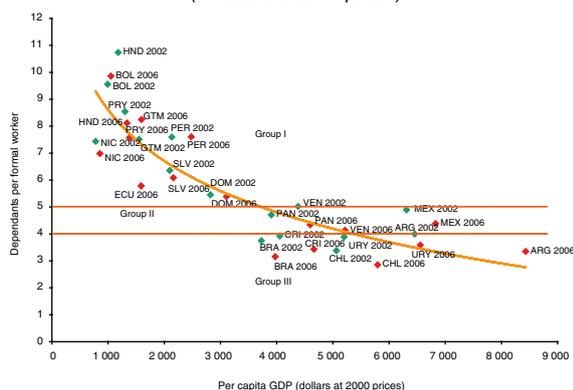
¹¹ See chapter II, section C, pages 115-118. See also Uthoff, Vera and Ruedi (2006).

¹² The indicator corresponds to the number of dependents (children under 15, non-workers between 15 and 59 years, adults aged over 60,

along with the unemployed and workers in low-productivity sectors aged 15 to 59) for each medium- or high-productivity sector worker aged 15 to 59.

with 2002 (from 6.1 to 5.6 dependants); Honduras registered the best improvement in this indicator, with a decrease from 10.7 to 8.1 dependants per formal worker.

Figure II.6
LATIN AMERICA (17 COUNTRIES): NUMBER OF DEPENDANTS PER FORMAL WORKER AND PER CAPITA GDP, AROUND 2002 AND 2006
(In dollars at 2000 prices)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the relevant countries.

Countries in group I show the highest levels of informality, linked to both lower wages and social security contributions and higher rates of poverty among wage earners (see table II.16). The percentages of wage earners among the employed for groups I, II and III are 49%, 63% and

72%, respectively; the percentages of wage earners in each group making welfare contributions are 38%, 61% and 71%, respectively; and the percentages of wage earners classified as poor stand at 38%, 18% and 12%, respectively.

In all countries, particularly in groups I and II, the weight of employment problems (measured by unemployment and informal work) in the indicator for dependence on formal workers is the second largest after that of children under the age of 15.¹³ Nonetheless, although informality levels are higher in the region’s poorest countries (reaching 65%, 53% and 41% of the total employed population in groups I, II and III), unemployment among people aged 15 to 59 shows a positive correlation with per capita GDP (6%, 7% and 9%, respectively).¹⁴

These stylized facts demonstrate that low social security coverage in the region’s countries is strongly influenced by the level of formality in labour markets. Policies should therefore be implemented to create formal jobs for workers who are responsible for dependants with no access to social protection.

Social policies should counterbalance constraints imposed by inequalities and budgetary restrictions. The different levels of maturity of the Latin American countries’ labour markets, which determine the numbers of workers affiliated to contributory social protection systems, and their stages of demographic transition, which affect the numbers and categories of dependants, will determine the nature of the challenges involved in fulfilling this task (ECLAC, 2008a).

Box II.2

EMPLOYMENT INDICATORS: BASIC CONCEPTS AND DEFINITIONS

Unemployed: people aged 15 and over who are, during the reference period: (1) without work; (2) available for work in waged or own-account employment; and (3) actively searching for a job, having taken specific measures to find work during a recent, specified period.

Employed: people aged 15 and over who, during a brief reference period such as one week or day: (1) have had a waged job, working for a wage or salary, or have a job but are not working owing to a temporary absence, but maintain a formal link with their job; (2) have an own-account job, working independently to gain benefits or a family income (includes unpaid family members), or who are not

working on an own-account basis owing to a temporary absence.

Economically active population (EAP) (or labour force): people aged 15 and over who meet the requirements for the employed or unemployed category (that is, the total of all employed and unemployed persons).

Working age population (WAP): people aged 15 and over, corresponding to the potentially active working population.

Unemployment rate (open unemployment): number of people unemployed over the economically active population (EAP). This figure does not include the discouraged, meaning those persons who wish to work but are

no longer searching for a job and have become resigned to it.

Employment rate (gross employment rate or employment-to-population ratio, in accordance with the definition used for the Millennium Development Goals indicators): number of people employed divided by the working age population (WAP).

Net employment rate: number of employed persons divided by the number of economically active persons (EAP).

Overall employment rate: number of employed persons over the total population.

Participation rate: Economically active population (EAP) over the working age population (WAP).

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of S. Cecchini and A. Uthoff, “Reducción de la pobreza, tendencias demográficas, familias y mercado de trabajo en América Latina”, *Políticas sociales* series, No. 136 (LC/L.2775-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2007. United Nations publication, Sales No. S.0X.II.G.110.

¹³ The unemployed and informal workers make up 30.1% of total formal dependants in group I, 27.6% in group II and 25.2% in group III.

¹⁴ This is because the main labour market adjustment mechanisms in the poorest countries are voluntary underemployment (few hours worked in the reference period) and self-employment in informal activities.

B. The new employment target of the first Millennium Development Goal and its indicators

In 2008, the United Nations announced a new Millennium target, “to achieve full and productive employment and decent work for all, including women and young people”, as part of the first Millennium Development Goal to eradicate extreme poverty and hunger. Although no quantitative levels were established to be reached by a certain date, the new target illustrates the need for countries to focus on improving the labour market as the best way of reducing poverty. Since 1990, regional trends for three of the four indicators for monitoring the target have been favourable: labour productivity and the employment rate have risen and poverty has declined among the employed. However, workers’ vulnerability —measured as the proportion of own-account and unpaid family workers in total employment— has remained stable. Moreover, additional indicators for monitoring the employment target in Latin America, such as the percentage of workers covered by social security and labour income trends among the poor and indigent, show that the labour market’s contribution to poverty reduction has not been entirely satisfactory.

1. Achievement of full and productive employment and decent work

Latin American citizens consider unemployment to be one of the main problems in their respective countries and this view has been consistently confirmed in opinion polls for more than a decade (Corporación Latinobarómetro, 2008).¹⁵ In addition, in order to overcome absolute poverty, it is necessary to create a sufficient number of jobs of acceptable quality, since most of Latin American households’ resources for meeting the basic needs of their members come from labour income (see section A).

The relevance of employment to poverty reduction was recently confirmed at the United Nations in a new Millennium target (target 1.B), “to achieve full and productive employment and decent work for all, including

women and young people”. The target was proposed in 2006 by the Secretary-General of the United Nations, following discussions at the 2005 World Summit held during the sixtieth session of the United Nations General Assembly. The employment target came into effect in 2008 and was included in the first Millennium Development Goal, “to eradicate extreme poverty and hunger”, in order to illustrate the close relationship existing between the labour market and improvement of the material aspects of people’s well-being.¹⁶ Although this is not a quantitative target with levels to be reached by a certain date, the message for the region’s countries is clear: efforts should be focused on improving the functioning of the labour market in order to generate quality employment, as this represents the main means of reducing poverty and inequality. Indeed,

¹⁵ In 2008, for the first time since 1995, crime emerges as the main problem in the region, in 17% of responses to the Latinobarómetro poll, with unemployment in second place (15%). As the economic situation in the region improved and unemployment declined, crime has acquired more importance as the main problem.

¹⁶ For more details on the redefinition of the targets of the Millennium Development Goals, see box I.5 in chapter I.

the Heads of State and Government, meeting at the Fourth Summit of the Americas in November 2005, stated in the Mar del Plata Declaration their commitment to decent employment in order to tackle poverty.¹⁷

The topic of employment was included in the goals set out in the Millennium Declaration in September 2000 and is covered by target 16 of the Millennium Development Goals: “in cooperation with developing countries, develop and implement strategies for decent and productive work for youth”, which came under Goal 8, “Develop a global partnership for development”. The target on youth unemployment has now been incorporated in target 1.B, which has also required some changes in the indicators.¹⁸

The measurement of complex concepts such as full and productive employment and decent work (see box II.3),

which are part of the new Millennium target, is a very challenging task. The official indicators for monitoring the new employment target proposed by the International Labour Organization (ILO) and the Inter-agency and Expert Group on Millennium Development Goal Indicators (IAEG) are four in number and two of them focus on the component of income as part of decent work:

- 1.4 Growth rate of GDP per person employed
- 1.5 Employment-to-population ratio (employment rate)
- 1.6 Proportion of employed people living below \$ 1 (PPP) per day
- 1.7 Proportion of own-account and contributing family workers in total employment

Box II.3

THE CONCEPT OF DECENT WORK

The concept of decent work, introduced in 1999 by the International Labour Organization (ILO), reflects the broad goal of providing men and women with opportunities to obtain “productive work in conditions of freedom, equity, security and human dignity”.

Although the ethical meaning is the one conveyed most strongly by the term “decent work”, its various dimensions show what this basic human activity should be and provide guidance for analysing the labour market:

- “opportunities for productive work” refers to the need for all persons who want work to be able to find work, allowing workers and their families to achieve an acceptable level of well-being;

- “employment in conditions of freedom” underlines the fact that work should be freely chosen and not forced on individuals; it also means that workers have the right to participate in the activities of trade union groupings;

- “employment in conditions of equity” means that workers need to have fair and equitable treatment in work, without discrimination and with the ability to balance work with family life;

- “employment in conditions of security” refers to the need to safeguard the health of workers and to provide them with adequate pensions and social protection;

- “employment in conditions of human dignity” requires that workers be treated with respect and be able to participate in decision-making about working conditions.

In particular, decent work should enable people to earn enough to pull themselves out of poverty with their families on a lasting basis. Decent employment is therefore covered by social security and guarantees protection under labour laws, as well as the possibility of making one’s voice heard through freely elected workers’ organizations.

This concept was based on the conviction that only decent employment

—and not any type of employment— will enable people to avoid or overcome poverty. Decent work is thus an alternative for a large number of people who are working, sometimes for long hours and in bad conditions, in low-productivity jobs that do not enable them to emerge from poverty.

Each of the dimensions of the concept of decent work is among the topics that have been the subject of recommendations and mandates of ILO since its creation nine decades ago. What is new is that the idea of decent work places the various dimensions of work within a single framework. It is also necessary to stress that this is a universal concept, covering all workers—and not only certain groups—which represents a departure from the traditional role of ILO, which was initially concerned with workers in the organized sector, with those who were already employed or those who were protected by specific rules and regulations.

Source: Richard Anker and others, “Measuring decent work with statistical indicators”, *Policy Integration Paper*, No. 1, Geneva, International Labour Organization (ILO), 2002; María Estela Lanari, *Trabajo decente: significados y alcances del concepto. Indicadores propuestos para su medición*, Buenos Aires, Office of the Under-Secretary for Technical Programming and Labour Studies, Ministry of Labour, Employment and Social Security, Argentina, 2005; International Labour Organization (ILO), “Report of the Director-General: Decent Work”, Eighty-seventh session of the International Labour Conference, Geneva, June 1999; “Key Indicators of the Labour Market (KILM), Fifth Edition” [online] <http://www.ilo.org/public/english/employment/strat/kilm/download.htm> 2007 and A. Sen, Speech at the eighty-seventh session of the International Labour Conference, Geneva, 15 June 1999.

¹⁷ On that occasion, the Heads of State and Government agreed to implement active policies to generate decent work and to create the conditions for quality employment (ILO, 2006).

¹⁸ Indicator 45, used to monitor former target 16, “Unemployment rate of 15-to-24-year-olds”, is no longer one of the official indicators for monitoring the Goals, although the United Nations database on indicators for the Millennium Development Goals retains it as a “contextual” indicator, together with “Ratio of youth unemployment rate to adult unemployment rate”, “Share of youth unemployed to total unemployed” and “Share of youth unemployed to youth population” (United Nations, Millennium Development Goals Indicators [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>).

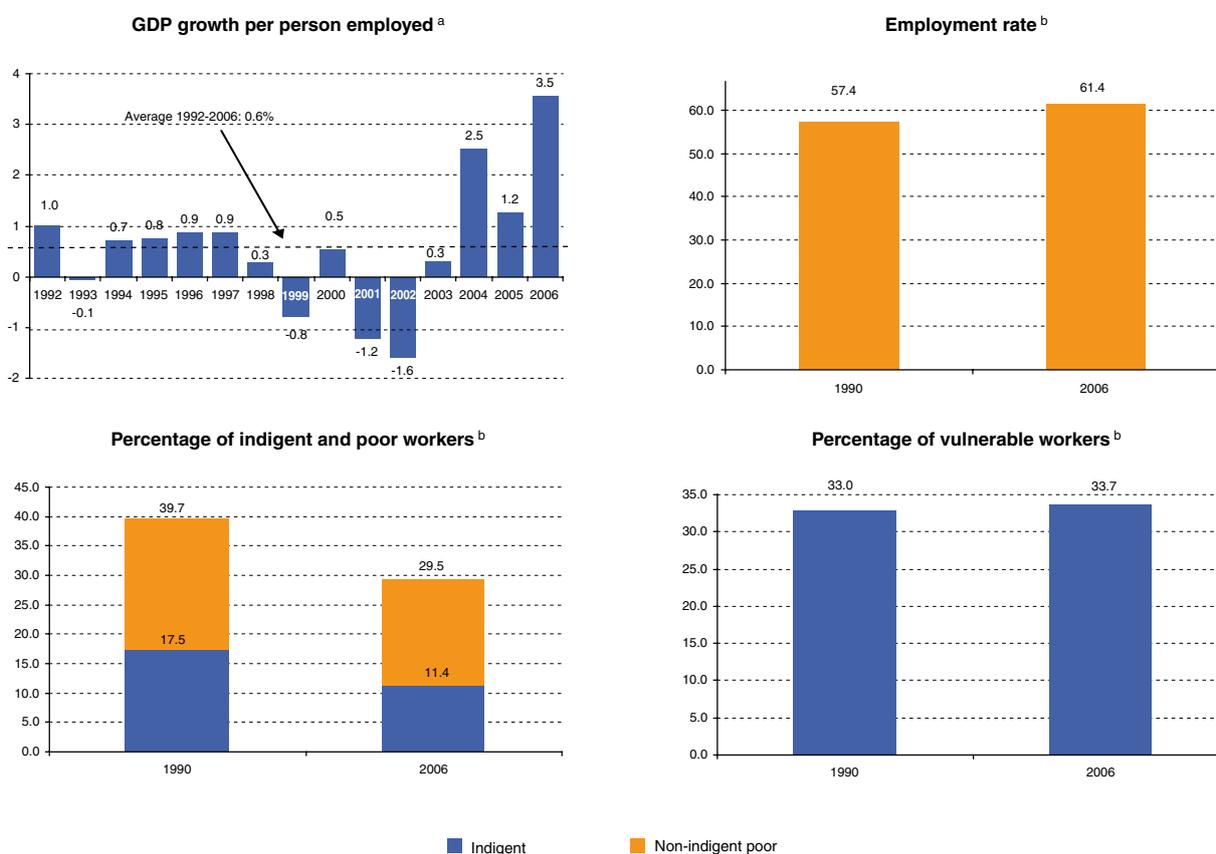
Tables II.2, II.4, II.5 and II.6, and the section on the Millennium Development Goals in the statistical annex, give data for each of the four indicators for monitoring target 1.B. The data on labour productivity (indicator 1.4) are calculated by ILO and reflect the official data contained in the United Nations database on the Millennium Development Goals, while the data for the other three indicators were calculated by ECLAC on the basis of household surveys. For indicator 1.6, therefore, the calculation used not the “one dollar a day” line but the indigence lines of each country based on the method of the cost of the basket of basic foodstuffs of the population of the countries of the region used by the Commission.

It should also be noted that two of the four official indicators used for monitoring the employment target

—employment rate and percentage of vulnerable workers— may be disaggregated by sex and by age group, showing the different results in each case.

Results and trends for each indicator are discussed below and some additional indicators are suggested that may help to clarify the picture regarding full and productive employment and decent work in Latin America. As shown in figure II.7, since 1990 the regional trend for three of the four indicators used for monitoring the target has been positive: labour productivity and the employment rate have risen and poverty has declined among the employed. However, workers’ vulnerability —measured as the proportion of own-account and unpaid family workers in total employment— has remained stable.

Figure II.7
LATIN AMERICA: TRENDS IN INDICATORS USED FOR MONITORING THE NEW EMPLOYMENT TARGET OF THE FIRST MILLENNIUM DEVELOPMENT GOAL, 1990-1992, 1990 AND 2006
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the relevant countries, and United Nations, Millennium Goals Indicators [online] <http://mdgs.un.org/unsd/mdg/>.

^a Simple average.

^b Weighted average.

2. Labour productivity

Productive employment is one of the elements that make up the concept of decent work (see box II.3), and is a fundamental factor in poverty reduction. The first indicator for monitoring the new employment target of the first Millennium Development Goal is therefore GDP growth rate per person employed, which can be used to assess whether a country's economic conditions are able to generate and sustain opportunities for decent work with fair and equitable wages. Countries that succeed in increasing productivity can expect to see less poverty, and this correlation will be even closer in countries with more equitable income distribution, where the impact of increased production should reach low-income groups much more quickly (ILO, 2007a).

In Latin America, however, low labour productivity growth since the early 1990s failed to spur reduction of extreme poverty. Between 1992 and 2006, value added per job grew at an annual average rate of 0.6% for the 18 countries of Latin America. This average conceals widely differing situations, ranging from the success story of Chile—with annual growth of 4.1%—to Paraguay, where productivity declined by an annual average of 1.9%. It is also noteworthy that, while prior to 2002 productivity hardly increased at all, during the period 2003-2006 it climbed at an annual rate of 1.9% (see table II.2).

Table II.2
LATIN AMERICA (18 COUNTRIES): GROWTH RATE OF GDP PER PERSON EMPLOYED
(MILLENNIUM DEVELOPMENT GOALS INDICATOR 1.4)
(Percentages)

Country	1992-2002	2003-2006	1992-2006
Argentina	0.1	4.6	1.3
Bolivia	-0.3	1.0	0.0
Brazil	0.2	2.0	0.7
Chile	3.8	4.9	4.1
Colombia	-0.8	1.3	-0.3
Costa Rica	1.4	2.1	1.5
Dominican Rep.	3.3	1.9	3.0
Ecuador	-1.6	0.9	-1.0
El Salvador	1.5	0.9	1.4
Guatemala	1.6	0.6	1.3
Honduras	-1.2	-2.5	-1.6
Mexico	0.1	1.9	0.6
Nicaragua	-1.4	-0.1	-1.1
Panama	0.2	3.8	1.1
Paraguay	-2.2	-1.0	-1.9
Peru	0.3	3.8	1.2
Uruguay	-0.4	5.4	1.1
Venezuela (Bol. Rep. of)	-2.2	2.8	-0.9
Latin America^a	0.1	1.9	0.6

Source: United Nations, Millennium Development Goals [online] <http://mdgs.un.org/unsd/mdg/>.

^a Simple average.

The data on the various regions of the world show that in 1996 the productivity of Latin America and the Caribbean—corresponding to GDP per person employed of about 17,500 dollars in purchasing power parity (PPP)—was above the world average and that there was a wide gap compared with other poorer regions. Ten

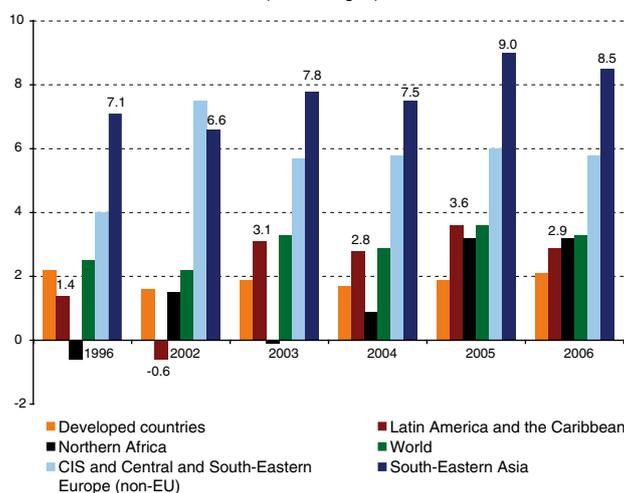
years later, because of the low rate of labour productivity growth, the region—with GDP per person employed of 18,900 dollars PPP—was below the world average (19,800 dollars PPP) and Eastern Asia—the developing region most successful in reducing extreme poverty—is catching up (see table II.3 and figure II.8).

Table II.3
LABOUR PRODUCTIVITY AND ANNUAL GDP GROWTH RATE PER PERSON EMPLOYED, 1996-2006
(In 2000 constant PPP dollars and percentages)

Region	Labour productivity (GDP per person employed)		Compound average annual growth rate of GDP per person employed						
	1996	2006	1996	2002	2003	2004	2005	2006	1996-2006
Eastern Asia	6 347	12 591	7.1	6.6	7.8	7.5	9.0	8.5	7.1
Central and South-Eastern Europe (excluding European Union) and Commonwealth of Independent States	11 787	18 121	4.0	7.5	5.7	5.8	6.0	5.8	4.4
Southern Asia	5 418	7 998	2.3	4.9	6.7	5.9	6.2	5.8	4.0
World	15 824	19 834	2.5	2.2	3.3	2.9	3.6	3.3	2.3
Developed economies and European Union	52 876	62 952	2.2	1.6	1.9	1.7	1.9	2.1	1.8
South-Eastern Asia and Pacific	8 068	9 419	2.3	3.9	4.0	2.3	3.9	3.5	1.6
Northern Africa	12 967	14 751	-0.6	1.5	-0.1	0.9	3.2	3.2	1.3
Sub-Saharan Africa	4 490	5 062	0.4	1.3	2.8	2.7	2.6	3.2	1.2
Latin America and the Caribbean	17 652	18 908	1.4	-0.6	3.1	2.8	3.6	2.9	0.7
Middle East	22 130	21 910	-0.5	1.3	2.8	2.7	2.6	3.2	-0.1

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organization (ILO), "Key Indicators of the Labour Market (KILM), Fifth Edition" [online] <http://www.ilo.org/public/english/employment/strat/kilm/download.htm>.

Figure II.8
ANNUAL RATES OF VARIATION IN LABOUR PRODUCTIVITY, 1996, 2002-2006
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organization (ILO), "Key Indicators of the Labour Market (KILM), Fifth Edition" [online] <http://www.ilo.org/public/english/employment/strat/kilm/download.htm>.

In this connection, ECLAC (2007c) has identified certain factors connected with the structure of the workforce that may explain the different rates of growth of value added per person employed between Asia and Latin America. In the case of Asia, the greater importance of the manufacturing sector explains productivity gains. In addition, a middle class has emerged with sufficient purchasing power to boost the national services market, which also increased its labour productivity. In contrast, in Latin America there was a premature reduction in the manufacturing sector's share of total value added (ECLAC,

2008e) and, starting in the early 1990s, many of the new jobs were created in the sector of trade and services,¹⁹ where many of the jobs are of low quality, since they are informal and own-account jobs.

¹⁹ In the 1990s, 27% of new jobs were created in the trade sector and 43% in the services sector, broken down into: financial services, 13%; social services, 19%; personal services, 5%; and domestic service, 6% (ECLAC, 2004b).

3. Employment rate

The link between increased productivity and poverty reduction is even stronger when the productivity gain goes hand in hand with job creation.²⁰ The second indicator for monitoring target 1.B is therefore the employment rate (or employment-to-population ratio), defined as the proportion of the working-age population that is employed. This measures both labour-market participation and the economy's capacity to absorb the workforce. A high ratio means that a large proportion of a country's working-age population is employed, while a low ratio means that many of them are not directly involved in market-related activities, either because they are unemployed or because they are completely outside the workforce.

In countries which have high unemployment rates or where job-seekers, in many cases, become discouraged and give up the search, it is desirable for the employment

rate to rise. However, very high employment rates could reflect situations in which low-quality jobs are found in abundance, as is the case in the poorer countries. In terms of absolute values, there is thus no "correct" value for the employment-to-population ratio; for example, no clear correlation is found between a country's per capita GDP and its employment rate. In addition, an upward movement of this indicator is not necessarily positive as regards poverty reduction. In any case, the employment rate in Latin America climbed between 1990 and 2006, primarily because more women entered labour markets and found work.

As can be seen in table II.4, employment rates are consistently higher for men than for women and for the average active population than for young people. However, since 1990 employment rates have decreased for men and increased for women, as more women enter the labour market.

Table II.4
LATIN AMERICA (18 COUNTRIES): EMPLOYMENT RATE (MILLENNIUM DEVELOPMENT GOALS INDICATOR 1.5),
NATIONAL TOTAL, AROUND 1990, 2002 AND 2006
(Percentages)

Country	Both sexes (aged 15 and above)			Women (aged 15 and above)			Men (aged 15 and above)			Young people of both sexes (15-29 years old)		
	Around:			Around:			Around:			Around:		
	1990	2002	2006	1990	2002	2006	1990	2002	2006	1990	2002	2006
Argentina ^a	52.5	49.0	57.0	35.8	38.4	45.2	71.4	61.2	71.1	53.4	40.8	49.5
Bolivia ^b	53.5	61.5	63.4	42.4	52.7	54.2	66.2	71.8	73.9	42.0	47.7	50.8
Brazil	61.1	60.8	63.2	42.6	47.7	51.6	81.0	74.9	75.8	62.6	56.8	59.6
Chile	47.7	50.1	53.1	29.4	35.1	39.2	67.9	66.3	68.3	41.9	38.3	40.8
Colombia	58.6	56.2	57.5	38.8	43.0	43.8	80.9	71.1	73.0	53.1	48.2	48.7
Costa Rica	54.7	55.9	57.1	30.7	38.0	39.7	79.2	74.9	75.6	54.5	49.8	50.9
Dominican Rep.	52.9	53.3	54.1	31.0	35.4	37.0	76.0	71.5	71.6	46.3	43.7	44.7
Ecuador ^c	57.1	60.6	62.7	39.2	45.8	48.7	76.6	75.9	77.6	46.4	49.1	52.0
El Salvador	55.8	56.1	55.5	39.4	42.2	42.4	75.1	72.6	70.8	49.1	49.8	49.1
Guatemala	56.5	66.5	61.2	27.5	46.8	41.0	88.4	88.1	83..	53.7	63.9	56.4
Honduras	56.1	57.8	58.1	30.6	35.9	38.2	83.9	82.0	80.4	50.8	52.5	51.5
Mexico	52.1	59.2	62.2	28.8	41.9	47.2	77.3	78.4	79.3	47.2	51.8	54.2
Nicaragua	49.6	58.3	60.4	32.7	40.2	41.5	67.9	77.6	80.7	42.7	52.3	54.7
Panama	48.1	54.1	58.8	29.6	36.7	42.8	67.2	71.6	75.3	39.8	44.2	49.7
Paraguay ^d	61.4	59.9	64.3	46.4	50.4	54.9	79.0	71.7	75.4	56.7	52.8	55.1
Peru	67.9	64.5	66.2	56.7	54.8	57.2	79.9	74.6	75.7	60.1	55.4	58.6
Uruguay ^c	52.6	50.2	52.4	38.9	39.6	42.6	69.2	62.4	64.0	52.3	45.1	47.8
Venezuela (Bol. Rep. of)	51.6	58.0	59.5	32.3	44.4	45.0	71.3	71.6	74.1	41.6	47.5	47.9
Latin America^e	57.4	59.0	61.4	38.1	44.7	48.2	78.3	74.6	75.8	54.3	52.6	54.8

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Greater Buenos Aires.

^b Eight main cities and El Alto.

^c Urban areas.

^d Asunción and Central Department.

^e Weighted average.

²⁰ Indeed, there could be a situation in which GDP per person employed (the indicator used to measure productivity) increases while its denominator (number of employed in a country) decreases.

Among young people, the percentage of persons employed increased very slightly between 1990 and 2006, as a result of two contrasting trends: fewer men employed and higher employment rates for young women. The decrease for young men is not necessarily

a matter for concern, since it is due to the fact that they remain longer in the education system, and the increase in employment among young women is explained by the fact that their participation rates were still low (see section II.C).

4. Poor and indigent workers

The proportion of employed people living on less than US\$ 1 (PPP) per day reflects a key element of the lack of decent work worldwide. If workers do not even generate enough income to pull themselves and their families out of extreme poverty, their jobs can hardly be called “decent” (ILO, 2007a). It should be noted, however, that being a poor or indigent worker does not necessarily mean having a low labour income, since a worker with a good labour income may also fall below the poverty or indigence line if there are a large number of dependants in the household (IDB, 2007).

The indicator used for monitoring the new employment target worldwide is calculated by ILO as the weighted average of: (i) the product of the incidence of extreme poverty (measured by the World Bank using the line of US\$ 1 (PPP) per day) and the population aged 15 years and above, and (ii) the product of the incidence of extreme poverty and the workforce aged 15 and over.²¹ In Latin America and the Caribbean the percentage of workers living on less than one dollar per day calculated using this methodology declined by more than three percentage points, from 11.6% in 1997 to 8.0% in 2007. In contrast, Eastern Asia —where in 1997 18.8% of workers were indigent— succeeded in decreasing the proportion of employed people earning less than US\$ 1 per day by about 10 percentage points, so that today this region has a percentage of extremely poor workers (8.7%) similar to that of Latin America and the Caribbean (ECLAC, 2008f).

Following the traditional method used in the *Social panorama of Latin America*, in order to measure indigence

and poverty —instead of using the lines of one or two dollars per day—lines obtained for each individual country are used, and table II.5 gives data on the incidence of indigence and poverty among employed people using ECLAC country lines.²² It can thus be shown that the existing operation of the labour market in the region still does not enable broad segments of workers to lift themselves out of poverty. In Latin America, between 7% (Chile) and 63% (Honduras) of the employed live in conditions of poverty and between 1% (Chile) and 40% (Honduras) in conditions of indigence.

Since 1990, however, the regional trend has been positive, with a decrease in the percentage of working poor from 39.7% to 29.5% in 2006 and a reduction in the percentage of working indigents from 17.5% to 11.4%. Reflecting the regional trend, in most countries the percentage of working poor declined over the period 1990-2006; the most striking declines were in Chile (18 percentage points) and in Brazil and Mexico (14 percentage points each). The exceptions were Argentina and Uruguay, where there was a slight increase in poverty among employed people, and Bolivia and Paraguay, where poverty among employed people increased by about four percentage points (see figure II.9).

The figures on working poor and working indigents show that the situation is more serious in rural than in urban areas. However, in all countries with available data, poverty declined among rural employed people since 1990, while in the urban areas of Argentina, Bolivia, Paraguay and Uruguay it increased (see figure II.10).

²¹ This method of calculation is an approximation, made by averaging estimates of (i) an upper limit and (ii) a lower limit of the actual percentage of extremely poor employed people. The estimate of the lower limit is based on the assumption that all poor persons aged 15 years and over who are part of the economically active

population are employed (United Nations, Millennium Development Goals Indicators [online] <http://mdgs.un.org/unsd/mdg/>).

²² Unlike the methodology used by ILO to calculate the official indicator, in this case working indigence and working poverty are calculated directly using microdata from household surveys.

Table II.5
LATIN AMERICA (18 COUNTRIES): EMPLOYED PEOPLE LIVING IN INDIGENCE (MILLENNIUM DEVELOPMENT GOALS INDICATOR 1.6) AND IN POVERTY, NATIONAL TOTAL, URBAN AND RURAL, AROUND 1990, 2002 AND 2006
(Percentages)

Country	Indigence (National)			Indigence (Urban areas)			Indigence (Rural areas)			Poverty (National)			Poverty (Urban areas)			Poverty (Rural areas)		
	1990	2002	2006	1990	2002	2006	1990	2002	2006	1990	2002	2006	1990	2002	2006	1990	2002	2006
Argentina	...	...	...	1.6 ^a	10.5 ^a	3.2 ^a	...	...	...	...	...	...	9.9 ^a	27.3 ^a	10.5 ^a	...	...	...
Bolivia	...	33.8	30.5	12.1 ^b	13.7 ^b	12.9 ^b	...	60.1	54.2	...	56.7	57.3	39.2 ^b	39.7 ^b	43.3 ^b	...	76.7	75.2
Brazil	15.8	8.0	5.3	9.8	5.0	3.0	36.6	21.4	15.3	24.0	27.6	24.0	31.1	23.5	20.1	62.2	46.1	41.1
Chile	6.5	2.4	1.2	6.2	2.0	1.2	7.9	4.9	1.4	26.0	11.9	7.3	25.3	15.6	6.5	26.1	11.4	7.4
Colombia	18.7	15.8	13.0	12.0	14.9	11.2	28.1	17.9	18.3	45.8	39.8	36.4	41.1	39.5	35.0	52.2	40.4	40.3
Costa Rica	4.5	3.4	2.8	2.4	1.9	2.1	6.2	5.8	3.9	15.6	10.9	9.9	14.5	8.8	9.4	16.5	14.2	10.7
Dominican Rep.	5.9	8.4	10.4	4.1	6.4	8.0	8.7	12.5	15.0	21.8	29.0	30.3	20.5	26.7	27.9	23.8	33.8	35.1
Ecuador	...	...	11.0	16.9	12.2	7.9	...	...	16.9	...	...	33.6	50.4	38.1	30.0	...	...	40.3
El Salvador	13.4	14.5	11.9	8.7	8.8	8.4	20.6	24.3	18.4	41.1	37.4	36.2	34.0	29.1	30.9	52.1	51.8	45.7
Guatemala	30.4	19.7	...	16.3	10.0	...	40.1	26.4	...	57.6	47.6	...	41.1	33.1	...	68.8	57.6	...
Honduras	49.6	45.3	40.8	31.5	27.7	21.4	64.2	62.6	59.5	71.9	69.5	63.1	59.0	57.7	49.3	82.4	81.0	76.5
Mexico	12.9	8.7	6.0	8.1	4.4	2.7	21.7	16.3	12.3	38.5	31.2	24.3	33.0	24.5	19.8	48.4	43.0	33.0
Nicaragua	34.4	31.2	...	22.9	22.1	...	50.0	45.2	...	61.2	59.5	...	51.7	53.3	...	74.0	68.9	...
Panama	11.4	12.1	7.3	4.6	3.6	1.9	19.8	27.3	17.3	30.3	25.8	19.3	18.1	15.1	10.1	45.7	44.9	36.7
Paraguay	...	24.9	24.0	6.8 ^c	4.7 ^c	9.1 ^c	...	42.6	36.4	...	50.3	50.2	32.0 ^c	31.6 ^c	36.5 ^c	...	65.0	59.9
Peru	19.5	21.6	18.4	5.9	7.6	6.4	45.2	45.6	37.9	38.9	49.8	47.4	24.6	36.0	34.0	65.9	73.6	69.2
Uruguay	...	...	...	1.7	1.3	2.2	...	...	...	...	...	...	11.3	10.0	12.7	...	...	...
Venezuela (Bol. Rep. of)	5.4	11.5	4.0	4.4	...	...	11.3	...	...	22.9	34.1	17.9	21.7	...	...	30.2	...	...
Latin America^d	17.5	14.3	11.4	10.5	9.5	6.8	35.1	28.3	24.1	39.7	35.6	29.5	32.9	29.1	24.8	58.3	51.1	45.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

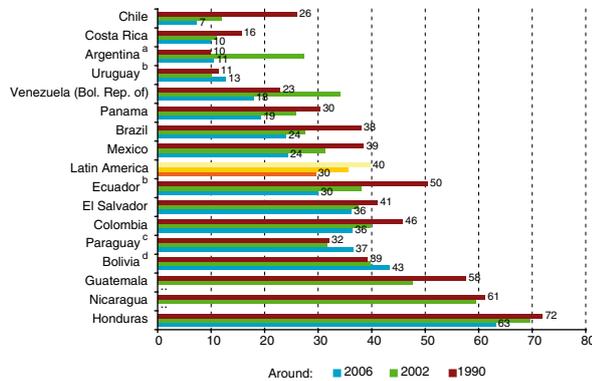
^a Greater Buenos Aires.

^b Eight main cities and El Alto.

^c Asunción and Capital Department.

^d Weighted average.

Figure II.9
LATIN AMERICA (16 COUNTRIES): INCIDENCE OF POVERTY
AMONG EMPLOYED PEOPLE, NATIONAL TOTAL,
AROUND 1990, 2002 AND 2006
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

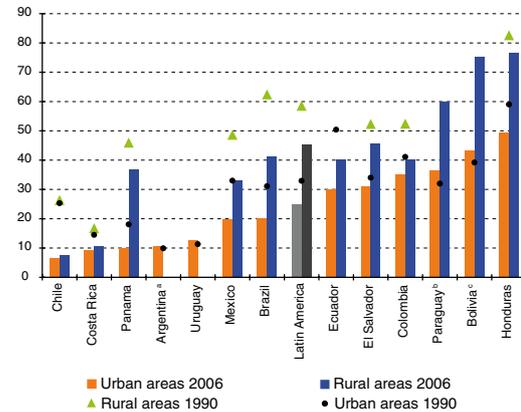
^a Greater Buenos Aires.

^b Urban areas.

^c Asunción and Central Department.

^d Eight main cities and El Alto.

Figure II.10
LATIN AMERICA (13 COUNTRIES): INCIDENCE OF POVERTY
AMONG EMPLOYED PEOPLE, URBAN AND RURAL AREAS,
AROUND 1990 AND 2006
(Percentage of poor workers)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Greater Buenos Aires.

^b Asunción and Central Department.

^c Eight main cities and El Alto.

5. Vulnerable workers

The proportion of own-account and unpaid family workers within the total employed population can be a useful means of identifying persons in a vulnerable employment situation, as workers in these categories are less likely to have access to social protection. The link with poverty exists because vulnerable workers have no social protection system or safety net to protect them when labour demand is slack, and they are often unable to save enough money to see themselves through such situations (ILO, 2007a).²³

The percentage of vulnerable workers in Latin America climbed from 33.0% in 1990 to 33.7% in 2006 (the largest increase, to 35.0%, occurred between 1990 and 2002 but there was a subsequent decline). Vulnerable forms of employment increased among both men and women. In most Latin American countries (the exceptions are Brazil, Chile, Colombia, Panama and Uruguay), the percentage of own-account and unpaid family workers is higher among women than among men (see table II.6).

From the viewpoint of gender equity, a fundamental cause of working women's vulnerability is the fact that they have no income of their own. This is true not only for unpaid women workers in family businesses—a phenomenon included in indicator 1.7 for monitoring the employment target of the first Millennium Development Goal—but above all for the vast number of women who work at home without pay, looking after children and the elderly and performing domestic chores. Around 2005, between 40% (urban areas) and 53% (rural areas) of women aged 15 and above had no income of their own (ECLAC, 2007d).

The data provided in the statistical annex (see tables 19 and 20) show that the national average for vulnerable workers conceals vast geographical differences. In rural areas of Latin American countries—where own-account and unpaid family workers generally represent over 50% of the employed—this phenomenon is much more widespread than in urban areas, where the percentage of vulnerable workers is about 30%.

²³ The statistical appendix to this edition of *Social Panorama of Latin America* shows in greater detail the various occupational categories, distinguishing between own-account workers with professional or technical skills and unskilled workers.

Table II.6
LATIN AMERICA (18 COUNTRIES): OWN-ACCOUNT AND UNPAID FAMILY WORKERS (MILLENNIUM DEVELOPMENT GOALS INDICATOR 1.7), NATIONAL TOTAL, AROUND 1990, 2002 AND 2006
(Percentage of total employment)

Country	Both sexes			Women			Men			Young people (aged 15-29)		
	Around:			Around:			Around:			Around:		
	1990	2002	2006	1990	2002	2006	1990	2002	2006	1990	2002	2006
Argentina ^a	25.6	22.3	19.3	27.0	16.1	16.7	24.8	26.8	21.3	15.9	15.0	10.3
Bolivia ^b	43.7	46.0	43.0	54.1	57.7	56.1	36.0	36.1	32.1	34.2	36.1	33.9
Brazil	28.9	32.7	31.0	30.0	31.9	30.5	28.3	33.2	31.4	22.0	24.4	22.3
Chile	24.5	21.1	21.3	20.7	19.4	20.9	26.3	22.0	21.5	17.2	13.3	11.8
Colombia	44.6	44.9	44.1	35.2	44.6	43.8	49.7	45.2	44.3	36.8	36.6	35.5
Costa Rica	24.3	23.6	21.4	20.4	24.5	21.4	25.8	23.1	21.4	17.0	15.7	13.0
Dominican Rep.	41.7	43.5	42.6	32.2	30.0	29.0	45.8	50.3	49.8	34.9	35.6	35.1
Ecuador ^c	35.6	34.2	40.6	40.5	40.1	50.9	32.9	30.6	33.9	27.8	23.9	31.9
El Salvador	36.2	37.3	35.3	45.8	45.5	45.0	30.2	31.6	28.6	25.5	29.4	25.8
Guatemala	48.0	45.3	47.2	47.1	56.8	56.5	48.3	38.5	42.2	42.5	40.0	41.2
Honduras	49.6	49.3	48.9	50.4	49.2	50.3	49.3	49.3	48.1	41.6	39.6	37.6
Mexico	29.4	29.6	28.2	30.8	35.8	35.9	28.8	26.0	23.0	21.7	21.3	19.0
Nicaragua	46.5	42.2	44.9	44.8	48.4	49.4	47.4	38.7	42.4	39.8	37.4	38.6
Panama	33.8	34.7	31.6	15.9	26.0	28.5	41.9	33.5	36.4	33.4	31.6	28.0
Paraguay ^d	22.9	26.8	28.8	30.8	30.9	33.2	17.4	23.3	25.1	12.1	16.4	17.4
Peru	52.4	53.6	56.3	62.5	63.1	64.9	44.6	46.4	49.5	44.5	44.9	49.7
Uruguay ^c	20.1	25.8	24.3	21.8	20.8	20.5	18.9	29.5	27.2	12.9	19.5	16.8
Venezuela (Bol. Rep. of)	25.7	39.3	37.0	22.1	42.2	37.6	27.4	37.5	36.6	19.2	33.9	29.5
Latin America	33.0	35.0	33.7	34.1	37.0	35.9	32.5	33.6	32.1	25.7	27.2	25.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Greater Buenos Aires.

^b Eight main cities and El Alto.

^c Urban areas.

^d Asunción and Central Department.

6. Monitoring of the employment target in Latin America: additional indicators and methodology of analysis of the employment-poverty relationship

Although the four official indicators for monitoring the new Millennium target identify important elements of the concept of decent work, in Latin America other indicators can be added to enhance the analysis of the prerequisites for decent work, such as:

- percentage of workers in low-productivity sectors;²⁴

- percentage of workers covered by social security, and
- ratio between women's and men's wages.

These additional indicators reveal persistent features of Latin American labour markets, such as informality, low levels of social protection and wage inequalities between men and women. As far as trends between 1990 and 2006

²⁴ This indicator, which refers to informal work, differs from the indicator on vulnerable workers. Although both include unpaid family workers and own-account workers, in the calculation of the informality

rate own-account workers with professional or technical skills are excluded. In addition, the percentage of workers in low-productivity sectors includes domestic work and workers in micro-enterprises.

are concerned, the situation improved slightly, since the national average of workers in low-productivity sectors dropped from 55.1% to 52.3%, and women's wages rose from 76.0% to 78.1% of men's wages. Of the eight countries for which data for social security coverage can be compared among the employed between 1990 and 2006, six (Argentina, Bolivia, Brazil, Costa Rica, Ecuador (urban areas) and Nicaragua suffered a decrease in coverage and only two (Chile and México) experienced slight increases (see table II.13).

These indicators have been used for some time in ECLAC analyses and, together with others, have been used by countries in the region in the national reports on the Millennium Development Goals or as an instrument for monitoring their social and labour policies for achieving decent work.²⁵ In 2003, an additional Goal was proposed at the national level in Argentina—before the United Nations adopted the new employment target—on promotion of decent work, which includes the target of increasing social protection coverage (Argentina, Office of the President, 2003). In Brazil, where in 2006 the Government adopted a National Decent Work Agenda with strong emphasis on the creation of better jobs with equal opportunities and conditions, the ratio between the hourly wage of employed women and that of employed men was incorporated (Brazil, Office of the President, 2007). In Chile, wage disparities between men and women are monitored (Chile, Government of, 2008). And in Peru dignified work is a priority of social policy and improvement of income and permanent employment are pillars of the “CRECER” national strategy (IAS, 2008).

The methodology described in *Social Panorama of Latin America, 2007* (see box I.6 of section I.C) may be useful for monitoring the employment target in the region. This methodology shows that the way in which growth is reflected in changes affecting the monetary resources available to members of poor households depends on the quantity and quality of the jobs created and on the increase in wage income, as well as in non-wage income and in the resources which the State may transfer to households through social programmes.²⁶

This quantifies the relative importance of the three main factors associated with increase in the per capita income of households, of which the first two are directly related to Millennium target 1.B: ratio of employed persons to total number of household members (or “overall employment rate”),²⁷ labour income per employed person (a measurement that approximates labour productivity) and income from other non-labour sources of income.²⁸ This analysis can also take into account demographic changes and changes in patterns of behaviour of persons and families, which also have a major influence on the amount of resources available to households. These changes influence household size, the number of members of working age and the number of members actually participating in the labour market.

In the most recent edition of *Social Panorama*, this methodology was used to analyse how these factors affected poverty (including indigence) reduction between 1990 and 2005. The same method is being used on this occasion, this time applied to changes in indigence, using data for the period 1990-2006.

The results summarized in table II.7 show that, throughout the period 1990-2006, the main factors contributing to the increase in the per capita income of households living in indigence were the ratio of employed people to total household members and non-labour income.²⁹ Since 1990, labour income per person employed, which is related to productivity, increased in indigent households only in Chile, Brazil and urban areas of Ecuador, and declined or remained constant in the other countries. This is explained by the poor performance of the labour market in the period 1990-2002, during which average remuneration of wage earners and independent (own-account) workers in indigent households declined in almost all countries except Brazil or at best was maintained (León, 2008).

²⁵ ECLAC/UNDP/ILO (2009); in the case of Brazil, these bodies recently proposed a series of 28 indicators for monitoring conditions of decent work. In addition, important indicators which link the topic of employment with social cohesion have been proposed by ECLAC/EUROsocial (2007d).

²⁶ Consideration is also given to other components of household monetary income that are not directly dependent on the rate of GDP growth, such as remittances received by households from abroad and revenue from unearned income, retirement plans and pensions.

²⁷ The overall employment rate is different from the employment rate (or “gross employment rate”) because the number of employed people is divided by the total population and not only by the working-age population (see box II.2).

²⁸ The per capita income (Y/N) of households living below the indigence line is analysed using the following formula: $\frac{Y}{N} = \left(\frac{O}{N} \times \frac{YL}{O} \right) + \frac{YNL}{N}$, in which O/N is the overall employment rate, YL/O is labour income per person employed and YNL/N is per capita non-labour income. In order to analyse per capita income trends over time—for example, between 1990 and 2006—the following formula is used: $\frac{Y}{N}(2006) - \frac{Y}{N}(1990) = \left[\frac{YL}{O}(2006) \times \left(\frac{O}{N}(2006) - \frac{O}{N}(1990) \right) \right] + \left[\frac{O}{N}(1990) \times \left(\frac{YL}{O}(2006) - \frac{YL}{O}(1990) \right) \right] + \left(\frac{YNL}{N} \right)_{(2006)} - \left(\frac{YNL}{N} \right)_{(1990)}$ (see ECLAC, 2008a; Cecchini and Uthoff, 2008).

²⁹ The changes in these two factors, and in labour income per person employed, refer to the deciles that were below the indigence line at the beginning of the period.

Table II.7
LATIN AMERICA (16 COUNTRIES): TRENDS IN THE OVERALL EMPLOYMENT RATE, LABOUR INCOME PER EMPLOYED PERSON (PRODUCTIVITY) AND NON-LABOUR INCOME IN DECILES THAT INCLUDE INDIGENT HOUSEHOLDS, AROUND 1990-2006

Countries ^a	Indigence around 1990 ^b	Overall employment rate (O/N)	Labour income per person employed (YL/O, productivity)	Non-labour income (YNL/N)	Indigence around 2006 ^b
Chile	12.9	+	+	+	3.2
Brazil	23.3	+	++	++	9.0
Ecuador ^c	26.0	+	++	+	12.8
Mexico	18.6	++	-	+	8.7
Panama	19.2	+	= / +	+	11.7
Guatemala	43.4	++	-	++	31.5
Costa Rica	9.8	= / +	= / +	+	7.2
Colombia	25.8	= / +	= / +	+	20.2
Dominican Republic	14.8	+	--	-	22.0
El Salvador	21.6	+	--	++	19.0
Bolivia ^c	22.8	++	-	= / +	18.5
Honduras	60.6	++	--	++	49.2
Venezuela (Bol. Rep. of)	14.6	++	= / +	-	9.9
Paraguay ^d	12.7	= / +	-	+	15.2
Uruguay ^c	3.4	= / +	-	+	4.2
Argentina ^d	5.2	+	--	+	6.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

Key:

++	Significant progress	+	Progress	= / +	No change / progress and setback
-	Setback	--	Significant setback		

^a Countries are shown in order of the annual reduction in indigence, estimated on the basis of the following formula: $ARI = ((FP-IP) / IP) * 100 / y$, where ARI = annual reduction in indigence, FP = final percentage of indigence, IP = initial percentage of indigence and y = number of years in the period.

^b These percentages may not correspond to those appearing in chapter I, owing to a different treatment of domestic service. For Guatemala, adjustments were made in the way the data were processed in order to compensate for the lack of measurements that included the population under the age of 10 in 1989. In addition, because of issues related to the years in which surveys were conducted, 1990 and 2006 are not included in the poverty figures of all countries.

^c Urban areas.

^d Metropolitan area.

With few exceptions, the overall employment rate helped to increase the per capita income of indigent households. However, the increase in this rate cannot be seen solely as the result of a growing capacity to create quality jobs in the economies of the region. The increase in the number of employed persons per household member among the distribution deciles consisting of indigent persons was also due to factors connected with demographic transition and to changes in individuals' behaviour and in average family size. The decline in the overall fertility rate, the change in the population age structure and the trend towards smaller families reduced the number of members (the rate denominator) of households with low per capita income. In addition, the change in the population age structure (see chapter IV) increased the

number of people of working age in households, and the entry of more women into the labour market increased the average number of employed persons per household (the rate numerator).

It is therefore vital to improve the quality of integration in the labour market of broad sectors of the workforce, particularly the poorest. This means guaranteeing adequate wages, stable contracts, safe working conditions (as regards work-related accidents and illness), access to health systems and affiliation and contribution to social security schemes. The achievement of full and productive employment and decent work in the countries of Latin America is crucial in order to reduce poverty and income inequality, which are profoundly rooted in the functioning of the labour market.

C. Employment situation of young people and women

Young people and women are openly discriminated against in the labour market, although there was a gradual improvement between 2002 and 2006 in various indicators relating to their integration into the labour market. As regards the Millennium target of full employment and decent work for young people and women, there has been scant progress and actual setbacks in some regards. Their unemployment rates dropped between 2002 and 2006, but are still higher than they were in the early 1990s. Young people, and especially young women, are entering low-productivity sectors and taking up low-quality jobs (mostly as independent workers), indicating that Latin American labour markets are structurally unable to create wage work. The quality of employment continues to decline, with a proliferation of hiring practices considered unorthodox, and the decline continues in the percentage of employed people affiliated with social security and health schemes.

Young people and women are groups that are specially vulnerable to difficulties in finding a place in the labour market, as well as to various forms of discrimination within that market, resulting in their accepting low-quality, low-income jobs.

Although the situation of women was mentioned in the third Millennium Development Goal, and although the eighth Goal already took into account youth unemployment, employment and the functioning of the labour market, these aspects were not very prominent in the system of development targets defined at the Millennium Summit in September 2000. The recommendation made at the 2005 World Summit to explicitly include an employment target in the first Millennium Development Goal gave greater prominence to this aspect and it has thus been recognized that employment is one of the main mechanisms for achieving well-being and for overcoming poverty and related problems. In addition, the emphasis on the importance of monitoring employment indicators, especially among young people and women, is an acknowledgement of the relevance of both groups as regards their economic and productive contribution to our societies and of their disadvantaged position in regard to employment.

Employment issues of concern to young people and women share common features but are also different. Both groups are affected by higher unemployment rates and the need to accept low-quality jobs and lower wages, to mention the most striking features. However, some of the characteristics of their employment, as well as trends over time, are different. The root causes of the problems of incorporation and retention in the labour market are also different.

Youth is a transition marking the beginning of a person's involvement in productive activity. The difficulties facing young people in the labour market are thus often temporary in nature, since the problems affecting youth as such disappear or change when the person moves on to become part of the adult world. On the other hand, women face various barriers to entry into the labour market; when they do succeed in entering it, they are discriminated against compared with their male counterparts. And womanhood does not disappear with age.

The following pages briefly analyse the situation of young people and women as regards entry into and characteristics of integration into the labour market, in the light of the target and the indicators recently proposed under the first Millennium Development Goal.

1. Youth and female employment

Youth and employment. It is now increasingly clear that, at least in our region, young people represent a development opportunity. For this reason, 2008 was declared Ibero-American Youth Year and the central theme of the Eighteenth Ibero-American Summit of Heads of State and Government was youth and development.

This is not a purely rhetorical recognition, but is based on the fact that today's young people are the ones in the best position to tackle in a positive manner the important social and productive changes resulting from the process of globalization and the introduction of new technologies in various world spheres (ECLAC/OIJ, 2004). In Latin America, young people currently represent a launching pad for development, not only for the reason given above but also because of the actual features of demographic transition in the region. With some country differences, we are today enjoying a demographic dividend or bonus, consisting of a temporary window of low levels of dependency. In other words, people of productive age outnumber people of potentially inactive ages (children and older persons) who therefore represent an economic burden on the family and the State (see chapter IV).

Already in 1995, the United Nations explicitly acknowledged the importance of young people and of improving the various situations affecting them and that idea was embodied in the World Programme of Action for Youth to the Year 2000 and Beyond. This plan indicates the measures to be adopted in various areas such as education, employment, hunger and poverty, health, environment, drug abuse, juvenile delinquency, leisure-time activities, girls and young women, as well as the full and effective participation of youth in the life of society and in decision-making (United Nations, 1995).

Education and employment are priority areas, since they lay the foundation for improvement in other areas. Education develops the skills of children and young people, preparing them for an ever-changing world. However, this development must have as a corollary the existence of opportunities to use the skills, mainly—but not exclusively—in the world of work. It is through participation in work that one can unleash creative and innovative potential, live a full life, participate in the countless areas of social life, achieve material and symbolic well-being, be a responsible member of society and thus sever the chains of poverty replication that today afflict our societies (ECLAC/OIJ, 2008).

Women and work. The recent report *Millennium Development Goals 2006: a Look at Gender Equality*

and Empowerment of Women in Latin America and the Caribbean (ECLAC, 2007d) estimates that poverty in the region would be more than 10 percentage points higher without women's wage labour. Despite the importance of women's wage labour in family economies, employment is one of the areas in which there are still the widest gender gaps, reflected in lower remuneration, low returns on education and predominance of informal and low-productivity work (ECLAC, 2007d). In this sense, the inclusion of the employment target in the Millennium Development Goals represents a significant step forward. It is thus recognized that the creation of quality jobs and equality between men and women are central goals of the development agenda and, at the same time, a prerequisite for the attainment of the other Goals (ECLAC, 2007a).

The Millennium Development Goals originated in a series of earlier international mandates and commitments concerning human rights and development (United Nations, 2005). The most significant were the adoption in 1979 by the United Nations General Assembly of the Convention on the Elimination of All Forms of Discrimination against Women and the holding of the International Conference on Population and Development (ICPD) in Cairo in 1994. The ICPD marked the transition from a strictly demographic approach to a new vision of development and of women's rights. Together with the world conferences on women held since 1975, and in particular the Fourth World Conference on Women (Beijing, 1995), these are the most striking events in the process of building gender-sensitive public policies. At the latter conference, agreement was reached on an agenda in which the link between public policies, the rights-based approach and gender equality appears most prominently and 12 critical areas of concern were defined, including: women and poverty; education and training of women; women and the economy; and human rights of women (Milosavljevic, 2007).

For a long time, women were considered as a workforce that was "secondary"³⁰ and more costly to recruit, which justified labour practices that today, in the light of the above-mentioned international instruments,

³⁰ The theories of labour market segmentation and sexual dualism (Piore and Berger, 1980; Piore and Doeringer, 1985; ILO, 1979) noted the existence of a labour market with primary and secondary segments. Thus, the workforce in "secondary" occupations would be composed of groups whose social identity and roles are defined outside the labour market, such as women, adolescents, apprentices, interns and temporary migrants, who enter and leave the workforce frequently (Piore and Berger, 1980).

are considered to be openly discriminatory. Although neo-classical theories recognized the existence of gender gaps, these were mainly attributed to alleged lower female productivity, women's professional preferences and non-wage costs of recruitment. The theory of human capital already clearly recognized discriminations in the labour market, resulting from cultural conditioning related to the traditional assignment of family caregiver roles to women (Becker, 1971; Becker, 1985).

More recent studies also note that, in the context of the various family and cultural transformations in western

societies, women have acquired growing importance in the labour market and as contributors to the family income. This has led to the recognition that, for a significant number of women, work cannot be considered as a secondary and optional activity (Geldstein and Delpino, 1994; Abramo and Todazo, 1998; Abramo, 2004). It must therefore be recognized that monitoring the situation of female employment not only reveals the position of women in the labour market but also reflects the recognition by our societies of their rights and of their crucial importance both in the home and for overall economic growth.

2. Participation of young people and women in the world of work

The entry of young people into the labour market is usually described as having unstable features because it is sensitive not only to seasonal factors but also to movements in the business cycle. For example, in periods of slowdown or economic crisis, young people go in search of work in order to supplement the income of their households, even if this is detrimental to their participation in the education system. This behaviour, which also used to be attributed to women, was allegedly part of what during the 1960s and 1970s was called "survival strategies" for dealing with marked deteriorations in the well-being of families. These strategies included taking children and young people out of school and mobilizing them—together with the other household members—in informal economic activities, often of a family nature.

At the end of the cyclical downturn, those still of an age to do so would leave the labour market and re-enter the education system, thus resuming their main role of students. By this reasoning, young people and women are seen as belonging to the so-called "secondary" workforce, which fits into a segment of the labour market characterized by greater instability, precarious working conditions, low wages and low status.

The information analysed in this chapter gives some idea of the degree of stability of labour market participation by young people between 15 and 29 years of age and by women, comparing the behaviour of different age cohorts. It should also be noted that the general trends described below are not found in all countries.

Firstly, it is noteworthy that, as was to be expected, the average employment rate among young people is much lower (54.7%) than that of adults between 30 and 64 years of age (72.3%). However, between 1990 and 2006, the employment rate among young people increased slightly, since in the earlier period it involved 54.3% of young people

of both sexes, whereas the percentage of adult employed persons grew by almost seven percentage points.

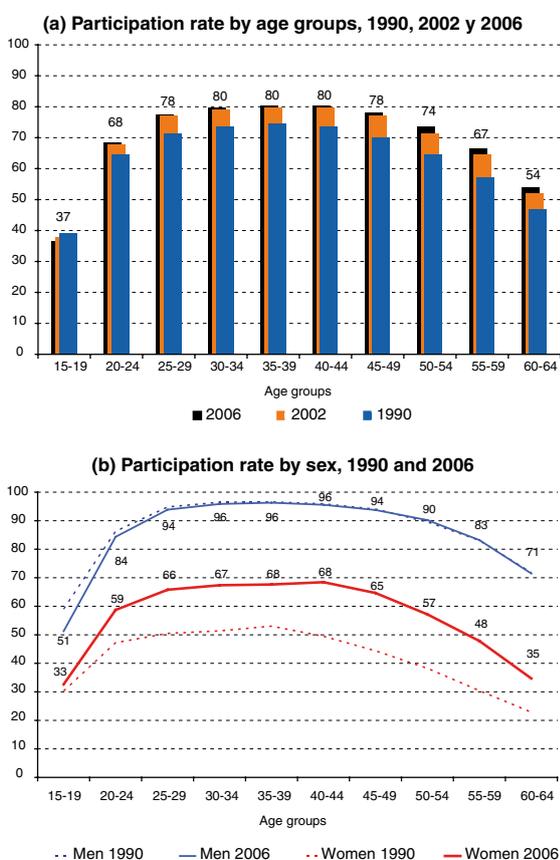
There are various reasons for this moderate increase. Firstly, the rate of participation of young people grew steadily between 1990 and 2006 and the trend remained constant as of 2002, except for young people between 15 and 19 years of age, whose participation in the workforce declined in the two comparative periods considered, as shown in figure II.11 a). This seems to be due mainly to the expansion of education systems, their greater retention rates for younger students and the return of those still of an age to attend secondary school (ECLAC, 2008a). Nevertheless, the youth employment rate continued to increase in the Bolivarian Republic of Venezuela, Bolivia (eight main cities and El Alto), Ecuador (urban areas), Mexico and Nicaragua. In the first and last of these countries, there was a considerable increase in participation around 2002 and then a marked drop, but to levels still higher than those of 1990.

As can be seen from figure II.11 b), the increase in youth participation in the labour market combines two trends: a slight decrease (3.3 percentage points) in the participation of young men and a strong increase (9.7 percentage points) in the participation of young women, mainly after age 20, when they leave the education system. The latter situation reflects the general trend towards a gradual rise in the participation of women in the labour market, which between 1990 and 2006 increased from 40.7% to 53.2% throughout the region. This trend was particularly marked in Argentina, Bolivarian Republic of Venezuela, Brazil, Guatemala and Mexico but insignificant or negative in El Salvador, Peru and Uruguay.

However, participation in the labour market does not always mean immediate job placement. Unemployment rates for young people tend to be high and increase considerably in times of crisis, coinciding with their mobilization in

the labour market in order to supplement family income. This is partly because of the job losses that are common in periods of recession but also because of discrimination in the hiring of young people—even more in the case of young women—because they have less work experience and spend less time in jobs. The latter reason reflects the fact that they may work for a while and then resume their studies, seek better jobs or jobs better suited to their skill levels, or start a family.

Figure II.11
LATIN AMERICA (18 COUNTRIES): PARTICIPATION RATES BY AGE GROUPS AND SEX, NATIONAL TOTAL, AROUND 1990, 2002 AND 2006^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

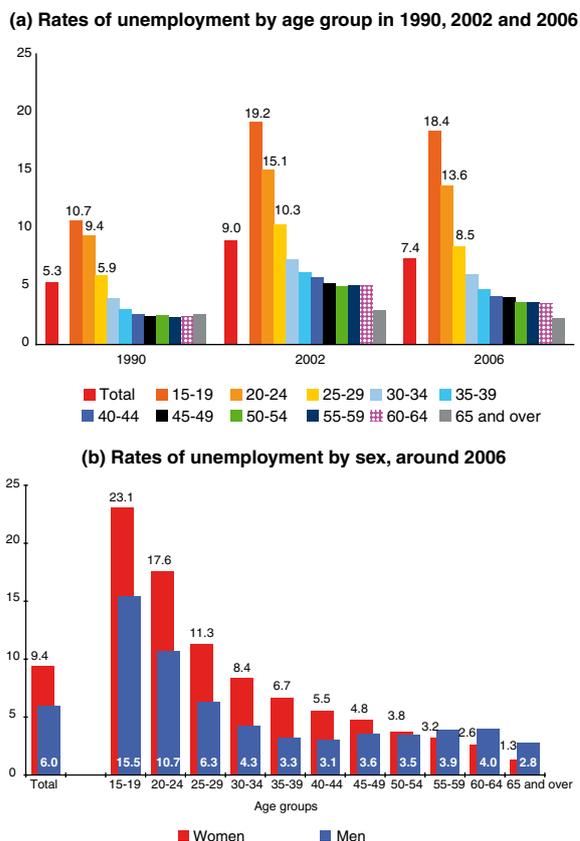
^a Weighted average of countries at the national level. The figures for Argentina correspond to Greater Buenos Aires, for Bolivia to eight main cities and El Alto, for Ecuador and Uruguay to urban areas and for Paraguay to Asunción and Central Department.

There are major disparities between levels of youth unemployment and levels of adult unemployment and in crisis periods these disparities tend not to increase (and even slightly decrease) because young people leave the workforce and because most of the jobs lost were filled by adults (ECLAC/OIJ, 2004). This is not the case for female

unemployment, which tends to increase more than male unemployment in periods of contraction of economic activity and to decrease more slowly in periods of recovery.

Despite the large increase in youth unemployment between 1990 and 2002, from 8.6% to 14.4%, the doubling of the rate of adult unemployment (persons from 30 to 64 years of age) in the same period meant that the gap between the former and the latter decreased, from a youth/adult unemployment ratio of 2.9 to 2.4. When overall unemployment dropped around 2006, the rate of youth unemployment was 2.9%, which was 2.9 times higher than adult unemployment, and this disparity was the same as that found in the early 1990s. The highest unemployment rates are among the younger people (15 to 19 years of age) and are four times those of the adult population (see figure II.12 a)).

Figure II.12
LATIN AMERICA (18 COUNTRIES): RATES OF UNEMPLOYMENT BY AGE GROUP, NATIONAL TOTAL, AROUND 1990, 2002 AND 2006^a
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Weighted average of countries at the national level. The unemployment rates reported on the basis of household surveys in Colombia, Panama and the Dominican Republic included hidden unemployment. The figures for Argentina correspond to Greater Buenos Aires, for Bolivia to eight main cities and El Alto, for Uruguay to urban areas and for Paraguay to Asunción and Central Department.

On the other hand, unemployment does not affect all young people equally. As reported in a recent study by ECLAC and the Ibero-American Youth Organization (OIJ) on the current situation of young people (ECLAC/OIJ 2008), it is precisely the poorest young people who are most affected by unemployment: around 2005, the average rate of unemployment among young people between 15 and 29 years of age belonging to the poorest per capita income quintile was slightly over 24%, a percentage which decreases gradually to reach 6.6% among young people in the richest quintile.

When youth unemployment rates are compared on the basis of educational level, unemployment is found to affect mainly those with more education, particularly those who have completed secondary education. According to various ECLAC studies, this is mainly due to the phenomenon of educational devaluation, since full secondary education was generalized in the last decade and no longer allows rapid access to the labour market in good conditions or guarantees escape from poverty (ECLAC/OIJ, 2008; ECLAC, 2004b; ECLAC, 2000b). Young people with university diplomas are also affected proportionately more, although this is mainly due to their greater willingness to hold out for jobs of appropriate quality suited to their skills (ECLAC, 2002).

One of the most striking disparities between young people as regards unemployment levels is undoubtedly

gender disparity. Gender criteria still play a very big role in staff selection. This affects women throughout the entire cycle of productive life (in 2006, the overall female unemployment rate was 56% higher than the male rate) but to a greater degree when they are young. The high rates of youth unemployment are largely explained by the even higher levels of unemployment among young women. On average, the difference in female and male unemployment levels is around 3.4 percentage points, but this doubles at the beginning of active life. This gap is narrowing slightly and is significantly smaller for persons aged 40 and above, coinciding with the phase of lower fertility. Upwards of age 55, female unemployment levels are lower than male levels, since as of the fifth decade of life their rate of withdrawal from the workforce increases more rapidly (see figures II.11 b) y II.12 b)).

In the absence of reasons connected with qualifications and work experience, one plausible explanation for the greater unemployment among women is that firms tend not to recruit women of child-bearing age both because of the higher turnover (frequent departures from the workforce) and because of the labour costs associated with child-bearing which, depending on national legislation, include maternity entitlements and resulting temporary replacements, paid leave to care for sick children and funding of day-care centres.

3. The position of young people and women in the labour market

Young people enter the market in lower-quality jobs than adults, as do women compared to men; most enter in low-productivity sectors, in low-paying jobs in precarious working conditions, often without health-care benefits or social security. One explanation for this situation is that the jobs are temporary in nature. In the case of young people, it is also noted that they start in low-productivity jobs because they are less qualified, and their pay reflects their lack of experience.

Public policies often try to ensure that young people remain longer in the education system, to upgrade work training systems, to give credit for work skills among those with more experience, and to encourage youth entrepreneurship, in order to take advantage of young people's innovative skills and to encourage independent work and creation of businesses. In the case of women, the growing pressure to achieve gender parity and equity has spurred development of public plans and programmes focused on monitoring

this type of inequality in national markets and sometimes on introducing gender quotas in government employment.

The incorporation in the first Millennium Development Goal of target 1.B on decent employment and the use of the percentage of own-account workers and unpaid workers as a monitoring indicator implicitly recognize that at least a large part of independent or own-account work is associated with inadequate working conditions and protection. It is also found that this type of employment may be related to inadequacies in the functioning of the labour market, principally as regards the creation of wage employment. This highlights a structural vision of the problems of the position of young people and particularly of young women in the labour market, since these difficulties would be attributed not so much to the unstable nature of the labour participation of both groups but to shortcomings in production systems related to their structural heterogeneity (Infante, 2008).

Women and young people employed on their own account

The proportion of own-account workers among young people has remained stable at around one in four employed young people, with a slight increase around 2002. The

same trend is observed in the adult population, with a smaller increase in the period of economic crisis and a subsequent decrease to levels somewhat below those of 1990. However, among women the proportion of independent workers increased slightly from 34.1% to 35.9%, even during the post-2002 recovery (see table II.8).

Table II.8
LATIN AMERICA (18 COUNTRIES): CHARACTERISTICS OF LABOUR FORCE INTEGRATION OF YOUNG PEOPLE DISAGGREGATED BY SEX AND SHOWING NATIONAL TOTAL, AROUND 1990, 2002 AND 2006^a
(Percentages and 2000 dollars)

	1990	2002	2006	1990	2002	2006	1990	2002	2006
	Vulnerable workers ^b			Employed persons covered by social security ^c			Labour earnings of employed persons		
15 to 29 years	25.7	27.2	25.4	48.1	44.5	45.5	181	206	220
30 to 64 years	36.5	37.3	35.7	55.8	52.5	53.5	345	395	412
Men aged 15 and above	32.5	33.7	32.1	51.7	48.5	49.8	323	379	400
Women aged 15 and above	34.1	37.0	35.9	52.1	49.3	49.5	186	238	257
Total	33.0	35.0	33.7	51.8	48.8	49.6	276	323	341
	Employed persons in low-productivity sector ^d			Wage earners covered by social security ^e			Wage earners		
15 to 29 years	49.2	50.3	46.6	61.3	52.3	53.2	197	224	242
30 to 64 years	54.0	51.9	49.8	73.9	66.1	67.3	341	397	422
Men aged 15 and above	51.3	50.4	47.3	65.1	59.9	61.8	296	355	382
Women aged 15 and above	57.7	57.4	55.5	74.2	61.4	61.7	225	278	300
Total	53.5	53.2	50.7	67.9	60.4	61.6	273	324	349

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Weighted average of countries. The figures for Argentina correspond to Greater Buenos Aires, for Bolivia to eight main cities and El Alto, for Ecuador and Uruguay to urban areas, and for Paraguay to Asunción and the Central Department.

^b Includes own-account workers and non-wage workers.

^c Includes eight countries with comparable information for the three periods: Bolivia (eight main cities and El Alto), Brazil, Chile, Costa Rica, Ecuador, El Salvador, Mexico and Nicaragua.

^d Excludes Colombia.

^e Includes nine countries with comparable information for the three periods: Argentina (Greater Buenos Aires), Bolivia (eight main cities and El Alto), Brazil, Chile, Costa Rica, Ecuador, El Salvador, Mexico and Nicaragua.

Although own-account employment has tended to remain stable over time, at the regional level this type of labour insertion involves 72 million workers, which is 60% more than in the early 1990s. The increase among young people between 15 and 29 years of age was slower, reaching one quarter of total employed persons of all ages in 2006, or just over 18 million young people. Among women, the number of workers practically doubled between 1990 and 2006 (currently amounting to almost 32 million) and in the same period 57% of new own-account workers were women. This shows that the barriers to entry into the wage employment market affect women to a greater extent, as they steadily increase their participation in the workforce.

The low-productivity sectors

Although there is no direct information on productivity in the different occupational groups, the indicator on

the proportion of employed persons engaged in low-productivity activities gives an indirect indication of the degree of structural heterogeneity of Latin American economies and of the different rates of development of their productive sectors.

Despite the slight tendency towards an increase in own-account employment and non-wage workers, the level of employment in low-productivity sectors decreased slightly between 1990 and 2006, for both men and women, and for employed adults. Around 2006, half of Latin American workers were employed in low-productivity sectors (51%), representing almost 67 million employed persons (see table II.8).

Social protection

There is a significant labour deterioration as regards social protection, in particular with respect to the decrease in the percentage of employed persons and wage earners

affiliated with various social security schemes. Informal hiring arrangements and use of unorthodox methods of hiring, in this case without including health and social security benefits, have become more common in countries of the region. In 2006, only 61.6% of the group of wage earners in nine countries had some form of coverage under such protection systems, compared with 67.9% in 1990. Young people were most affected by this deterioration in hiring conditions: between 1990 and 2006, the proportion of wage-earners between 15 and 29 years of age covered by social security decreased from 61.3% to 53.2%. Women were most affected, despite their greater need for this type of benefit, especially health benefits. Currently men and women have practically the same levels of protection, because there is more likelihood of voluntary affiliation among independent workers, which to some extent has prevented further deterioration in women's access to social protection.

Labour income

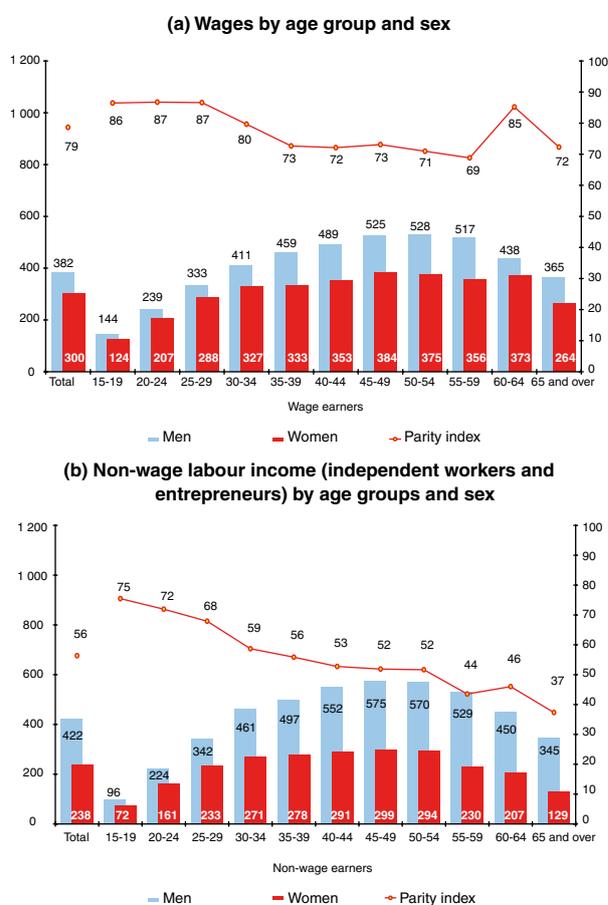
There have been some improvements in labour income in the region. Between 1990 and 2006, the labour income of employed persons aged 15 and above increased on average by about 23.6%; in the case of wage earners, the increase was greater, about 27.9%. These improvements helped young people somewhat, since they increased their labour income by 21.4 %, compared with 19.4% for adults. Women's income grew more than men's, especially among female non-wage workers (whose labour income increased by 38% at the regional level).

This resulted in a slight lessening of the large wage and income disparities between young people and adults and, somewhat more significantly, between men and women. In any case, large gender gaps still exist between wage earners, with average differences of 21%, which increase with age, as does the wage gap; among non-wage workers these gaps are even greater (44% according to the parity index shown in figure II.12 b)), and are widest when workers become adult.

In 1990, the labour income of young people was about 53% of adult labour income and 58% of the income of wage earners; in 2006, the former percentage increased to 58% and the latter remained constant. It is noteworthy that income gaps are very wide when young people start work: between 15 and 19 years of age, they earn wages that are about 32% of adult wages because they are inexperienced and unskilled; between the ages of 25 and 29, these gaps are still significant and wages are still 26% below the adult wage. It is often noted that earning differences, especially wage differences, reflect the importance of experience. While

it is argued that the starting wage explains the wage differences between young people and adults, the large differences found when young people and adults with mid-level and high-level skills are compared (disparities sometimes exceeding 60%) would indicate the existence of discriminatory, not to say abusive, practices applied to the former (ECLAC/OIJ, 2004).

Figure II.13
LATIN AMERICA (18 COUNTRIES): LABOUR INCOME BY AGE GROUP, SEX AND OCCUPATIONAL CATEGORY, NATIONAL TOTAL, AROUND 2006^a
(In 2000 dollars and wage parity index)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Weighted average for the countries at the national level. The figures for Argentina correspond to Greater Buenos Aires, for Bolivia to eight main cities, for Ecuador and Uruguay to urban areas and for Paraguay to Asunción and Central Department.

Furthermore, in relative terms women enjoy a better position as wage earners than as independent workers or entrepreneurs, judging by their income levels and the fact that they suffer fewer disparities throughout their life cycle compared with men. They also suffer progressively from discrimination in their earnings, and this is especially obvious in the case of independent workers.

4. Summary of trends in the employment of young people and women

The labour situation of young people and women improved gradually between 2002 and 2006, despite the fact that they were openly discriminated against in the labour market. Among young people, there were average increases in labour participation as a result of the growing entry of women into the labour market, which offset the slight decrease in the participation of men with the expansion of access to secondary education. Improvements also occurred in levels of youth unemployment, which declined but to levels considerably higher than those existing in the early 1990s (12.9% compared with 8.6% in 1990).

Among women, the minor improvements were also concentrated in gradual reduction of unemployment levels since 2002, which fell from 11% to 9.4% in 2006, both figures being higher than the 1990 levels (6.5%). In addition, there was some improvement in labour income,

but not in social protection. Most women had to enter low-productivity sectors, working on their own account, as wage earners in micro-enterprises or in domestic service. From the viewpoint of the new target on decent work in the first Millennium Development Goal, these achievements were clearly insufficient, because in general terms the quality of jobs deteriorated and deficiencies persist in the creation of productive jobs.

Nevertheless, there was a distinct improvement compared with the more critical situation in 2002, reflecting the fact that several years of growth have now been accumulated by the region. This has made it possible to some extent to regain the employment levels of the early 1990s, absorbing greater female participation. However, hiring considered unorthodox has proliferated and the proportion of employed persons affiliated with social security and health schemes is still declining.

Table II.9
LATIN AMERICA (18 COUNTRIES): RATE OF PARTICIPATION, UNEMPLOYMENT, EMPLOYMENT AND WAGE EARNING,
NATIONAL TOTAL, BOTH SEXES, MEN AND WOMEN, 1990-2006
(Percentages)

Country	Year	Participation rate (Percentage of the working-age population)			Unemployment rate (Percentage of the economically active population)			Employment rate (Percentage of the working-age population)			Wage earning rate (Percentage of total employed persons)		
		Both sexes	Women	Men	Both sexes	Women	Men	Both sexes	Women	Men	Both sexes	Women	Men
Argentina (Greater Buenos Aires)	1990	55.8	38.3	75.7	6.0	6.4	5.7	52.5	35.8	71.4	69.0	70.2	68.3
	2002	60.5	47.8	75.1	19.0	19.5	18.5	49.0	38.4	61.2	72.2	78.5	67.7
	2006	63.7	52.2	77.5	10.5	13.4	8.2	57.0	45.2	71.1	76.9	81.0	73.8
Argentina ^a	2002	57.9	45.6	72.2	17.9	18.0	17.8	47.6	37.4	59.4	72.1	79.3	66.9
	2006	61.5	49.7	75.2	9.5	11.7	7.8	55.7	43.9	69.4	75.9	80.4	72.7
Bolivia (eight main cities and El Alto)	1989	59.1	46.7	73.2	9.4	9.1	9.5	53.5	42.4	66.2	54.1	45.1	60.7
	2002	65.9	57.3	76.0	6.7	8.0	5.5	61.5	52.7	71.8	49.5	40.0	57.6
	2004	67.7	58.7	78.0	6.4	7.7	5.2	63.4	54.2	73.9	52.1	41.6	60.9
Bolivia	2002	72.1	61.6	83.3	4.4	5.8	3.2	68.9	58.1	80.6	33.0	26.3	38.2
	2004	73.1	63.8	83.3	4.2	5.0	3.6	70.0	60.7	80.3	37.4	27.8	45.4
Brazil	1990	63.5	44.1	84.3	3.8	3.5	3.9	61.1	42.6	81.0	60.9	54.1	64.8
	2001	67.0	54.1	81.0	9.3	11.9	7.5	60.8	47.7	74.9	63.0	65.6	61.2
	2006	69.0	58.0	81.0	8.4	11.0	6.4	63.2	51.6	75.8	64.4	66.7	62.8
Chile	1990	52.0	32.5	73.6	8.3	9.6	7.7	47.7	29.4	67.9	73.0	77.9	70.6
	2000	55.9	39.8	73.4	10.4	11.7	9.6	50.1	35.1	66.3	74.7	78.1	72.8
	2006	57.3	43.3	72.6	7.3	9.4	6.0	53.1	39.2	68.3	75.7	76.9	74.9
Colombia ^b	1991	63.2	43.8	84.9	7.2	11.4	4.8	58.6	38.8	80.9	48.6	57.5	43.8
	2002	66.7	53.6	81.5	15.7	19.8	12.7	56.2	43.0	71.1	50.0	52.5	48.3
	2005	65.2	51.9	80.2	11.8	15.7	9.0	57.5	43.8	73.0	50.6	53.1	48.8

Table II.9 (concluded)

Country	Year	Participation rate (Percentage of the working-age population)			Unemployment rate (Percentage of the economically active population)			Employment rate (Percentage of the working-age population)			Wage earning rate (Percentage of total employed persons)		
		Both sexes	Women	Men	Both sexes	Women	Men	Both sexes	Women	Men	Both sexes	Women	Men
Costa Rica	1990	57.3	32.5	82.5	4.5	5.8	4.0	54.7	30.7	79.2	70.3	77.7	67.4
	2002	59.8	41.2	79.3	6.4	7.9	5.6	55.9	38.0	74.9	68.5	70.9	67.2
	2006	60.7	43.5	79.0	5.9	8.7	4.3	57.1	39.7	75.6	70.8	73.9	69.1
Dominican Rep. ^b	1997	63.1	43.3	83.9	16.2	28.4	9.5	52.9	31.0	76.0	54.7	66.5	49.6
	2002	63.5	48.1	79.3	16.1	26.4	9.8	53.3	35.4	71.5	53.4	68.0	46.0
	2006	64.6	50.4	79.1	16.2	26.5	9.5	54.1	37.0	71.6	53.6	68.1	45.9
Ecuador ^a	1990	60.8	43.2	80.0	6.1	9.2	4.2	57.1	39.2	76.6	59.3	56.7	60.7
	2002	66.7	53.2	80.6	9.1	13.9	5.8	60.6	45.8	75.9	58.8	55.4	60.9
	2006	67.9	54.7	82.0	7.7	11.0	5.3	62.7	48.7	77.6	60.2	55.1	63.7
El Salvador	1995	60.1	41.8	81.8	7.2	5.6	8.1	55.8	39.4	75.1	57.0	51.2	60.6
	2001	60.3	44.5	79.1	7.0	5.3	8.2	56.1	42.2	72.6	58.0	51.6	62.4
	2004	59.6	44.1	77.5	6.8	3.9	8.7	55.5	42.4	70.8	60.3	52.2	65.9
Guatemala	1989	57.7	28.4	89.9	2.1	3.3	1.7	56.5	27.5	88.4	50.4	51.7	49.9
	2002	68.8	48.9	90.7	3.4	4.2	2.9	66.5	46.8	88.1	47.3	38.9	52.1
	2004	63.3	42.7	86.1	3.3	3.9	3.0	61.2	41.0	83.5	48.0	40.8	51.8
Honduras	1990	58.6	32.3	87.2	4.3	5.3	3.8	56.1	30.6	83.9	50.1	49.1	50.5
	2002	60.1	37.7	85.0	3.9	4.7	3.6	57.8	35.9	82.0	47.8	48.4	47.5
	2006	60.0	39.9	82.6	3.2	4.3	2.6	58.1	38.2	80.4	48.3	47.5	48.8
Mexico	1989	53.5	29.6	79.3	2.6	2.7	2.6	52.1	28.8	77.3	67.6	67.8	67.5
	2002	61.0	42.8	81.2	2.9	2.1	3.4	59.2	41.9	78.4	66.4	62.5	68.7
	2006	64.3	48.5	82.4	3.3	2.8	3.7	62.2	47.2	79.3	67.3	60.9	71.6
Nicaragua	1993	55.6	36.2	76.6	10.8	9.9	11.3	49.6	32.7	67.9	52.9	54.8	52.0
	2001	65.5	46.1	86.2	11.0	12.7	10.1	58.3	40.2	77.6	52.3	48.8	54.3
	2005	63.0	43.6	84.0	4.2	4.7	3.9	60.4	41.5	80.7	50.4	47.6	51.9
Panama ^b	1991	57.3	38.2	77.1	16.1	22.5	12.8	48.1	29.6	67.2	63.0	82.4	54.2
	2002	62.6	45.1	80.1	13.5	18.5	10.6	54.1	36.7	71.6	62.4	72.4	57.3
	2007	62.8	46.8	79.3	6.4	8.6	5.0	58.8	42.8	75.3	65.3	69.8	62.7
Paraguay (Asunción and Central Department)	1990	65.5	49.7	84.2	6.3	6.5	6.2	61.4	46.4	79.0	68.1	66.8	68.9
	2000	67.7	57.3	80.6	11.5	12.1	11.0	59.9	50.4	71.7	65.7	64.3	67.0
	2005	69.9	60.5	81.1	8.0	9.2	7.1	64.3	54.9	75.4	64.1	63.1	65.0
Paraguay	2000	69.2	53.5	85.3	7.6	8.9	6.1	63.9	48.7	79.6	45.8	45.1	46.1
	2005	70.7	56.3	85.4	5.8	7.2	4.8	66.6	52.3	81.3	47.7	49.0	46.8
Peru	1997	74.3	64.1	85.3	8.6	11.5	6.3	67.9	56.7	79.9	41.9	35.1	47.1
	2001	67.9	57.9	78.3	5.0	5.3	4.7	64.5	54.8	74.6	41.3	34.5	46.5
	2003	69.7	60.4	79.5	5.0	5.3	4.8	66.2	57.2	75.7	38.4	32.7	42.9
Uruguay ^a	1990	57.7	43.8	74.7	8.9	11.1	7.4	52.6	38.9	69.2	74.4	76.6	73.0
	2002	60.3	50.2	72.1	16.9	21.1	13.4	50.2	39.6	62.4	70.0	76.0	65.5
	2005	59.6	50.3	70.7	12.1	15.3	9.5	52.4	42.6	64.0	71.2	75.9	67.4
Venezuela (Bol. Rep. of)	1990	57.4	35.2	79.4	9.6	8.3	10.2	51.9	32.3	71.3	68.1	79.3	63.1
	2002	69.2	54.7	83.7	16.2	18.8	14.4	58.0	44.4	71.6	55.2	55.4	55.1
	2006	65.6	50.6	80.7	9.3	11.1	8.2	59.5	45.0	74.1	58.5	60.5	57.3
Latin America ^c	1990	60.6	40.7	82.2	5.3	6.5	4.7	57.4	38.1	78.3	60.1	57.5	61.4
	2002	64.9	50.3	80.7	9.0	11.0	7.6	59.0	44.7	74.6	60.4	60.5	60.4
	2006	66.3	53.2	80.7	7.4	9.4	6.0	61.4	48.2	75.8	61.7	61.3	62.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Urban areas.

^b Unemployment rates include hidden unemployment.

^c Regional weighted averages were obtained for Argentina using data for Greater Buenos Aires, for Bolivia using data for eight major cities and for Paraguay using data for Asunción and Central Department.

Table II.10
LATIN AMERICA (17 COUNTRIES): PERSONS EMPLOYED IN LOW-PRODUCTIVITY SECTORS, NATIONAL TOTAL AND URBAN AREAS, BOTH SEXES, WOMEN AND MEN, AROUND 1990, 2002 AND 2006
(Percentages)

Country	Year	National total			Urban areas		
		Both sexes	Women	Men	Both sexes	Women	Men
Argentina (Greater Buenos Aires)	1990	...	...	...	44.2	47.8	42.1
	2002	...	...	...	42.1	39.9	43.7
	2006	...	...	...	39.7	42.8	37.5
Argentina	2002	...	...	...	42.3	39.5	44.3
	2006	...	...	...	40.8	43.3	39.1
Bolivia (eight major cities plus El Alto)	1989	...	...	...	61.0	73.0	52.2
	2002	...	...	...	64.1	75.5	54.5
	2004	...	...	...	68.5	76.9	61.5
Bolivia	2002	76.5	83.4	71.2	65.2	75.5	56.9
	2004	77.4	84.6	71.4	69.9	77.9	63.4
Brazil	1990	59.9	63.1	58.1	53.4	58.3	50.4
	2001	50.0	56.3	45.6	45.6	51.1	41.6
	2006	46.8	53.3	42.0	41.9	47.9	37.2
Chile	1990	42.2	48.5	39.2	38.9	47.6	34.1
	2000	33.8	39.8	30.4	31.8	39.1	27.1
	2006	32.2	38.6	28.2	30.6	38.2	25.6
Costa Rica	1990	45.8	44.7	46.2	36.6	39.8	34.9
	2002	46.8	49.6	45.3	40.2	45.1	37.0
	2006	44.4	48.2	42.3	39.5	43.9	36.6
Dominican Rep.	1997	55.7	50.9	57.8	49.6	48.2	50.4
	2002	54.7	48.5	57.8	46.2	43.6	47.8
	2006	55.8	51.1	58.4	49.5	46.8	51.2
Ecuador	1990	...	...	...	53.7	60.4	50.0
	2002	...	...	...	55.8	62.9	51.3
	2006	65.3	71.12	61.5	57.0	62.7	53.1
El Salvador	1995	56.8	63.4	52.6	50.6	60.4	42.5
	2001	61.5	66.5	58.0	53.5	61.4	46.5
	2004	60.0	66.0	55.7	54.3	62.2	47.3
Guatemala	1989	67.2	70.7	66.0	58.9	67.1	53.9
	2002	68.3	75.8	63.9	55.2	64.0	48.6
	2004	68.4	73.7	65.6	58.6	66.7	52.8
Honduras	1990	70.8	72.2	70.2	56.8	66.3	50.4
	2002	73.7	69.4	75.8	62.0	63.0	61.2
	2006	67.7	64.8	69.3	52.7	55.0	50.9
Mexico	1989	39.9	46.3	37.3	33.2	38.4	30.6
	2002	56.5	60.1	54.4	47.0	50.9	44.5
	2006	55.1	60.4	51.4	45.4	50.6	41.6
Nicaragua	1993	58.5	56.4	59.6	48.9	54.0	45.0
	2001	65.7	68.2	64.3	58.0	64.1	53.5
	2005	66.6	68.4	65.6	57.4	63.3	52.8
Panama	1991	53.2	44.2	57.3	40.6	39.8	41.2
	2002	51.4	47.2	53.5	38.2	39.0	37.6
	2007	48.6	49.1	48.4	36.3	39.2	34.3
Paraguay (Asunción and Central Department)	1990	59.2	70.2	51.6	59.2	70.2	51.6
	2000	52.4	61.7	44.4	52.4	61.7	44.4
	2005	54.8	61.9	48.8	54.8	61.9	48.8
Paraguay	2000	72.3	76.1	70.0	59.5	66.7	53.8
	2005	71.7	73.9	70.3	60.1	65.8	55.5
	2001	69.8	77.1	64.2	60.3	69.0	53.5
Peru	2001	72.0	79.4	66.4	63.0	71.6	56.3
	2003	73.1	80.1	67.5	63.6	71.4	57.4
	1990	...	...	...	39.3	45.9	34.7
Uruguay	2002	...	...	...	42.1	45.6	39.5
	2005	...	...	...	41.5	45.4	38.3
	1990	47.9	47.0	48.3	44.7	45.4	44.4
Venezuela (Bol. Rep. Of)	2002	55.9	56.0	55.8	...	...	...
	2006	51.0	49.0	52.2	...	...	...
	Latin America^a	1990	55.1	60.1	52.5	48.5	54.5	45.0
	2002	54.4	59.4	51.7	47.2	52.6	43.5
	2006	52.3	57.4	48.6	44.9	50.7	40.5

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Weighted average of countries which have information for the periods considered.

Table II.11
LATIN AMERICA (12 COUNTRIES): PERCENTAGE OF WAGE EARNERS WITH FORMAL CONTRACTS, URBAN AREAS, 1990-2006^a
(Percentages)

	Year	Total wage earners		Wage earners in medium- and high-productivity sectors		Wage earners in low-productivity sectors		Female wage earners		Male wage earners	
Argentina (Greater Buenos Aires) ^b	2002	85.0	(97.0)	86.8	(96.9)	80.5	(97.3)	82.9	(95.5)	86.8	(98.2)
	2006	81.8	(87.1)	91.6	(89.7)	57.2	(76.5)	70.1	(86.6)	91.5	(87.4)
Argentina ^b	2002	83.5	(94.1)	85.5	(93.4)	78.2	(96.1)	81.4	(92.2)	85.3	(95.7)
	2006	82.0	(84.6)	91.9	(87.3)	57.4	(73.8)	70.4	(84.6)	91.5	(84.5)
Bolivia (eight major cities plus El Alto)	2002	39.5	(48.3)	56.3	(51.0)	9.4	(18.6)	38.9	(53.5)	39.9	(45.2)
	2004	33.9	(47.2)	57.0	(50.2)	5.9	(12.2)	36.0	(54.0)	32.7	(43.0)
Bolivia	2002	38.2	(49.3)	54.8	(52.1)	8.8	(18.1)	39.3	(55.8)	37.5	(45.3)
	2004	33.1	(49.0)	55.9	(52.0)	5.7	(13.4)	35.6	(56.2)	31.7	(44.5)
Brazil	1990	68.4	(33.7)	...	(33.7)	...	...	68.3	...	68.5	...
	2001	53.3	(39.3)	61.6	(34.6)	32.0	(62.4)	47.5	...	57.9	...
	2006	55.5	(40.6)	63.7	(36.4)	32.4	(63.9)	49.3	...	60.8	...
Chile	1990	83.4	(36.5)	87.4	(31.2)	70.1	(58.4)	81.5	...	84.5	...
	2000	76.2	(84.1)	82.5	(83.4)	49.8	(88.8)	73.6	(86.1)	78.0	(82.8)
	2006	77.4	(77.5)	83.9	(76.5)	45.4	(86.9)	72.5	(79.4)	80.7	(76.3)
Dominican Rep.	2002	41.1	(42.3)	48.3	(42.3)	8.6	(41.8)	38.7	...	43.0	...
	2006	37.5	(82.5)	46.5	(82.7)	4.8	(74.6)	34.7	(80.6)	39.9	(84.0)
Ecuador	2002	51.8	(47.8)	67.0	(46.0)	19.0	(61.5)	54.0	(45.0)	50.6	(49.5)
	2006	47.9	(47.5)	67.3	(45.5)	11.0	(70.6)	50.8	(44.4)	46.3	(49.4)
El Salvador	2001	29.9	...	41.1	...	2.9	...	31.2	...	29.1	...
	2004	25.5	...	35.1	...	1.8	...	25.3	...	25.7	...
Guatemala	2002	41.0	(86.2)	54.3	(86.7)	9.4	(79.6)	43.5	(84.1)	39.4	(87.7)
	2004	39.1	(86.2)	54.2	(86.4)	9.2	(83.8)	42.2	(84.5)	37.3	(87.2)
Honduras	2006	59.8	(92.0)	76.2	(92.2)	9.5	(88.9)	65.5	(92.5)	55.7	(91.6)
Mexico	1989	67.6	(80.9)	66.4	(79.8)	74.1	(86.7)	71.0	(83.2)	66.0	(79.8)
	2002	62.1	(79.8)	80.5	(80.9)	21.5	(71.5)	63.3	(79.3)	61.3	(80.2)
	2006	62.2	(74.1)	78.1	(76.1)	25.4	(60.0)	62.7	(76.9)	61.8	(72.3)
Panama	2002	82.6	(81.2)	93.9	(81.7)	39.2	(76.3)	79.3	(83.1)	85.1	(79.8)
	2007	83.1	(76.2)	94.1	(76.8)	35.8	(69.9)	79.3	(79.8)	86.0	(73.7)
Paraguay (Asunción)	2005	49.0	(61.0)	72.9	(63.0)	10.6	(38.7)	47.3	(61.1)	50.4	(60.9)
Paraguay	2005	44.4	(60.9)	70.6	(64.0)	9.9	(31.9)	43.2	(64.0)	45.4	(58.5)
Latin America^c	1990	69.1	(46.9)	88.3	(44.8)	15.9	(80.0)	71.0	(83.2)	66.0	(79.8)
	2002	57.5	(59.0)	68.3	(57.1)	30.2	(69.8)	65.6	(81.0)	64.1	(80.9)
	2006	58.9	(57.0)	69.2	(55.6)	29.5	(65.4)	61.9	(77.2)	63.7	(74.4)

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Urban wage earners aged 15 years and over who declared labour income (not including unpaid workers). The percentage in parentheses is for wage earners with a formal permanent contract.

^b In this country, the type of employment by criteria of duration is used as an approximation of the existence of a contract.

^c Weighted average of the countries which have information for the periods considered.

Table II.12
**LATIN AMERICA (18 COUNTRIES): INCOME AND WAGES OF EMPLOYED PERSONS WITH DIFFERENT CHARACTERISTICS,
 URBAN AREAS, BOTH SEXES, WOMEN AND MEN, 1990-2006^a**
(In 2000 dollars)

Country	Year	Sector of activity of employed persons									Employed people who		Wage earners		
		Total employed			Low productivity			Medium and high productivity			Contribute	Do not	Both sexes	Women	Men
		Both sexes	Women	Men	Both sexes	Women	Men	Both sexes	Women	Men					
Argentina (Greater Buenos Aires)	1990	458	359	514	339	239	404	552	469	594	...	...	476	394	524
	2002	696	490	844	582	395	704	779	554	952	...	...	515	420	594
	2006	919	697	1087	821	520	1080	984	829	1091	...	...	742	598	861
Argentina	2002	614	439	741	534	356	649	672	493	814	...	...	461	377	535
	2006	890	665	1055	783	506	1010	963	787	1084	...	...	710	574	821
Bolivia (eight major cities plus El Alto)	1989	247	171	302	216	158	275	295	205	332	279	234	217	151	253
	2002	186	128	235	122	95	153	301	230	334	313	149	229	176	260
	2004	163	119	199	109	83	136	279	236	300	301	128	191	160	209
Bolivia	2002	173	122	215	118	91	147	277	218	304	285	142	212	169	238
	2004	157	113	192	110	81	138	266	228	286	285	124	184	155	201
Brazil	1990	302	200	365	290	165	378	317	248	352	386	161	285	236	310
	2001	312	234	368	203	134	264	403	339	442	419	190	291	238	333
Chile	2006	318	245	374	189	134	244	411	347	451	421	187	299	250	341
	1990	364	253	425	301	196	383	403	304	447	388	307	300	227	344
	2000	553	385	659	390	245	522	629	475	710	626	412	454	358	518
Colombia	2006	555	428	639	437	287	586	607	516	657	611	438	471	389	526
	1991	231	178	266	240	149	313	224	203	237	...	...	222	190	246
	2002	221	185	249	192	140	240	255	249	259	...	...	262	243	279
Costa Rica	2005	243	201	276	227	159	290	260	258	262	...	...	283	261	302
	1990	395	308	443	274	161	345	464	405	495	444	263	414	340	459
Dominican Rep.	2002	492	403	550	319	226	393	608	549	642	580	311	520	444	571
	2006	495	410	551	293	200	367	626	573	658	603	273	539	480	581
	1997	398	325	439	365	250	427	430	394	451	...	...	352	329	368
Ecuador	2002	398	308	455	348	241	409	441	360	497	...	...	330	291	362
	2006	410	288	487	443	277	538	377	297	432	317	463	251	216	281
	1990	127	90	148	91	61	112	169	136	183	176	98	144	109	162
El Salvador	2002	153	112	179	116	83	140	201	161	220	231	117	149	127	162
	2006	162	126	185	117	86	142	220	194	234	242	122	166	152	173
	1995	246	180	301	177	120	244	317	271	343	344	193	252	216	277
Guatemala	2001	265	221	305	183	152	220	359	330	378	390	185	286	270	297
	2004	232	201	259	181	151	216	293	283	299	320	180	252	238	262
Honduras	1989	260	197	298	226	151	283	308	291	316	...	...	224	198	239
	2002	274	182	344	192	131	254	375	274	429	350	241	265	219	293
Mexico	1990	231	161	279	166	97	227	318	287	332	...	...	252	214	273
	2002	182	151	205	150	114	179	232	214	246	...	...	212	191	226
	2006	182	157	201	109	83	132	263	249	273	296	127	221	212	227
Nicaragua	1989	510	320	602	678	331	887	427	313	476	497	528	403	319	443
	2002	554	381	664	458	256	604	639	510	711	596	282	482	396	534
	2006	549	388	666	401	257	529	672	522	764	642	334	501	414	558
Panama	1993	191	161	214	157	138	175	223	188	245	227	171	178	151	196
	2001	179	138	208	119	101	134	262	205	294	280	146	167	146	179
Paraguay (Asunción and Central Department)	1991	436	376	480	339	240	409	503	466	531	...	...	375	306	442
	2002	465	402	507	255	169	314	595	551	623	562	271	504	445	549
	2007	487	397	552	411	244	546	531	495	555	524	433	440	400	472
Paraguay	1990	303	205	370	290	192	383	321	237	357	...	...	215	159	253
	2000	300	244	349	205	152	270	404	392	411	452	250	297	259	329
Peru	2005	250	175	314	155	114	199	366	275	424	367	216	241	208	269
	2000	272	212	320	185	136	233	401	366	422	446	230	272	240	297
Uruguay	2005	224	162	275	149	108	188	338	265	385	361	190	223	191	249
	1997	208	145	258	146	103	191	303	239	336	...	...	244	203	269
	2001	187	142	223	133	108	159	279	227	306	358	148	219	183	243
Venezuela (Bol. Rep. of) ^b	2003	202	138	253	127	98	156	333	237	384	423	147	254	192	295
	1990	548	306	714	581	203	922	527	392	603	...	...	419	313	495
	2002	483	395	548	283	222	334	629	541	688	636	223	497	411	570
Latin America ^c	2005	417	341	477	240	184	294	542	471	592	562	188	423	363	478
	1990	872	644	989	887	573	1051	860	703	939	...	...	718	611	784
	2002	539	449	596	492	355	578	599	568	618	570	290	461	462	461
Latin America ^c	2006	646	553	704	568	412	658	728	688	754	746	591	614	597	625
	1990	363	242	436	345	193	455	380	299	421	405	261	333	273	365
	2002	377	276	447	280	178	365	467	388	514	472	208	350	291	392
	2006	397	300	470	283	188	370	493	416	542	479	218	378	318	425

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Employed persons aged 15 and over who declared labour income (not including unpaid workers).

^b National total.

^c Weighted average of the countries which have information for the periods considered. The figures for low- and high-productivity sectors do not include Colombia, which does not distinguish between firms of different sizes.

Table II.13
LATIN AMERICA (17 COUNTRIES): SOCIAL SECURITY COVERAGE, AROUND 1990, 2002 AND 2006^a
(Percentages)

Country	Year	National total	Total urban areas	Total rural areas	Formal urban sector ^b	Informal urban sector wage earners ^c	Total women	Total men
Argentina ^d	1990 ^e	...	94.6	...	88.9	89.8	92.3	96.0
	2002 ^f	...	55.8	...	68.4	22.8	52.2	58.9
	2006 ^f	...	60.0	...	68.8	22.3	55.0	64.1
Bolivia	1989 ^g	...	28.5	...	56.0	11.4	27.6	29.2
	2002	15.1	21.9	5.7	42.7	7.2	15.7	14.7
	2004	15.6	20.2	9.0	44.4	6.0	16.6	14.8
Brazil	1990	53.3	62.8	20.0	97.7	29.0	51.0	54.5
	2001	46.7	53.4	16.5	78.0	34.2	45.9	47.2
	2006	49.5	56.0	20.5	78.7	35.1	48.3	50.4
Chile	1990	65.9	69.6	46.9	86.2	59.0	64.5	66.6
	2000	63.5	66.1	45.0	80.4	52.8	61.8	64.5
	2006	66.7	68.1	55.7	82.6	51.6	62.9	69.0
Costa Rica	1990	69.3	72.9	66.2	88.7	50.9	64.4	71.2
	2002	64.4	67.4	59.6	87.2	43.0	59.0	67.3
	2006	65.2	67.1	62.0	86.4	39.7	58.8	68.8
Dominican Rep.	2006	58.4	61.6	49.5	70.2	8.5	59.3	63.6
Ecuador	1990	...	37.5	...	67.8	17.6	35.8	38.4
	2002	...	32.1	...	57.5	13.0	31.4	32.6
	2006	28.7	33.1	20.4	59.6	14.9	30.4	27.6
El Salvador	1995	25.3	35.3	10.0	68.1	6.5	25.2	25.4
	2001	29.3	39.1	12.5	77.3	9.0	30.0	28.9
	2004	28.9	37.2	13.8	75.8	8.2	28.4	29.2
Guatemala	2002	17.1	30.2	8.2	63.4	9.9	15.9	17.8
	2004	17.7	27.1	7.9	61.2	7.5	16.3	18.4
Honduras	2006	19.8	32.6	7.4	65.6	5.7	25.8	16.6
Mexico	1989	50.4	56.4	39.4	61.9	67.6	58.9	47.0
	2002 ^d	54.8	64.5	31.2	81.7	25.5	59.2	52.5
	2006	52.1	61.3	29.1	78.1	23.4	54.6	50.6
Nicaragua	1993	25.3	35.7	11.2	58.7	14.5	30.0	22.8
	2001	17.6	24.3	7.2	53.2	7.2	21.1	15.6
	2005	17.4	25.7	5.7	58.6	3.2	22.0	14.8
Panama	2002	53.4	66.8	29.4	88.3	37.0	63.4	48.3
	2007	47.8	60.2	24.3	85.3	27.6	49.9	46.5
Paraguay	2000	13.0	19.7	4.7	45.9	4.0	13.6	12.7
	2005	14.1	20.0	6.0	46.5	4.4	15.3	13.4
Peru	2001	12.9	18.8	2.7	44.0	4.1	10.1	15.0
	2003	13.7	20.1	3.4	46.2	4.7	9.8	16.8
Uruguay	2002	...	63.0	...	84.9	44.3	63.1	63.0
	2005	...	61.1	...	82.7	40.5	60.7	61.5
Venezuela (Bol. Rep. of) ^{d,h}	2002	61.5	...	...	75.6	19.8	67.1	58.0
	2006	60.9	...	...	68.6	16.1	65.0	58.2
Latin Americaⁱ	2002	37.4	44.5	21.3	67.6	21.8	41.1	40.3
	2006	37.4	44.1	23.9	68.4	19.6	40.8	41.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of household surveys in the respective countries.

^a The variables used to define the contribution to social security of employed persons aged 15 and above who declare labour income (not including unpaid workers) vary depending on the surveys in each country: contribution to or affiliation with a pension and/or health scheme (Argentina, Bolivia, Brazil, Chile, Colombia, Dominican Republic, Mexico, Paraguay, Peru and Uruguay), a national social security scheme (Costa Rica, Ecuador, El Salvador, Guatemala, Nicaragua and Panama) and entitlement to social benefits (Bolivarian Republic of Venezuela). The totals for women and men refer to the national or urban total, depending on the characteristics of each country's survey.

^b The formal sector includes wage earners in the public sector and in firms with more than five employees, professional and technical staff working on their own account, and owners of firms with five or more employees.

^c The informal wage earners' sector includes wage earners in firms with less than five employees and in domestic service.

^d The rate corresponds to various social benefits of wage earners (vacations, allowances, bonuses, pension contributions and other statutory entitlements), excluding own-account workers, unpaid family members and owners of firms.

^e Greater Buenos Aires.

^f Urban areas.

^g Eight main cities and El Alto.

^h National total.

ⁱ Simple average of countries which have information around 2002 and 2006.

Table II.14
**LATIN AMERICA (16 COUNTRIES): EMPLOYED PERSONS WHO CONTRIBUTE TO SOCIAL SECURITY SCHEMES, NATIONAL TOTAL,
 BOTH SEXES, WOMEN AND MEN, 1990-2006^a**
 (Percentages)

Country	Year	Total employed persons			Sector of activity of employed persons					
		Both sexes	Women	Men	Medium and high productivity			Low productivity		
					Both sexes	Women	Men	Both sexes	Women	Men
Bolivia (eight main cities and El Alto)	1989	28.5	27.6	29.2	56.0	64.5	52.6	10.9	14.0	7.8
	2002	22.4	22.6	22.2	43.3	50.2	40.1	10.7	13.6	7.2
	2004	20.0	21.7	18.7	44.8	55.3	39.5	8.7	11.6	5.6
Bolivia	2002	15.1	15.7	14.7	40.6	50.5	36.1	7.3	8.8	6.0
	2004	15.6	16.6	14.8	42.0	54.9	36.3	7.9	9.6	6.1
Brazil	1990	53.3	51.0	54.5	96.3	96.7	96.1	24.4	24.3	24.5
	2001	46.7	45.9	47.2	74.2	79.7	71.2	19.1	19.7	18.6
	2006	49.5	48.3	50.4	75.6	79.8	73.1	20.0	20.8	19.2
Chile	1990	65.9	64.5	66.6	84.1	84.3	84.0	40.8	43.1	39.5
	2000	63.5	61.8	64.5	78.7	77.9	79.1	33.8	37.5	31.1
	2006	66.7	62.9	69.0	82.0	80.3	82.9	34.0	34.8	33.2
Costa Rica	1990	69.3	64.4	71.2	86.9	87.7	86.6	48.4	35.8	53.2
	2002	64.4	59.0	67.3	85.9	88.0	84.9	40.0	29.5	46.1
	2006	65.2	58.8	68.8	85.5	85.8	85.4	39.8	29.7	46.2
Dominican Rep.	2006	31.3	38.0	27.7	68.6	74.8	64.8	1.7	2.7	1.3
Ecuador	1990	37.5	35.8	38.4	67.8	72.8	65.6	11.3	11.6	11.2
	2002	32.1	31.4	32.6	57.5	65.0	54.0	11.9	11.5	12.3
	2006	33.1	35.5	31.5	59.6	67.8	55.2	13.0	16.3	10.5
El Salvador	1995	25.3	25.2	25.4	56.1	65.8	51.4	2.0	1.8	2.1
	2001	29.3	30.0	28.9	70.3	82.5	63.5	3.7	3.5	3.9
	2004	28.9	28.4	29.2	67.3	78.4	61.4	3.2	2.7	3.6
Guatemala	2002	17.1	15.9	17.8	51.0	60.8	47.1	1.4	1.6	1.3
	2004	17.7	16.3	18.4	52.5	59.5	49.7	1.6	0.9	2.0
Honduras	2006	19.8	25.8	16.6	57.8	69.6	50.6	1.7	2.1	1.5
Mexico	1989	50.4	58.9	47.0	57.6	67.8	54.1	39.5	48.6	35.0
	2002	54.8	59.2	52.5	76.1	82.0	73.0	18.1	20.0	17.0
	2006	52.1	54.6	50.6	73.6	77.7	71.3	17.1	18.7	16.2
Nicaragua	1993	25.3	30.0	22.8	50.1	55.3	47.2	7.7	10.5	6.3
	2001	17.6	21.1	15.6	46.8	60.8	39.9	2.3	2.6	2.1
	2005	17.4	22.0	14.8	50.4	67.6	41.6	0.8	0.8	0.8
Panama	2002	53.4	63.4	48.3	86.1	91.8	82.8	22.4	31.6	18.2
	2007	47.8	49.9	46.5	83.2	87.4	80.0	10.4	11.1	9.9
Paraguay	2000	24.6	21.8	27.1	49.0	54.7	45.6	2.5	1.4	3.9
	2005	22.6	21.3	23.8	46.6	52.1	43.1	2.9	2.3	3.5
Peru	2001	12.9	10.1	15.0	39.4	43.3	37.6	2.6	1.5	3.6
	2003	13.7	9.8	16.8	41.9	42.4	41.7	3.3	1.7	4.9
Uruguay	2002	63.0	63.1	63.0	84.9	86.3	84.0	33.0	35.5	30.8
	2005	61.1	60.7	61.5	82.7	84.3	81.6	30.7	32.3	29.2
Venezuela (Bol. Rep. of)	2002	61.5	67.1	58.0	75.6	80.4	72.5	19.8	26.9	15.5
	2006	35.7	39.3	33.4	68.6	72.2	66.2	4.1	5.2	3.5
Latin America^b	1990	51.8	52.1	51.7	79.9	85.5	77.4	27.2	28.3	26.5
	2002	48.8	49.3	48.5	74.1	79.6	71.2	18.4	19.4	17.7
	2006	49.6	49.5	49.8	74.6	78.8	72.2	18.6	19.6	17.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Employed persons aged 15 and over who declare labour income (not including unpaid workers).

^b Weighted average of the countries which have information for the periods considered.

Table II.15
**LATIN AMERICA (17 COUNTRIES): WAGE EARNERS WHO CONTRIBUTE TO SOCIAL SECURITY SCHEMES, NATIONAL TOTAL,
 BOTH SEXES, WOMEN AND MEN, 1990-2006^a**
(Percentages)

Country	Year	Total Wage earners			Sector of activity of wage earners					
		Both sexes	Women	Men	Medium and high productivity			Low productivity		
					Both sexes	Women	Men	Both sexes	Women	Men
Argentina (Greater Buenos Aires) ^b	1990	94.6	92.3	96.0	96.3	96.1	96.3	89.8	84.5	94.6
	2002	56.9	54.4	58.9	69.2	68.0	70.1	25.1	21.5	28.3
	2006	59.8	54.1	64.6	74.5	74.1	74.7	23.1	18.7	29.0
Argentina ^b	2002	55.8	52.2	58.9	68.4	66.0	70.4	22.8	19.1	26.4
	2006	60.0	55.0	64.1	75.2	74.7	75.6	22.3	19.0	26.3
Bolivia (eight main Cities and El Alto)	1989	42.7	42.9	42.6	59.8	67.3	56.6	11.4	13.0	10.2
	2002	31.7	32.5	31.2	45.7	51.6	42.9	6.5	8.6	4.6
	2004	28.4	33.3	25.5	46.9	56.6	41.8	5.9	8.5	4.2
Bolivia	2002	29.8	34.1	27.5	43.4	52.5	39.1	6.7	9.3	4.9
	2004	26.7	32.7	23.6	44.8	56.3	39.3	5.1	7.4	3.9
Brazil	1990	70.9	78.5	67.4	97.8	99.1	97.1	23.1	39.0	16.1
	2001	64.7	63.8	65.2	76.2	82.8	72.5	33.5	34.0	32.8
	2006	67.3	65.8	68.4	78.5	83.4	75.5	34.4	34.8	33.7
Chile	1990	78.7	75.0	80.6	86.1	86.3	86.0	56.9	55.7	58.0
	2000	77.0	73.6	79.1	83.5	84.0	83.3	51.9	50.9	53.4
	2006	79.8	75.4	82.6	85.8	85.6	85.9	52.0	48.6	57.3
Costa Rica	1990	78.2	76.0	79.3	88.2	89.1	87.8	50.0	46.7	52.0
	2002	75.8	74.2	76.7	88.5	90.5	87.5	43.0	40.6	44.8
	2006	75.3	71.8	77.5	88.0	88.6	87.6	40.1	37.5	42.4
Dominican Rep.	2006	58.4	55.8	60.4	73.7	78.7	70.5	7.7	6.4	9.7
Ecuador	1990	56.1	56.9	55.6	70.3	74.8	68.3	17.6	20.7	15.4
	2002	45.0	47.5	43.6	59.8	66.9	56.3	13.0	14.9	11.6
	2006	45.6	52.2	41.7	61.7	70.2	57.0	14.9	21.7	10.4
El Salvador	1995	43.2	48.4	40.4	58.2	67.0	53.7	4.0	5.2	3.2
	2001	48.3	55.9	44.0	72.3	83.6	65.8	6.0	7.1	5.3
	2004	46.2	53.0	42.4	69.0	79.7	63.2	5.3	6.1	4.9
Guatemala	2002	35.8	40.8	33.7	54.2	63.5	50.5	5.1	7.4	4.0
	2004	36.4	39.8	34.9	56.0	63.6	52.9	4.9	3.5	5.6
Honduras	2006	39.3	52.8	32.3	60.0	71.7	52.6	3.1	5.3	2.3
Mexico	1989	59.2	65.2	56.8	58.4	68.2	55.0	64.1	54.3	72.9
	2002	54.8	59.2	52.5	76.1	82.0	73.0	18.1	20.0	17.0
	2006	52.6	55.3	51.1	73.8	78.0	71.4	17.1	18.9	16.1
Nicaragua	1993	42.1	47.5	39.1	58.1	73.0	51.3	12.0	12.3	11.9
	2001	32.5	41.7	28.0	49.6	65.2	42.0	5.5	5.4	5.5
	2005	34.0	45.7	28.0	52.8	70.3	43.8	2.2	2.6	1.9
Panama	2002	73.2	75.6	71.6	87.7	92.5	84.8	30.2	33.9	27.2
	2007	69.8	69.4	69.4	85.1	90.6	83.5	21.5	22.4	22.8
Paraguay (Asunción and Central Department)	2000	36.9	33.6	39.7	55.2	62.4	51.0	4.8	2.8	8.0
	2005	34.8	33.2	36.1	53.1	58.2	49.7	5.5	4.1	7.2
Peru	2001	27.1	26.9	27.1	41.9	45.7	40.1	3.4	3.2	3.6
	2003	29.9	26.6	31.9	45.3	45.0	45.4	3.9	2.6	5.0
Uruguay	2002	76.6	73.2	79.4	90.4	93.3	88.5	44.3	43.1	46.2
	2005	73.7	71.1	76.0	88.1	90.7	86.2	40.5	40.4	40.6
Venezuela (Bol. Rep. of)	2002	61.5	67.1	58.0	75.6	80.4	72.5	19.8	26.9	15.5
	2006	60.9	65.0	58.2	73.1	76.1	71.1	16.1	20.5	13.6
Latin America^c	1990	68.1	74.0	65.3	82.0	87.8	79.5	32.5	43.8	26.3
	2002	60.6	61.8	59.9	75.5	81.3	72.3	26.3	29.0	23.7
	2006	61.9	62.2	61.6	76.7	81.2	74.0	26.2	29.0	23.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

^a Wage earners aged 15 and over who declare labour income (not including unpaid workers).

^b The rate corresponds to various social benefits of wage earners (vacations, allowances, bonuses, pension contributions and other statutory entitlements).

^c Weighted average of the countries which have information for the periods considered.

Table II.16
LATIN AMERICA (17 COUNTRIES): COUNTRY ORDER ACCORDING TO FORMAL DEPENDENCY INDICATOR, AROUND 2006
(Percentages and 2000 dollars)

	Number of dependants per person employed in the formal sector		Government social spending				Composition of dependants					Formal workers per employed persons (15-59 years of age)			Contributors among total employed persons		Wage earners among employed persons	Informality rate	Unemployment rate
	2006	2002	Per capita GDP	Percentage of GDP		Under 15 years of age	Inactive (15-59 years of age)	Over 60 years of age	Employment problems		Total	Formal sector	Informal sector	Contributing wage earners	Poor wage earners				
				15-59 years of age	60+ years of age				Unemployed (15-59 years of age)	Informal (15-59 years of age)									
Group I																			
Bolivia	9.9	9.6	1 064	18.6	43.8	15.1	7.4	2.0	31.7	24.2	15.6	42.0	7.9	26.7	42.5	37.4	77.4	4.2	
Guatemala	8.2	7.5	1 614	100	6.3	20.4	7.0	1.3	24.3	33.3	17.7	52.5	1.6	36.4	40.0	48.0	68.4	3.3	
Honduras	8.1	10.7	1 363	120	11.6	22.6	8.3	1.3	23.6	34.3	19.8	57.8	1.7	39.3	51.5	48.3	67.7	3.2	
Peru	7.6	7.6	2 556	208	8.9	18.0	10.9	2.6	32.4	28.9	13.7	41.9	3.3	29.9	33.4	38.4	73.1	5.0	
Paraguay	7.58	8.5	1 398	108	7.9	16.8	8.8	2.9	31.3	29.7	14.1	45.9	1.6	29.0	40.4	47.7	71.7	5.8	
Nicaragua	6.98	7.4	864	90	10.8	22.3	8.4	1.9	26.4	35.2	17.4	50.4	0.8	34.0	34.7	50.4	66.6	4.2	
El Salvador	6.09	6.4	2 188	120	5.6	23.9	11.0	2.8	22.6	42.0	28.9	67.3	3.2	46.2	31.7	60.3	60.0	6.8	
Ecuador	5.78	...	1 608	96	6.3	36.9	18.2	3.4	29.5	37.0	28.7	55.0	14.7	39.8	28.2	53.4	65.3	6.3	
Dominican Rep.	5.39	5.5	3 240	204	7.1	36.9	21.1	8.5	22.0	45.8	31.3	68.6	1.7	58.4	35.3	53.6	55.8	16.2	
Average group I	7.29	7.90	1 766	137	9.2	40.6	19.8	9.5	27.1	34.5	20.8	53.5	4.0	37.7	37.5	48.6	67.3	6.1	
Group II																			
Mexico	4.39	4.9	6 952	618	10.2	38.1	11.3	1.7	25.5	47.2	52.1	73.6	17.1	52.6	24.3	67.3	55.1	3.3	
Panama	4.34	4.7	4 749	344	8.0	37.1	23.3	4.5	22.3	50.8	45.9	83.8	10.7	69.4	11.9	63.0	51.8	8.7	
Venezuela (Bol. Rep. of)	4.14	5.0	5 430	562	11.7	38.1	23.4	5.1	23.7	50.5	35.7	68.6	4.1	60.9	17.7	58.5	51.0	9.3	
Average group II	4.29	4.88	5 710	508	10.0	37.7	23.4	3.8	23.8	49.5	44.6	75.3	10.6	61.0	17.5	62.9	52.6	7.1	
Group III																			
Uruguay ^a	3.59	3.9	6 770	1 087	17.7	30.2	17.9	26.5	18.6	59.9	61.1	82.7	30.7	73.7	10.6	71.2	41.5	12.1	
Costa Rica	3.43	3.9	4 820	772	17.5	34.8	28.2	11.8	21.9	57.1	65.2	85.5	39.8	75.3	5.9	70.8	44.4	5.9	
Argentina ^a	3.35	4.2	8 733	1 521	19.4	32.6	24.1	18.5	19.4	60.6	45.6	68.8	11.9	60.0	12.9	76.0	40.8	9.5	
Brazil	3.16	3.7	4 021	860	22.0	34.2	21.0	13.4	25.8	55.1	49.5	75.6	20.0	67.3	20.8	64.4	46.8	8.4	
Chile	2.86	3.4	5 889	729	13.1	31.5	31.5	17.6	15.3	69.5	66.7	82.0	34.0	79.8	7.8	75.7	32.2	7.3	
Average group III	3.28	3.8	6 047	994	17.9	32.7	24.5	17.6	20.2	60.5	57.6	78.9	27.3	71.2	11.6	71.6	41.1	8.6	
Average 17 countries	5.6	6.1	3 721	454	11.9	37.8	21.8	12.2	24.5	44.8	35.8	64.8	12.0	51.7	26.4	57.9	57.0	7.0	

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.
^a Urban areas.

Chapter III

The demographic dividend: an opportunity to improve coverage and progression rates in secondary education

A. Introduction

The pace of demographic change has quickened in the last few years in Latin America, and the most recent data suggest that even the countries furthest behind in this regard have entered the moderate stage of the demographic transition.¹ Consequently, all the countries of the region are witnessing huge changes in the age structure of their populations that consist, in most cases, of a significant decrease in the weight of the child population and an increase in the weight of the adult and elderly population.

These changes in the age structure mark the onset of a period in which the proportion of people in the potentially productive age bracket grows steadily relative to the number of people of potentially inactive ages and in which dependency ratios therefore decline to minimum levels before rising again as a result of the increase in the proportion of older persons. This period, which is known as the demographic “dividend” or “bonus” or the “demographic window of opportunity”, creates a situation that is particularly conducive for development as it increases the possibility of saving and investing in economic growth. Nearly all the countries of Latin America currently find themselves in this favourable period

of transition. Owing to the unevenness of demographic change, however, this window of opportunity is beginning to close for some countries whereas in others it has just begun to open up.

In most countries, the demographic changes under way have had a positive impact on the education sector. The primary education segment has benefited directly from the relative and absolute decline of the younger population.² In conjunction with the efforts countries have made to meet the education targets of the Millennium Development Goals, this demographic change has resulted in most of the region’s countries being close to attaining universal coverage for primary education,³ although important challenges remain both in terms of progression and quality.⁴

In the coming decades, not only will demand for primary education continue to decline, but so will demand for secondary education, relatively at first, but

¹ A classification of the countries of Latin America according to the stage of demographic transition they have reached, as determined by their fertility and life-expectancy rates, is presented in the next section.

² The number of primary-school students in the region will fall from 67.8 million in 2000 to 63.2 million in 2015 (Wolf and Gurria, 2005).

³ According to UNESCO statistics, only Colombia, Dominican Republic, Nicaragua and Paraguay had net primary-education enrolment rates of less than 90% in 2000-2004 (see UNESCO, 2007).

⁴ In El Salvador, Guatemala and Honduras, the proportion of children that have completed the final grade of primary school is barely over 60%, and in Nicaragua, practically half the children in the country do not finish primary school.

subsequently in absolute terms. During this period, governments will have the opportunity to pursue ambitious goals for increasing coverage and quality in secondary education as a strategy for taking better advantage of the demographic dividend.

As ECLAC has stated on numerous occasions, as soon as the region has recorded major advances in terms of primary-education coverage, efforts to increase the coverage and quality of secondary education will need to be stepped up. Only through a quality secondary education will young people be able to access more productive jobs and obtain incomes that will keep them above the poverty line (ECLAC, 1998). This is the way to obtain significant improvements in terms of equity and social cohesion and to avoid the pitfalls of the intergenerational reproduction of poverty.

The demographic dividend opens up an opportunity for moving towards universal coverage for secondary education in conjunction with on-time progression. If the education system and spending on education as a percentage of GDP expand at historical rates, spending per student will rise and the ratio of students to infrastructure and teachers will drop.

In addition to generating more opportunities for the young people of today, investing in education and health and in the creation of productive jobs during the period corresponding to the demographic dividend constitutes a unique opportunity to prepare for the future. This is because the fruits of such investments are essential for achieving the savings and productive leaps forward needed for dealing with the exponential increase in costs which will accompany society's inexorable ageing.⁵ Production capacities need to be improved to increase formal employment and social security contributions, enhance the conditions of the active population and prepare for when the opportunity posed by the demographic dividend runs out.

This document examines how the changes in the age structure of the population associated with the demographic transition under way in Latin America can help to significantly expand secondary-education coverage and to raise spending per student to the levels seen in developed countries.

The first part of this chapter presents a general overview of the region's demographic context together with past and future trends in the secondary-school-age population. A summary is given of the main demographic trends observed in Latin America since 1950 and the medium- and long-term trends expected in the future. In addition to examining the demographic transition in the

region as a whole, the unevenness of the changes across the region is taken into account by applying ECLAC typology that classifies countries according to different stages of the transition. The effects of the transition on the age structure of the population are measured using dependency ratios, which serve as a means of assessing the relationship between the demographic context and other aspects of socio-economic development. The values of these ratios are used to determine the demographic dividend in each of the region's countries. It should be noted that these dividends vary considerably in terms of duration.

The end of the first part focuses more on the implications of the demographic trends for the education sector, presents the general trends in the secondary-school-age population and analyses the evolution of that population throughout the demographic dividend period.

The second part of the chapter examines the efforts that governments must make on the economic front to achieve the coverage and quality targets set for secondary education and the role that demography plays in the process.

First, a comparative analysis of enrolment rates, spending per student and total spending on education as a percentage of GDP is performed using data for around 2005 obtained from the United Nations Educational, Scientific and Cultural Organization (UNESCO) on 14 Latin American countries and for 17 countries of the Organisation for Economic Co-Operation and Development (OECD), which are used as the comparison group.

Then the financial costs of attaining the following three goals in secondary education are calculated for each country and Latin America as a whole around 2005: (i) 75% net enrolment for secondary education, as agreed by the countries of Latin America at the 1998 Summit of the Americas; (ii) universal secondary school coverage;⁶ and (iii) OECD levels of net secondary school enrolment and spending per student.⁷

Finally, the population projections made by the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC are used to predict the impact of the changes in the age structure of the population on countries' capacity to reach three different targets for secondary education during the demographic dividend period.

⁵ A recent simulation performed by Lee and Mason (2008) shows that the rise in productivity generated by better education will be enough to cover the additional costs of an ageing population.

⁶ The target of universal secondary education, the usefulness and feasibility of which is still debatable, has not yet been adopted by the countries of Latin America and is considered in this document for the purpose of analysing the repercussions of demographic changes on more ambitious coverage targets.

⁷ Although coverage in OECD is on average less than universal, this combined target of high coverage and high spending per student is more demanding in terms of resources.

B. The secondary-school-age population and the demographic context

Latin America is currently going through a stage of profound demographic change, which is referred to as the demographic transition. During this period, particularly favourable conditions for development arise, inasmuch as the proportion of people in the potentially productive age bracket grows steadily relative to the number of people of potentially inactive ages. This stage is known as the “demographic bonus” or “demographic dividend” in reference to the opportunities that it offers for boosting per capita GDP and thus raising the population’s living standards. The duration and intensity of the demographic dividend varies across the region, but in all the countries of Latin America in the coming decades, not only will demand for primary education continue to decline, but so will demand for secondary education, relatively at first, but subsequently in absolute terms, which opens up the possibility of taking advantage of the dividend by investing in education. In addition to generating more opportunities for young people, the demographic dividend constitutes a unique opportunity to prepare for the challenges that the ageing of society will pose.

1. Demographic transition, changes in the dependency ratio and the demographic dividend

(a) Demographic transition

Like other developing regions, Latin America is going through a stage of profound demographic changes known as the demographic transition. This is a relatively long process that starts with high mortality and fertility rates and ends with much lower ones. Population growth is slight at both ends of the process, but tends to increase as the process unfolds and mortality rates decline and then decrease again when fertility rates come down. In Latin America, the fact that the onsets of the decline of the mortality and fertility rates did not coincide produced a relatively short period of rapid population growth in the

middle of the twentieth century that substantially altered the age structure of the population.⁸

During the initial stage of demographic transition—during which mortality, especially among children, falls, but fertility remains high—the region’s population remained

⁸ Although at the regional level and in the more populated countries, international migration does not have a large impact on the age structure of the population, its effect in smaller countries and countries with high migration rates, such as Nicaragua and Uruguay, can be significant. Given its generally selective nature migration alters not only the size, but also the age structure, the gender composition and other socio-economic and demographic features of both origin and destination populations.

very young and even became somewhat younger as a result of the growing proportion of children.⁹ Beginning in the mid-1960s, the continuing fall in fertility and a sustained rise in life expectancy led to the start of a gradual ageing of the population as the larger generations progressed through the life cycle.¹⁰

Table III.1 summarizes the demographic changes that have occurred and are projected to occur in Latin America. Since 1950, the average number of children per Latin American woman has dropped from 5.9 to 2.4, the number of children who die before their first birthday has dropped from 128 to 22 per 1,000 births, the average life expectancy of the population has risen from 52 to 73

years, and average annual population growth has fallen from 2.8% to 1.3%. In the same period, the proportion of children under 15 has dropped from 40% to 30%, while the population of people aged 60 or more has risen from 6% to 9%. In 2050, life expectancy is projected to be 80 years, as infant mortality falls to 8 deaths per 1,000 births, average annual population growth shrinks to 0.2%, and the average number of children drops to 1.9 (below the replacement rate).¹¹ According to these projected changes, in 2050, the proportion of children under 15 will have almost halved (from 30% to 18%) and the proportion of elderly will have almost tripled (from 9% to 24%), and by the middle of this century, one in four Latin Americans will be an older person.

Table III.1
LATIN AMERICA: DEMOGRAPHIC CHANGE INDICATORS, 1950-2050

Indicators	1950-1955	1975-1980	2005-2010	2025-2030	2045-2050
Global fertility rate (children per woman)	5.9	4.5	2.4	2.0	1.9
Life expectancy at birth (in years)	51.8	63.4	73.4	77.1	79.6
Infant mortality rate (per 1 000 births)	127.7	69.7	21.7	12.0	7.9
Annual population growth rate (percentages)	2.8	2.3	1.3	0.7	0.2
Age structure (percentages)	1950	1975	2005	2025	2050
0 to 14 years	40	41	30	23	18
15 to 59 years	54	52	61	62	58
60 years or more	6	6	9	14	24
Total	100	100	100	100	100

Source: Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, population estimates and projections, 2007.

Regional averages, however, conceal major differences at the country level in terms of the pace and intensity of demographic change. With a view to analysing this variation and obtaining a comprehensive view of the changes under way in the region, ECLAC (2008) classified the countries of Latin America into four different stages of demographic transition according to life expectancy and fertility rates: very advanced, advanced, full and moderate.

Only Cuba is in the very advanced stage of transition. The total fertility rate reached replacement level much earlier in Cuba than in the rest of the region (between the late 1970s and early 1980s).

The countries in the advanced stage of transition fall into three subgroups. The first consists of Argentina and Uruguay, whose fertility and mortality rates both declined early on (in the first half of the twentieth century) and were already posting fertility rates of about three children per woman from 1950 onward. A second case apart is Chile, which despite having a fertility rate similar to that of Cuba in the period 1950-1955, has not seen fertility decline as sharply as in Cuba since then. Chile is nonetheless the second country in the region where fertility has fallen below replacement level. All three countries (Argentina, Uruguay and Chile) have population growth rates of less than 1%. The third subgroup within advanced transition countries is constituted by Brazil, Colombia, Costa Rica and Mexico. Although these countries still had quite high total fertility rates in the mid-1960s, they moved rapidly through the fertility

⁹ Between 1950 and 1965, infant mortality in Latin America fell from an average of 128 to 92 deaths of children aged under one year per 1,000 births, while the overall fertility rate remained at close to six children per woman. In the same period, the proportion of children under 15 in the total population rose from 40% to 43%.

¹⁰ The largest generations are those born during the initial period of demographic transition when infant mortality falls and fertility rates remain high.

¹¹ The replacement rate is considered to be 2.1 children per woman.

transition and those rates had fallen by half (or even more) by the late 1980s to early 1990s. The natural growth rate of the population in this subgroup is between 1.3% and 1.4%.¹²

Two groups of countries are in the full transition stage. On the one hand, there are those where fertility had already declined considerably by the early 1980s (Bolivarian Republic of Venezuela, Dominican Republic, Ecuador, El Salvador, Panama and Peru). On the other, there are those where the most significant drops in fertility were recorded more recently (Honduras, Nicaragua and Paraguay). Fertility rates in both of these groups have now levelled out at the regional average rate, although the natural population growth rates vary within them, ranging from 1.5% in Peru to 2.3% in Honduras.

The countries in the moderate transition stage are Bolivia, Guatemala and Haiti. Fertility has dropped in all three countries but remains far above the regional average. The decline has been particularly slow in Guatemala, which now has the highest fertility rate in the region (4.2 children per woman) as well as the highest rate of population growth (2.8%). Haiti and Bolivia, meanwhile, have the highest levels of mortality in the region, with life expectancy levels (60 and 66 years, respectively) well below the regional average (73 years).

Despite the differences in the region, in general, Latin America can be said to have undergone a rapid process of demographic transition compared with that experienced by industrialized countries (ECLAC/CELADE/IDB, 1996). Whereas the demographic transition lasted over a century in developed countries, similar changes are occurring much faster in Latin America, mainly because the means of controlling fertility and reducing mortality were already available. In a period of approximately 30 years, between 1960 and 1990, Latin America went from having some of the world's highest fertility levels to levels below the international average. In other words, changes in the age structure of the population, especially ageing, are occurring faster in Latin America than they did in the industrialized countries, which points to the need to develop situation-specific measures to tackle the challenges and take advantage of the opportunities raised by the demographic changes.¹³

(b) Changes in the dependency ratio

Since people's economic behaviour depends on their stage in the life cycle, changes in the age structure tend to have a major impact on economic development. A high proportion of dependent persons (children and older persons) in the population usually constrains economic growth as a significant portion of resources have to be allocated to attending to their needs. In contrast, having a large proportion of working-age people can boost economic growth, as incomes tend to increase and the accumulation of capital tends to accelerate thanks to the lower level of spending on dependent persons.

In this regard, by relating the numbers of people in potentially inactive age groups (under 15 years and over 59 years) to the population in potentially active age groups (15-59 years), the dependency ratio constitutes a valuable indicator of the potential effects of demographic changes on socio-economic development.¹⁴

The dependency ratio in Latin America increased between 1950 and the 1960s owing to a relative increase in the child population. Then it began to decline steadily with the drop in fertility rates. This decline is expected to continue until around 2020 when the growing proportion of older persons will cause the dependency ratio to increase again. Although in general Latin American countries coincide with this model, in terms of form, there are huge variations from one country to another in terms of time (see table III.2). This is clearly shown by a comparison of the situation of three countries in different stages of demographic transition (Cuba, in the very advanced stage; Mexico, in the advanced stage; and Guatemala, in the moderate stage).

In Cuba, the period in which the dependency ratio declines is much shorter than in the other countries, and, after stabilizing at relatively low levels for a long period of time, it is expected to rise again much faster than the other countries. In Mexico, the dependency ratio

¹² The natural growth rate does not take migration flows into account. In several countries of Latin America, the total growth rate is below the natural one due to large negative migratory flows.

¹³ The population generally keeps ageing in the industrialized countries owing to very low fertility rates and the increase in longevity. In 2050, for example, 42% of the population of Japan is expected to be 60 years old or older.

¹⁴ To calculate the dependency ratio, many studies consider the economically active population to be those aged between 15 and 64. In any case, it is important to be aware of the limitations of stating dependency ratios in terms of age ranges. First, in most populations people do not automatically cease to be economically active at the age of 60. Second, not everyone aged 15 to 59 is economically active, especially among the female population (and despite the increasing participation of women in the labour market). Similarly, as training for entering work becomes longer, a growing number of adolescents and young adults spend longer in education and outside the labour market (thereby extending the period of dependence far beyond the age of 15). These observations suggest that trends in dependency ratios considered in this section offer only an indication of the economic impact of changes in age structure of the population.

was extremely high at the beginning of the period due to the high proportion of children and then started a steep downward trend that is expected to last until the middle of the 2020s. In Guatemala, the decline of the dependency ratio has been far more gradual because fertility rates have remained relatively high. The dependency ratio in this country is projected to

continue to decline until the middle of this century. The child dependency ratio (the number of children to the number of working-age persons) is projected to converge among the Latin American countries, while the elderly dependency ratio (the number of older persons to the number of working-age persons) is projected to diverge.

Table III.2
LATIN AMERICA: ASPECTS OF DEPENDENCY RATIO TRENDS ^a

Countries	Reduction period of dependency ratio						Period for which dependency ratio remains below two dependents per three people in the working-age group		
	Maximum value	Year of maximum value	Minimum value	Year of minimum value	Duration (years)	Magnitude (%)	Start year	Final year	Duration (years)
Latin America	97	1965	60	2019	54	38	2001	2041	40
Argentina	78	1989	63	2032	43	19	2007	2039	32
Bolivia	95	1974	57	2041	67	40	2019	2062	43
Brazil	97	1964	58	2007	43	41	1995	2040	45
Chile	92	1966	54	2011	45	41	1983	2026	43
Colombia	109	1965	56	2017	52	49	1998	2042	44
Costa Rica	115	1965	53	2014	49	54	1999	2041	42
Cuba	91	1974	53	1991	17	42	1983	2024	41
Dominican Republic	114	1965	63	2027	62	44	2010	2048	38
Ecuador	105	1965	61	2025	60	43	2008	2048	40
El Salvador	104	1968	57	2028	60	45	2011	2052	41
Guatemala	103	1988	55	2050	62	46	2029	2069	40
Haiti	92	1970	57	2039	69	38	2018	2060	42
Honduras	111	1972	56	2040	68	50	2019	2059	40
Mexico	110	1966	57	2022	56	48	2002	2036	34
Nicaragua	114	1965	59	2035	70	48	2013	2052	39
Panama	102	1968	61	2020	52	40	1999	2036	37
Paraguay	113	1962	58	2038	76	48	2015	2055	40
Peru	99	1967	59	2017	50	41	2005	2049	44
Uruguay ^b	74	1989	67	2016	27	9	-	-	
Venezuela (Bol. Rep. of)	104	1966	61	2020	54	41	2002	2048	46

Source: Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, population estimates and projections, 2007.

^a Number of people aged less than 15 years and aged 60 or over per 100 persons aged 15 to 59. years.

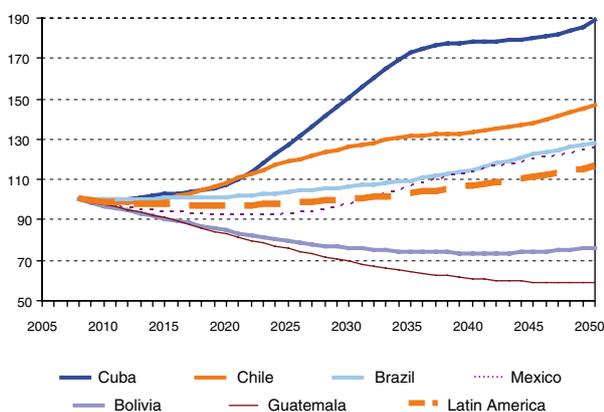
^b After peaking, the dependency ratio in Uruguay will remain at or above two dependants per three working-age persons.

Figure III.1 shows how the dependency ratio will evolve over the next few decades in selected Latin American countries in different stages of the demographic transition. The year 2008 is taken as the base year (equal to 100) against which projections up to 2050 are compared. The figure shows a clear downward trend in the dependency ratio in the countries furthest behind in the transition process, such as Bolivia and Guatemala, and a strong upward trend in the case of the countries that are in the later stages of transition, such as Chile and Cuba. In countries such as Brazil and Mexico, which are in the intermediate stages of demographic transition, the dependency ratio is growing in line with the average for Latin America, in

other words, far more slowly than in the countries in the later stages of transition.¹⁵ A comparison of the extreme cases of Cuba and Guatemala provides a clear picture of the diversity of demographic situations in the region: in Cuba, the dependency ratio is expected to practically double by 2050, while in Guatemala, it is expected to be nearly halved.

¹⁵ Brazil and Mexico are classified in a less advanced subgroup than Chile within the advanced stage of demographic transition due to the significantly higher overall fertility rates they had at the start of the transition process in comparison with Chile.

Figure III.1
**LATIN AMERICA (SELECTED COUNTRIES): FUTURE TRENDS
 IN DEPENDENCY RATIO, 2008-2050^a**
 (2008=100)



Source: Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, population estimates and projections, 2007.
^a Number of persons aged under 15 and 60 or over per 100 persons aged between 15 and 59 years.

(c) The demographic dividend

During demographic transition, there is a period when the dependency ratio drops substantially as the weight of the potentially productive age group grows and the relative weight of the potentially inactive age group diminishes. In that period, the situation is particularly favourable for development as the possibilities for savings and investment in economic growth increase, while the pressure on primary-education spending eases. Various terms have been coined to describe this period, including “demographic dividend”, “demographic bonus” or “demographic window of opportunity”, which refers to the possibility of increasing rates of economic growth per capita and hence the levels of well-being of the population during this period.

The benefits associated with this period do not accrue automatically. They are subject to the adoption of macroeconomic policies that encourage productive investment, increase employment opportunities and promote a stable social and economic environment conducive to sustained development (Bloom, Canning y Sevilla, 2003; Adioetomo et al., 2005; Wong and Carvalho, 2006). In particular, they require major investments in human capital, above all in the education of young people, to increase their productivity.

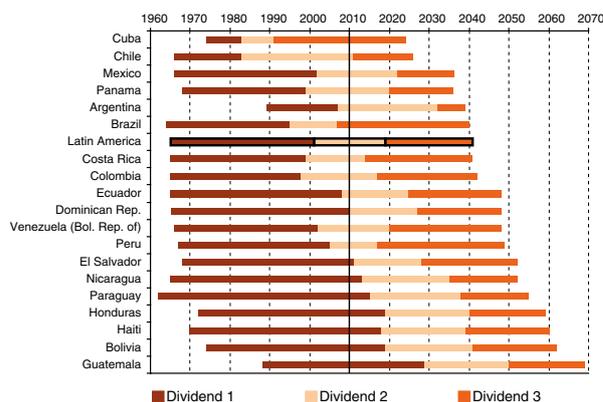
The recent history of countries in South-East Asia shows that the combination of a large pool of young workers with highly developed job skills and a relatively small contingent of dependent older people creates a situation that is highly favourable for economic growth. The increase in productivity seen in these countries stems largely from

the considerable investments made in educating young people during the period of the demographic dividend (UNFPA, 1998; Mason, 2002).

There is no exact measurement of the beginning and end points of the demographic dividend, and its definition in terms of the dependency ratio tends to vary. In this study, the period corresponding to the demographic dividend has been subdivided into three phases. In the first of these phases, the dependency ratio declines but is still fairly high (above two thirds, in other words, two dependents for every three persons in economically active age groups). In the second, the dependency ratio falls below two thirds and continues to decrease. In the third and final phase, the dependency ratio begins to rise as the proportion of older people increases, but is still below two thirds.

While the countries of the region show little difference as regards the onset of the demographic dividend (in nearly every country, the dependency ratio began to come down towards the middle of the 1960s), the extent and duration of its different phases vary significantly (see figure III.2). Generally speaking, the countries which are most ahead in the demographic transition have a shorter dividend period left than countries that are further behind in the process. In Chile and Cuba, for example, the dividend is expected to end some time in the first quarter of this century. In Brazil and Costa Rica, it will last until the beginning of the 2040s, while in Ecuador and Peru it is expected to end around 2050. In seven countries, the dividend should last beyond the middle of the century (to 2062 in Bolivia and 2069 in Guatemala, for example).

Figure III.2
**LATIN AMERICA: DURATION AND STRUCTURE OF THE
 DEMOGRAPHIC DIVIDEND^a**



Source: Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, population estimates and projections, 2007.
^a Dividend 1: period in which the dependency ratio declines but is above two thirds; Dividend 2: period in which the dependency ratio falls below two thirds and continues to decrease; Dividend 3: period in which the dependency ratio rises, but is still below two thirds.

On average, the Latin American population is currently in the second—and most favourable—stage of demographic dividend, in which the dependency ratio tends to be relatively low and is still falling. This stage started at the beginning of the twenty-first century and is expected to last until the end of the next decade when the third stage will start and last until the beginning of the 2040s. Only two countries are in the third phase of the demographic dividend: Cuba since the beginning of the 1990s, and Brazil since 2007. Chile is expected to enter this final phase very shortly (2011), and eight other countries are already in the second phase: Argentina, Bolivarian Republic of Venezuela, Colombia, Costa Rica, Ecuador, Mexico, Panama and Peru. The eight remaining countries are still in the first phase (see figure III.2).¹⁶

(d) Taking advantage of the opportunity the dividend offers for preparing for the future

All countries in Latin America are currently in a period that is particularly conducive to economic development thanks in part to the demographic dividend. In some countries, this period has already reached, or is about to reach, the final phase, while in others it is just beginning and should last for the next five or six decades. The advantage of having a favourable ratio between the working-age population and the dependent age people will disappear, sooner for some countries than for others, as the proportion of elderly people will steadily increase.

After the demographic dividend, there will be a period of rapid population ageing that will pose new challenges to society and require the implementation of public policies and programmes in various areas, including the provision of long-term health care and the financing of pensions for a progressively ageing population.

Population ageing will take place in all countries of Latin America and will invert the dependency ratio as the number of older dependents steadily increases in relation to the number of young people and working-age adults. If this phase is reached in unfavourable economic conditions, with no economic growth or accumulated savings, the burden placed by the dependent elderly population on the active population will require huge transfers of resources from the latter to the former, which might not only create intergenerational conflict, but also generate solvency problems that could jeopardize the financing of key systems, such as health and social security.

Taking advantage of the demographic dividend by investing in education and creating productive jobs not only generates more opportunities for the young people of today. Such investments are essential for achieving the savings and productive conditions needed for dealing with the exponential increase in costs which will accompany society's inexorable ageing. The demographic dividend therefore represents a unique opportunity to prepare for the future.

2. Secondary education and the demographic dividend

Trends for the younger population and for the secondary-school age group in particular are directly linked to an important part of the demographic dividend that arises from changes in the proportional size of the different age groups in the population. The secondary-school age population generally increases considerably during the initial phase of the dividend, which leads to a series of demands on public policy, especially in terms of providing quality secondary education and creating enough jobs to

make good use of a growing supply of increasingly well-educated and well-trained workers.

As countries move through the period of the dividend, the secondary-school age group stabilizes and then begins to decrease, which provides a unique opportunity to extend coverage and improve the quality of schooling provided at the secondary level while demand for public spending from the older population is still relatively low.

The analysis presented below describes the general trends for the secondary-school age population and how they change according to the different phases of the dividend.

(a) General trends in the secondary-school age population

The weight and volume of the secondary-school age group in the population of Latin American countries vary according to the stage of demographic transition

¹⁶ Uruguay is not included in the figure since it is not going through a demographic dividend period. While the dependency ratio in Latin America on average dropped 38% between its maximum and minimum level, the decline in the case of Uruguay was only 9%. Also, after attaining a maximum value significantly lower than the regional average, Uruguay's dependency ratio remains for the whole period above two dependents per three persons in the potentially-active age group (see table III.2). The heavy migration of members of the active age group could be one of the factors behind this situation.

reached. The relative size of this group usually shrinks at the beginning of the transition period when the number of children increases sharply. It later increases owing to the incorporation of cohorts born during low-fertility periods and then shrinks again as a result of the constant ageing of the population. In absolute terms, the volume of secondary-school age children usually increases steadily during the first stages of the transition up to a point of inflection after which the generations joining this group are smaller and smaller in comparison with previous years as a result of the decline in fertility rates.

The current secondary-school-age population (those aged between 12 and 17) in Latin America is 64 million, three times as large as in 1950.¹⁷ The size of this group is expected to remain fairly stable over the next decade and a half and then decrease gradually. Projections place the secondary-school-age population at 57 million in 2050, which represents an approximate 10% drop from present levels (see table III.3). In relative terms, the proportion of people of secondary-school age in the population has fallen from 12.7% in 1950 to 11.3% today after reaching 14% in 1975. By 2050, this age group is expected to account for no more than 7.5% of the population.

Table III.3
LATIN AMERICA: VOLUME, RELATIVE PARTICIPATION AND PAST AND FUTURE VARIATION OF THE SECONDARY-SCHOOL-AGE POPULATION, 1950-2050

Countries	Age group	Secondary-school-age population										Variation between 1950 and 2008 (2008/1950)	Variation between 2008 and 2050 (Percentages)
		Volume (Thousands)					Relative participation (Percentages)						
		1950	1975	2008	2025	2050	1950	1975	2008	2025	2050		
Latin America	12-17	20 474	44 096	64 059	64 159	56 904	12.7	14.0	11.3	9.5	7.5	3.1	-11
Argentina	12-17	1 877	2 777	4 140	4 111	3 632	10.9	10.7	10.4	9.0	7.2	2.2	-12
Bolivia	12-17	355	638	1 335	1 531	1 414	13.1	13.4	13.3	11.5	8.4	3.8	6
Brazil	11-17	8 428	18 386	23 585	24 785	21 761	15.6	17.0	12.1	10.8	8.5	2.8	-8
Chile	12-17	710	1 512	1 754	1 506	1 369	11.7	14.5	10.5	7.9	6.8	2.5	-22
Colombia	11-16	1 638	3 941	5 478	5 014	4 531	13.0	15.6	11.7	9.0	7.3	3.3	-17
Costa Rica	12-16	94	273	430	402	358	9.7	13.3	9.5	7.2	5.8	4.6	-17
Cuba	12-17	739	1 208	921	647	535	12.5	12.8	8.2	5.8	5.4	1.2	-42
Dominican Rep.	12-17	341	784	1 199	1 253	1 114	14.4	15.2	12.3	10.7	8.3	3.5	-7
Ecuador	12-17	418	953	1 674	1 693	1 552	12.3	13.8	12.1	9.9	7.7	4.0	-7
El Salvador	13-18	254	567	877	952	914	13.0	13.8	12.1	10.4	8.2	3.5	4
Guatemala	13-17	352	690	1 597	2 174	2 225	11.2	11.1	11.7	10.9	8.0	4.5	39
Haiti	12-18	486	816	1 548	1 700	1 707	15.1	15.9	15.9	13.5	10.6	3.2	10
Honduras	13-18	188	427	1 027	1 134	1 029	12.7	13.7	14.0	11.6	8.3	5.5	0
Mexico	12-17	3 562	8 605	12 616	11 235	9 180	12.8	14.2	11.7	9.1	7.0	3.5	-27
Nicaragua	13-17	147	343	673	640	541	11.4	12.3	11.9	9.4	6.8	4.6	-20
Panama	12-17	103	239	375	408	386	12.0	13.9	11.0	9.7	7.8	3.6	3
Paraguay	12-17	204	411	817	881	843	13.9	14.7	13.1	10.9	8.4	4.0	3
Peru	12-16	847	1 787	2 903	2 764	2 488	11.1	11.8	10.3	8.2	6.4	3.4	-14
Uruguay	12-17	240	301	320	289	262	10.7	10.6	9.6	8.1	7.0	1.3	-18
Venezuela (Bol. Rep. of)	12-16	534	1 583	2 729	2 911	2 657	10.5	12.4	9.8	8.3	6.5	5.1	-3

Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007.

Given the unevenness of demographic change in Latin America, its effects on the secondary-school-age population also tend to vary considerably from one country to another in the region. With notable variations and some exceptions, the secondary-school-age population has increased significantly in the last few decades in most of the region's countries. In some, such as Argentina, Brazil and Chile, this population group has doubled or almost

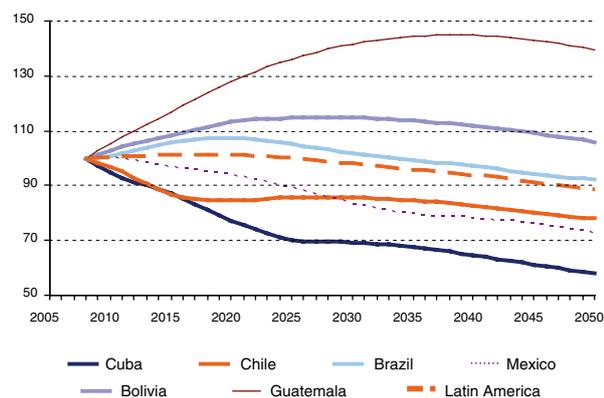
tripled since the middle of the last century (see table III.3). In others, such as Colombia, the Dominican Republic and Mexico, the increase has been between three- and four-fold.

¹⁷ The age range for secondary education varies slightly from one country to another in Latin America (see table III.3). For illustrative purposes, this study considers as the regional average the most common range (12-17 years).

In Costa Rica, Guatemala and Nicaragua, it has expanded by a factor of four-to-five, and in the Bolivarian Republic of Venezuela and Honduras, the secondary-school-age population is more than five times larger than it was in 1950. By contrast, this population segment has increased by only 20% in Cuba and 30% in Uruguay. In Cuba, the number of secondary-school-age children has varied significantly over the period in question, however: having risen sharply in the mid-1970s and the early 1980s before declining after then.

Figures III.3 and III.4 show the future trends for the secondary-school-age population in absolute and relative terms, using a group of countries in different stages of demographic transition as an example. Both figures use 2008 as the base year for projections for the following years up to 2050. A clear distinction emerges between the countries at the opposite ends of demographic transition: in Bolivia and Guatemala, the countries furthest behind in the process, the secondary-school-age population will continue to increase for several decades, and the relative weight of this population segment will decrease more slowly than the regional average; while in Chile and Cuba, the countries in the most advanced stage of transition, the secondary-school-age population will continue its downward trend, and its relative weight will shrink faster than the regional average. Among the countries in the intermediate stages of transition, the declines both in absolute and relative terms of the secondary-school-age population will be steeper in Mexico than in Brazil.

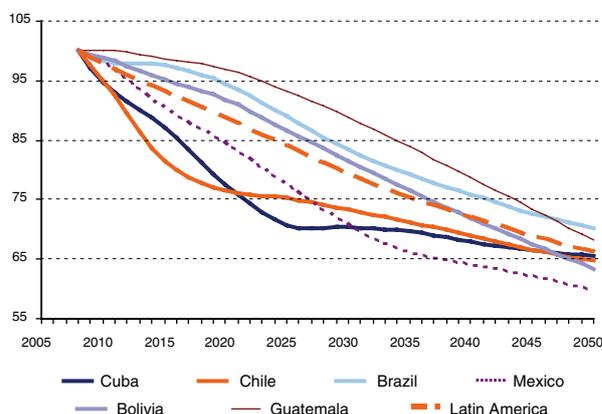
Figure III.3
LATIN AMERICA (SELECTED COUNTRIES): FUTURE TRENDS IN THE VOLUME OF THE SECONDARY-SCHOOL-AGE POPULATION, 2008-2050^a
(2008=100)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007.

^a The age range for secondary education varies slightly across the region. The range 12 to 17 years was used as the average for Latin America.

Figure III.4
LATIN AMERICA (SELECTED COUNTRIES): FUTURE TRENDS IN THE RELATIVE WEIGHT OF THE SECONDARY-SCHOOL-AGE POPULATION, 2008-2050^a
(2008=100)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007.

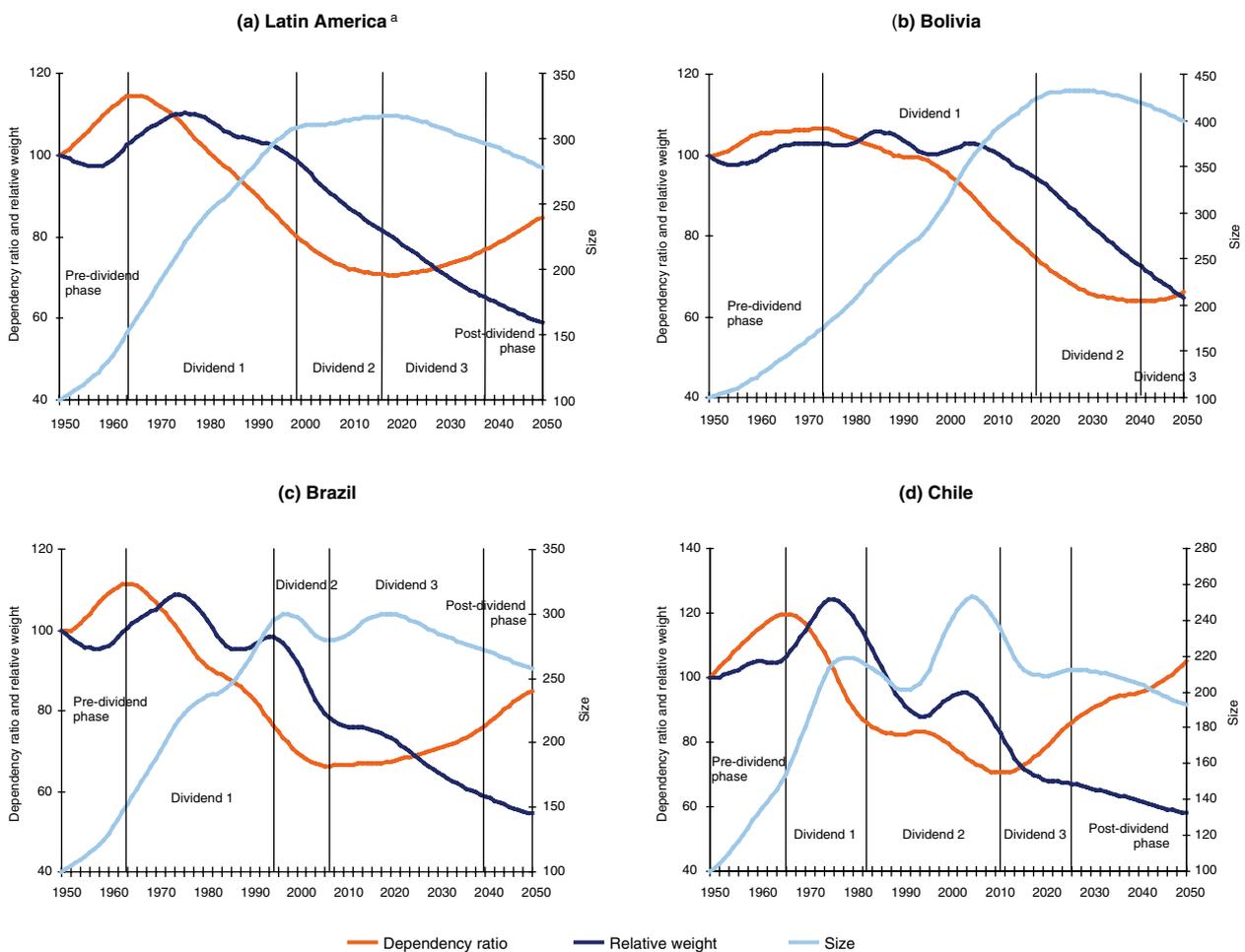
^a The age range for secondary education varies slightly across the region. The range 12 to 17 years was used as the average for Latin America.

(b) Evolution of the secondary-school-age population over the course of the demographic dividend

As noted earlier, this study considers three distinct phases in the demographic dividend. In the first phase (dividend 1), the dependency ratio is high but falling; in the second (dividend 2), the dependency ratio reaches more favourable levels and continues to fall, and in the third (dividend 3), the dependency ratio begins to rise again but remains at favourable levels.

Figure III.5, which presents the regional average as well as the situation in countries in different stages of demographic transition, shows that although the duration and magnitude of the demographic dividend vary greatly from one Latin American country to another, trends for the secondary-school age group through the various phases of the demographic dividend tend to follow a similar pattern in all the countries. In all three countries shown—Chile, the one furthest ahead in the demographic transition; Brazil, at an intermediate stage; and Bolivia, which is the furthest behind in the transition—the secondary-school age group increases notably in the initial phase of the dividend, while its relative weight in the population remains relatively stable, increasing slightly at first before starting to gradually decrease.

Figure III.5
DEPENDENCY RATIO, SIZE AND RELATIVE WEIGHT OF THE SECONDARY-SCHOOL-AGE POPULATION IN THE VARIOUS PHASES OF THE DEMOGRAPHIC DIVIDEND
 (1950=100)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007

^a The age range for secondary education varies slightly across the region. The range 12 to 17 years was used as the average for Latin America. Dividend 1: period in which the dependency ratio declines but is above two thirds; Dividend 2: period in which the dependency ratio falls below two thirds and continues to decrease; Dividend 3: period in which the dependency ratio rises, but is still below two thirds.

During the second and most favourable phase of the dividend, the relative weight of the secondary-school age group falls significantly, while the absolute weight remains more or less stable, with a slight tendency to decrease towards the end.¹⁸ In the third phase, when the dependency ratio rises again but the proportion of elderly people is still low, the secondary-school age group decreases both in relative and absolute terms.

Although the downward trend in the secondary-school-age population tends to continue beyond the period

of the dividend in all countries, by this point the situation will be less propitious for investment in education because the process of population ageing will have increased demand for public spending in other areas, such as health care and pensions.

The next sections of this chapter examine the effort that the countries of Latin America will need to make from an economic perspective to attain the coverage targets set for secondary education as well as the role that demographics play in this process.

¹⁸ In Chile, the relative weight oscillates significantly, probably owing to past demographic events.

C. The impact of demographic changes on secondary education

In most of the region's countries, the demographic changes under way are already having a positive impact on education. Throughout the demographic dividend period, sizeable savings will be generated by the decline of the dependency ratio of the primary- and secondary-school age population. These savings will be sufficient to cover the cost of providing universal coverage for secondary education and will make a considerable contribution towards achieving more ambitious targets in terms of spending per student. These dividends are realized not in the present but in the course of the demographic transition until the end of each country's demographic dividend period. Therefore, countries must find ways to finance the resources needed today based on these future dividends.

1. Education targets and current coverage rates in Latin America

At the second Summit of the Americas, held in Santiago in 1998, the countries of the region committed themselves to attaining two fundamental targets by 2010:¹⁹

- (i) Ensuring, by the year 2010, universal access to quality primary education for all children and access to quality secondary education for at least 75 percent of young people, with increasing percentages of young people who complete secondary education; and
- (ii) Providing the general population with opportunities for life-long learning.

According to the assessment performed by UNESCO in 2007, access to primary education is almost a universal phenomenon in all the countries of the region, with Brazil, Ecuador, Mexico and Panama being the most recent countries to achieve this target (UNESCO, 2007). Despite the undeniable progress made in this regard, several countries in Latin America still have to make additional efforts to achieve universal primary-education coverage. This is the case of Colombia, the Dominican

Republic, Nicaragua and Paraguay, whose net primary-school enrolment rates are still below 90%.

Although net enrolment rates provide an indication of access to primary education, and in part to the education system as a whole, they do not reflect how students progress within, and complete, the respective education cycle. Primary-school enrolment may be high, but grade repetition, high dropout rates and low completion rates continue to be a problem. The percentage of children who repeat a grade at primary school is below 10% in the region as whole, but 13% in Guatemala and 20% in Brazil. The lowest completion rates for primary school are recorded in Ecuador (72.6%), El Salvador (66.4%), Guatemala (62.6%), Honduras (61.7%) and Nicaragua (50.2%) (UNESCO, 2007).

Under these circumstances, large numbers of children will not reach secondary school at the appropriate age, which, in turn, undermines efforts to improve net enrolment rates in secondary education. Providing universal access to primary education is only the first step. Considerable efforts are still required to ensure that children progress within, and complete, the primary school cycle. Only then will secondary-school coverage and completion rates significantly increase in the region.

¹⁹ Plan of Action signed by the Heads of State and Government participating in the Second Summit of the Americas, held in Santiago in 1998 (UNESCO, 2007).

Two aspects of the second target (life-long learning opportunities for all) need to be addressed: eliminating adult illiteracy so that people can keep learning; and improving pre-school education given its proven importance in ensuring that children perform better throughout the various education cycles and beyond.

As regards secondary education, of the countries for which information is available, only Argentina and Brazil have attained the 75% net enrolment target, while Bolivia and Peru are close to doing so. Secondary-school enrolment in Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala and Nicaragua is below 60%.²⁰ Although there is less data on secondary-school completion rates, with the exception of Argentina, Bolivia, Chile and Peru, only up to half of the young people enrolled in secondary school in the region complete the cycle.²¹ A comparison of the percentage of the population aged between 20 and 24 years that has completed secondary school shows that Guatemala, Honduras and Nicaragua are the furthest behind in this respect as three quarters or more of this population group in these countries have not completed secondary school.

In the cases of both primary and secondary education, the countries whose systems lag most behind are also the least advanced in the demographic transition process. These are countries with younger populations which face greater potential demands at the levels of primary and secondary education and which have had to cope with serious constraints associated with their demographic situations. Despite this, and as was explained at the beginning of this chapter, these countries have only recently entered into the first phase of the demographic dividend period. Accordingly, from this point on, they will be able to take full advantage of the opportunity to improve their education systems.

However, as pointed out earlier, the benefits to be derived from the demographic dividend do not accrue automatically, and governments will have to make

considerable efforts to provide the resources needed to obtain them. The state of the education system in some of the countries that have already gone through a large part of their demographic dividend periods attest to the fact that achievements in education are not always proportional to improvements in demographic conditions. Demographic changes open up opportunities but, as several studies show, they are not the most determinant factor in bringing about improvements in the education system (UNESCO, 2007; IDB, 2000).²²

While there are targets that remain to be attained at the primary level, the countries should seek to achieve those relating to the secondary level as soon as possible. From a demographic perspective, the fact that the secondary-school age group has greatly increased in numbers means that its many needs, among which education is of vital importance, must be analysed and attended to. From an economic and social perspective, quality secondary education is needed to ensure that young people have access to higher-productivity jobs and thus to incomes that will enable them to remain above the poverty line. According to ECLAC (2000d), in order to have some chance of obtaining an intermediate or high level of income, people need to have at least 12 years of schooling behind them. Deficient education systems condemn young people to unemployment or informal and low-income jobs and perpetuate the intergenerational transmission of poverty.²³

The scenario analysis presented below considers only quantitative targets, in other words, minimum goals. The importance of the progress that still needs to be made in terms of the quality and equality throughout education cycle should not be overlooked, however; governments will need to invest as much, if not more, in improving the quality and equality of the education system as they do in expanding education coverage, which will reduce the possibilities of transferring the primary education dividend to the secondary education sector.

²⁰ There is no information on net enrolment in Chile, Costa Rica, Cuba and Uruguay, which have possibly already reached the target.

²¹ No information is available on the current completion rate for secondary education in 10 of the region's countries.

²² The UNESCO report (2007) cites the case of Belize and Guatemala: 11% of the population in both countries is aged between 15 and 19; coverage rates are 72% and 34%, respectively. A study carried out by Behrman, Duryea and Szekely referred to in the IDB report (2000) notes that demographic factors had only a marginal influence on the educational progress made in the 1980s in Latin America.

²³ It should be noted that higher levels of education among young people can lead to rising employment and huge expectations and this can lead to increasing unemployment. Education policies need to be implemented together with measures to guarantee the absorption of demand for more skilled jobs.

2. Countries' efforts to improve education

Public investment in education, as a percentage of GDP, constitutes an important measure of the efforts being made to improve education. This indicator varies considerably across the region, from 1.8% in the Dominican Republic to 6.4% of GDP in Bolivia in 2005. The countries that, in addition to Bolivia, are making the largest efforts in this regard are Brazil, Colombia, Costa Rica, Mexico and Paraguay, which are all investing over 4% of GDP in education. At the other end of the spectrum, the Dominican Republic, El Salvador, Peru and Uruguay, are making the smallest investments in education, as measured by this indicator, inasmuch as they allocate less than 3% of GDP to education (UNESCO, 2007).

The countries in which public investment in education as a percentage of GDP has grown since 2000 are Bolivia, Chile, Colombia, Costa Rica, El Salvador, Mexico and Paraguay. Investment in education has remained practically stagnant in Cuba and Uruguay and has fallen in Ecuador, Nicaragua, Panama and Peru, most steeply in the case of Ecuador.

A comparison of investment in education (as a percentage of GDP) with the progress made in education coverage shows that the achievements reached in the coverage and completion of education cycles are not proportionate to the amount invested in education. In Colombia, for example, investment levels similar to those of Mexico (again as a percentage of GDP) have resulted

in far less coverage at both primary- and secondary-education levels than in Mexico. As far as secondary school completion is concerned, however, the opposite occurs: 60% of the population aged between 20 and 24 have completed secondary school in Colombia compared with 40% in Mexico. This implies that the same level of spending on education as a percentage of GDP can achieve highly different results according to institutional factors and other factors affecting the effectiveness of the education system, such as the grade-repetition and dropout rate.

Spending per student is a more subtle measure of education policy efforts and reflects the resources available per enrolled student. This spending is determined by, among other elements, the costs of teachers and other staff, infrastructure costs and class sizes, three factors that are closely linked to the efficiency and effectiveness of the education system.

In 2005, public spending per secondary-school student as a percentage of per capita GDP varied considerably across the region, from 3.7% in Guatemala to 18.4% in Colombia (UNESCO, 2007). There seems to be no direct relationship between this spending and the progress made either: Argentina and Mexico, for example, which spend similar amounts per student in terms of percentages of per capita GDP, have achieved very different results in terms of secondary-school coverage and completion rates.

3. The impact of demographic change on public investment in secondary education

(a) Trends in dependency ratios in secondary education

As shown in the first section of this chapter, the weight of the secondary-school-age population increases slightly during the first phase of the demographic dividend and then declines gradually. In the second phase, the weight of this group falls sharply and in the third, it diminishes both in relative and absolute terms.

The secondary-education dependency ratio can be understood as a measure of the potential burden that the secondary-school-age population (as defined by each

country) places on the potentially active population (people aged between 20 and 64 years)²⁴ and is measured as the ratio between the two. Although this dependency ratio will decrease in all the countries during the demographic dividend period, the magnitude of this decline will depend on the stage of demographic transition reached, the pace of demographic change and the period in which the demographic dividend occurs in each country. The percentage drop in

²⁴ This age group is used to include the population most likely to participate in the production process and to exclude those who are still in the education system or retired.

the dependency ratio between the present moment and the moment at which the dividend is projected to end²⁵ provides an approximation of the benefit or dividend that each country can derive for its secondary education sector from the demographic change process, in other words, an estimate of the secondary-education dividend.²⁶

Table III.4 shows the total decrease of the dependency ratio in each country. On average, the dependency ratio will fall approximately 35% between now and the end of the demographic dividend period. The countries furthest behind in the demographic transition process, such as Guatemala, Nicaragua, Paraguay and Peru, will record

a much larger drop (of about 50%) since their dividend period is just starting and they will experience a total reduction of the dependency ratio. Some countries in an intermediate transition stage will witness a decline of about 40% (Colombia, Costa Rica and Mexico) and those at more advanced stages will undergo a decrease of up to 30% (Argentina, Chile and Uruguay).²⁷ Some countries in the intermediate transition stage, such as Mexico and Panama, will experience smaller reductions owing, probably, to the fact that their demographic trends to date imply that their demographic transition will be faster in the future.

Table III.4
LATIN AMERICA: PERCENTAGE CHANGE IN THE SECONDARY-EDUCATION DEPENDENCY RATIO FROM 2005 TO THE END OF THE DEMOGRAPHIC DIVIDEND PERIOD

Countries	Secondary-education dependency ratio			Year in which the demographic dividend ends
	In 2005	In the year in which the demographic dividend ends	Percentage change	
Latin America	0.214	0.138	-35.4	2040
Argentina	0.194	0.133	-31.3	2039
Brazil	0.222	0.155	-30.0	2040
Chile	0.190	0.131	-30.7	2026
Colombia	0.220	0.131	-40.2	2042
Costa Rica	0.182	0.103	-43.5	2041
Cuba	0.142	0.093	-34.7	2024
El Salvador	0.239	0.142	-40.3	2048
Guatemala	0.278	0.132	-52.6	2050
Mexico	0.222	0.128	-42.2	2036
Nicaragua	0.258	0.115	-55.4	2050
Panama	0.208	0.151	-27.1	2036
Paraguay	0.278	0.141	-49.4	2050
Peru	0.203	0.109	-46.5	2049

Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007.

(b) Demography and secondary education coverage: overcoming demographic constraints

The demographic transition process and its influence on the secondary-education dependency ratio are in full force in all the countries of Latin America. The

issue now is to what extent these changes are being converted into gains in terms of education coverage. As the secondary-education dependency ratio decreases, coverage can be expected to increase. The first question is whether the expected increases in coverage are actually happening. Figure III.6 shows the relationship between education coverage, measured as the net enrolment rate, and the secondary-education dependency ratio,

²⁵ The duration of the demographic dividend period is determined by the definition given in the first section of this chapter, in other words, when the dependency ratio exceeds two thirds (see table III.2).

²⁶ The functioning of this dividend may be related to the reduction of the number of household dependents which makes it possible to increase household spending per child.

²⁷ As shown in the first section of this chapter, Argentina and Uruguay fall into the most advanced subgroup of countries in the advanced stage of demographic transition, while Chile is in the second subgroup, and Colombia, Costa Rica and Mexico in the third.

which reflects the demographic situation that affects secondary education.²⁸ The countries of OECD, which are representative of countries in very advanced stages of demographic transition, are included in the figure for reference.

As the OECD countries are at much later stages of demographic transition, their secondary-education dependency ratios are much lower than those of any Latin American country (except Cuba). Despite the differences in dependency ratios, the differences in secondary-education coverage are smaller in relative terms, in other words, there is a weak relationship between secondary-education coverage and the demographic situation (correlation of +0.12). Moreover the relationship tends to be a positive one, which, to some extent, suggests that progress in education coverage in the developed countries depends less on demographics than on factors related to spending and education policy.

In Latin America, on the other hand, there is an inverse relationship between the coverage rates and dependency ratios for secondary education (a correlation of -0.65) which seems to indicate that the drop in the relative demand in the education sector has helped the countries in the more advanced stages of demographic transition, such as Argentina and Cuba, to increase education coverage, while higher dependency ratios are hampering coverage expansion efforts in countries further behind in the transition process, such as Guatemala, Nicaragua and Paraguay.²⁹

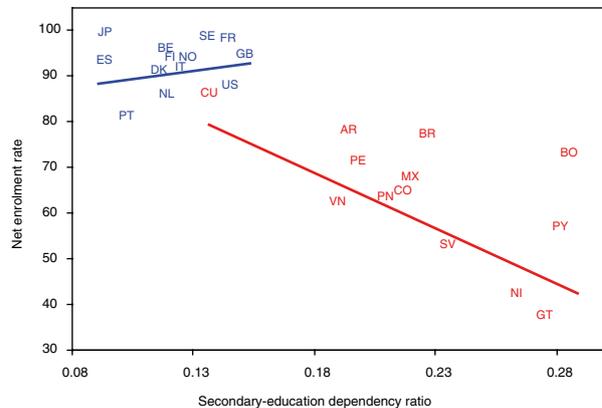
In short, the difference between what is occurring in the developed countries and in Latin America as regards expanding secondary-education coverage is that policy decisions largely determine progress in the developed countries, while demographic constraints still influence the situation in Latin America.

Nevertheless, the relationship between these two variables and the results obtained by some Latin American countries suggest that demographic constraints are not so large as to be impossible to overcome with the implementation of appropriate policies. Two sets of countries in figure III.6 show this to be the case: Brazil and Colombia on the one hand, and Bolivia, Guatemala and Paraguay, on the other. The dependency ratio (in other words, the demographic restrictions) in each set is very similar, but the progress made in education is not.

²⁸ The net enrolment rate in secondary education is not a totally accurate measure because it is affected by those who have fallen behind in the education system: children that fall into the secondary-school age group but are registered in primary school.

²⁹ This cannot be interpreted as a causal relationship because social and economic factors, as well as factors associated with the institutional educational arrangements beyond the scope of this analysis, are involved.

Figure III.6
NET ENROLMENT RATES AND DEPENDENCY RATIOS IN
SECONDARY EDUCATION^a
(Percentages)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007, and UNESCO Institute for Statistics, Data Centre, 2008.

^a The secondary-education dependency ratio is the ratio between the secondary-school-age population and the potentially productive population (people aged between 20 and 64).

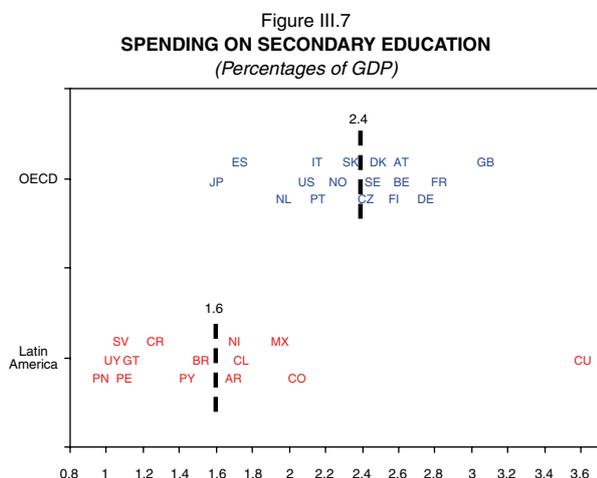
Brazil and Colombia, for example, are both countries in the intermediate stage of demographic transition, which, despite having similar dependency ratios of about 23%, have achieved very different coverage rates (78% in Brazil and 54% in Colombia). Bolivia, Guatemala and Paraguay are the countries furthest behind in demographic transition in the region and therefore all have very high dependency ratios (of about 30%). Despite these demographic restrictions, Bolivia has made notable progress and achieved a net secondary-education coverage of 74% that is far higher than coverage in Guatemala (less than 40%) and Paraguay (56%).

Although bringing about improvements in secondary education in Latin America depends more on demographic constraints than it does in developed countries, some countries in the region are overcoming these restrictions and achieving high coverage rates. This shows that when all of society is behind the effort, the educational level of the population can be improved.

(c) Social investment in secondary education

One way to gauge the effort a society is making to improve education is to measure education spending as a percentage of GDP (in other words, the proportion of the country's economic resources that is invested in education). The most notable case in Latin America is Bolivia, which has significantly boosted education spending as a percentage of GDP. Colombia, Costa Rica, Chile, El Salvador, Mexico and Paraguay have also made efforts in this regard in recent years. The question is to what extent this increased spending translates into significant improvements in terms of coverage. Figure III.7 presents education spending as

a percentage of GDP for the countries of Latin America and, as a point of comparison, the education spending levels of the OECD countries.



Source: UNESCO Institute for Statistics, Data Centre, 2008.

The levels of average spending on secondary education in Latin America and in the OECD countries are very different: 1.6% and 2.4% of GDP, respectively.³⁰ Several Latin American countries, however, are spending similar proportions of GDP on secondary education as OECD countries (Argentina, Chile, Colombia, Mexico

and Nicaragua), which is highly noteworthy because, as figure III.9 shows, all the OECD countries have far higher secondary-education coverage rates. With the exception of Cuba, no country in Latin America has attained the levels of coverage found in OECD. This suggests that, with the same effort relative to the size of their economies, the OECD countries achieve better results as far as expanding coverage is concerned than some Latin American countries.

The question is: why? What factors lie behind the differences in coverage achieved through similar levels of spending (when measured as a proportion of GDP)? Part of the difference must stem from demography given that dependency ratios are lower in the OECD countries. There must be other and possibly more influential factors, however, related to the institutional and organizational structure of the education system (number of students and teachers per class), as well as to dropout and grade repetition rates, teacher training processes, and individual and social characteristics, that can make access to education expensive and affect a country’s results in education.

An attempt to gauge the efforts that the countries of Latin America will need to make to attain several different coverage targets for secondary education is presented in the next section. The various factors and, in particular, the demographic effects involved are taken into account using a methodology that breaks down spending into its various components.

Box III. 1
BREAKDOWN OF SPENDING ON SECONDARY EDUCATION

The effort made to finance secondary education can be measured by observing the size of spending on secondary education in relation to the size of the economy. The equation below presents the measure of spending on secondary education as a percentage of GDP as the product obtained by multiplying four factors.

$$G/Y = \frac{P_{12}^{17}}{P_{20}^{64}} * N * B/N * (G/E) / (Y/P_{20}^{64})$$

G = Spending on secondary education

Y = GDP

P_{12}^{17} = Official school-age population

P_{20}^{64} = Working-age population

N = Net enrolment rate

B = Gross enrolment rate

E = Number of students

The first factor, the secondary-education dependency ratio, measures the impact of the age structure of the population on spending. This is defined as the proportion of people officially of secondary-school age (generally those aged between 12 and 17 years) divided by the working-age population (those aged between 20 and 64 years). The decline of this demographic dependency ratio over time considerably loosens the constraints on education funding.

The second and third factors are associated with enrolment rates: the proportion of students attending school in relation to the population “at risk” (those officially of secondary-school age). For both theoretical and empirical reasons discussed below, gross enrolment is

considered to be the product of two factors: the net enrolment rate and the ratio between gross enrolment and net enrolment. The gross enrolment rate is the number of students enrolled in secondary school divided by the population “at risk”. The net enrolment rate is the number of students enrolled in secondary school that are within the standard age range for enrolment, divided by the population “at risk”. The net enrolment rate is usually used to measure progress in education coverage, with 100% representing universal access to secondary education. The coefficient between gross and net enrolment reflects the extent to which students outside the standard age range are enrolled in secondary education. This coefficient is higher than one and reflects the effects

³⁰ A substantial portion of education spending goes towards paying wages. In 2005, for example, wages represented 76% of education costs of public institutions worldwide both for primary and secondary education (UNESCO Data Centre [online] www.uis.unesco.org). In developed countries, other factors obviously also determine the general state of the education system.

Box III.1 (concluded)

of grade repetition in secondary school, as well as delays in entering secondary school, which often occur when the primary education system undergoes a rapid expansion.

The fourth factor is a measure of average spending per student that reflects teachers' wages, administrative expenses and the number of students per class. The measure of spending per student is normalized by the level of labour productivity recorded in each economy (GDP per working-age adult). In other words, average spending per

student in relation to GDP per working-age adult was used as the measure. In Latin America, one year's spending on secondary education is approximately 10% of GDP per working-age adult, compared with about 17% in the OECD countries. OECD countries thus spend 70% more resources per student than the countries of Latin America do. It should be pointed out that these figures refer only to spending levels and do not take into account the effectiveness of that spending.

Breaking down secondary-education spending as a percentage of GDP into

these four factors makes it possible to analyse the role that demographic differences among countries, as far as the accounting of educational spending is concerned, play in the different economies. This exercise also makes it possible to examine the hypothetical impact that changes in these factors could have on general costs. This study, for example, analyses how the changes in age structure that occur in the demographic transition process can facilitate the pursuit of universal coverage for secondary education.

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Countries of Latin America were paired up with OECD countries that spend the same proportion of GDP on secondary education (Colombia with the United States, Argentina with Spain, and Nicaragua with Japan). Nicaragua spends a slightly higher percentage of GDP on secondary education than Japan, which means it invests proportionally more of the economic resources its society generates than does of Japan.³¹

An analysis of the first pair of countries (see table III.5) shows that the demographic dependency ratio of Colombia is significantly higher than that of the United States, but gross enrolment and spending per student are much higher in the United States. These two countries therefore make the same effort in terms of spending as a proportion of GDP but achieve very different results as far as coverage is concerned. In other words, the United States uses its low dependency ratio to step up both spending per student and coverage.

The same occurs in the case of Argentina and Spain (see table III.6). The dependency ratio of Argentina is twice that of Spain, and although Argentina is making the same effort in terms of investing in education, Spain is taking advantage of its lower dependency ratio to spend 50% more per student and achieve 40% more coverage than Argentina.

In the final pair of countries examined (see table III.7), it is interesting to note that Nicaragua is making a slightly larger effort than Japan in terms of education spending as a percentage of GDP, but Japan is investing the demographic dividend in spending-per-student levels that are 72% higher than in Nicaragua with 50% more coverage.

³¹ Logically, in absolute terms, both spending and price levels are much higher in Japan than in Nicaragua, hence the use of a relative measure.

Table III.5
COLOMBIA AND THE UNITED STATES: BREAKDOWN OF SPENDING

	Colombia	United States	United States/ Colombia
Spending/GDP (percentages)	2.1	2.1	1.02
Dependency ratio (percentages)	0.22	0.15	0.68
Gross enrolment (percentages)	82	94	1.14
Spending per student (percentages of GDP)	12	15	1.32

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Table III.6
ARGENTINA AND SPAIN: BREAKDOWN OF SPENDING

	Argentina	Spain	Spain/ Argentina
Spending/GDP (percentages)	1.7	1.8	1.01
Dependency ratio (percentages)	0.20	0.09	0.48
Gross enrolment (percentages)	86	118	1.38
Spending per student (percentages of GDP)	10	16	1.52

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Table III.7
NICARAGUA AND JAPAN: BREAKDOWN OF SPENDING

	Nicaragua	Japan	Japan/ Nicaragua
Spending/GDP (percentages)	1.7	1.6	0.95
Dependency ratio (percentages)	0.26	0.10	0.36
Gross enrolment (percentages)	66	102	1.53
Spending per student (percentages of GDP)	10	17	1.72

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

These differences in secondary-education coverage show that demographics constitute an important restriction in the countries of Latin America for making progress in this regard. It is also apparent that some countries can overcome this constraint by making spending-related efforts. Figures III.6 and III.7 show that Guatemala and Paraguay have similar demographic situations (dependency ratios of 28%), but that Paraguay has been making a larger effort to invest in education (by spending 1.5% of GDP on education compared with 1.2% in Guatemala) and has achieved more coverage (66% compared with 53% in Guatemala). Another example is provided by the comparison of Chile and Costa Rica, which also have similar demographic situations. In this case, Chile is the country that is achieving greater coverage by spending a larger proportion of GDP on education.

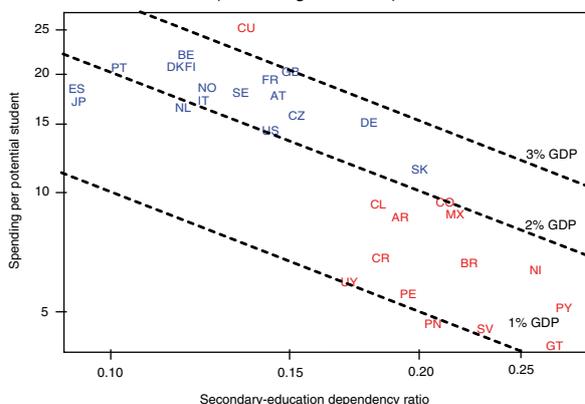
Figure III.8 shows the difference between the demographic situation and other education-spending-related factors in all the countries of Latin America and the OECD countries for which this information is available. Using a logarithmic scale, spending per potential student (the product of gross enrolment and spending per student) is cross-measured with the dependency ratio. The sloping lines on the figure represent the levels of spending on secondary education as a percentage of GDP (iso-spending lines).

There are clear differences between the situation in Latin America and the situation in OECD countries. The countries of Latin America are generally characterized by low levels of spending per potential student and high dependency ratios, while the OECD countries have high spending-per-potential-student levels and low dependency ratios. With the exception of Cuba, all the countries of Latin America currently spend between 1% and 2% of GDP on secondary education, while OECD countries spend between 2% and 3% of their GDP on secondary education.

The demographic situation is clearly an important factor in the differences observed between developed

countries and Latin America as regard secondary-education coverage as this study has shown. The OECD countries seem to have taken advantage of their lower demographic dependency ratios to intensify spending on secondary education. Figure III.8 supports this notion. Moving from right to left represents the decline in the dependency ratios that Latin America could experience as the demographic transition process lowers those ratios to current OECD levels. The figure clearly shows, however, that even when that point has been reached, Latin America will not attain the same levels of secondary-education coverage as the OECD countries unless it steps up spending to between 3% and 4% of GDP. In other words, the demographic situation can be a constraint, but it is also an opportunity, and under no circumstances is it an excuse for not making the significant investments needed in education.

Figure III.8
SECONDARY-EDUCATION DEPENDENCY RATIO, SPENDING PER POTENTIAL STUDENT, AND ISO-SPENDING LINES^a
(Percentages of GDP)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007, and UNESCO Institute for Statistics, Data Centre, 2008

^a Spending per potential student refers to spending per person of secondary-school age. The secondary-education dependency ratio is the coefficient between the secondary-school age population and the potentially productive population (people aged between 20 and 64 years).

4. More ambitious education targets

Given the current economic, social and demographic conditions in Latin America, the countries of the region should focus their efforts on achieving significant advances in secondary education since the demographic dividend offers an opportunity for governments to adopt increasingly ambitious targets for that level of education. The analysis presented below examines the possibility of attaining alternative goals in secondary education under different scenarios. It should be noted that these

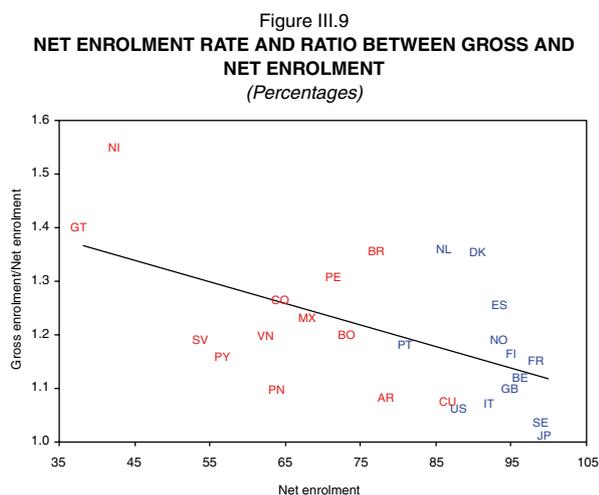
exercises are merely intended to provide some indication of the size of the effort required and should not be taken as recipes for action.

The first possible goal considered is the coverage target of 75% for secondary education by 2010 adopted by the countries of Latin America and the Caribbean at the second Summit of the Americas (UNESCO, 2007). The second possible goal is universal coverage for secondary education, which in many studies is considered essential

for attaining development goals.³² The third possible goal pursues, to some extent, progress in both the coverage and quality of the education system and consists of achieving current OECD standards for secondary education, in other words, 93% coverage and spending per secondary-school student equivalent to 17% of GDP.

The feasibility of attaining certain goals for secondary education depends on the cost of reaching those goals. Data on three factors are needed to calculate these costs: the gross enrolment rate, the costs of education per student and the secondary-education dependency ratio. Given that the scenarios are framed in terms of net rates, an additional component that relates gross rates to net rates is required. The difference between gross and net rates of coverage provides a measurement of out-of-age enrolment that has occurred either because of grade repetition or for other reasons. A larger difference means that more students in the country are enrolled in courses that do not correspond to their age group.

Figure III.9 shows that in general there is a certain relationship between gross and net enrolment which suggests that, as coverage increases, the education system improves and out-of-age enrolment diminishes. The situation varies considerably, however, and even in the most developed countries there are high levels of out-of-age enrolment, which is one of the factors that raise education costs. For the purpose of projecting education costs in the analyses presented in this section, the average out-of-age enrolment rate of the OECD countries (16%) is used.



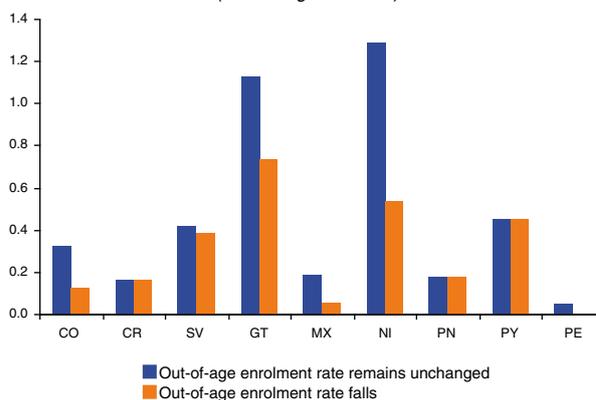
Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007, and UNESCO Institute for Statistics, Data Centre, 2008.

³² The Universal Basic and Secondary Education Project of the American Academy of Arts and Sciences suggests the target of universal coverage for secondary education. The target proposed by ECLAC for the population aged between 20 and 24 to have an average of 12 years of education is equivalent to universal secondary education.

(a) The target set by the Summit of the Americas

The analysis here consists of attempting to determine the spending required to attain the goal set by the Summit of the Americas (75% coverage) starting from the situation in each country in around 2005. Figure III.10 shows that Costa Rica, Mexico, Panama and Peru are close to reaching this target at a minimum additional cost (in relative GDP terms). Colombia, Guatemala and Nicaragua will have to make a greater effort. It is interesting to note that Colombia, despite being at a more advanced stage of the demographic transition process, will have to make as much of an effort as Nicaragua. The five countries that have already reached the target, Argentina, Brazil, Chile, Cuba and Uruguay, are not included in the figure. In order to reach the Summit of the Americas target as of 2005, the region should have spent between an additional US\$ 1.5 and 3.1 billion in current dollars, which is equivalent to an additional 0.1% of the region's total GDP. This is therefore a perfectly feasible goal.

Figure III.10
ADDITIONAL EFFORT REQUIRED TO ACHIEVE THE NET ENROLMENT TARGET OF 75% SET BY THE SUMMIT OF THE AMERICAS, AROUND 2005^a
(Percentages of GDP)



Source: Calculations by the Economic Commission for Latin America and the Caribbean (ECLAC).

^a Argentina, Brazil, Chile, Cuba and Uruguay have already reached the target.

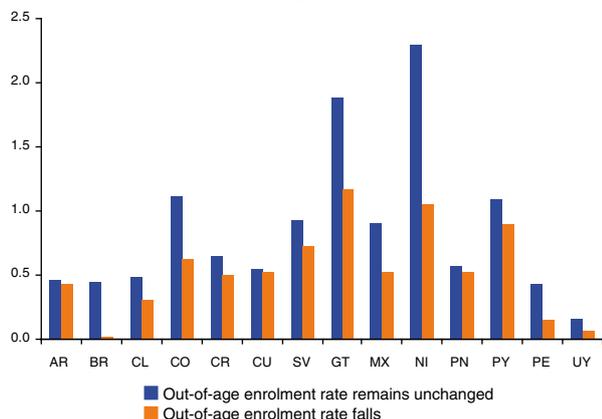
Two types of cost calculations are given to take into account the impact of out-of-age enrolment, which is one of the factors that significantly raises education costs but tends to diminish as coverage increases. The higher cost calculation assumes no changes in the percentage of out-of-age enrolment, and the lower cost calculation assumes that this percentage will fall to the 16% average of the OECD countries. In Nicaragua, for example, the difference between the two is large due to the high percentage of students enrolled in courses outside their age group (about 55%). In Brazil, out-of-age enrolment is 35% and will have to be halved if the country is to attain the OECD level. This will

obviously require modifications to the education system. Like policies to reduce out-of-age enrolment from primary school onward, these cannot be introduced overnight.

(b) Universal coverage

Figure III.11 shows that attaining universal coverage for secondary education implies greater costs but can feasibly be achieved by most of the countries by increasing spending on education by up to one half a percentage point of GDP. Although Colombia, Guatemala and Nicaragua will need to make a large effort to reach this target, the costs of doing so will diminish substantially to approximately one percentage point of GDP if out-of-age enrolment is reduced. Achieving universal coverage today would mean increasing spending by between US\$ 8.8 billion and US\$ 17.3 billion in current dollars on improving secondary education in the region, in other words an addition half a percentage point of GDP.³³

Figure III.11
ADDITIONAL INVESTMENT REQUIRED TO ACHIEVE THE TARGET OF UNIVERSAL SECONDARY EDUCATION, AROUND 2005
(Percentages of GDP)



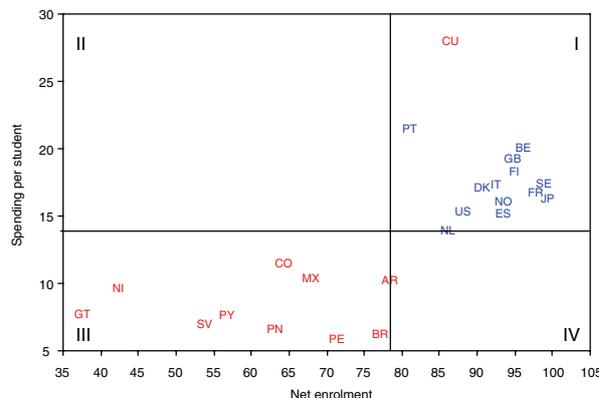
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

(c) The OECD standard

This section aims to justify the pursuit of a more ambitious target for the region and to present the feasibility of doing so. Net coverage and cost per student are shown in figure III.12, which is divided into four

quadrants according to the average of both factors. The countries fall into one of two categories: the developed countries have a high coverage rate and high costs per student and are all in quadrant I; while the countries of Latin America are in quadrant III. Net enrolment rates vary considerably within the region but spending levels are similar.

Figure III.12
SPENDING PER STUDENT AND NET ENROLMENT^a
(Percentages of GDP and percentages)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007, and UNESCO Institute for Statistics, Data Centre, 2008.

^a Spending per student refers to spending per enrolled student in relation to average GDP per working-age adult.

Attaining the target of 75% net coverage for secondary education set at the Summit of the Americas or universal (100%) coverage would mean the countries making a horizontal shift into quadrant IV, in which no country currently stands, probably because this is not very feasible. To move towards the level of the developed countries, Latin America needs to invest not only in greater coverage but also in increasing spending per student, in other words, to move into quadrant I. A more realistic scenario for the changes needed in the region involves boosting both coverage and spending per student. The third target examined in this section is therefore to reach the average levels of coverage and spending recorded for OECD countries, in other words, 93% coverage and spending per student equivalent to 17% of GDP per working-age adult.

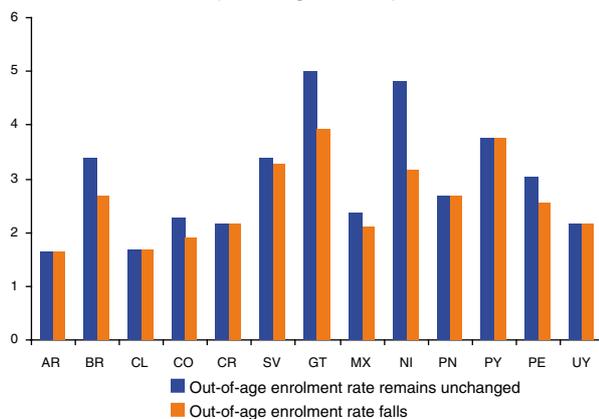
This target contemplates less-than-universal coverage but also requires an effort to bring spending per student up to the average OECD level. Figure III.13 shows that all countries, except Cuba, need to significantly increase spending on education as a percentage of GDP.³⁴

³³ This estimate is very similar to that of Binder (2006), who calculated the additional cost of achieving the target of universal secondary education for Latin America in around 2000 to be between US\$ 4.1 billion and US\$ 10.7 billion (in constant 2002 dollars), depending on grade repetition rates. Converting these figures to current dollars and adjusting the goal from 90% coverage to 100%, the estimated costs would be between US\$ 6.2 billion and US\$ 16.3 billion, which is fairly close to the projections presented here (between US\$ 8.8 billion and US\$ 17.3 billion).

³⁴ Cuba reports an exceptionally high level of spending per student in terms of per capita GDP, owing at least in part to the way in which teachers' wages and/or GDP are valued in that country.

Guatemala, Nicaragua and Paraguay need to make the largest efforts in this regard: Guatemala and Nicaragua need to raise spending by over four percentage points of GDP, and Paraguay by more than 3.5 percentage points of GDP.

Figure III.13
**ADDITIONAL INVESTMENT NEEDED TO ATTAIN THE AVERAGE
 OECD LEVEL OF COVERAGE AND SPENDING PER STUDENT,
 AROUND 2005**
(Percentages of GDP)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC

This would mean that the region's total spending level would have to be far more than doubled, with added expenditure of from US\$ 56 billion to US\$ 66 billion at current prices (4% of GDP). It may seem surprising that Latin America would have to spend 4% of its GDP on secondary education to achieve OECD levels of coverage and of spending per student given that OECD countries currently spend about 2.6% of their GDP on education. The explanation lies in the favourable demographic structure existing in the OECD countries. As the demographic transition under way in Latin America moves ahead, the proportional burden of education spending will decrease, and this decrease is the effect of the demographic dividend.

(d) The impact of the demographic dividend

As shown above, upgrading the education systems in the region to meet the targets set for secondary education will represent major costs for the countries of Latin America, but these costs could fall as the dependency ratio declines in the years ahead. Countries can not, however, just wait until the dependency ratio falls and costs of achieving these education goals decreases as a result of inertia. For several reasons, efforts need to be made today, through loans or taxation, to ensure that the expected future dividend materializes. First, waiting

for effects of the demographic dividend will only make it possible to reach these goals in the long run. Second, if several generations are allowed to continue suffering from shortfalls in the secondary-education system, the necessary increases in productivity and savings, and hence the leap forward in development, will be much harder to attain. Third, the period in which the younger generations can produce the savings needed to address the growing demands of the older adult population is growing shorter by the day.

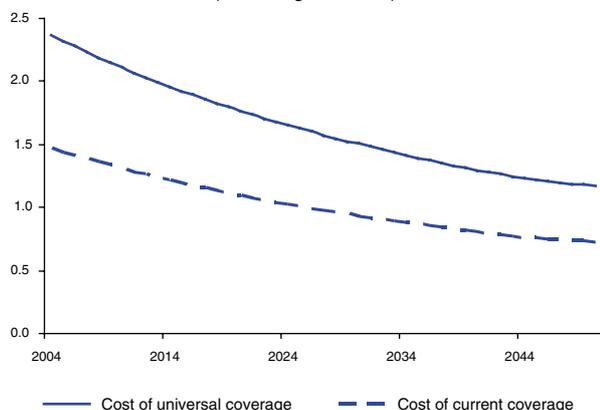
The percentage drop in the dependency ratio for secondary education represents the size of the sector's demographic dividend. This drop ranges from 25% to 55% in Latin America. Given that the dependency ratio is a factor in education spending as a percentage of GDP, this means that education spending will experience a reduction of the same proportions.

The case of Paraguay is analysed below to assess the contribution of the demographic dividend to the achievement of different education targets. Figure III.14 shows two costs projections for the secondary education system.³⁵ The dotted line represents the projected level of spending per student needed to uphold the current education system as the age structure of the population varies over time. This shows that costs are projected to fall by almost 50% over the period under consideration. The second projection (the unbroken line) supposes a system of universal coverage in which Paraguay would spend 2.4% of GDP (instead of the 1.5% it spends at present) and would maintain that level of spending regardless of the changes in the demographic situation. In this case, the costs also fall 50% over the period in question. The difference between the two projections (the area between the two curves in the figure) shows the additional spending that Paraguay will have to carry out in order to achieve and maintain universal coverage. The challenge for the country is to find a means to cover this increase in spending.

Figure III.15 presents the same information but with a third line that shows spending as a percentage of GDP if it remains at the same level as today even though the demographic situation changes. This implies a first-level effort that involves reinvesting the whole secondary education dividend in the system. This reinvestment of the dividend would cover a large portion of the additional costs required and, from 2032 onward (where the lines cross), there would be sufficient funds to cover the additional costs of providing universal coverage.

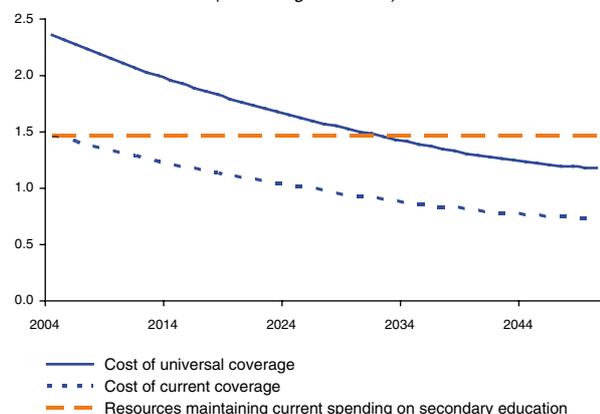
³⁵ These projections suppose that GDP will grow at the same pace as the working-age population (using the Cobb-Douglas function). They do not take into account the impact of improvements in education on economic growth.

Figure III.14
PARAGUAY: UNIVERSAL COVERAGE, 2004-2050
 (Percentages of GDP)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007, and UNESCO Institute for Statistics, Data Centre, 2008.

Figure III.15
PARAGUAY: RESOURCES MAINTAINING CURRENT SPENDING ON SECONDARY EDUCATION, 2004-2050
 (Percentages of GDP)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007, and UNESCO Institute for Statistics, Data Centre, 2008.

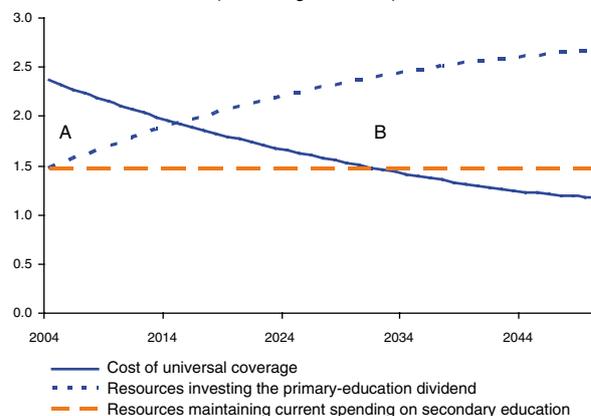
As most countries have already attained coverage close to 100% in the case of primary education, they could also invest the primary-education dividend (derived from the decrease in the dependency ratio in the primary cycle) in improving the secondary education system.³⁶ This possibility is shown in figure III.16 which presents another projection of spending needs based on the use of both the primary- and the secondary-education dividends to improve the secondary education system.

In this case, Paraguay would have sufficient funds to achieve the universal coverage target as of 2015, the point at which the demand curve (universal coverage) intersects with the resources curve (the investment of the two dividends).

³⁶ The dependency ratio for primary education is the ratio between the population at the age to attend the primary cycle and the potentially productive population (aged between 20 and 64).

To reach this point, Paraguay would have to reinvest all the balance of the secondary-education dividend obtained so far and all of the primary-education dividend. From 2015 onward, the total education dividend would not only be sufficient to finance completely the maintenance of universal coverage, it would also generate savings (area B) that could be used to improve the quality of education or invest in other sectors, such as the financing of the pension system.

Figure III.16
PARAGUAY: RESOURCES INVESTING THE PRIMARY-EDUCATION DIVIDEND, 2004-2050
 (Percentages of GDP)

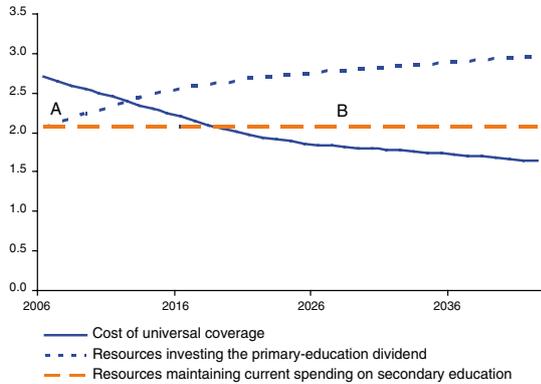


Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007, and UNESCO Institute for Statistics, Data Centre, 2008.

To strengthen the argument, the exercise was repeated using the data for Colombia, which is at a more advanced stage of demographic transition than Paraguay, has a higher level of coverage for secondary education and is therefore closer to attaining universal coverage. In the case of Colombia, investing the secondary-education dividend alone would mean reaching the universal coverage target in 2019. Investing the primary- as well as the secondary-education dividend would mean attaining the target in 2013 (see figure III.17).

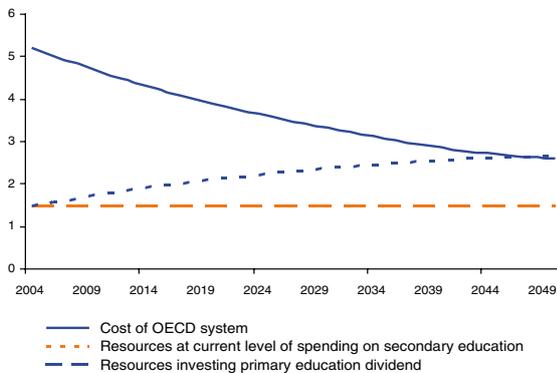
The cases of Colombia and Paraguay are further compared with regard to the more ambitious target of attaining OECD levels of coverage and spending per student. Figure III.18 shows that if Paraguay maintains its spending on secondary education at current levels, there is no possibility of the country reaching the OECD target during the period under consideration. If it uses the entire secondary-education dividend and the entire primary-education dividend, however, Paraguay would attain the target in 2047 and would have accumulated 70% of the necessary additional resources in 2030. In other words, although the demographic dividend is not enough to cover all the additional costs in the short term, it can make a considerable contribution towards doing so. In the case of Colombia, if all the primary- and the secondary-education dividend are reinvested in secondary education, the target will be reached in 2026 (see figure III.19).

Figure III.17
COLOMBIA: UNIVERSAL COVERAGE, 2006-2042
(Percentages of GDP)



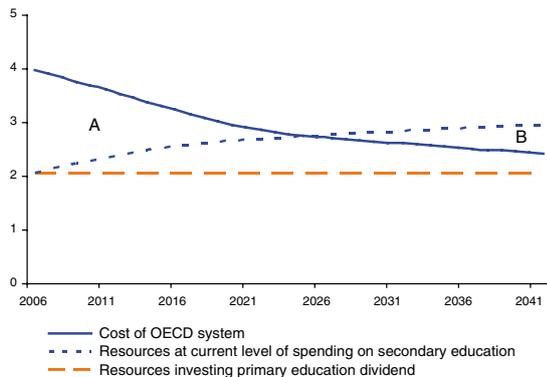
Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007, and UNESCO Institute for Statistics, Data Centre, 2008.

Figure III.18
PARAGUAY: RESOURCES REQUIRED TO ATTAIN OECD LEVEL OF COVERAGE AND SPENDING PER STUDENT, 2004-2050
(Percentages of GDP)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007, and UNESCO Institute for Statistics, Data Centre, 2008.

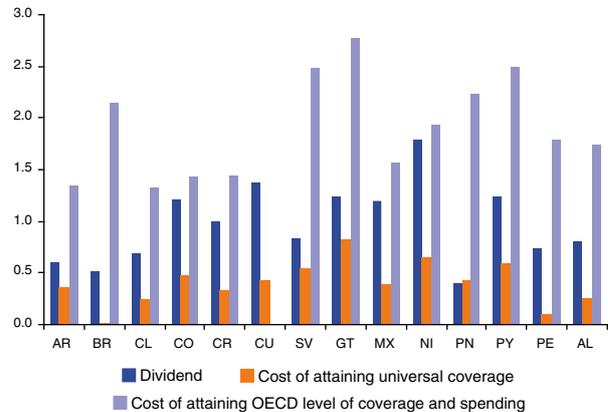
Figure III.19
COLOMBIA: RESOURCES REQUIRED TO ATTAIN OECD LEVEL OF COVERAGE AND SPENDING PER STUDENT, 2006-2042
(Percentages of GDP)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007, and UNESCO Institute for Statistics, Data Centre, 2008.

It can be concluded, therefore, that the demographic dividend can help countries in Latin America significantly to reach more ambitious goals in secondary education. One way to appreciate the magnitude of the costs involved and the resources the education dividend will generate in the decades ahead is to calculate their discounted present value today (the sum of future values discounted by the projected interest rate). Figure III.20 shows that for Latin America as a whole, the present value of the education dividend represents 0.8% of the present value of regional GDP and ranges between 0.3% and 1.7% across the region. Moreover, in all the countries of the region, the dividend is sufficient to cover the cost of achieving universal secondary education and would make a significant contribution towards attaining the average OECD level of coverage and spending-per-student.

Figure III.20
DISCOUNTED PRESENT VALUE OF THE PRIMARY- AND SECONDARY-EDUCATION DIVIDEND AND THE COST OF ATTAINING SELECTED TARGETS
(Percentages of GDP)



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, population estimates and projections, 2007, and UNESCO Institute for Statistics, Data Centre, 2008.

However, the resources freed up by the demographic dividend are not available to the countries at present, but as they are generated over the course of the whole demographic dividend period. As is apparent in figures III.16 and III.17, although there are sufficient resources in the period as a whole to guarantee universal coverage (by 2013 in Colombia and 2015 in Paraguay), there is a shortage of resources at first (area A in the figures) that is then followed by a surplus (area B).

This raises the possibility of redistributing resources over time by borrowing to finance today’s investments and then using the proceeds of the demographic dividend to repay that loan later on.

Although the demographic dividend will generate savings in the future, the countries should not wait for it to take effect and miss the opportunity for one or more

generations to improve their level of education and consequently their possibilities of obtaining productive jobs as a means of remaining above the poverty line. Moreover, generations of people living close to or below the poverty line could hamper the materialization of the dividend generated by the demographic changes.

Having a poorly educated population undermines countries' possibilities of competing in today's globalized economy and makes them less prepared to respond to the

pension and other demands of an ageing population, which will undoubtedly hinder their development.

It has already been shown that some secondary-education targets can be reached with relatively little effort, that the savings generated by the dividend represent an opportunity for setting more ambitious goals and that the best course of action as far as furthering development is concerned is to try to attain these goals as soon as possible.

Conclusions

Under present demographic conditions, most of the region's countries are very close to reaching the 75% target set for secondary education coverage by the Summit of the Americas. The additional cost of reaching this target for the region as a whole is estimated at between US\$ 1.5 billion and US\$ 3 billion at current prices. Although attaining universal secondary education would require a greater effort, this goal is still feasible for the region at an additional cost of between US\$ 8.8 billion and US\$ 17.3 billion. Achieving the third target suggested in this chapter, which would mean bringing coverage and spending per student up to OECD levels, will be far more difficult for the countries of Latin America as they still face demographic constraints. The additional costs in this case would be between US\$ 56 billion and US\$ 66 billion in current dollars, which means that spending on secondary education would have to be raised to 4% of regional GDP, far above the average spending level (2.6% of GDP) of the developed countries, because high demographic dependency ratios still exist in the region.

The demographic context in Latin America is changing, however, and although the situation varies from country to country, in general they are going through a favourable demographic dividend period brought about by the huge changes under way in the age structure of their populations. These changes result from the demographic transition process, which is largely characterized by a significant reduction in the weight of the child population and an increase in the proportion of working-age people. For the region as a whole, the demographic dividend, as defined in this study, will last until the beginning of the 2040s.³⁷ From then on, the proportion of older people will increase rapidly and the ageing of the population will intensify (ECLAC, 2008g).

As a result of these changes, the secondary-school-age population at first increases and then trends downwards. In relative terms, in Latin America, the weight of this age

group has already dropped from 14% in 1974 to 11.3% today, and is projected to continue falling gradually to 7.5% in 2050. This decline represents a significant reduction in the dependency ratio between the secondary school-age population and the working-age population.

The reduction in the dependency ratios of the primary- and secondary school-age population over the course of the demographic dividend period will produce a sizeable dividend. Calculated as a discounted present value, this dividend currently represents as much as 1.7% of the countries' GDP and averages 0.8% of regional GDP. This dividend, which is sufficient to cover the cost of attaining the target of universal secondary education, could significantly contribute towards all the countries of Latin America achieving more ambitious goals, such as OECD levels of coverage and spending in secondary education.

In other words, to make greater progress in secondary education, the countries of the region should reinvest the whole secondary-education dividend as well as the primary-education dividend in the secondary education system. Given that these dividends are realized not in the present but in the course of the demographic transition and up to the end of the demographic dividend period, each country will need to find a way to finance now the resources they may be able to save in the future.

Countries need to start financing the upgrading of the education system today. If they wait for the education dividend to come into effect, improvements will only be obtained in the distant future, and countries will miss the opportunity for one or more generations to improve their level of education and, consequently, their possibilities of obtaining productive jobs and generating the savings needed to address the demands that will be generated by the forthcoming ageing of the population. In short, failing to improve the education of the next generations now will undermine the country's possibilities of harvesting the benefits derived from the demographic transition process.

³⁷ The definition of the demographic dividend period is given in the first part of this chapter.

Chapter IV

A social agenda: youth and family violence in Latin America with an inclusive approach

A. Introduction

In recent decades, the issue of youth violence in Latin America has become increasingly prominent in public debate, on government agendas and in international forums and conferences. Violence has increased in most of the region in recent years, and young people are clearly overrepresented in terms of the incidence and the severity of the phenomenon, both as victims and as perpetrators. In many countries of Latin America, young people are committing violent crimes, and dying as a result of such crimes, at earlier and earlier ages. Against this background, policies to address the root causes of escalating youth violence are urgently needed.

Youth violence entails very high social, ethical, human and economic costs to society. The effects of violence may include direct costs, such as the destruction of property and the loss of human lives, and indirect costs in the form of resources allocated to criminal justice and incarceration, as well as high health expenditures. In a more general sense, the rise in violence and insecurity undermines social cohesion and breeds public distrust with respect to the effectiveness of the rule of law as a means of ensuring people's safety.

In response to growing concern among representatives of international organizations, governments and civil society over the rise in youth violence in Latin America,

in 2008 ECLAC conducted a series of assessments of the situation and of the youth-related policies and programmes implemented by Latin American governments and institutions. The outcome document was presented at the eighteenth Ibero-American Summit of Heads of State and Government, held in El Salvador in October 2008, which focused on youth and development.

As in previous years, this chapter is based on information provided by the ministries responsible for the issues examined (in this case ministries of public safety). This information was supplemented with data from other agencies also working on the implementation of policies aimed at reducing and eradicating youth violence. An effort has been made

to synthesize the views of national authorities concerning specific realities and problems of violence affecting young people and to examine the institutional and programmatic orientations being applied in this area. Responses to the ECLAC survey were received from the following countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico and Peru.¹

The chapter is divided into four sections: the first is an assessment of the various forms of youth violence, which examines the contexts in which youth violence occurs from the dual perspective of victims and victimizers. It also presents the views of government authorities with

respect to the problems arising from youth violence in their countries. The second section outlines the major policies, programmes and approaches being applied to preventing youth violence, focusing in particular on legislative reforms and changes. The following section provides more detailed information on existing programmes, summarizes the main lessons learned from them and offers recommendations for the future. Lastly, the section on the international agenda outlines the social commitments made during the seventeenth Ibero-American Summit of Heads of State and Government, held in Chile in 2007, the theme of which was “Social cohesion and social policy to achieve more inclusive Ibero-American societies”.

B. Assessment of youth violence

Violence perpetrated by and inflicted upon young people takes many forms, including self-directed, interpersonal and collective violence. Such violence is fuelled, in turn, by various forms of symbolic and social exclusion during youth, such as inequality of opportunity, lack of access to employment, institutional disaffiliation, the gap between symbolic consumption and material consumption, territorial segregation, lack of opportunities for social and political participation and growth in informal employment. Although it is very difficult to measure the various forms of violence, violent deaths among young people are a clear indicator and one that is comparable across countries. The figures show that violence is an increasingly frequent cause of death among Latin American youth, and they also show a strong gender bias: homicide, road traffic accident and suicide rates among young men more than double those among young women.

1. Contexts, types and magnitude of youth violence

Violence is fuelled by exclusion and segregation. Many Latin American young people face situations of exclusion in many areas, including the economic, social, political and cultural spheres. Although many countries have become more economically prosperous, much of the youth population continues to live in poverty, and high levels of inequality persist.

In this context, many young people lack the skills needed to participate in the knowledge and information society, and their quest for greater autonomy is thwarted by barriers to access to high-quality jobs that would enable them to enjoy material autonomy. As a result of the weakening of both formal and informal mechanisms of social protection (labour markets, families and communities, among others), young people today are more vulnerable than in the past. Increased symbolic consumption and educational capital generate expectations of social mobility that are frustrated

¹ The response received from Cuba indicated that the questionnaire did not apply to the situation and the issues of concern in that country and that incidents of youth violence remain isolated phenomena.

by barriers that prevent access to productive assets or to a first job. Despite greater democratic freedom, young people exhibit apathy and lack of interest in becoming involved in the political system, in a context of mistrust of public institutions. The generation gap grows wider because young people are continually recreating their identity and developing ways of seeing the world that are shaped by connectivity and risk, further distancing themselves from the adult world. All this translates into various forms of discrimination against young people and into the stigmatization of youth (ECLAC/OIJ, 2008).

Researchers and analysts agree that the violent behaviour by young people is the result of structural processes associated with the persistence of poverty and unemployment. Several studies have pointed out that the frustrations felt by young men as a result of unemployment often give rise to illness, increased violence among youth gangs, interpersonal conflict and domestic violence. Among women, unemployment leads to greater economic dependence on men, which in turn can lead to increased violence against women (Moser and van Bronkhorst, 1999). The social exclusion that unemployed young people experience every day, in a context of mass consumption, accounts for a structural dimension to violence that affects young people in the economic sphere. Indeed, there appears to be some consensus that what young people receive as structural violence they return as social violence (De Roux, 1993).

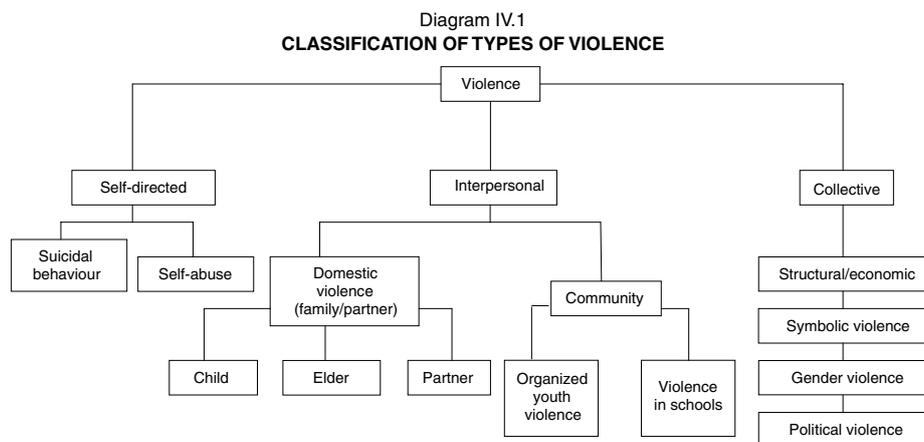
In this context, many young people know that they have little chance of getting into a prestigious occupation or profession and less still of earning a good salary. Their lack of attachment to institutions increases their feeling of being “outsiders” (Briceño-León and Zubillaga 2002). The inequality they experience begins to smack of injustice. Gaps created by unemployment and educational levels breed discontent, which is compounded by the greater risk of death from violence (OMS, 2003; Rubio, 2005, Rodríguez, 2005; Kliksberg, 2007a; Muñoz González,

2002). Hence, physical violence cannot be analysed without considering the violence inherent in the mechanisms that transmit social exclusion (Kliksberg, 2007b).

In another context, violence is expressed at the symbolic level through various forms of language and cultural representations that society imposes on individuals and groups through their cognitive processes of apprehending reality. Symbolic violence is a “gentle violence, imperceptible and invisible even to its victims, exerted for the most part through the purely symbolic channels of communication and cognition (...) of recognition or even feeling” (Bourdieu, 2001). This category includes the “naturalized” forms of gender violence implicit in the dominance of men over women. The effectiveness of this dominance lies in the ideological acceptance by both the dominators and the dominated, which stems from the enormous importance of beliefs and feelings in the production and reproduction of male superiority as a central aspect of the established order.

Another symbolic form of violence is media content that portrays stereotypical or discriminatory images of some groups of youths —images in which many young people do not recognize themselves. Audiovisual productions that convey sensationalized and exaggerated depictions of violence are an insidious form of violence that contribute to its tolerance and legitimacy, and to the stigma attached to youth, with violence thus becoming part of a self-fulfilling prophecy.

According to a model that integrates health and violence, adopted by some international agencies (Pan American Health Organization, Inter-American Development Bank, World Health Organization, World Bank), particular forms of youth violence can be distinguished according to how they relate to problems of a structural, institutional (community), interpersonal (relational) or individual (psychobiological, ethical or moral) nature. Hence the varied contextual origins and modes of expression of violence, depending on whether young people are the victims or the perpetrators (see diagram IV.1).



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Health Organization (WHO), *World Report on Violence and Health*, Geneva, 2002.

2. Impact of violence on mortality and morbidity among young people

The World Health Organization considers violence to be a public health problem, defining it as: “The intentional use of physical force or power, threatened or actual, against oneself, another person, or against a group or community, that either results in or has a high likelihood of resulting in injury, death, psychological harm, maldevelopment or deprivation” (WHO, 2002, p. 5). This definition associates

intentionality with the commission of the act itself, irrespective of the outcome it produces. This definition excludes unintentional incidents such as most road traffic injuries and burns.

Violence takes many forms, which need to be clearly defined. Box IV.1 summarizes the various forms of violence as they have been defined by the United Nations system.

Box IV.1 TYPOLOGY OF VIOLENCE

Self-directed violence

Violence that a person inflicts on himself or herself. Includes suicidal behaviour and self-abuse.

Interpersonal violence

Violence inflicted by another individual or by a small group of individuals. Includes family and intimate partner violence and violence perpetrated in community contexts by individuals who may or may not know each other.

Collective violence

Violence inflicted by larger groups such as States, organized political groups, militia groups and terrorist organizations. Includes social, political and economic violence.

Gender-based violence/violence against women

Any act of gender-based violence that results in, or is likely to result in, physical, sexual or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or in private life. Violence against women encompasses:

Physical, sexual and psychological violence occurring in the family, including battering, sexual abuse of female children in the household, dowry-related violence, marital rape, female genital mutilation and other traditional practices harmful to women, violence perpetrated by family members other than the spouse and violence related to exploitation.

Physical, sexual and psychological violence occurring within the general community, including rape, sexual abuse, sexual harassment and intimidation at work, in educational institutions and elsewhere, trafficking in women and girls and forced prostitution.

Physical, sexual and psychological violence perpetrated or condoned by the State, wherever it occurs.

Violence against children

All forms of physical and/or emotional ill-treatment, sexual abuse, neglect or negligent treatment or commercial or other exploitation, resulting in actual or potential harm to the child's health, survival, development or dignity in the context of a relationship of responsibility, trust or power.

Source: World Health Organization (WHO), *World Report on Violence and Health*, Geneva, 2002; United Nations, Declaration on the Elimination of Violence against Women (A/RES/48/104), New York, February 1994; World Health Organization (WHO), Report of the consultation on child abuse prevention (WHO/HSC/PVI/99.1), Geneva, 1999.

In order to understand young people's exposure to the various forms of violence it is necessary to distinguish levels of risk in various population groups. Studies reveal gender, age and ethnic biases in youth violence. However, there are major impediments that hinder comparative analysis of rates of violence among youth, including lack of information, insufficient disaggregation of the information that does exist and the fact that the available data cover different periods and have been collected from numerous sources. Most countries in the world lack adequate information on the number of deaths caused by violence, and in any case deaths account for only a small proportion of the problem. The fact that the data come from a variety of sources—including law enforcement, judicial and health agencies—makes it difficult to standardize the information in order to assess the situation. Moreover, the data are not collected on a regular basis and suffer from significant underreporting.

The crude death rate from homicide per 100,000 population is one of the most reliable statistics. Nevertheless, even these figures must be interpreted with caution because they are highly sensitive to the methods used to collect the data (Buvinic, Morrison and Orlando, 2005). Homicide is undoubtedly the severest form of violence, but there are other serious forms of violence that often go unreported.

According to information for 16 Latin American countries, external causes are the leading cause of death among young people (141 per 100,000 population). The leading cause among males is homicide (68 per 100,000 population), followed by road traffic accidents (30 per 100,000) and suicide (10 per 100,000). Among females the figures are significantly lower: the death rate from external causes is 19 per 100,000, with road traffic accidents accounting for 6 deaths per 100,000, homicide for 5 per 100,000 and suicide for 3 per 100,000.

Homicide death rates vary considerably from region to region in the world. WHO data indicate that the highest rates occur in Latin America, where homicide is the leading external cause of death. Homicide rates

among males exceed critical levels in several countries, including El Salvador (176), Colombia (159), the Bolivarian Republic of Venezuela (112) and Brazil (97) (see table IV.1).

Table IV.1
LATIN AMERICA (16 COUNTRIES): RATE OF MORTALITY DUE TO EXTERNAL CAUSES AMONG PERSONS FROM 15 TO 29 YEARS OF AGE, BY SEX^a
(Per 100,000 population)

Country	Males				Females			
	Total	Homicides	Suicides	Road traffic accidents	Total	Homicides	Suicides	Road traffic accidents
Argentina (2004)	81	17	19	16	17	2	5	5
Brazil (2004)	173	97	8	39	20	7	2	8
Chile (2004)	72	15	22	20	14	1	5	5
Colombia (2004)	228	159	12	26	28	13	5	6
Costa Rica (2004)	66	13	14	24	13	3	2	5
Cuba (2005)	55	14	10	16	17	4	5	6
Dominican Republic (2004)	99	17	3	30	15	2	1	5
Ecuador (2005)	131	55	16	32	25	4	9	6
El Salvador (2005)	242	176	16	32	34	18	8	5
Mexico (2005)	94	23	11	33	17	3	3	7
Nicaragua (2005)	68	23	15	13	13	2	6	2
Panama (2004)	90	36	12	26	16	2	5	6
Paraguay (2004)	96	43	9	19	26	3	5	6
Peru (2000)	45	3	2	10	14	1	1	3
Uruguay (2004)	73	11	23	17	19	3	6	6
Venezuela (Bol. Rep. of) (2004)	271	112	9	37	28	6	3	11
Latin America Total (16 countries)	141	68	10	30	19	5	3	6

Source: Pan American Health Organization (PAHO), *Health Statistics from the Americas, 2006*, Washington, D.C., 2007; Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC; and Population Division of the United Nations.

^a Codes V01-Y98 in the International Classification of Diseases, 10th revision.

Although rates of mortality from external causes in Chile, Costa Rica and Cuba are closer to European averages, they differ considerably with respect to the principal component, which for these three Latin American countries consists of homicide and suicide and for the European countries of road traffic accidents. Male suicide rates are particularly high in the countries of the Southern Cone (Argentina, Chile and Uruguay), as are road traffic accident rates in the Dominican Republic and Mexico, where the figures are similar to those in Europe, but homicide rates are also high. In the year 2000, suicide was the third leading cause of death among young people aged 10 to 19 in Latin America and the eighth leading cause among adults aged 20 to 59 throughout the Americas (PAHO, 2006).

It is important to highlight some gender differences with respect to deaths from external causes. According to statistics from the early 2000s, three out of every four homicide victims worldwide were male and homicide death rates for males were more than three times those for females (WHO, 2002). Recent data corroborate this larger proportion of male youth homicides and their rising trend in recent years.

The gender biases in youth violence figures are evident. The number of young males deaths from external causes is eight times higher than that of young females in the 16 Latin American countries studied. However, there are less visible and less reported forms of violence that are very difficult to measure and that affect women in general and young women in particular (see box IV.2).

Box IV.2

METHODOLOGICAL DIFFICULTIES IN MEASURING GENDER-BASED VIOLENCE

Sources of information for measuring violence, and especially gender-based violence, suffer from a number of deficiencies, as the reliability of the statistics is affected by underreporting of some crimes, especially crimes of sexual and family violence (Arriagada and Godoy, 2000). Some violent behaviours are viewed as “normal” in accordance with some deeply ingrained cultural standards, both because they are perceived as falling within the private sphere and because of the reactions of shame, fear or disgrace associated with acknowledging the abuse (INEGI, 2006). The task of producing a full, up-to-date assessment of the prevalence, causes and repercussions of violence against women in Latin America has not yet been accomplished, and consequently there is no baseline for monitoring and evaluating

the impact of relevant policies, laws and programmes (ECLAC, 2007e).

Analysis of the murders of women in Ciudad Juárez in Mexico is representative of these problems: the exact number of victims is a matter of dispute among various sources, owing to the lack of official records. According to data from the NGO “8 de marzo”, between January 1993 and November 2003 the number of women murdered was 271, but according to Amnesty International the figure was 370 (with 137 of those cases also involving sexual violence), while the Chihuahua Women’s Institute (ICHIMU) puts it at 321. Mexico’s National Commission for Human Rights recorded 236 murders and 40 disappearances of women during the period 1993-2002, while the Chihuahua state prosecutor for follow-up on the murders of women in Ciudad Juárez indicates that 379 women were

killed from 1993 to 2005 (Tavera, 2008). In the face of this conflicting information, it is recognized that statistics must be collected and compiled in order to determine the magnitude and the characteristics of the phenomenon. It is also acknowledged that criminal statistics constitute a basic tool for tackling the problem of violence against woman, especially femicide; that the formulation of high-quality policies requires reliable information that will make it possible to effectively assess problems; and that accurate, timely and documented information is a civil right. Accordingly, the development of a statistics and records system on femicide in Mexico is being advocated. It has also been suggested that the administrative format of records should be improved and that a gender perspective should be applied in the conceptualization of the crime of homicide.

Source: Irma Arriagada and Lorena Godoy, “Prevention or repression? The false dilemma of citizen security”, *CEPAL Review*, No. 70 (LC/G.2095-P/I), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), April 2000; Lúgía Tavera Fenollosa, “Estadísticas sobre violencia de género. Una mirada crítica desde el feminicidio”, *Políticas sociales y género*, Gisela Zaremberg (coord.), Mexico City, Latin American Faculty of Social Sciences (FLACSO), vol. 2, 2008; National Institute of Statistics, Geography and Informatics (INEGI), “Hombres y mujeres en México”, 2006 and 2007 [online] www.inegi.mx; ECLAC, *No more! The right of women to live a life free of violence in Latin America and the Caribbean* (LC/L.2808), Santiago, Chile, 2007.

3. National authorities’ perceptions of youth violence issues and societal dynamics

The authorities consulted indicate that the primary violence-related problems faced by young people are linked to organized youth violence (crime, gangs, street violence or carrying of weapons), which has become prevalent in some urban areas in several countries of the region. The situation of gangs (known as *pandillas* in most Latin American countries, but called *maras* in Central America and *quadrilhas* in Brazil), the increase in crime in the Southern Cone countries and in violence in the Andean countries are clear indicators of the need for targeted interventions aimed at specific groups of young people. Of particular concern is the relationship between youth gangs and drug use, drug trafficking and human trafficking. The authorities also highlight the seriousness of family violence, both between intimate partners and between generations. While reporting of gender-based violence has increased, there is still a severe lack of protection for children and young people who suffer abuse. Self- or other-directed violent behaviours associated with alcohol and drug use are also significant problems.

Patterns of violent behaviour change over the course of a person’s lifetime. The period of adolescence and young adulthood is a time when violence is often given heightened expression. Because youth is a transitional stage, factors related to the construction of identity that

may motivate the development of violent behaviours must be considered, as must factors of a social and individual nature that may explain such behaviours (Vanderschueren and Lunecke, 2004). Any preventive measures envisaged must be flexible and tailored to the characteristics of young people and their environment. Understanding when and under what conditions violent behaviour typically occurs as a person develops can be helpful in planning interventions and policies for prevention that target the most critical age groups (WHO, 2002).

According to the ECLAC survey on policies and programmes to address youth violence, national authorities’ primary concerns relate to social exclusion and social inequality (Argentina, Brazil), which are expressed in organized youth violence and which translate into crime, gangs, street violence and the carrying of weapons (Bolivarian Republic of Venezuela, Chile, Colombia, El Salvador, Guatemala, Peru). Secondly, the authorities’ surveyed expressed concern about domestic violence, both between intimate partners and between generations (Chile, Ecuador, El Salvador, Guatemala and Mexico) and, thirdly, about self- or other-directed violent behaviours associated with alcohol and drug use (Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Guatemala, Peru) (see table IV.2).

Table IV.2
LATIN AMERICA AND THE CARIBBEAN (12 COUNTRIES): PRINCIPAL PROBLEMS OF YOUNG PEOPLE

Countries	Youth violence problems		
	First in importance	Second in importance	Third in importance
Argentina	Social exclusion and lack of expectations	Lack of individual and social aspirations, drug addiction	Lack of standards and models, unemployment
Brazil	Social inequalities, difficulties in accessing education and work	Discrimination and physical and symbolic victimization through police violence, violent deaths	Recurrent conflicts related to drug abuse and trafficking
Chile	Crime	School violence	Intimate partner violence
Colombia	Armed conflict, theft	Drug trafficking and crime Homicide	Youth gangs and culture Extortion
Costa Rica	Rebellious behaviour	Lack of parental authority	Environment in which young people live
Dominican Republic	Narcotic drug and alcohol use at early ages	Participation in drug micro-trafficking and related activities	Social violence and aggression generally linked to the foregoing
Ecuador	Abuse within the family	Intergenerational violence	Suicide
El Salvador	Gangs	Crime	Family violence and abuse
Guatemala	Gangs (extortion, violence)	Drug and alcohol addiction	Homicide, foeticide, child sexual abuse
Mexico	Family violence	Street violence	Intimate partner violence
Peru	Crime, gangs	Drug and alcohol abuse, family violence	Lack of adequate education and training
Venezuela (Bol. Rep. of)	Robbery	Illegal carrying of weapons	Drug possession

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of government responses to the ECLAC survey on policies and programmes for tackling youth violence, 2008.

4. Organized youth violence

Youth violence is primarily an urban phenomenon. An estimated 78% of Latin American young people live in cities (ECLAC, 2005) and suffer the repercussions of problems associated with urban concentration, which national authorities see as the principal problem affecting youth. In some countries these problems are related to social exclusion (Argentina); theft and other forms of crime (Bolivarian Republic of Venezuela, Chile, Colombia, El Salvador); gangs and street violence (El Salvador, Guatemala, Mexico and Peru); drug trafficking (Colombia); homicide (Colombia) and illegal possession of weapons (Bolivarian Republic of Venezuela). The scale of these problems may be considerable. In the Bolivarian Republic of Venezuela, for example, the offences committed most frequently by children and adolescents aged 10 to 17 in 2007 were theft, illegal carrying of weapons and possession of drugs.²

The findings of international studies indicate that the vast majority of those responsible for violence against

young people in urban settings are of the same age and sex as their victims. In most cases, the perpetrators are males acting in groups (UNICEF, 2006). In large cities, such violent relations among young people occur as a consequence of the formation of local groups in the context of situations of marginalization and disruptive behaviours. In general these are criminal groups structured as gangs, which develop their own subcultures and fight among themselves for territorial control of neighbourhoods or districts.

Gangs may be informal groups of youths that defend a territory and possess an informal leadership structure or they may be organizations with their own internal survival and operational dynamics (including assigned roles and rules). Often juvenile gangs provide an alternative setting for the socialization of excluded children and youth, whose sense of belonging is based on participation in group activities ranging from sharing of leisure time to commission of crimes. In some cities, large groups of youths commit a variety of crimes in their immediate environment (hotel hold-ups and robberies) but also engage in acts of intimidation and coercion.

² Statistics provided by the Scientific, Penal and Crime Research Corps (CICPC) of the Bolivarian Republic of Venezuela.

Empirical studies conducted in the late 1980s had already revealed the proliferation of violent gangs of adolescents and young people in cities such as Guayaquil and Mexico City (Rodríguez, 1996). In Brazil, various studies have found that the majority of youths involved in murders, either as victims or as perpetrators, are impoverished black or mulatto males between 15 and 17 years of age. They tend to reside in peripheral areas and *favelas* (slums) surrounding urban centres and are generally not enrolled in school (Willadino Braga, 2003). This confirms the hypothesis widely held in the literature that institutional disaffiliation increases the exposure of young people (those who do not work or attend school) to acts of violence, both as victims and as perpetrators.

The socio-economic exclusion and institutional disaffiliation of many Brazilian adolescents and young people living in *favelas* occurs in tandem with a high prevalence of drug trafficking, which comes to be seen as a “way out”, a means of participating in extended networks and gaining a share of power and greater access to consumer goods. The *favela* residents involved in drug gangs are usually young people between 15 and 30 years of age who are looking to earn money. Members of drug gangs control the *favelas* and protect the places where drugs are sold. Young gang members defend such places from attacks by other gangs (*quadrilhas*) and raids by the police, which puts

them in the lowest, and the most dangerous, echelons of the drug trade. Other *favelados* (slum-dwellers) recognize that these young people are the poorest participants in the drug trade. Within their peer group, however, they are seen as brave and they acquire a certain degree of social status. Youth crime thus becomes a violent means of adapting to economic and social conditions of exclusion and an attempt to participate in social consumption patterns (Sperberg and Happe, 2000).

The 1990s saw explosive growth of gangs (*maras*) in Central America. The Central American *maras* have been strongly influenced by the culture and style of gangs in the United States (see box IV.3). In El Salvador, Guatemala, Honduras and Mexico, *maras* have flourished in social contexts shaped by deep-seated problems such as unemployment, exploitation of child labour, urban and civil violence and the deportation and return of many young people who had migrated north during the years of civil war. Some *maras* have subsequently become part of transnational organized crime networks, especially drug trafficking networks. In El Salvador, the gang movement became firmly entrenched during the peace process of recent years, with the return of young people who had been refugees or exiles (for economic or political reasons) in the United States—especially in Los Angeles—and who came home to resume their lives in a completely changed context (Rodríguez, 1996).

Box IV.3

THE *MARAS* OF CENTRAL AMERICA: A LONG-STANDING PHENOMENON

Youth gangs have existed in Central America at least since the 1960s, but their characteristics changed considerably during the 1990s. Youth gangs emerged in the Central American immigrant community in Los Angeles in the 1980s. The two dominant groups were the Mara Salvatrucha, or MS, and the 18th Street Gang (*Barrio 18*). The origin of the *maras* is complex and is the result of an amalgamation of several processes, including the disruption of traditional agricultural relations and indigenous forms of relationship; the violent eviction of indigenous groups; the destruction of urban habitats as a result of official, military and paramilitary violence in cities; lack of jobs, which led to international migration; changes in family structure, including tens of thousands of war orphans and family fragmentation resulting from the migration of parents and siblings.

When the Central American young people who had migrated to the United

States in the 1980s began returning to their home countries in the next decade—often as a result of United States deportation policies—and the influence of United States subcultures grew in Central America, youth gangs in the region began to adopt the style and the names of Los Angeles gangs. Although links were established between gangs, two phenomena should be highlighted: the growth of ethnic gangs in Central American immigrant communities in the United States and the fact that youth gangs in Central America “reinvented” themselves.

The term *mara* first began to be used in El Salvador in the 1980s to refer to gangs, but also to groups of friends. Although *maras* may include girls and women, they are essentially a male social phenomenon, which may begin at an early age (some members join gangs as young children) and extend through youth and early adulthood. *Maras* are subdivided

into “cliques”, whose members feel a sense of belonging to the larger gang. In general, *mara* or gang members come from economically disadvantaged areas and from poor and marginal urban contexts, or else they are migrants who have returned from the United States. Most of them have dropped out of school, have low-paying jobs and live in an environment characterized by ineffective or non-existent services, overcrowding and low social capital.

Over the years, many of these gangs, or *maras*, have become vertical organizations involved in drug trafficking, human trafficking and urban crime. According to the Washington Office on Latin America (WOLA, 2006), there are 70,000 to 100,000 gang members in Central America, which poses a serious threat to public order in El Salvador, Guatemala, Honduras and Nicaragua and also in south-eastern Mexico and some parts of the United States.

Source: E. Falkenburger and Geoff Thale, “Maras centroamericanas en maras y pandillas juveniles: dos mundos diferentes”, *Revista CIDOB d’Afers Internacionals*, No. 81, March–April 2008; World Health Organization (WHO), *World Report on Violence and Health*, Geneva, 2002; Washington Office on Latin America (WOLA), “Pandillas juveniles en Centroamérica: cuestiones relativas a los derechos humanos, la labor policial efectiva y la prevención”, 2006; Dina Krauskopf, “Pandillas juveniles y gobernabilidad democrática”, document presented at the seminar Youth gangs and democratic governance in Latin America and the Caribbean, Madrid, 16–17 April 2007.

The Governments of Honduras and El Salvador have responded to gangs with tough repressive strategies and laws making gang membership a crime. These measures have forced the gangs to operate clandestinely and, as a result, they have become more organized. Gang cohesion

in prison environments has also increased. Generally speaking, such hard-line strategies have failed to stem the rising tide of violence or reduce the number of homicides in the affected countries (WOLA, 2006).

5. Drug trafficking, drug use and crime

The consumption and distribution of psychoactive or psychotropic drugs is a central concern for the authorities of Argentina, Colombia, Costa Rica, Guatemala and Peru, while in other countries, such as the Bolivarian Republic of Venezuela, it is considered a relatively minor problem.

In the cities of the region where there are nerve centres for the drug trade, alienated young people play a major role in various areas of the criminal economy, including the production, circulation and consumption of drugs (Kaplan, 1997). Social exclusion leads children and youth to become involved in the drug distribution network, where they are exposed to dangerous and unsafe conditions.

According to one report, the 7,000 children and youths under 18 years of age who work in the drug trade and belong to the oldest criminal faction in Rio de Janeiro, *Commando Vermelho (CV)*, receive as payment 20% of the drugs they sell in drug dens (*bocas de fumo*) in the tourist capital of Brazil (IBISS, 2006). A study conducted by the organization *Observatório de Favelas* in Rio de Janeiro

noted the high turnover of young people working in the drug trade and the downward trend in the age range of consumers (13 to 19 years). It also noted the high degree of instability in the lives of these young people. High school dropout and drug use rates, coupled with lack of access to public spaces outside their communities, severely limit their sociocultural environment. Clashes with the police were the cause of 60.4% of deaths in the course of the study. The young people interviewed reported witnessing 122 deaths and 205 beatings during the first five months of the study (*Observatório de Favelas*, 2006).

In peak periods of crime, the number of victims has climbed to epidemic levels. From January to early September 2008, clashes between drug gangs claimed 3,200 lives in Mexico. At the same time, there was a downward trend in the average age of the victims. In 1986, the average age of people killed in the city of Medellín was 35-45; by 1987 it had dropped to 25-35 and by one year later to 20-25. In 1989, 70% of the people killed in that city were between 14 and 20 years of age.³

6. Family and gender-based violence

Violence against women, as defined in the 1993 Declaration on the Elimination of Violence against Women (United Nations General Assembly resolution 48/104), is “any act of gender-based violence that results in, or is likely to result in, physical, sexual or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or in private life”. Gender-based violence is usually perpetrated by adult men, is rooted in the macho culture and tends to be justified on the basis of theories

that attribute it to something in the physical realm of the aggressor (psychopathology), to affective ties (crimes of passion) or to social factors (poverty or low levels of education). While this form of violence—which may involve forced sexual relations within marriage, date rape and rape in other contexts, sexual abuse and harassment, and forced prostitution—occurs in all cultures, social strata and ethnic groups, it is often not reported owing to the ineffectiveness of existing laws on the matter and to stigmatization of victims.

³ Report of the chief administrative officer to the Medellín City Council (1989), quoted in Salazar (1993).

As a mechanism of male domination, gender-based violence often takes place in the context of intimate partner relationships. Studies on violence against women conducted by the World Bank have highlighted some common features of violence in such relationships (Heise, Ellsberg and Gottemoeller, 1999):

- The vast majority of the perpetrators are men, and women are at greatest risk with men they know.
- Physical violence is almost always accompanied by psychological abuse and, in many cases, by sexual abuse.
- The majority of women who are physically abused by their partners will be subject to multiple acts of violence over time.
- Violence against women transcends boundaries of socio-economic class, religion and ethnicity.
- Men who abuse their partners generally exhibit strong controlling behaviour.

While in some countries the authorities viewed domestic or family violence as the main problem affecting young people, whether as victims or as perpetrators (Ecuador and Mexico), in others it is considered a problem of relatively little importance (Chile, El Salvador, Guatemala, Mexico and Peru). Government perceptions of the magnitude of this phenomenon coincide with the findings of studies of changes in Latin American family structure, which have revealed that the increase in family violence in

several countries (Bolivia, Chile, Colombia, Dominican Republic and Honduras) observed in 2006 affected mostly women (ECLAC, 2007e).⁴ Violence in intimate partner relationships between young people has also shown a gradual rising trend, which was cited as a source of concern by authorities in Chile and Mexico.

Although the various forms of domestic violence are generally manifested in social settings related to home and family, they reflect disparities and inequalities that are condoned in the public domain. WHO estimates for 2002 indicate that between 10% and 36% of Latin American women had been subjected to physical or sexual violence, and that between 70% and 80% of victims of sexual violence were girls. In almost half of those cases, the aggressors lived with their victims and in three quarters of the cases they were family members of the girls or boys who suffered abuse (WHO, 2003). Around one in three women in Latin America has been the victim of physical, psychological or sexual violence by family members; among adolescent girls aged 15 to 19, rates of emotional abuse are significantly higher (see table IV.3). A United Nations report (ECLAC, 2007e) draws attention to the social tolerance that exists for violence against girls and young women, especially in the private sphere, which is linked to crime, corruption, sexual exploitation, forced prostitution, harassment and sexual violence, above all in domestic service.

Table IV.3
LATIN AMERICA AND THE CARIBBEAN (6 COUNTRIES): PERCENTAGES OF ALL WOMEN AND YOUNG WOMEN REPORTING HAVING BEEN VICTIMS OF VIOLENCE PERPETRATED BY FAMILY MEMBERS, 2000-2005

Country	Physical violence		Intimate partner sexual violence		Emotional violence	
	All women	Women aged 15-19	All women	Women aged 15-19	All women	Women aged 15-19
Bolivia, 2003	52.3	43.9	15.2	11.1	53.8	48.7
Colombia, 2005	39.0	37.6	11.5	7.5	65.7	68.0
Dominican Republic, 2002	21.7	19.1	6.4	5.3	67.5	79.3
Ecuador, 2004	31.0	...	12.0	...	41.0	...
Mexico, 2003	9.3	...	7.8	...	38.4	...
Peru, 2004	42.3	27.3	9.8	4.5	68.2	75.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), *No more! The right of women to live a life free of violence in Latin America and the Caribbean* (LC/L.2808), Santiago, Chile, 2007.

⁴ The following figures illustrate the magnitude of this problem in Colombia in recent years: of all the cases of child abuse reported to the Colombian Family Welfare Institute (ICBF), complaints of physical abuse totalled 3,261 in 2003, 13,685 in 2004 and 20,211 in 2005—an increase of 52% over the period. Reports of psychological abuse totalled 2,496 in 2003, 2,994 in 2004 and 4,090 in 2005, a 64% increase between 2003 and 2005. Reports of sexual abuse rose from 1,451 in 2003 to 2,182 in 2004 and 3,301 in 2005, an increase of 127% over the three-year period.

Manifestations of gender violence in the domestic sphere are associated with patterns of inequality in power relations within families and couples. A comparative study of domestic violence in nine developing countries found that women who shared the majority of household decisions with their husbands or partners were less likely to be abused (irrespective of household income level). The same report noted that women whose mothers had been abused by their fathers were twice as likely to be victims of domestic violence (Kishor and Johnson, 2004).⁵

All the women interviewed in the course of studies conducted in 16 communities in 10 countries in the framework of a set of PAHO projects to address gender-based violence said that they had suffered violence as a means of control used by their partners to reinforce unequal power relations within the family (Velzeboer and others, 2003). These studies also revealed that few health care providers have received specialized training in dealing with women living in situations of violence and none had protocols or standards for care. The police and legal services were often the first places women turned to for help. However, police stations were found to be the institutions that were least supportive, and law enforcement officials were found to be unaware of laws to protect victims. With regard to the role of schools, teachers felt ill-equipped to meet the needs of affected students and their families. At the community level, community members belonging to unions, cooperatives or businesses where women were able to exercise leadership also lacked information about how to detect and respond to the problem.

Violence against women is a major public health problem and is associated with a higher risk of sexually transmitted diseases (PAHO, 2007)⁶. According to a comparative study, there is a clear relationship between abuse of women and deterioration of their health and that of their children. For example, in almost all the countries

studied, women who had been abused by their partners had higher numbers of unwanted births and stillbirths (between 33% and 72%) than those who never experienced such violence. There is evidence of a correlation between violence and pathological conditions such as low birth weight, premature birth and miscarriage. It was also found that women who had been the victims of violence were more likely to have sexually transmitted infections than their peers who had not suffered abuse, but were less likely to receive antenatal care during the first trimester of pregnancy, and their children aged 12 to 35 months were less likely to be fully vaccinated. Children of abused women were also more likely to die before reaching 5 years of age (Kishor and Johnson, 2004).⁷

Family violence usually occurs first in childhood. A global study on violence against children, which highlighted the living conditions of children in Latin America, found that each year more than 6 million children in countries of the region suffer severe abuse and over 80,000 die as a result of domestic violence. Sexual abuse is the least reported form of child abuse. The perpetrators are usually male and in 8 out of 10 cases are parents or relatives. According to a United Nations report on violence against children, in Costa Rica 32% of women and 13% of men interviewed reported having been sexually abused during childhood; in Nicaragua the figures were 26% and 20%, respectively, and in Chile, 75.3% of children surveyed said they had suffered some type of violence inflicted by their parents.⁸ More than half suffer physical violence and one in four, severe physical violence (UNICEF, 2006).

While the limited availability of data makes it difficult to undertake a comparative analysis in the region, domestic violence is known to be a problem of considerable magnitude in some countries. For example, in Uruguay an average of 36 women a year die as a result of such violence, and women who have experienced domestic violence are five times more likely to attempt suicide and are at increased risk for sexually transmitted diseases and maternal mortality. According to data from the National Observatory on Violence and Crime of the Ministry of the Interior of Uruguay, in 2005 there were 6,802 domestic violence complaints. Those reports include men and women of all ages (MSP, 2006).

⁵ This report was based on data from Demographic and Health Surveys conducted in nine developing countries: Cambodia, Colombia, Dominican Republic, Egypt, Haiti, India, Nicaragua, Peru and the Zambia. These surveys, most of them carried out after 1998, collected a large body of demographic and health data on women 15 to 49 years of age (Kishor and Johnson, 2004).

⁶ According to the report *Health in the Americas 2007*, after sub-Saharan Africa, the Caribbean is the subregion in the world most affected by HIV/AIDS. An estimated 1.2% of the Caribbean population—about a quarter of a million people—were living with HIV/AIDS in 2006. Half of the people infected are women, and young women are 2.5 times more likely to be infected than young men. Nearly three-quarters of those infected live in the Dominican Republic and Haiti, but HIV prevalence is high throughout the subregion: 1%-2% in Barbados, the Dominican Republic and Jamaica; 2%-4% in the Bahamas, Haiti and Trinidad and Tobago. From 1981 to 2005, more than 1.7 million AIDS cases were officially reported in the Americas, 38,000 of them in persons younger than 15 years of age (PAHO, 2007).

⁷ This report was based on data from Demographic and Health Surveys conducted in nine developing countries: Cambodia, Colombia, Dominican Republic, Egypt, Haiti, India, Nicaragua, Peru and the Zambia. These surveys, most of them carried out after 1998, collected a large body of demographic and health data on women 15 to 49 years of age (Kishor and Johnson, 2004).

⁸ It should be noted that these data are not comparable because the various surveys applied different criteria and some used a broader definition of “violence” than others.

C. National policies on youth

Various approaches to preventing youth violence have been tried in Latin America. They include the risk approach, the public safety approach, the conflict theory approach and the rights approach. Through different lines of action aimed at reducing youth violence, these prevention models seek to reinforce protective factors and enhance the strengths of adolescents and young people. A wide variety of initiatives have been launched in the various countries. National programmes are based on a number of different paradigms for addressing youth-related issues, policies are based on different laws, the agencies and levels of government responsible for implementing youth-related initiatives differ and there are also differences in the types of activities carried out by the public agencies involved in youth-related work in each country. Two points appear to be crucial with regard to policies aimed at youth: the need for an integrated approach on the part of government institutions and the need for policies that will support and facilitate coordination of the efforts of governmental and non-governmental institutions.

1. Policy approaches to youth violence in Latin America

One peculiarity of national youth policies is that different age criteria are applied in each country. The differences in the age range defined as “youth” reveal at least two trends. First, the period defined as “youth” is starting at younger ages (in Colombia, Costa Rica, El Salvador and Mexico) and extending to older ages (in Chile, Cuba, Nicaragua, Panama and Paraguay), which may mean that the definition of youth is expanding with respect not only to age but also to the way in which youth are viewed in society (OIJ, 2001). The second trend is the age overlap between “adolescents” and “young people” in the definitions of youth.

This situation affects not only the basis on which youth policies are formulated, but also the scope and nature of countries’ programmes for these age groups. On the one hand, although in the discourse on the subject youth is deemed to encompass adolescence, in practice crucial periods of the youth experience are excluded. Moreover, young people between 18 and 29 years of age

have acquired the status of citizens, since at 18 people are tried as adults in courts of law and can exercise their right to vote (Krauskopf, 2000). The gap between the social and legal realities creates a dual status for young people. While programmes for adolescents do contribute to the development of young people, they do not fully cover the youth period (Krauskopf and Mora, 2000).

Another feature of youth policies is the relative lack of explicit approaches for this population group. National policies envisage specific programmes (for example, targeting the poor) as well as general ones, but few are oriented specifically towards young people. Moreover, as noted above, in some cases there are no clear criteria to indicate whether young people should be included in the minor or the adult population. Consequently, a cross-sectional approach is applied by the various sectoral agencies that deal with youth-related issues within their respective spheres of action (e.g., education, health, employment). While policies may include actions aimed at young people,

they generally have a sectoral bias —i.e. they are designed from the standpoint of the sector, not that of the individuals at whom the policies are aimed (Balardini, 2003).

National youth policies in the region are based on four perspectives regarding the characteristics of youth (Krauskopf, 2000): youth as a preparatory period (in which youth is defined in terms of crises), youth as a problem phase (which limits the scope to issues such as crime, drugs, violence and school dropout), young people as citizens (a perspective that prioritizes the full rights of young people to participate in youth-related policies and

programmes) and youth as strategic agents of development (a view aimed at building human and social capital, including skills and abilities to enable youths to further their own development and become productive members of society). The latter two approaches view young people as social actors (see table IV.4).

From each of these approaches emerge various options with respect to the design of policies and the nature of programmes aimed at youth. From the perspective of controlling or eliminating violence, all include objectives aimed at preventing criminal behaviour.

Table IV.4
PARADIGMS OF THE YOUTH PHASE IN POLICY AND PROGRAMME APPROACHES

Paradigm of the youth phase	Policies	Programme features	Programme types	Objectives
<ul style="list-style-type: none"> – Transition to adulthood – Preparatory stage 	<ul style="list-style-type: none"> – Geared towards preparing youth for adulthood – Extension of access to education – Healthy, recreation-oriented leisure time, with low coverage – Military service 	<ul style="list-style-type: none"> – Universal – Undifferentiated – Isolated 	<ul style="list-style-type: none"> – Educational programmes – Leisure programmes: sports, recreational and cultural 	<ul style="list-style-type: none"> – Integration of youth – Fostering the protective factors of adolescence – Crime deterrence during the “pre-criminal” stage – Violence prevention
<ul style="list-style-type: none"> – Risk and wrongdoing – Problem phase for society 	<ul style="list-style-type: none"> – Compensatory – Sectoral (predominantly justice and health) – Targeted 	<ul style="list-style-type: none"> – Oriented towards providing social assistance and controlling specific problems – Targeted to working-class urban youth – Fragmented programme delivery 	<ul style="list-style-type: none"> – Rehabilitation programmes – Social reintegration programmes – Prison-based programmes 	<ul style="list-style-type: none"> – Social control of organized youth groups – Violence prevention
<ul style="list-style-type: none"> – Youth as citizens – Stage of social development 	<ul style="list-style-type: none"> – Incorporated into public policies – Intersectoral – Involvement of youth as persons with specific political, social, cultural and economic rights 	<ul style="list-style-type: none"> – Comprehensive – Participatory – Encourage partnerships 	<ul style="list-style-type: none"> – National poverty reduction policies – Direct and conditional resource transfer programmes – Volunteer programmes 	<ul style="list-style-type: none"> – Community-based strategy – Violence prevention – Participatory strategies – Social capital
<ul style="list-style-type: none"> – Youth as strategic agents of development – Stage of training and contribution to production 	<ul style="list-style-type: none"> – Incorporated into public policies – Intersectoral – Geared towards involving young people as human capital and developing social capital 	<ul style="list-style-type: none"> – Equity and intersectoral institutional collaboration – Action to address exclusion – Youth participation in development strategies 	<ul style="list-style-type: none"> – Emergency employment programmes – Training programmes – Production and business development programmes 	<ul style="list-style-type: none"> – Violence prevention – Market participation – Economic capital

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of D. Krauskopf, “La construcción de las políticas de juventud en Centroamérica”, *Políticas públicas de juventud en América Latina: políticas nacionales*, Oscar Dávila (comp.), Viña del Mar, CIDPA Ediciones, 2003.

Two main approaches to preventing youth violence have been put in place: one focusing on reducing risk factors and the other on reinforcing the protective factors and strengths of adolescents. These approaches to prevention have given rise to various lines of action aimed at reducing youth violence.

With respect to interventions to reduce violence-related risk factors, two types of initiatives have been implemented with a view to, on the one hand, expanding and improving the education system and, on the other, promoting sound use of leisure time among young people. In both cases it is assumed that young people have a certain amount of time

to prepare for adulthood (Rodríguez, 1995 and 1996). The assumption behind these interventions is that recreation can prevent crime and encourage the adoption of constructive social behaviours among young people. They aim to reduce the negative effects of lack of parental supervision outside school hours, which leads many children and young people to socialize with violent peers.

Another area of intervention is oriented towards social control of organized youth groups. The objective of programmes implemented under this approach has been to control the linkage of youth movements with other non-youth social movements which had adopted—either at the same time or at different times in history—a position of open defiance of the political system. This model, which took a punitive or situational prevention approach, was adopted by ministries of the interior and institutions devoted to the advancement of youth. The strategy consisted of isolating student movements and “confining” them within universities, preventing them from forging ties with other protest movements involving working-class urban youth (Rodríguez, 1995). Prison policies might be associated with this model.

In a similar vein, in recent years “heavy-handed” policies have been advocated as a means of dealing with the problems of youth violence, whether or not it is associated with drug trafficking, gangs or crime. Some examples of this approach include lowering the age of criminal responsibility in many countries of the region, police crackdowns on youth groups, injunctions against such groups and the enactment of repressive anti-youth laws that expand police powers, such as the anti-tattooing law in Honduras and the “heavy-handed” (*mano dura*) and, later, “super-heavy-handed” (*súper mano dura*) laws in El Salvador. Such harsh responses to violence have failed to control the problem and have created serious dilemmas with regard to human rights and the rule of law, in addition to contributing to prison overcrowding (WOLA, 2006).

A third model is linked to the poverty elimination strategies undertaken by democratic governments in the 1980s. These initiatives served to quell the demands of young people who were marginalized and excluded from education, serving as a compensatory measure for the negative social effects of structural adjustment programmes. Poverty reduction programmes were based on the direct transfer of resources to impoverished groups through food, job creation and health care programmes organized through social emergency funds. Although these

programmes were not classified as youth programmes, youth were beneficiaries of almost all of them, especially the job creation programmes. While they did not contain explicit violence prevention objectives, they did serve indirectly as a preventive or containment mechanism.

Since the 1990s a new model for youth policies has become widespread. This model focuses on incorporating excluded young people into the labour market. In this context, large numbers of young people have taken advantage of the opportunities created by emergency employment programmes. Although these programmes do not explicitly target young people, they began to be implemented in various countries with a marked age bias, following the model of the successful “*Chile Joven*” (“Young Chile”) programme, a vocational training programme for young people launched in Chile in 1990. The experience was repeated in other countries, including Argentina, Bolivia, the Bolivarian Republic of Venezuela, Colombia, Costa Rica, the Dominican Republic, Panama, Peru, and Uruguay, with financial support from the Inter-American Development Bank. These programmes prioritized national development needs, providing rapid training through innovative methods. By focusing their objectives on human capital formation and treating youth as contributors to development, these programmes ushered in a new youth policy approach, helping to de-link action in this area from compensatory social policies and focus employment programmes on the youth population.

In general, programmes that address the issue of violence focus on some dimension of behaviour, such as criminal behaviour, school dropout or adolescent pregnancy. Although international instruments have promoted a holistic approach to national plans, activities related to youth violence still tend to be subdivided by type of violence (political, territorial, and domestic and organized crime, among others). Projects structured in this way lack mutually reinforcing interrelated approaches (Moser, 1999). The lack of a conceptual framework comprising various disciplines (public health, criminology, sociology and psychology, among others) is one of the biggest obstacles to achieving a holistic approach to violence.

Responses to the ECLAC survey conducted on policies and programmes for the control and prevention of youth violence point to the coexistence of various competing approaches relating to the role and the needs of young people. This points up the importance of a holistic approach in policies aimed at young people.

D. Recent legislative changes in national legal frameworks

The responses of national authorities to the ECLAC survey reveal four major areas of reform in national legal frameworks: general laws on youth, reforms of child and adolescent protection codes, new legislation on family violence and gender equality, and laws concerning the legal responsibility of adolescents and youth. It is important for these legislative reforms to be followed by monitoring and evaluation of the results of the changes introduced. The Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of the Child have contributed to the reform of domestic legislation.

1. Progress in the development of youth-related institutions and legislation

Given the multiple dimensions of violence, legislation on the matter is diverse and addresses the problems of youth from different angles. The ECLAC survey of policies and programmes for the prevention and control of youth violence reveals four major areas of reform in national legal frameworks: general laws on youth, reforms of child and adolescent protection codes, new legislation on family violence and gender equality and laws concerning the legal responsibility of adolescents and youth.

Various countries have adopted laws on youth or young people, which serve as a legal framework for national youth policies (Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Nicaragua, and, more recently, Honduras and Bolivia, where legislation is currently under discussion) (ECLAC/OIJ, 2008). The process of creating laws to support national youth plans or programmes has varied from one country to the next. In Colombia, a document published in 1995 by the National Council on Economic and Social Policy (CONPES) established the National Youth Policy, under which laws, decrees and regulations relating to young people were established. The 1998 National Development Plan included an Education Plan for Peace, which called for the implementation of the National Youth Policy through the “Builders of a New Country” (*Constructores de un nuevo país*) programme. The “Young Colombia” (*Colombia Joven*) national

youth programme was launched in 2000 and its terms of reference have recently been revised.

In 1996 Costa Rica enacted an organic law on the National Youth Movement and established an agency with the same name to establish policy guidelines within the framework of a universal youth policy. In 2002, a general law on youth was adopted, laying the foundation for the National Youth System. Although this law has undergone numerous changes, it has raised the hierarchical standing of the agency responsible for the matter, which has evolved into the Vice-Ministry for Youth.

In 1999, the President of Nicaragua launched the formulation of a national youth policy through the Ministry of Social Action. Two years later, a law to promote the development of young people was enacted, which led to the development and adoption of the National Policy for the Comprehensive Development of Youth and the creation of a youth secretariat, with responsibility for implementing the Plan of Action. This law changed the institutions responsible for youth policy and is now regarded as vanguard legislation in the region (Dávila, 2003).

In the Dominican Republic, a law on youth was enacted in July 2000 with the aim of establishing a legal, policy and institutional framework to guide the actions of the State and society in general towards the formulation and implementation of a set of policies for meeting the needs and expectations of young people and promoting

their effective participation in decision-making processes. The law's objective is to foster the development of young people, without regard to sex, religion, political affiliation, race, ethnicity, sexual orientation or nationality.

One of the countries currently discussing a general law on youth is Bolivia, where the first national survey of youth provided the basis for an assessment of Bolivian youth and the formulation of proposed guidelines for national youth policies, which in turn led to a proposal to amend the Constitution and to the development of draft legislation on youth.⁹

In Peru, a decree establishing the National Youth Plan 2006-2011 was approved in 2006. The Plan is underpinned by the law on the National Youth Council, adopted in 2002. This legislation was designed to establish the legal and institutional framework for the actions of the State and society with regard to youth policy and to create favourable conditions for democratic participation and representation of young people.

Another area of reform relates to the amendment of legal codes relating to children and adolescents. There are very few specific references to youth in the national constitutions of Latin American countries and those that do exist generally relate to adolescents and young people under 18 years of age. These provisions are focused on protecting the family and seeking resources to ensure, among other things, the right to life, food, health, education, physical integrity and leisure time for children and adolescents. The influence of the Convention on the Rights of the Child and the efforts to incorporate its provisions into domestic law are positive developments (ECLAC/OIJ, 2007).

In Bolivia, the only explicit reference to youth is contained in a decree on the rights and duties of young people. The Dominican Republic has laws relating specifically to young people, including legislation creating a national youth agency and establishing a National Students Day. In Cuba, programmes for youth began to be offered with the Cuban revolution. The Constitution of 1976 ushered in a legal reform aimed at eliminating legislative fragmentation, and currently there are laws dealing specifically with the youth population. In Chile, there are no domestic laws or regulations relating specifically to youth, with the exception of the law creating the National Institute for Youth (OIJ, 2001).

Thus, the legal provisions relating to youth in the various countries relate mainly to safeguarding the rights of minor children and adolescents (Bolivarian Republic of Venezuela, Brazil, Dominican Republic, Ecuador, El Salvador, Guatemala and Uruguay). With the exception of laws relating to the age of criminal responsibility, there is no explicit reference to young people, who are subsumed within laws relating

to children and adolescents (ECLAC/OIJ, 2007). In the Dominican Republic, legislation governing the system for protecting and upholding the fundamental rights of boys, girls and adolescents was adopted in 2003 (Law 136-03).

According to the survey conducted by ECLAC in 2008, recent legislative changes relating to children include amendment of the chapter on juvenile criminal responsibility in the Child and Adolescent Code in Colombia and modification (in 2007) of the provisions relating to malicious gangs in the Child and Adolescent Code in Peru and prohibition (in 2006) of work and activities that are dangerous or harmful to the physical or mental health of adolescents. Brazil's response to the survey cited decree No. 6,490 of 2008, which established the implementing regulations for articles 80-D and 80-E of Law No. 11530, which created the National Programme for Public Security with Citizenship (PRONASCI).

In the Bolivarian Republic of Venezuela, the organic law for the protection of children and adolescents forms the basis for the activities of the Autonomous Institute of the National Council for the Rights of Boys, Girls and Adolescents (IACNDNNA), formerly the National Council for the Rights of Children and Adolescents (CNDNA). In 1999, children and adolescents were recognized under the Constitution of the Bolivarian Republic of Venezuela as persons possessing full legal rights and entitled to State protection. A year later the Organic Law for the Protection of Children and Adolescents (LOPNA) came into force. In December 2007, the latest reform of that law, which establishes the legal provisions relating to the criminal justice system and criminal responsibility for adolescents, stipulated changes aimed at accelerating litigation processes through the combined use of oral, written and recorded statements and promoting mediation and other forms of alternative dispute resolution with a view to avoiding litigation. In addition, in 2006 a law was enacted to protect children and adolescents with respect to Internet chat rooms, video games and other multimedia programmes.

In addition, some countries have implemented reforms aimed at strengthening organizations and forums for youth participation, such as youth councils (Colombia, Peru). This reflects a gradual recognition of young people as persons with rights and as agents of development and an effort to help organize the relationships that they may establish with other segments of society. Another type of citizenship-related legislation in force at present has to do with the establishment of voting rights. In most Latin American countries, the minimum voting age is 18 years, while in Cuba and Nicaragua 16-year-olds have the right to vote. 10 With regard to political participation of youth, there are no uniform constitutional provisions among countries.

⁹ See [online] http://www.oij.org/notas/notas_1.htm.

¹⁰ The constitutions in force at the turn of the century set the age of majority at 21 years and conferred political rights at 25 years of age.

Table IV.5
LATIN AMERICA AND THE CARIBBEAN (19 COUNTRIES): MAIN TOPICS ADDRESSED IN DOMESTIC LEGISLATION AS OF 2008

Topics	Argentina	Bolivia	Brazil	Chile	Colombia	Costa Rica	Cuba	Dominican Republic	Ecuador	El Salvador	Guatemala	Honduras	Mexico	Nicaragua	Panama	Paraguay	Peru	Uruguay	Venezuela (Bol. Rep. of)	
Domestic laws on domestic and family violence and violence against women	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X
Sexual harassment	X			X		X			X	X									X	
Family violence		X		X	X															
Sexual abuse and mistreatment of children		X		X	X															
Family code		X					X													
Criminal law applicable to adolescents and young people				X		X				X			X							X
Gang activity										X	X						X			
Organized crime										X	X									X
Family courts				X	X															
Youth councils					X												X			
National youth system					X												X			
Information on criminal law						X														
Family support													X							X
Smuggling of migrants and trafficking in human beings								X												
Maternity							X													

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of country responses to the ECLAC survey on policies and programmes for the prevention and control of violence, 2008; country responses to the ECLAC survey on programmes aimed at families, 2006; and L. Paulassi, E. Fear and N. Gherardi, "Legislación laboral y género en América Latina: avances y omisiones", *Políticas hacia las familias, protección e inclusión social*, Seminarios y conferencias series, No. 46 (LC.L.2373-P), Santiago, Chile, 2005.

A final area of legislative change concerns the treatment of gender-related issues and violence in labour laws. One example is sexual harassment, which is addressed explicitly under the laws of Costa Rica, El Salvador (in the criminal code) and Uruguay. In Argentina, the laws currently in force cover only public-sector employment and contain implicit stipulations relating to “psychological or other coercion”. The laws of other countries use terms such as “severe abusive treatment by the employer” (Ecuador) or allude to “respect for workers where their privacy, private life or dignity might be affected” (Chile). The lack of awareness of these issues—which tend to affect young women starting out in their working lives—is reflected in a lack of adequate legislation on sexual harassment in most countries of the region (Pautassi, Faur and Gherardi, 2005).

Another focus of recent legislation is promoting the incorporation of women into the labour market, whether

through business development, access to property (Colombia) or employment (Colombia, Dominican Republic). Only in Bolivia have regulations concerning paid work in the home recently been put in place (ECLAC, 2007a).

Matters relating to the development of a culture of peace or to healthy lifestyles are not reflected in national constitutions, although in some countries they are addressed implicitly. Only in Ecuador—in the context of the drafting of a new Constitution—has a culture of peace been advocated as a right. At the same time, the recent incorporation of considerations relating to quality of life in constitutional law represents a step forward in the legislative sphere, although this is a general right, not a specific right of adolescents and young people. It should be noted that there is a great void in Latin American constitutions with respect to the “right to a future”—i.e., the set of conditions required for the advancement of young people, adolescents and children.

2. National legal frameworks in the area of family violence

Legislation on family violence—in force in all countries of the region—is one of the most well-established areas of law in Latin America. In some cases, national plans to combat violence, with emphasis on violence in the home, are complemented by legislative measures that promote gender equality in the public (especially labour) sphere and in the private domain (gender relations within the household).

Most of the laws and policies in Latin America use the term “family violence” to refer mainly to violence perpetrated against women by their intimate partners. While PAHO used that term in its early works on the subject, it later began using the terms “gender-based violence” or “violence against women” to refer to the broader range of violent acts experienced by women and girls, perpetrated both by their partners and by family members and individuals outside the family.

Prior to the existence of international sanctions against gender-based violence, women’s organizations in various countries of the region had formed national coalitions to propose and lobby for relevant legislation, obtained funding to train police and judges and provided counselling and services to affected women. Thanks to the women’s movement, the seriousness of the problem of violence against women has been increasingly recognized since the 1970s, and the issue has been discussed at the international level at the World Conferences on Women

held in Mexico (1975), Copenhagen (1980), Nairobi (1985) and Beijing (1996) (Velzeboer, 2003). Those events helped to put in place instruments that expanded protection against this problem for women.

One such instrument is the Convention on the Elimination of All Forms of Discrimination against Women of 1979 and its Optional Protocol of 1999, ratified by 14 Latin American countries (the exceptions being Chile, El Salvador, Honduras and Nicaragua). This convention led to the inclusion in national legal systems of important rights for women arising from the Universal Declaration of Human Rights, which have been further elaborated as general recommendations by the Committee on the Elimination of Discrimination against Women. The Optional Protocol establishes the Committee’s competence to receive, consider and investigate complaints of any form of discrimination against women. The Convention on the Elimination of All Forms of Discrimination against Women led to the elimination of the notion of “marital authority” (*potestad marital*) from legal regimes, doing away with the rules relating to the head of household, which gave the man the right to make decisions concerning the family, including choosing where to establish the conjugal domicile, granting the wife permission to work and limiting her freedom of movement. As a result of this change, a husband’s right to discipline his wife and to do as he wished with her body without her consent was also abolished, giving rise to laws

on family violence. Another key element of the Convention relates to equality of rights with regard to access to family planning services, in particular in relation to decisions concerning the number of children desired and maternity protection. This, in turn, facilitated the development of public policies aimed at reducing maternal mortality.

The Convention on the Rights of the Child of 1989 also had a notable impact on family relations, particularly with regard to protecting the rights of girls who were being forced into marital relationships at a young age in some countries. As the social and legal status of young people is generally equated with that of the population under 18 years of age, it is necessary also to look at legal instruments relating to children and adolescents, which include national child and adolescent codes, the Convention on the Rights of the Child, the Convention concerning Minimum Age for Admission to Employment (International Labour Organization Convention C138) and the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (ILO Convention C182). The Convention on the Rights of the Child is the international instrument that has had the greatest impact in terms of recognition of the rights of young people; however, it refers explicitly to adolescents and young people between 15 and 18 years of age. There is no international instrument providing protection specifically for the youth population aged 19 to 24 (Bernales, 2001).

Countries fall into three categories with respect to the Convention: some have ratified it, but still have old legislation concerning children in force; others have begun processes of reform aimed at ensuring full protection of the rights of children, but still partially retain legislative approaches that predate the Convention; and a third group of States have substantially amended their laws in accordance with the Convention and are engaged in complex processes of institutional transformation under new policies and programmes (ECLAC, 1998). While most countries have ratified the ILO conventions on child labour, there are inconsistencies with respect to international standards concerning the minimum working age, as well as major differences between and within countries.¹¹

In summary, most Latin American countries have adopted a regulatory framework on family violence or legal provisions on gender equality. Most of them were introduced in the 1990s; more recently, a law on women's right to a life free from violence (2007) was adopted in Mexico and the "Maria Da Penha" law against violence (2006) was enacted in Brazil.

In the 1990s, a number of countries adopted anti-violence legislation, including the law on protection against family violence (1994) in Argentina, the law on family or domestic violence (1995) in Bolivia, the law on violence against women and the family (1998) in the Bolivarian Republic of Venezuela, the family violence act (1994) in Chile, the domestic violence act (1996) in Colombia, the law on violence against women and the family (1995) in Ecuador, the family violence act (1996) in El Salvador, the law on prevention, punishment and eradication of family violence (1996) in Guatemala, the domestic violence act (1997) in Honduras, the law on family violence prevention and assistance for victims for the Federal District and 22 states (1996) in Mexico, the domestic violence act (2000) in Paraguay and the law establishing the State and societal policy against domestic violence (1993) in Peru.

Some countries have no specific national legislation on the subject. In the case of Nicaragua, Law 230 introduced amendments and additions to the Criminal Code (1996), while in Panama Law 27 (1995) criminalized domestic violence and child abuse, provided for the establishment of specialized agencies to provide care for victims of these crimes, introduced reforms and added articles to the Criminal and Judicial Code and instituted other measures.

In all these laws there are differences with regard to the acts that constitute family violence, the penalties for perpetrators and the measures of prevention and immediate protection available to victims, depending on the balance between preventive and punitive measures (see table 3 in annex).

Regarding definitions of acts of violence, while some countries make clear distinctions among the various types of violence, including physical, psychological, sexual and economic or property-related violence (Bolivia, Brazil, Colombia, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Uruguay), others do not (Argentina, Nicaragua, Paraguay) or they exclude the economic/property dimension (Bolivia, Bolivarian Republic of Venezuela, Chile, Ecuador, Mexico, Paraguay, Peru). In Chile, the law defines and punishes acts of physical and psychological violence committed in domestic settings, but does not include sexual assault in the home and does not protect non-minor children or siblings (whose cases come under the criminal code).

In terms of whether such cases should be dealt with under civil or criminal law, current legislation includes measures that emphasize prevention, punishment or both, depending on the country. Costa Rica has a law establishing protective measures for victims of domestic violence and giving oversight responsibilities to the Ministry of Women. Bolivia's legislation establishes preventive measures and

¹¹ The minimum working age is 18 in Bolivia and Colombia, 17 in Cuba, 16 in Brazil, Chile and the Dominican Republic, 15 in Uruguay and 14 in Ecuador, Guatemala, Honduras, Mexico and Panama. Peru has established different minimum ages for workers in agriculture (15 years), mining and industry (16 years) and industrial fishing (17 years) (ECLAC, 2004a).

amends a criminal law that allowed impunity for perpetrators. It also establishes statutory rape, rape and sexual abuse as public order offences. In Chile, the legislation is both punitive and preventive and grants powers to civil courts, the Chilean national police force (Carabineros de Chile) and the national investigatory police force (Policía de Investigaciones), but also provides for treatment and community services. Although this is a civil law, cases of serious physical violence come under the criminal code. Uruguay's domestic violence act provides for both a preventive approach to the problem and a criminal response (prosecution in order to prevent further violence).

With regard to the specific limitations of these laws in national contexts, it should be noted that protection measures in Costa Rica are considered inadequate, as only 20% of requests for interim measures of protection are resolved in favour of the petitioner. In Bolivia, limitations include a shortage of human and financial resources, lack of uniform procedures and lack of training and strengthening of the capacity of health personnel to ensure enforcement of the law.

Indeed, few laws exist to enable health personnel to pursue legal action when needed. Uruguay is an exception,

as it has adopted the international instruments and models of intervention proposed by PAHO to address violence, which give responsibility to health personnel, without requiring them to report all cases of which they may become aware. In 2004 four special courts on domestic violence were established in Montevideo, in addition to the traditional district courts and public defenders' offices, which are responsible for emergency cases. In Uruguay, the domestic violence act provides for the creation of the National Advisory Council on Combating Domestic Violence, which is tasked with drafting the National Plan to Combat Domestic Violence and grants jurisdiction to family courts to intervene in cases in which no criminal offence has been committed.

Other legislative changes identified in the ECLAC survey responses reveal a variety of actions. In the Bolivarian Republic of Venezuela reforms in legal procedures and family law have been introduced with regard to parental authority, custody and the right to family life, replacing former provisions regarding parental visitation rights (organic law on protection of the family, fatherhood and motherhood, 26 July 2007). In Mexico, federal law was amended with a view to preventing and eliminating discrimination.

3. Criminal law relative to adolescents and young people

As a result of increases in the proportion of arrests among youth in several countries, there have been calls to lower the age of legal responsibility, with proponents pointing to the legal impediments that hinder the prosecution and punishment of individuals under 18 years of age. In some cases, in keeping with the Convention on the Rights of the Child, provisions have been included to protect children under 18 and avoid their being subject to the same penalties as adults. The age of criminal responsibility is 12 in the Bolivarian Republic of Venezuela, Costa Rica, Ecuador, El Salvador, Honduras and Mexico; 13 in the Dominican Republic, Guatemala, Nicaragua and Uruguay; 14 in Chile, Colombia, Panama, Paraguay and Peru; 16 in Argentina, Bolivia and Cuba; and 18 in Brazil.¹²

Lowering the age of criminal responsibility has created problems in terms of overcrowding of prisons and lack of appropriate detention facilities or institutions to facilitate the reintegration of young offenders into society. It has been found that, where the State fails to address the social exclusion of young people, repressive or heavy-handed policies have led to a strengthening of gang organization and to the transformation of youth gangs into complex criminal organizations, and have also exacerbated the crisis in prisons (Aguilar, 2007). Such measures may expose young people to situations of violence (riots, revolts, etc.), which will only encourage more criminal behaviour in the long term.

¹² In El Salvador, cases involving young people aged 12 to 16 are handled through an antisocial behaviour system, while cases involving those aged 16 to 18 come under the criminal justice system. In Cuba, minors are subject to the same procedure as adults, but the criminal code provides the option of reducing sentencing limits based on two age brackets. In cases involving defendants aged 16 to 18, sentences can be reduced to half and for defendants aged

18 to 20 they can be reduced by one third. Executive Order 64/82 establishes a system for treating children under 16 years of age with behavioural disorders. Bolivia has a "social responsibility" system for young people aged 12 to 16, while those aged 16 to 21 are tried in the general justice system, but are afforded special protections under the applicable legislation.

Paradoxically, although there is consensus on the limitations of the prison system, the debate surrounding this issue is taking place in legal contexts that have conflicting legal instruments, such as the doctrine of “irregular situation” and the Convention on the Rights of the Child, in which children are viewed as persons with rights. While under the former, young people are considered abandoned or delinquent persons who should be institutionalized (i.e., imprisoned), the latter seeks to provide “comprehensive protection” for young people (García Méndez, 1994). Several countries that have signed the Convention continue to apply traditional approaches based on the doctrine of irregular situation and support lowering the age of criminal responsibility.

Recent changes in juvenile criminal justice law include criminal code reforms concerning penalties and security measures, rehabilitation, treatment without incarceration and community service, and crimes against the free development of personality in Mexico, and amendments, in 2006, to the law for the treatment of juvenile offenders in the Bolivarian Republic of Venezuela. In recent years, laws have been enacted in the latter country on computer crime (2001), organized crime (2005), social responsibility in radio and television (2004) and drug abuse and illicit trafficking (2005). Reforms on juvenile violence in El Salvador include the anti-*maras* act, the law to combat criminal activities of illicit groups and associations, and the juvenile criminal justice law, adopted in June 2006, formerly known as the juvenile offender act.

E. Policies and programmes for the prevention and reduction of youth violence

The policies and programmes undertaken in Latin America to prevent and reduce youth violence are diverse in nature; some have been oriented towards public safety and peaceful coexistence, while others have focused on the elimination of domestic and family violence against women, recreation, school-based interventions and educational rehabilitation for offenders, job training or adolescent and youth health. The results of the ECLAC survey show that only in some countries are programmes against youth violence part of national youth systems; in others they are carried out in the framework of specialized and sectoral initiatives.

1. Content of programmes on youth violence

In the array of programmes for youth, several areas of intervention for the prevention and control of youth violence can be distinguished: safety and peaceful coexistence; domestic and family violence or violence against women, recreation, intervention in schools and educational rehabilitation for offenders, job training and adolescent and youth health. While these strategies are beginning to be based on multi-sectoral planning, there is

still a tendency to address youth violence as a cross-cutting element of broader policies, including national public safety strategies and plans for the protection of children and adolescents, strengthening of the family and gender equality, as well as national violence deterrence plans.

The results of the ECLAC survey show that programmes against youth violence are part of national youth systems only in some countries. This is the case with the lines of

action proposed under Peru's Youth Policy 2005-2015, Brazil's National Youth Inclusion Programme (ProJovem), Colombia's Presidential "Young Colombia" (*Colombia Joven*) Programme and Mexico's National Youth Policy and National Youth Programme (PROJUVENTUD).

In other countries, programmes to prevent youth violence are carried out within specialized areas of action. In the Bolivarian Republic of Venezuela, youth violence prevention activities are implemented under national plans for the protection of children and adolescents (2001-2007), a national plan against sexual abuse and commercial sexual exploitation (2005), border crime prevention plans and plans for the protection of families in the Colombian-Venezuelan border area. In Chile, youth violence prevention activities are undertaken mainly under the National Public Safety Policy (2004) and in El Salvador, in the framework of the National Youth Policy and Public Safety Policy. Peru has implemented plans to prevent violence with support from PAHO and the German Agency for Technical Cooperation (GTZ), together with training programmes for officials responsible for youth development activities.

At the sectoral level, several programmes have drawn on successful experiences in the areas of adolescent health, prevention of risk behaviours, awareness-raising and promotion of healthy lifestyles. The participation of specialized non-governmental organizations has been crucial to the implementation of these programmes, both because of their methodological contributions and because

they have provided the initial impetus for initiatives that were later replicated in the public sphere (as in the case of the Adolescent Guidance Centre (CORA) in Mexico, which is considered a paradigmatic example of such an initiative). The "Open your Eyes" Programme in Colombia and the healthy schools and communities programmes carried out through the Ministry of Health in Peru are other examples. This group of prevention programmes also includes drug abuse programmes (Bolivarian Republic of Venezuela, Peru).

Plans for training and employment as a means of preventing violence include apprenticeship, job training and microenterprise development programmes. Apprenticeship programmes include technical training programmes designed to meet the needs of the productive apparatus. Evaluations of some of these programmes have criticized their educational bias (targeting of young people who had completed basic education) and lack of business management training, technical assistance and credit support (Rodríguez, 1995).

Another area on which youth violence prevention programmes have focused is youth participation. In this context, volunteer programmes have been developed, building on volunteer initiatives already under way in local environments, including Christian youth groups, the Scout Movement and Catholic youth ministry groups. Their focus has been on training youth community and outreach workers, an area in which Christian youth groups have accumulated considerable experience.

2. Public safety and peaceful coexistence programmes

Measures implemented in the area of public safety have included intervention models promoting reparation and accountability, within the framework of strategies for ensuring public safety and encouraging youths and adolescents to accept responsibility for their crimes, coupled with judicial structures for victim assistance and community-police partnerships at the local level. Government action has encompassed a wide range of pre- and post-crime interventions, utilizing family- and community-based intervention approaches, as well as measures aimed at youth in conflict with the law (see table 4 in the annex).

The family is the focus of intervention for various programmes aimed either at strengthening the family (Bolivarian Republic of Venezuela, Peru) or at putting

in place support structures for victims of violence. In Ecuador, for example, special police units have been established to serve women, families and children, under the coordination of the Ministry of the Interior. In the Bolivarian Republic of Venezuela a school and community ombudsman programme was in effect from 2002 to 2006. Noteworthy among the initiatives incorporating prevention models with community-based approaches are those programmes that link the work of the local police with various sectors of the community. One example is the National Programme for Public Security with Citizenship (PRONASCI) in Brazil, which combines public safety and social activities. Other examples include the Peruvian Youth Patrols Programme and Friends of the Police Youth Club, similar to neighbourhood watch and community-based

school policing associations. Another type of programme involves the creation of specialized bodies within the national police to deal with child and youth issues. In 1978, Colombia created a special juvenile police force, made up largely of women. Colombia has also established a child and adolescent police corps, formerly known *Policía de Protección Juvenil* (Juvenile Protection Police) and currently called *Policía Cívica Juvenil* (Juvenile Civic Police). In the Dominican Republic, the Democratic Security Plan includes a neighbourhood security programme for excluded communities that provides scholarships, banking services (small unsecured loans for small initiatives), recreation, and vocational and job training. Steps have also been taken to regulate the distribution and consumption of alcoholic beverages, protect victims of violence and control access to weapons.

The use of community-based approaches to address the problem of violence has led to the creation of programmes aimed at fostering the social integration of at-risk youth. Such programmes are based on recreation and the promotion of opportunities for youth participation and representation, as well as increasing job opportunities for young people. Brazil has launched the Protection Programme for Children and Adolescents under Death Threats (PPCAAM), which ensures their safety and protection by removing them from the place of risk, placing them in a safe environment and ensuring their access to health care, education, sports, cultural opportunities and, where appropriate, to market-oriented job training courses. Other programmes of this type in Latin America include a programme to promote a culture of peace, human rights and youth violence prevention and a youth advancement programme, implemented in accordance with the specific lines of action of the educational policy in Peru, and programmes to promote peaceful neighbourhoods and opportunities for dialogue on diversity in Ecuador.

A variety of recreation-oriented interventions have been implemented, ranging from the celebration of Children's Day in Colombia to sports development projects in countries such as Chile (football/soccer schools), Costa Rica (construction of football/soccer fields) and Brazil (programme offering access to sports, nutritional supplements, academic support and sports equipment). In Costa Rica, sports development projects are offered by the Ministry of Culture, Youth and Sports and the Ministry of Justice, which provide training to team fan groups with a view to discouraging violence during football/soccer matches.

The area of promoting youth and adolescent accountability for crime includes a whole range of measures targeting young offenders, including rehabilitation, school reintegration and early intervention. One example is the programme "Chats about Juvenile Criminal Law" in Costa

Rica, a national programme implemented in 2001 under the coordination of the Ministry of Public Safety. Peru has programmes for early intervention and counselling for at-risk adolescents and youth, crime reparation measures and social reintegration of young offenders, administered by the Ministry of Justice.

Some countries have attempted to combine punitive and situational prevention approaches in addressing youth violence. In Chile, for example, the National Public Safety Strategy includes community public safety plans, which are implemented in collaboration with municipalities through annual projects to prevent violence in educational institutions and psychosocial prevention initiatives targeting at-risk children and adolescents. The public safety plans, launched in 2005, are limited to urban areas and involve the implementation of projects of the Municipal Support Fund (FAGM), which during the 2006-2007 financial year benefited 15,067 young men and women in 57 communities. The amount available for projects was 908,329,557 pesos (approximately US\$ 1,481,000 in 2000) per year. Another line of action of the National Public Safety Strategy is a comprehensive programme for children and adolescents carried out with funds from the 24-Hour Integrated Security Programme of the National Police of Chile. The programme was implemented in three urban regions, with a budget of 512,000,000 pesos (US\$ 773 million in 2000), provided by the Ministry of the Interior and the National Children's Service. It is aimed at children and adolescents included in the 24-hour programme (who have come into contact with a police unit for matters relating to infringement of rights or violations of the law but are considered not criminally responsible).

Another country that has combined strong punitive measures with measures aimed at promoting peaceful coexistence and a culture of peace is El Salvador, where various national plans are being implemented, including the "Heavy-Handed" (*Mano Dura*) plan (introduced in July 2003) and the "Super-Heavy-Handed" (*Súper Mano Dura*) plan (introduced in June 2004 and renewed in January 2006), designed to control youth gangs. In the area of prevention, El Salvador has also launched (in January 2007) the National Plan for Social Prevention and Peace, which targets at-risk communities in 13 districts (*municipios*) in the western part of the country, and the "Friendly Hand" (*Mano Amiga*) and "Outstretched Hand" (*Mano Extendida*) plans (in June 2004). In the same vein, the Government has implemented a programme for the social prevention of youth violence and crime in El Salvador and a programme for the social prevention of youth violence and crime specifically targeting the western part of the country, the situation appraisals for which were based on risk maps, municipal data, community records and school assessments. With regard to the monitoring

and evaluation systems in use, impact indicators for specific components of work were developed and surveys of victimization and perceptions of insecurity were conducted, in addition to the normal periodic updating of the table of indicators of violence and crime of the Central American Observatory against Violence (OCAVI) and the implementation of municipal observatories. The aforementioned programmes for youth violence and crime prevention also included school-based components aimed at encouraging recreational sports and art as tools for steering young people away from violence.

In the area of public safety and peaceful coexistence, Colombia is one of the countries that developed the most programmes and incorporated the issue of violence to the greatest extent into its national youth policy. In the framework of the new Constitution of 1991, which marked a significant step forward with regard to decentralization and democratization, the first national strategy against violence was formulated and was revised in 1993. Both national plans recognize that there are diverse manifestations of violence, which call for specific differentiated policies. To address the problem of violence, an institutional framework was established which covers the national, regional and local levels and is diversified by sector (families, schools, youth, women). This framework is designed with both a preventive approach (education, employment, participation) and a coercive one (police, army, justice). In addition, there has been open debate and an effort to raise public awareness of the issue in the media, political parties and community

organizations. A number of institutions have been created in recent years, including presidential advisory councils, urban mediation centres, community-based mediation and dispute resolution centres, special grievance committees, youth houses, “centres of love” in Buenaventura, grass-roots organizations, family police units, security councils, peace commissions, human rights offices and citizens’ groups, which have joined the traditional police, justice and municipal government agencies.

Noteworthy initiatives at the local level include the Development, Security, and Peace (DESEPAZ) Programme in Cali and the Strategic Security Plan for the Medellín metropolitan area. The DESEPAZ Programme includes five priority projects: research on the epidemiology of violence; strengthening of law and order through the establishment of a security council and improvement of police forces; education for peace and coexistence through the media, support for the school system and the family structure; opening up of opportunities for participation at the local level through community government councils, community safety councils, local administrative boards and intersectoral committees; education for community participation and peaceful coexistence and promotion of social development in critical and at-risk sectors. The Colombian case is remarkable for the strong institutional system underpinning the Plan, the dynamic linkage with the national youth agency and the diversity of the strategies and programmes aimed at providing a comprehensive solution to the problems of youth at various levels.

3. Violence prevention in the educational sphere

In the area of education, several countries have mounted major efforts to prevent violence in schools, although schools are now having to contend with new problems such as cyber-bullying. In most cases, prevention programmes are provided for under education policies and are carried out with the support or coordination of the local police force or other agencies (justice, social development, health, etc.).

In Chile, the specific policy for young people calls for the implementation of comprehensive preventive schools and of the “Safer Chile” programme, which includes a line of action focusing on schools and another line of action aimed at preventing child and youth violence. Comprehensive preventive schools were established in 2007 in 60 communities, with funding totalling 1 billion

pesos (approximately US\$ 1,511,000 in 2000). This initiative targeted students aged 12 to 14 with behavioural problems in secondary schools with a high-risk student population. The project to prevent violence in schools, which began in 2005, benefited 26,512 young people and members of the educational community in the country’s 31 urban districts (*comunas*) during fiscal year 2006-2007. The budget for the project totalled 372,866,136 pesos (approximately US\$ 608,000 in 2000). It focused on the educational community in municipal and private-subsidized institutions, selected on the basis of an assessment of public safety in the community in question. It is proposed to extend the project to the second level of primary school and to the first and second levels of secondary school starting in 2008.

There have also been initiatives to prevent school dropout. Chile has launched school reintegration programmes nationwide, with funding of 426 billion pesos (about US\$ 695,000,000 in 2000), mainly from the Ministry of Education, but also with support from the Ministry of the Interior. The target population for these initiatives are youths under 18 years of age who have left school or at risk of doing so. The Ministry of Education and the National Drug Control Council (CONACE) (under the Ministry of the Interior) are responsible for coordinating these programmes. Costa Rica has implemented the “New Opportunities” programme, a conditional cash transfer programme coordinated by the Ministry of Education and aimed at preventing school dropout.

Another example of educational initiatives for the prevention of youth violence is the Colombian “Seeds of Knowledge” (*Semillas de conocimiento*) programme, which includes education projects aimed at preventing crime and wrongdoing among children and adolescents. The lines of action of this programme are: student social service, workshops to strengthen values for parents and children, police training and creative use of vacation time. Also in Colombia, the “Playing” (*Jugueteando*) programme uses recreation for girls and boys, adolescents, parents and children to disseminate information on their fundamental rights.

A recent advance in violence prevention through education is the integration of approaches emphasizing a culture of peace, citizenship, peaceful coexistence and healthy school environments, which are being applied in various educational institutions in the region. The experience of the “Making Room” (*Abrindo Espaços*) programme, now called “Open School” (*Escola Aberta*), implemented by UNESCO in Brazil, revealed that the greatest impact of violence at the community level is that it creates school environments that are incompatible with teaching and learning. This programme was implemented at the national level (in 14 state capitals of Brazil) and was

based on a 2002 study of violence in schools. That study mapped the types of violence occurring on school premises and identified situations that can trigger it (disciplinary measures, aggressive acts between students and teachers, graffiti, physical damage to the school, unclear rules of organization, lack of material and human resources, low teacher and staff salaries and lack of dialogue with the community, among others). The programme’s objectives are to promote interaction among schools, families and communities (creating mechanisms of negotiation with regard to the internal rules and regulations of the school); to implement positive measures in terms of public safety; to produce educational materials to sensitize families and teachers; and to provide access to cultural activities at the local level in existing school facilities.

The programme opened schools at weekends (Saturdays or Sundays or both), giving young people access to computer laboratories, sports facilities, libraries and other facilities. An assessment carried out by UNESCO in the State of Rio de Janeiro, presented in the report *School of Peace*, clearly revealed the power of schools to foster tolerance and mutual respect. A recent evaluation of the experiences of Rio de Janeiro and Pernambuco (2000) shows a decrease in robbery, fights, petty theft, vandalism, graffiti, sexual assault, drug trafficking and use, personal humiliation, carrying of firearms, gangs in schools, poor student behaviour and alcohol consumption on school premises, among other accomplishments (Morales, 2007). In addition to the Open School programme, the National Youth Policy created “Literate Brazil”, a literacy programme targeting the population over 15 years of age; a programme to upgrade and expand secondary education (PROMED); a programme to facilitate access to professional education (PROEJA); a national textbook programme for secondary schools (PNLEM); and the “University for All” programme (PROUNI), which provides full and partial scholarships for low-income students.

4. National plans against domestic violence

After the Fourth World Conference on Women, held in Beijing in 1995, a number of Governments in Latin America and the Caribbean drew up plans for the coordination of actions to put a stop to domestic violence, utilizing as a basis the various international instruments relating to the protection of women’s rights, in particular the Convention on the Elimination of All Forms of Discrimination against

Women and the Convention of Belém do Pará. The various initiatives undertaken in this area have helped to ensure the inclusion of the issue on public agendas, the development of communication strategies, the promotion of laws, the provision of technical assistance to health services and the implementation of sectoral and cross-sectoral action.

In several countries, national plans against domestic violence have been framed within gender equity policies based on the Beijing Platform for Action (Chile, Costa Rica and Uruguay). These plans call for comprehensive action on all areas of the Platform, which distinguish them from the plans formulated in other countries, such as Bolivia and Brazil (García and others, 2000).

In most cases, the institutional actors responsible for the national response to domestic violence are ministries of the family, ministries of justice, agencies for the protection of women and health institutions. In Bolivia, the major actors in the National Plan for the Prevention and Eradication of Violence against Women are ministries and vice-ministries. In Chile, the National Plan on Prevention of Violence within the Family is overseen by the National Women's Service (SERNAM), working in coordination with various ministries, the women's movement, international cooperation agencies and municipal victim assistance centres and programmes. In Costa Rica, the entity that has overall responsibility for the National Plan to Address and Prevent Intra-Family Violence (PLANOVI) is the National Centre for the Development of Women and the Family (now known as the National Institute of Women), with support from various government institutions that are part of the plan, including municipal women's offices, community networks, civil society organizations that participated in the design of the plan and international cooperation agencies.

In Brazil, the institutional actors responsible for the National Programme to Prevent and Combat Domestic Violence are the National Council on Women's Rights (CNDM), the Ministry of Health and the Ministry of Justice (responsible for shelters for victims of violence). The plan includes four strategic lines of action: coordination of inter-ministerial action (health, education and culture), legislative changes, strengthening the legal and law enforcement system for dealing with violence against women and public awareness-raising campaigns (García and others, 2000). The Protection Programme for Children and Adolescents under Death Threats (PPCAAM) provides for the removal of children from their families and their placement in safer communities.

In Uruguay, implementation of the National Plan against Domestic Violence launched in late 2004 is the responsibility of the National Institute for Women of the Ministry of Social Development and the staff of the Gender Violence Area of the National Women's Health and Gender Programme, among other agencies. The plan is rights-based and follows the approach advocated by PAHO/WHO. It established a model of care for domestic violence based on cross-cutting approaches (gender equity, participation, partnerships) and national coalitions of political actors for the development of legislation and

public policy. At the sectoral level, it includes community-based strategies to strengthen networks, campaigns and self-help groups (MSP, 2006).

In Mexico, the national youth policy encompasses the National Network to Counter Violence against Young Women and Men and the National Programme for Youth (PROJUVENTUD), a medium-term programme to address gender and equity issues. Strategies implemented to date include training at the regional and national levels in gender equity, awareness and information campaigns on intimate partner violence among young people, training and distribution of "Paths to Equity" (*Caminos hacia la equidad*) educational materials and the national "Women as Seen through the Eyes of Youth" (*Las mujeres desde los ojos de la juventud*) video competition.

One of the most important programmes in Colombia is "Make Peace" (*Haz paz*), which is being carried out in the framework of the National Policy for Family Peace and Coexistence. Through this programme, tools are being disseminated to increase and improve service delivery to families in conflict and victims of family violence. The institutions involved in the formulation and implementation of the "Make Peace" programme are the National Planning Department, the presidential advisory committees and special programmes for women's equity, the Ministries of Social Protection, Education, Communications, Culture, Interior and Justice, the Colombian Family Welfare Institute (ICBF), National Institute of Legal Medicine and Forensic Sciences, the Public Prosecutor's Office, the National Police, the Attorney General's Office and the Office of the Ombudsman. The Presidential Advisory Council for Social Policy assumed responsibility for coordinating the "Make Peace" programme in 2000, and between 2001 and 2003 the Colombian Family Welfare Institute also gradually became involved.

The process of implementing these national plans has been complex. In some cases, the national plan against domestic violence has been used to compensate for a lack of public policies for gender equity (Bolivia), while in others, the lack of a comprehensive plan has given rise to sectoral policies and activities (Chile), the effectiveness of which has been lessened by lack of coordination and implementation problems. In countries that have not developed policies and where governmental institutions are weak, the problems have multiplied. In cases where the national plan and the gender policy have been based on a comprehensive vision (Costa Rica), an effort has been made to offset weaknesses in the policy by emphasizing continuity of the plan and ongoing attention to the issue of violence.

While government efforts to stem domestic violence in Latin America have given the problem greater visibility, there remain some difficulties in implementing existing legal provisions. One major obstacle to implementing

programmes aimed at addressing family violence is the lack of linkage between the laws enacted and the national plans and programmes put in place. In Chile and Costa Rica, unlike in other countries, the plans have had greater continuity (García and others, 2000).

The programmes implemented in this area encompass various forms of public action. While in some countries a national policy with a comprehensive approach has been applied (e.g., Bolivia, Colombia, Costa Rica and Uruguay), in others specific actions against domestic violence have been undertaken by various public institutions, but there is no national plan or programme. The latter approach is less costly, but the characteristics of demand for such services make it inadequate in the long term. A growing concern at present is intimate partner violence among young couples, the victims of which are mainly young women. Chile and Mexico have initiated awareness and prevention campaigns to address this form of violence.

In all cases, the provision of services to victims of domestic violence has expanded. In Bolivia, such services are provided by health care facilities and family protection teams, and comprehensive legal services have

also been developed. In Costa Rica, several national ministries provide victim assistance services of various types, although municipal governments are playing a growing role. In Brazil, the network of shelters for victims of domestic violence has received federal funding and been strengthened, the Ministry of Health has adopted a response protocol and the health and police sectors are coordinating their activities. There are differences with regard to the approach to victim assistance: in some cases (Bolivia and Costa Rica) victim assistance services take direct responsibility for providing assistance, while in others they focus on prevention and technical assistance (Brazil and Chile) (García and others, 2000).

One of the most recent advances is the implementation of national programmes, regional campaigns and activities targeting various groups, including the organized participation of groups of men against violence. Evidence of the impact of such initiatives is the growing participation of judges and magistrates therein and the gradual inclusion of the issue of domestic violence on the electoral platforms of presidential candidates of both sexes (ECLAC, 2007e).

F. Coordinating institutions and entities working in the area of youth violence

The government agencies that deal with issues relating to youth vary by country. They include ministries, vice-ministries, youth secretariats, under-secretariats, institutes, directorates and national youth councils. There are also some government agencies located within non-specialized ministerial institutions, whose administrative and political authority is limited by their lack of independent legal status. Youth observatories that serve as information clearinghouses have been established in only three countries of the region. The main problem with regard to financing for policies and programmes to prevent youth violence is lack of continuity in the allocation of resources owing to non-inclusion of the relevant activities in public budgets, the low priority accorded to the issue of violence and its various manifestations as a public health and safety issue and lack of political will to mandate funding for measures to address it.

1. Features of the coordinating institutions working in the area of youth violence

In the countries studied, the institutional approach to the issue of youth violence has depended on consolidation of the agencies responsible for issues relating to youth. Progress in that regard has been uneven. In Brazil, for example, the National Youth Council, the National Youth Secretariat and the National Youth Inclusion Programme (ProJovem) were created jointly under the National Youth Policy, adopted by law in 2005. In other countries, official youth agencies have been created by presidential decree —i.e., by the chief executive currently in office, without any legislative backing, as a result of which they are vulnerable to changes of government (ECLAC, 2000c).

With regard to the level of the government agencies that deal specifically with youth, they include ministries (Panama), vice-ministries (Bolivia, Bolivarian Republic of Venezuela, Costa Rica, Paraguay), youth secretariats (Dominican Republic, Nicaragua, Peru), under-secretariats and institutes (Bolivarian Republic of Venezuela, Chile, El Salvador, Honduras, Nicaragua, Mexico, Paraguay, Uruguay), directorates (Argentina, Ecuador), national youth councils (Guatemala) and others. Some public agencies are smaller units located within a non-specialized ministerial institution and lack independent legal status, as a result of which they are administratively and politically limited (El Salvador and Nicaragua until 2001). Others come under to a high-level government agency and enjoy administrative autonomy, but work directly with a lead agency, which has primary responsibility for youth-related matters, such as the ministry responsible for formulating the national youth policy (Costa Rica, Guatemala, Honduras, Nicaragua and Panama) (Dávila, 2003). These agencies may work at the national, provincial or local (municipal or departmental) levels, depending on their jurisdiction.

In general, the objectives of the national institutions that deal with youth include at least four tasks: systematic compilation of information about the situation of youth, professionalization of technical personnel, design and implementation of innovative programmes and development of communication skills in order to build consensus among leaders and public opinion. While significant progress has been made, the institutional structure needs to be modified in order to delegate responsibility for leadership and for coordination of plans and programmes to national youth institutes.

The survey conducted by ECLAC in the region reveals that a variety of institutions maintain information systems or collect statistics on violence as it affects the youth population. In some countries there are violence observatories operating in coordination with national youth agencies. At the regional level, as part of an effort to quantify the magnitude of the problem, since 2004 the Pan American Health Organization and the Inter-American Coalition for the Prevention of Violence, with technical support from the CISALVA Institute at Universidad del Valle in Cali, Colombia, have been supporting and implementing a project involving municipal violence observatories in El Salvador, Nicaragua and Panama. In addition, the Inter-American Development Bank (IDB) has been working for a decade in the area of violence prevention and public safety, with a portfolio that to date includes more than US\$ 215 million. According to the ECLAC survey, information on violence in Honduras comes from the Honduras Violence Observatory, a joint initiative of the United Nations Development Programme (UNDP) and the National Autonomous University of Honduras. In Ecuador, such information is based on data from the Youth Observatory and in Uruguay it is supplied by the National Observatory on Violence and Crime.

With regard to the dissemination of information to support the formulation and implementation of national and regional policies for the prevention and control of violence, worthy of note is the work being carried out by the Central American Observatory against Violence (OCAVI), which serves as a virtual information centre for decision-makers, operators of prevention systems, academics and members of the general public concerned with the phenomenon of violence and crime in Central America. OCAVI is part of the Safe Central America Plan, an initiative of the Central American Integration System (SICA). The observatory is located in El Salvador and monitors the issue both at the national level and at the regional level in Central America. Given the transnational nature of the problem, it also collects information from Mexico, the United States and Canada and from other countries in Latin America and the world. OCAVI studies a wide range of topics related to the problem of violence in the region and in the world. The information compiled by the observatory includes indicators of violence, studies and research, public policies, projects and models of prevention, control and rehabilitation.

In other countries, information on youth violence is compiled by national statistics offices. This is the case in Argentina, Mexico and Peru. The Integrated System of Social Indicators of Ecuador is another example. In Guatemala, the institutions that coordinates and compile information on youth violence are the National Youth Council (CONJUVE) and the police, while in

Peru this work is done by the Ministry the Interior, the national statistics office, the National Youth Secretariat and the National Police. In the Bolivarian Republic of Venezuela, the agency that maintains statistics on offences committed by children and adolescents at the national level is the Scientific, Penal and Crime Research Corps (CICPC).

Table IV.6
LATIN AMERICA AND THE CARIBBEAN (14 COUNTRIES): INSTITUTION SERVING AS A CLEARINGHOUSE FOR INFORMATION ON YOUTH VIOLENCE

Country	Ministry of the Interior	National statistics office	Youth institute	Police	Violence observatory	Other
Argentina		X	X	X		X
Brazil						X ^a
Chile	X			X		
Colombia						X
Costa Rica	---					
Dominican Republic						
Ecuador		X				
El Salvador						
Guatemala			X	X		
Honduras					X	
Mexico		X				
Peru	X	X	X	X	X	
Uruguay					X	
Venezuela (Bol. Rep. of)			X	X		

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of government responses to the ECLAC survey on policies and programmes for tackling youth violence in Latin America, 2008.

^a There is no specific institution that compiles and coordinates information on youth violence.

With respect to the management and coordination of programmes targeting youth violence, youth agencies and the ministries responsible for violence problems work in coordination with police forces, NGOs, foundations, schools, community associations and other stakeholders.

In Chile, the Ministry of the Interior and several NGOs coordinate programmes on youth violence, working with municipal governments and local police forces. Some programmes, especially those related to recreation, job training and education, are coordinated by the National Institute for Youth (INJUV). The Institute is a mainly technical body responsible for coordinating institutional efforts; it comes under the Ministry of Planning and Cooperation and has municipal youth offices at the local level.¹³ This entity was established

¹³ Between 1997 and 1999, UNJUV's implementing functions were reduced. Currently, it is responsible for implementing the Youth Information System (SIJ) and Interjoven, initiatives aimed at intervening in specific strategic areas which reinforce its technical, advisory, linking and coordinating role.

in 1991 and was designed to function as a decentralized public service, having independent legal status and its own financial resources. Its activities are carried out through various public agencies. Its youth policies are aimed at adolescent students in secondary and higher education institutions. INJUV works nationally in a coordinated manner through 168 local and municipal youth agencies.

In El Salvador, the institutions that coordinate youth-related programmes vary, depending on whether they are repressive or preventive in nature. The National Civil Police are responsible for coordinating the "Heavy-Handed" (July 2003) and "Super-Heavy-Handed" plans, while the National Youth Secretariat oversees the activities carried out under the "Friendly Hand" and "Outstretched Hand" plans. Responsibility for implementing the National Plan for Social Prevention and Peace is shared by several ministries (Labour, Education), institutions for the protection of women, international agencies such as UNDP, mayors and other institutions.

In Colombia, the institutions engaged in activities to deter violence include the Office of the President, the Ministry of the Interior and Justice, the Ministry of Social Protection and the Colombian Family Welfare Institute.^{14 15} The latter is an agency of the Ministry of Social Protection, with 201 local centres and service points to serve the population in all municipalities of the country. Currently about 10 million Colombians are benefiting from its services.

The implementation of programmes related to youth violence in Costa Rica is a joint effort involving the Ministry of Culture, Youth and Sports, the Ministry of Education, the Ministry of Public Safety, the Ministry of Justice and the National Children's Foundation. Until 2002, the entity responsible for youth issues was the National Youth Movement (MNJ). That year, the National Council on Public Policy for Young Persons was established under the leadership of the Vice-Minister for Youth. Other members of the Council are the Minister of the Presidency, three representatives from the National Youth Advisory Network, the Minister for the Status of Women and a representative of the Ministry of Culture, Youth and Sports. Its work is split among MNJ activities relating to youth participation, the exercise of rights and coordination of activities in five areas: participation, training, research, communication and legislation (ECLAC, 2000c).

In Mexico, programmes are coordinated by state institutes for youth and the National Polytechnic Institute. In Peru, youth violence programmes are coordinated jointly by the Ministry the Interior and the National Youth Secretariat (SNJ), a division of the Ministry of Education, in some cases working with the Ministry of Health and the ombudsmen. In Ecuador, a large proportion of youth violence programmes are coordinated jointly by government ministries and national NGOs.

In the Bolivarian Republic of Venezuela, the Autonomous Institute of the National Council for the Rights of Boys, Girls and Adolescents (IACNDNNA)—an entity that works with information related to violence against girls, boys, and adolescents—is the highest authority in the Child and Adolescent Protection System. The Foundation “Youth and Change”, established in 1994 under the aegis of the Ministry of Education, Culture and Sports, has action programmes in the areas of social and productive participation, youth leadership, comprehensive health care for adolescents, vocational training for unemployed youth and prevention of crime, adolescent pregnancy, school dropout and low educational attainment. The Foundation works with other ministries (Health and Social Welfare, Justice) in carrying out its activities.

2. Funding sources and constraints

In the countries surveyed, the programmes aimed at preventing and reducing youth violence receive funding from the federal government (Brazil) and the Ministry of the Interior (Argentina, Bolivarian Republic Venezuela, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico and Peru). Owing to the sectoral nature of some programmes, other ministries (Bolivarian Republic of Venezuela, Chile, Ecuador, Peru), NGOs (Ecuador, Guatemala, Mexico) and foundations (Ecuador) may also contribute funding.

In El Salvador, the Programme for Social Prevention of Youth Violence and Crime has a budget of 16,000,000 colones (approximately US\$ 1,355,000 in 2000), of which 72% is a contribution from the European Commission and the remaining 28% comes from the Government. The budget for the Programme for Social Prevention of Youth Violence and Crime targeting the western part of the country totals 990,555 colones (approximately US\$ 83,800 in 2000), funded by the Office of the President through the National Council for Public Safety.

¹⁴ See [online] www.presidencia.gov.co.

¹⁵ See [online] www.icbf.gov.co.

Table IV.7
LATIN AMERICA AND THE CARIBBEAN (12 COUNTRIES): SOURCES OF FUNDING FOR PROGRAMMES FOR THE CONTROL AND PREVENTION OF YOUTH VIOLENCE

Country	National, federal, municipal government	Ministry of the Interior	Other ministries	Reimbursable international funds	NGOs	Foundations	Combination
Argentina		X					
Brazil	X						
Chile		X	X	X			
Colombia		X					
Costa Rica		X					
Dominican Republic	X						
Ecuador			X		X	X	X
El Salvador		X					X
Guatemala		X		X			
Mexico					X		
Peru		X	X				
Venezuela (Bol. Rep. of)		X	X				

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of government responses to the ECLAC survey on policies and programmes for tackling youth violence in Latin America, 2008.

In Peru, the majority of programmes on youth violence are funded by the Public Treasury. The resources for implementing the various programmes of the National Police in this area come from public and private institutions (NGOs and regional and local governments, among others), as the police force does not have a budget allocated for such activities. Consequently, precise data on the amount of that funding are not available. In the Bolivarian Republic of Venezuela, youth violence programmes are funded by the General Directorate for the Prevention of Crime (Ministry of the Interior) or with combined funding from the Ministry of Education, the National Fund for Protection of Children and Adolescents and state and municipal funds for the protection of children and adolescents.

As concerns funding for national plans against domestic violence, major budgetary constraints have been encountered in several countries. In Bolivia, neither the National Plan for the Prevention and Eradication of Violence nor the law from which it arises provides for means to ensure its sustainability. This has resulted in a number of funding-related problems, including the weakness of the Vice-Ministry, the lack of an equity plan and the transfer of resources and services to other gender equity areas for which there is no plan but which are considered urgent. Funding for the plan has been cut since 1997, and it is currently dependent on international cooperation resources. In Brazil, the National Programme to Prevent and Combat Domestic Violence has been

hampered by insufficient allocation of budgetary resources and complications caused by differences between states (García and others, 2000).

In Chile, the majority of funding for the National Programme for the Prevention of Family Violence comes from the State and is channelled through the National Women's Service (SERNAM) and other ministries. However, shortages of financial and human resources limit prevention and technical assistance activities. Lack of systems for the collection, processing, analysis and production of statistics is another major problem. The Ministry of Health and municipal governments, which were given responsibility for implementing the plan in the original design, did not have sufficient resources to do so.

In Costa Rica, financing for the National Plan to Address and Prevent Family Violence (PLANNOVI) comes from the National Institute of Women (INM), which in 1999 invested 92,826,000 colones (about US\$ 334,000 in 2000). This figure accounts for 14.8% of the Institute's overall budget for that year and 42% of expenditure for technical areas. That investment covered all operating and building-related expenses. Institutional investment in the area of gender-based violence has increased steadily since the issue has been on the political agenda (García and others, 2000). In Mexico, total funding for the medium-term programme on gender and equity issues, which covers the period 2006-2012, amounts to 700,000 pesos per year (US\$ 52,200 in 2000).

Many of the constraints in relation to funding for policies and programmes to prevent youth violence relate to lack of continuity in the allocation of resources, owing to non-inclusion of the relevant activities in the public budget (Peru), the low priority accorded to the issue of youth violence and the channelling of the bulk of funding to interdiction (Colombia). Lack of visibility of the problem (Bolivarian Republic of Venezuela) also

undermines institutions dealing with youth-related issues, reducing their stature and legitimacy in dealing with those issues (Ecuador). Violence is not regarded as a public health and safety issue in Mexico, and it is therefore not a priority for the allocation of resources. Another reason for the lack of continuity in funding relates to the lack of political will to mandate funding for violence prevention measures (Colombia) (see table IV.8).

Table IV.8
LATIN AMERICA AND THE CARIBBEAN (12 COUNTRIES): MAIN POLICY AND PROGRAMME FUNDING CONSTRAINTS

Country	First in importance	Second in importance	Third in importance
Argentina	No response	...	...
Brazil	No response	...	...
Chile	Lack of resources	Lack of youth participation	...
Colombia	Low visibility of the problem	Lack of political will to mandate funding	Channelling of funds to interdiction rather than prevention
Costa Rica	Lack of resources	Lack of political commitment	Lack of institutional coordination
Dominican Republic	No response	...	...
Ecuador	Lack of policies on and for young people	Weak institutional structure for dealing with youth-related issues	Lack of public awareness of the issue
El Salvador	Lack of a national public policy on prevention of youth violence	Lack of sustainability of programmes	Lack of resources
Guatemala	Corruption in public institutions	Lack of government participation	Lack of policies
Mexico	Lack of training among human resources	Lack of infrastructure	Lack of public awareness of the issue
Peru	Bureaucratic red tape	Activities not included in the public budget	Lack of participation by public and civic institutions
Venezuela (Bol. Rep. of)	Lack of continuity in funding	Lack of monitoring and evaluation	Lack of assessment of the problem

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of government responses to the ECLAC survey on policies and programmes for tackling youth violence in Latin America, 2008.

The invisibility of the issue of youth violence in programmes is closely linked to the lack of comprehensive situation assessments at national and regional levels (Bolivarian Republic of Venezuela). Youth violence is generally addressed through a punitive approach, and budget allocations therefore tend to reinforce measures related, for example, to juvenile criminal responsibility, personal injury or aggravated theft—in other words, focusing on the criminal dimension of youth violence. Hence, the problem is not visible from the standpoint of its impact on youth themselves, but only from the standpoint of punitive action against crime (Colombia). Lack of evaluations to determine the effectiveness and the return on programmes implemented is another source of concern (Bolivarian Republic of Venezuela).

Lack of budgetary autonomy may lead to an increase in bureaucratic red tape (Peru) and corruption in public

institutions (Guatemala) or lack of adequate budgets (Bolivarian Republic of Venezuela, Chile, Costa Rica) and training opportunities for human resources in the area of youth violence (Mexico). In countries such as Ecuador and El Salvador, the lack of continuity in financing for investment in youth violence prevention is attributed to the absence of policies on youth and for youth (Ecuador) and public policies on prevention.

In several countries funding problems are attributed to the breakdown of institutions. Authorities from Peru cited the lack of participation by public and civic institutions in the proper implementation of programmes, while authorities in Mexico noted the lack of an adequate structure for programme implementation, one that would enable both horizontal and vertical approaches.

3. Evaluation of experiences and lessons learned

Evaluations of some of the programmes carried out to date and of the experiences gained, point to some progress in terms of inter-ministerial coordination and private- and public-sector networking, but the weakness of the institutions and agencies implementing the programmes is an impediment to the dissemination and replication of successful experiences. Analysis of these programmes reveals at least two gaps that are hindering efforts to address youth violence: the implementation of a broad spectrum of activities, rather than targeting specific groups of youths and the absence or shortage of action focusing specifically on children, women and young men living in the street. Experts say that policies aimed at reducing violence should be specific, coordinated, decentralized, participatory and selective. They recommend prevention as an essential primary measure, in addition to secondary and tertiary measures aimed at ensuring the social reintegration of rehabilitated young people.

Evaluations of programmes related to youth violence point to some progress in terms of inter-ministerial coordination and private- and public-sector networking. However, they also indicate that a major problem is the small size and low prestige of the agencies responsible for their implementation, which reduces the possibilities for disseminating and replicating successful experiences.

Policies to reduce youth violence should meet certain requirements. They should be targeted in order to provide a focused response to the various facets of the problem. They should also be coordinated in order to ensure the involvement of all relevant stakeholders, decentralized to allow for more concerted action by local authorities and the community, and participatory, meaning that young people themselves are consulted about their perceptions and the risks they face. The creation or strengthening of comprehensive youth plans applying these approaches is being promoted in Chile, Colombia, Costa Rica, Mexico and Uruguay (Rodríguez, 2005).

Objectives are proposed in the areas of education, health and employment, as well as innovations in police procedures, legislative reforms and media campaigns. Notable in this area is PAHO's focus on addressing violence through an epidemiological approach that combines medical and legal aspects of violence with prevention and the promotion of a culture of health, based on equity and respect for life and the physical and psychosocial integrity of individuals. Such approaches should be reflected in the changes introduced by governments to promote a culture of peaceful coexistence in school

curricula, together with institutional measures to ensure the protection of constitutional and human rights (De Roux, 1993; OPS, 1993).

The experience gained in urban violence reduction programmes underscores the need to concentrate community and institutional efforts at the level of local authorities (municipal governments or mayors), as a point of convergence between institutions and beneficiaries of public services, governments and citizens. At the institutional level, the community assets and social capital of disadvantaged sectors should be strengthened, multisectoral initiatives that enhance the quality of services should be promoted and policing and judicial strategies should be improved.

Comprehensive plans against youth violence should distinguish between principal and complementary goals. The principal goals should be prevention of violence, early identification and prevention of risk situations, and promotion of healthy lifestyles. In the context of public policy, such plans should translate into primary prevention measures aimed at stopping violence before it happens. Violence prevention plans should include strategies to support relatively large segments of the population that have multiple risk factors and few protective factors (Krauskopf, 2007a).

Additional goals include timely intervention to address those affected by violence, identifying at-risk populations and breaking the intergenerational cycle of violence. This calls for secondary prevention efforts targeting specific individuals or social groups who have been clearly identified as being prone to engage in habitual violent or criminal behaviour. Specialized interventions are needed in order to neutralize or prevent pre-criminal situations among at-risk groups, school dropouts and victims of domestic violence, among others.

Tertiary prevention should also be encouraged, targeting young people who are involved in gangs and who are in conflict with the law, with the aim of changing their lifestyles through rehabilitation and treatment alternatives. In order to address the problem of youth violence, it must be recognized that young people are stakeholders and individuals with rights, opinions, experiences and expectations of their own. All of this represents a costly process with results that will only be seen in the long term in the framework of comprehensive programmes. There are currently participatory training projects, involving the participation of young people as models in peer education for other young people of both sexes who find themselves in conflict with law. But after the

rehabilitation process is complete, it is necessary to ensure the reintegration of young people in an environment that encourages their acceptance and discourages stigmatization, in order to strengthen their resilience and other positive characteristics, rather than characterizing rehabilitated young people as drug addicts or criminals.

Lastly, the analysis of existing policies and programmes reveals a failure to target specific segments of the youth population. Most actions are aimed at youth in general and do not address the specific problems of rural youth, students or youths who have partially or fully joined the working world.

Box IV.4

LESSONS LEARNED FROM EFFECTIVE PROGRAMMES FOR YOUTH

The ingredients of success in programmes for reducing youth violence are:

- Addressing the problem from early ages, with a holistic approach that includes families, peers and community networks.
- Resolving specific problems while at the same time promoting positive behaviours through activities aimed at building individual capacities and encouraging participation for self-determination.

- Working in networks with other programmes and ensuring capacity to meet the multiple needs of young people.

- Using case management systems —i.e., interdisciplinary groups of professionals devoted to meeting the needs of youth, incorporating a dimension of individualized care.

- Adopting community-wide multi-agency collaborative approaches.

- Fostering private-sector participation, including community participation in the design and implementation of programmes.

- Encouraging youth participation and empowerment, especially in the early phases of programmes, a critical stage for establishing dialogue and ensuring the sustainability of actions.

- Facilitating the replicability and sustainability of effective programmes.

Source: M. Schneidman, "Targeting at-risk-youth: rationales, approaches to service delivery and monitoring and evaluation issues", *LAC Human and Social Development Group Paper*, No. 15932, Washington, D.C., World Bank, 1996.

G. Seventeenth Ibero-American Summit of Heads of State and Government: social cohesion and social policies

The seventeenth Ibero-American Summit of Heads of State and Government was held in Chile in 2007. Its central theme was “social cohesion and social policies to achieve more inclusive Ibero-American societies”. The Declaration of Santiago, adopted at the Summit, includes important commitments by the Governments of Latin America concerning social cohesion, access to basic services, gender equity and protection for young people and vulnerable groups.

The seventeenth Ibero-American Summit of Heads of State and Government was held from 8 to 10 November 2007 in Santiago, Chile. The central theme of the Summit, which was supported by the Ibero-American Secretariat (SEGIB) and ECLAC, was “social cohesion and social policies to achieve more inclusive Ibero-American societies”.

In preparation for the conference, a number of ministerial meetings on social and economic issues were held between May and October 2007. The issues addressed included social security, health, culture, education, children and adolescents, economics and finance, public administration, the environment, housing and development and tourism (see box IV.5).

Box IV.5

DECLARATION OF SANTIAGO ADOPTED BY THE SEVENTEENTH IBERO-AMERICAN SUMMIT OF HEADS OF STATE AND GOVERNMENT

Place and date: Santiago, 8-10 November 2007.

Participants: 22 Heads of State and Government of member countries of the Ibero-American community.

Organizers: Ibero-American Secretariat (SEGIB), Government of Chile.

Preparatory activities:

Ninth Ibero-American Conference on Children and Adolescents, 28-29 May, Pucón, Chile.

Ninth Ibero-American Conference of Ministers of Public Administration and State Reform, 31 May-1 June, Pucón, Chile
Seventh Ibero-American Forum of Ministers of the Environment, 11-13 June, San Salvador.

Sixth Ibero-American Conference of Ministers Responsible for Social Security, 5-6 July, Iquique, Chile.

Ninth Ibero-American Conference of Ministers of Health, 9-10 July, Iquique, Chile.

Seventeenth Ibero-American Conference of Ministers of Education, 23-24 July, Valparaíso, Chile.

Tenth Ibero-American Conference of Ministers of Culture, 26-27 July, Valparaíso, Chile.

Eleventh Meeting of Ministers of the Presidency and Equivalent Officials, 30-31 August, Costa Rica.

Seventh Ibero-American Conference of Ministers of Tourism, 29 September-2 October, Buque Aquiles, Chile.

Sixteenth Ibero-American Forum on Housing and Urban Development, 8-10 October, Santiago.

Selection and summary of the principal commitments on social issues.

– Adopt policies to increase the creation of decent, high-quality employment. Make decent, high-quality employment, social mobility and redistribution common objectives of all public policies.

– Give priority in the international agenda to the promotion of social cohesion and the need for more inclusive societies in which human rights are respected and social protection ensured.

– Promote greater development and coordination of social policies to overcome poverty, ensure universal access to social services and improve the quality of education, health, housing, security and social protection services.

– Implement policies to enhance the well-being of the most vulnerable groups.

– Mainstream gender equality in public policies on social cohesion.

– Develop programmes, policies and legal instruments that reflect the commitment of the Ibero-American States to youth.

– Further the development of social protection systems with universal coverage through contributory, non-contributory and solidarity instruments.

– Strengthen the advancement of and respect for human rights as an essential component of policies for social cohesion.

– Provide for full protection of the human rights of migrants, irrespective of their immigration status, in the legal framework of each State.

– Recognize that addressing the social problems of the region will require a wide-ranging social dialogue, which must take place in a climate of understanding, in which governments, employers and employees work together to forge a social partnership that will generate wealth and create decent and productive employment.

Source: Economic Commission for Latin and the Caribbean (ECLAC).

Technical seminars were also conducted, including one on “social cohesion in Ibero-America”, which was held in Madrid on 18 and 19 June 2007 and was organized by SEGIB with the collaboration of ECLAC and with the sponsorship of the Spanish International Cooperation Agency for Development (AECID) and the United Nations Development Programme (UNDP). ECLAC/SEGIB seminars on social cohesion were also held 30 July 2007 in Mexico City, on 1 August in Bogotá and on 3 August in Brasilia. In these seminars, experts and representatives of the private sector and government discussed a paper entitled “Social Cohesion, Inclusion and a Sense of Belonging in Latin America and the Caribbean”, prepared by ECLAC with financial support from SEGIB and AECID.

Representatives from 22 member countries of the Ibero-American community participated in the seventeenth Ibero-American Summit of Heads of State and Government with a view to exchanging experiences in the design and implementation of policies on social cohesion in

which the various Ibero-American states, the aim being to increasing levels of inclusion, justice, protection and social assistance and strengthening feelings of solidarity, belonging and social identity.

The Declaration of Santiago contains 24 commitments made at the seventeenth Summit. The main ones relate to economic growth and imbalances in international economic and trade relations, employment, social cohesion, poverty reduction policies, quality of life of the most vulnerable groups, gender equity, youth, social protection, access to cultural goods, the Millennium Development Goals, human rights of migrants, multiculturalism, tax reforms and measures, climate change and natural disasters, multilateralism and cooperation (see a selection of these commitments in box IV.5)

The participants declared 2008 to be “Ibero-American Year against All Forms of Discrimination” and chose the venues for future summits on youth and development, to be held in El Salvador (2008), Portugal (2009), Argentina (2010) and Spain (2012).

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Statistical appendix



Table A-1
TRENDS IN SELECTED ECONOMIC INDICATORS, 1990-2007

Country	Year	Per capita GDP (in 2000 dollars)	Per capita income (in 2000 dollars) ^a	Urban unemployment (percentage)	Annual variation in consumer price index ^b	Annual average variations in the period				
						Period	Per capita GDP	Per capita income ^a	Mean real remuneration ^c	Real urban minimum wage ^c
Argentina	1990	5 832.7	5 690	7.4	1 343.9					
	1999	7 874.0	7 620	14.3	-1.8	1990-1999	3.4	3.3	0.5	15.0
	2002	6 455.8	6 168	19.7	41.0	2002	-11.7	-13.3	-13.9	-19.5
	2006	8 733.4	8 606	10.2	9.8	2006	7.4	8.6	8.6	12.9
	2007	9 396.8	9 316	8.5	8.5	2007	7.6	8.3	12.0	13.7
Bolivia	1990	869.9	901	7.3	18.0					
	1999	995.0	1 016	7.2	3.1	1990-1999	1.5	1.3	2.1	10.2
	2002	991.8	1 038	8.7	2.5	2002	0.2	3.3	3.3	4.7
	2006	1 064.4	1 303	8.0	4.9	2006	2.6	11.1	-8.0	4.5
	2007	1 090.2	1 342	7.7	11.7	2007	2.4	3.0	-2.8	-1.3
Brazil	1990	3 348.6	3 274	4.3	2 101.3					
	1999	3 589.1	3 481	7.6	8.9	1990-1999	0.8	0.7	0.2	3.1
	2002	3 727.3	3 619	11.7	12.5	2002	1.2	1.4	-2.1	4.2
	2006	4 021.3	3 973	10.0	3.1	2006	2.3	3.4	3.5	13.1
	2007	4 183.0	4 164	9.3	4.5	2007	4.0	4.8	1.5	6.5
Chile	1990	3 081.3	2 952	9.2 ^c	27.3					
	1999	4 750.6	4 579	10.1 ^c	2.3	1990-1999	4.9	5.0	4.0	5.5
	2002	5 061.2	4 841	9.8 ^c	2.8	2002	1.0	1.7	2.0	2.9
	2006	5 889.1	6 484	7.7	2.6	2006	3.3	10.8	1.9	2.5
	2007	6 126.5	6 939	7.1	7.8	2007	4.0	7.0	2.8	1.8
Colombia	1990	2 062.6	1 977	10.5	32.4					
	1999	2 229.3	2 192	19.4	9.2	1990-1999	0.9	1.2	2.6	-0.1
	2002	2 290.8	2 260	17.6	7.0	2002	0.9	0.8	3.0	0.7
	2006	2 678.5	2 720	13.0	4.5	2006	5.5	6.3	3.7	2.8
	2007	2 860.1	2 914	11.4	5.7	2007	6.8	7.1	-0.5	0.7
Costa Rica	1990	3 123.1	3 035	5.4	27.3					
	1999	4 081.4	3 737	6.2	10.1	1990-1999	3.0	2.3	2.2	1.1
	2002	4 056.3	3 969	6.8	9.7	2002	0.9	2.2	4.1	-0.6
	2006	4 819.8	4 622	6.0	9.4	2006	6.9	6.9	1.6	1.7
	2007	5 085.1	4 722	4.8	10.8	2007	5.5	2.2	1.3	1.3
Cuba	1990	3 327.9	...	...	...		
	1999	2 600.6	2 682	6.3 ^d	-2.9	1990-1999	-2.7	...	-9.4	...
	2002	2 859.7	2 875	3.3 ^d	7.3	2002	1.2	1.3	9.3	...
	2006	3 890.4	3 970	2.0	5.7	2006	12.0	15.1	11.6	...
	2007	4 173.3	4 209	1.9	2.8	2007	7.3	6.0	-0.9	...
Ecuador	1990	1 297.1	1 141	6.1	49.5					
	1999	1 278.9	1 214	15.1	60.7	1990-1999	-0.2	0.7	3.7	2.1
	2002	1 382.3	1 356	8.6	9.4	2002	2.8	3.9	10.9	0.9
	2006	1 608.1	1 756	8.1	2.9	2006	2.4	7.3	...	3.3
	2007	1 627.6	1 793	7.4	3.3	2007	1.2	2.1	...	3.9
El Salvador	1990	1 638.5	1 704	10.0	19.3					
	1999	2 089.3	2 296	6.9	-1.0	1990-1999	2.7	3.4	...	0.1
	2002	2 097.8	2 380	6.2	2.8	2002	0.4	-2.1	...	-1.8
	2006	2 188.3	2 548	5.7	4.9	2006	2.4	3.7	...	-0.7
	2007	2 252.4	2 611	...	4.9	2007	2.9	2.5	...	2.5
Guatemala	1990	1 289.6	1 268	...	59.6					
	1999	1 513.9	1 572	...	4.9	1990-1999	1.8	2.4	5.4	-7.4
	2002	1 550.5	1 702	5.4	6.3	2002	1.3	5.3	-0.9	0.3
	2006	1 614.4	1 810	...	5.8	2006	2.7	3.0	-1.1	3.2
	2007	1 664.5	1 858	...	8.7	2007	3.1	2.7	-4.6	-1.6

Table A-1 (continued)

Country	Year	Per capita GDP (in 2000 dollars)	Per capita income (in 2000 dollars) ^a	Urban unemployment (percentage)	Annual variation in consumer price index ^b	Annual average variations in the period				
						Period	Per capita GDP	Per capita income ^a	Mean real remuneration ^c	Real urban minimum wage ^c
Haiti	1990	515.7	557	...	26.1					
	1999	430.9	517	...	9.7	1990-1999	-2.0	-0.8	...	-7.3
	2002	408.2	491	...	14.8	2002	-1.8	-2.1	...	-8.9
	2006	386.2	501	...	10.2	2006	0.7	0.8	...	-12.0
	2007	392.1	513	...	9.3	2007	1.5	2.4	...	-7.9
Honduras	1990	1 061.3	1 028	7.8	36.4					
	1999	1 113.8	1 228	5.3	10.9	1990-1999	0.5	2.0	...	-1.1
	2002	1 180.0	1 217	6.1	8.1	2002	1.7	0.8	...	2.1
	2006	1 363.4	1 470	4.9	5.3	2006	4.2	4.9	...	5.1
	2007	1 420.4	1 510	4.1	8.9	2007	4.2	2.7	...	2.8
Mexico	1990	5 387.5	5 229	2.7	29.9					
	1999	6 075.2	5 998	3.7	12.3	1990-1999	1.3	1.5	0.7	-4.1
	2002	6 310.2	6 255	3.9	5.7	2002	-0.1	0.4	1.9	0.7
	2006	6 951.5	7 109	4.6	4.1	2006	3.7	4.2	0.4	0.0
	2007	7 093.7	7 273	4.8	3.8	2007	2.0	2.3	1.0	-0.7
Nicaragua	1990	681.4	577	7.6 ^c	13 490.2					
	1999	753.0	799	10.7 ^c	7.2	1990-1999	1.1	3.7	3.1	0.8
	2002	777.8	812	11.6	4.0	2002	-0.6	0.7	3.5	3.7
	2006	864.2	904	7.0	10.2	2006	2.5	1.3	1.4	8.8
	2007	884.9	923	6.9	16.2	2007	2.4	2.1	-1.7	2.4
Panama	1990	2 941.5	3 017	20.0	0.8					
	1999	3 912.0	3 816	13.6	1.5	1990-1999	3.2	2.6	0.7	1.7
	2002	3 904.5	3 942	16.5	1.9	2002	0.4	2.8	-3.0	-1.2
	2006	4 749.1	4 270	10.4	2.2	2006	6.8	4.7	2.0	3.6
	2007	5 195.9	4 712	7.8	6.4	2007	9.4	10.4	1.0	-1.7
Paraguay	1990	1 400.1	1 397	6.6	44.0					
	1999	1 401.7	1 454	9.4	5.4	1990-1999	0.0	0.4	1.3	-1.3
	2002	1 300.2	1 294	14.7	14.6	2002	-2.0	-4.8	-5.0	-0.7
	2006	1 397.9	1 405	8.9	12.5	2006	2.4	4.1	0.6	2.2
	2007	1 466.5	1 498	7.2	6.0	2007	4.9	6.6	2.3	-2.6
Peru	1990	1 649.4	1 595	8.3	7 646.8					
	1999	2 047.0	2 043	9.2	3.7	1990-1999	2.4	2.8	0.6	2.3
	2002	2 133.9	2 112	9.4	1.5	2002	3.7	3.6	4.6	-0.2
	2006	2 555.8	2 633	8.5	1.1	2006	6.3	10.2	1.2	6.6
	2007	2 750.8	2 864	8.4	3.9	2007	7.6	8.8	-1.8	-0.3
Dominican Republic	1990	1 799.0	1 766	...	79.9					
	1999	2 604.9	2 747	13.8 ^d	5.1	1990-1999	4.2	5.0	...	2.6
	2002	2 821.1	2 964	16.1 ^d	10.5	2002	4.1	4.8	...	-0.5
	2006	3 240.3	3 234	16.2 ^d	5.0	2006	9.0	9.0	...	-7.1
	2007	3 464.1	3 465	15.6 ^d	8.9	2007	6.9	7.1	...	4.8
Uruguay	1990	4 802.4	4 852	8.5	128.9					
	1999	6 173.7	6 144	11.3	4.2	1990-1999	2.8	2.7	1.4	-5.3
	2002	5 200.2	5 247	17.0	25.9	2002	-11.0	-10.4	-10.7	-10.1
	2006	6 770.2	6 487	11.4	6.4	2006	6.8	6.8	4.4	16.1
	2007	7 255.1	7 012	9.6	8.5	2007	7.2	8.1	4.7	4.1
Venezuela (Bol. Rep. of)	1990	4 828.1	4 522	10.4 ^d	36.5					
	1999	4 738.4	4 218	15.0 ^d	20.0	1990-1999	-0.2	-0.8	-3.9	-0.8
	2002	4 380.9	4 102	15.8 ^d	31.2	2002	-10.5	-10.2	-11.0	-5.4
	2006	5 429.6	6 330	10.0 ^d	17.0	2006	8.5	13.9	5.1	9.9
	2007	5 788.6	6 897	8.4 ^d	22.5	2007	6.6	9.0	1.2	0.4

Table A-1 (concluded)

Country	Year	Per capita GDP (in 2000 dollars)	Per capita income (in 2000 dollars) ^a	Urban unemployment (percentage)	Annual variation in consumer price index ^b	Annual average variations in the period				
						Period	Per capita GDP	Per capita income ^a	Mean real remuneration ^c	Real urban minimum wage ^c
Latin America ^e	1990	3 516.3	3 335	5.8	1 376.8					
	1999	3 976.0	3 818	11.0	9.7	1990-1999	1.4	1.5	1.0	2.3
	2002	3 966.4	3 819	11.0	12.2	2002	-1.7	-1.6	-1.6	0.2
	2006	4 526.4	4 525	8.6	5.0	2006	4.3	5.7	2.8	6.8
	2007	4 722.4	4 754	8.0	6.4	2007	4.3	5.1	1.6	3.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from the countries.

^a Real per capita gross national income.

^b Simple average of December-to-December variations for each year.

^c Preliminary figures for 2007.

^d Nationwide total.

^e The aggregate figures for Latin America are obtained from weighted averages for all countries for which data are available in each indicator.

Table A-2
TOTAL POPULATION OF THE REGION BY COUNTRY OR TERRITORY, 1980-2020
(Thousands at mid-year)

Country or territory	1980	1985	1990	1995	2000	2005	2010	2015	2020
Latin America									
Argentina	28 094	30 305	32 581	34 779	36 784	38 592	40 519	42 403	44 163
Bolivia	5 355	5 964	6 669	7 482	8 428	9 427	10 426	11 411	12 363
Brazil	121 672	136 178	149 690	162 019	174 719	187 601	199 992	211 284	221 450
Chile	11 174	12 102	13 179	14 395	15 398	16 267	17 094	17 865	18 549
Colombia	28 356	31 564	34 875	38 259	41 661	44 907	47 859	50 666	53 298
Costa Rica	2 347	2 697	3 076	3 475	3 925	4 322	4 695	5 022	5 314
Cuba	9 724	10 086	10 605	10 930	11 129	11 242	11 236	11 226	11 212
Ecuador	7 961	9 099	10 272	11 396	12 297	13 211	14 200	15 195	16 189
El Salvador	4 586	4 769	5 110	5 669	6 276	6 874	7 453	8 010	8 585
Guatemala	7 013	7 935	8 908	10 004	11 225	12 700	14 362	16 176	18 055
Haiti	5 691	6 388	7 108	7 836	8 576	9 292	10 085	10 912	11 743
Honduras	3 634	4 236	4 901	5 588	6 231	6 893	7 614	8 353	9 079
Mexico	69 325	76 826	84 002	91 823	99 684	104 159	110 056	115 288	119 808
Nicaragua	3 257	3 715	4 141	4 664	5 106	5 457	5 825	6 192	6 538
Panama	1 949	2 176	2 411	2 670	2 948	3 228	3 497	3 752	3 995
Paraguay	3 198	3 702	4 248	4 799	5 346	5 899	6 451	7 003	7 544
Peru	17 325	19 523	21 762	23 857	25 650	27 254	28 861	30 526	32 181
Dominican Republic	5 935	6 609	7 296	8 014	8 740	9 465	10 169	10 846	11 494
Uruguay	2 914	3 009	3 106	3 218	3 314	3 317	3 363	3 419	3 483
Venezuela (Bol. Rep. of)	15 091	17 317	19 731	22 034	24 296	26 556	28 807	30 988	33 038
Latin America	354 700	394 197	433 668	472 912	511 735	546 664	582 564	616 537	648 080
The Caribbean									
Anguilla	7	7	9	10	11	12	13	14	15
Antigua and Barbuda	72	68	62	68	77	83	88	93	97
Netherlands Antilles	174	182	191	191	181	186	199	205	207
Aruba	61	65	64	83	90	103	103	105	106
Bahamas	210	233	255	280	303	323	343	363	381
Barbados	249	260	271	280	286	292	297	300	303
Belize	144	163	186	214	245	276	306	335	363
Dominica	73	72	69	69	68	68	67	67	68
Grenada	89	100	96	98	100	105	105	106	107
Guyana	761	754	731	739	734	739	731	715	700
Turks and Caicos Islands	8	9	12	15	19	24	26	28	29
British Virgin Islands	11	13	17	18	21	22	23	24	26
United States Virgin Islands	98	105	103	107	110	111	111	110	109
Jamaica	2 133	2 297	2 369	2 485	2 589	2 682	2 756	2 819	2 872
Montserrat	12	11	11	10	5	6	6	6	6
Puerto Rico	3 197	3 378	3 528	3 696	3 834	3 947	4 056	4 160	4 252
Saint Kitts and Nevis	43	42	41	43	46	49	52	56	59
Saint Vincent and the Grenadines	100	104	109	113	116	119	122	124	125
Saint Lucia	118	127	138	146	153	161	171	180	188
Suriname	356	383	402	416	436	452	465	475	480
Trinidad and Tobago	1 082	1 179	1 224	1 270	1 301	1 324	1 348	1 374	1 393
The Caribbean ^a	29 855	32 049	34 353	36 577	38 617	40 525	42 300	44 025	45 664
Latin America and the Caribbean ^b	364 379	404 492	444 271	483 860	523 048	557 979	593 697	627 958	659 562

Source: Economic Commission for Latin America and the Caribbean (ECLAC), Database on Social Statistics and Indicators (BADEINSO) [online]. Information from the Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, population database, 2006 revision, and United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects, 2006 revision; population database, published on CD-ROM.

^a Includes 24 economies: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, British Virgin Islands, Cayman Islands, Cuba, Dominica, Dominican Republic, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, Netherlands Antilles, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos Islands and United States Virgin Islands.

^b Includes 46 economies: Anguilla, Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bolivarian Republic of Venezuela, Bolivia, Brazil, British Virgin Islands, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Falkland Islands (Malvinas), French Guiana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, United States Virgin Islands and Uruguay.

Table A-3
ESTIMATED GLOBAL FERTILITY RATES BY COUNTRY AND BY FIVE-YEAR PERIOD, 1980-2020
(Children per woman)

Country or territory	1980-1985	1985-1990	1990-1995	1995-2000	2000-2005	2005-2010	2010-2015	2015-2020
Latin America								
Argentina	3.15	3.05	2.90	2.63	2.35	2.25	2.16	2.08
Bolivia	5.30	5.00	4.80	4.32	3.96	3.50	3.09	2.75
Brazil	3.80	3.10	2.60	2.45	2.35	2.25	2.15	2.06
Chile	2.67	2.65	2.55	2.21	2.00	1.94	1.89	1.85
Colombia	3.69	3.17	2.93	2.70	2.47	2.22	2.09	2.00
Costa Rica	3.53	3.37	2.95	2.58	2.28	2.10	1.94	1.85
Cuba	1.85	1.85	1.65	1.61	1.63	1.49	1.54	1.64
Ecuador	4.70	4.00	3.40	3.10	2.82	2.58	2.38	2.22
El Salvador	4.50	3.90	3.52	3.17	2.88	2.68	2.51	2.37
Guatemala	6.10	5.70	5.45	5.00	4.60	4.15	3.71	3.29
Haiti	6.21	5.70	5.15	4.62	4.00	3.54	3.19	2.91
Honduras	6.00	5.37	4.92	4.30	3.72	3.31	2.95	2.66
Mexico	4.25	3.63	3.19	2.67	2.40	2.21	2.04	1.89
Nicaragua	5.85	5.00	4.50	3.60	3.00	2.76	2.55	2.37
Panama	3.52	3.20	2.87	2.79	2.70	2.56	2.41	2.29
Paraguay	5.20	4.77	4.31	3.88	3.48	3.08	2.76	2.51
Peru	4.65	4.10	3.70	3.10	2.70	2.51	2.37	2.25
Dominican Republic	4.00	3.47	3.20	3.05	2.95	2.81	2.66	2.51
Uruguay	2.57	2.53	2.49	2.30	2.20	2.12	2.03	1.96
Venezuela (Bol. Rep. of)	3.96	3.65	3.25	2.94	2.72	2.55	2.39	2.26
Latin America	3.94	3.42	3.03	2.74	2.53	2.37	2.23	2.12
The Caribbean								
Netherlands Antilles	2.36	2.30	2.28	2.12	2.06	1.85	1.85	1.85
Aruba	2.36	2.30	2.28	2.21	2.12	2.04	1.97	1.90
Bahamas	3.16	2.62	2.60	2.40	2.11	2.02	1.95	1.88
Barbados	1.92	1.75	1.60	1.50	1.50	1.50	1.53	1.58
Belize	5.40	4.70	4.35	3.85	3.35	2.94	2.65	2.41
Grenada	4.23	4.14	3.26	2.81	2.43	2.30	2.20	2.10
Guyana	3.26	2.70	2.55	2.50	2.43	2.33	2.22	2.13
United States Virgin Islands	3.70	3.09	3.09	2.41	2.23	2.15	2.06	1.98
Jamaica	3.55	3.10	2.84	2.67	2.63	2.43	2.30	2.20
Puerto Rico	2.46	2.26	2.18	1.99	1.84	1.83	1.85	1.85
Saint Vincent and the Grenadines	3.64	3.21	2.82	2.40	2.30	2.20	2.10	2.02
Saint Lucia	4.20	3.65	2.99	2.36	2.24	2.18	2.09	2.01
Suriname	3.70	3.00	2.60	2.80	2.60	2.42	2.29	2.19
Trinidad and Tobago	3.22	2.80	2.10	1.73	1.61	1.64	1.69	1.74
The Caribbean ^a	3.37	3.09	2.83	2.68	2.56	2.40	2.33	2.27
Latin America and the Caribbean ^b	3.92	3.41	3.03	2.73	2.53	2.37	2.23	2.12

Source: Economic Commission for Latin America and the Caribbean (ECLAC), Database on Social Statistics and Indicators (BADEINSO) [online]. Information from the Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, 2006 revision. Population Database and United Nations, Department of Economic and Social Affairs, Population Division, World Population Prospects, 2006 revision; population database, published on CD-ROM.

^a Includes 24 economies: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, British Virgin Islands, Cayman Islands, Cuba, Dominica, Dominican Republic, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, Netherlands Antilles, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos Islands and United States Virgin Islands.

^b Includes 46 economies: Anguilla, Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bolivarian Republic of Venezuela, Bolivia, Brazil, British Virgin Islands, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Falkland Islands (Malvinas), French Guiana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, United States Virgin Islands and Uruguay.

Table A-4
POVERTY AND INDIGENCE LEVELS, 1990-2007
(Percentages)

Country	Year	Population below the poverty line ^a					Population below the indigence line				
		National total	Urban areas			Rural areas	National total	Urban areas			Rural areas
			Total	Metropolitan area	Other urban			Total	Metropolitan area	Other urban	
Argentina	1990	...	...	21.2	...	...	...	...	5.2	...	...
	1999	...	23.7	19.7	28.5	...	...	6.7	4.8	8.8	...
	2002	...	45.4	41.5	49.6	...	...	20.9	18.6	23.3	...
	2006	...	21.0	19.3	22.8	...	...	7.2	6.7	7.9	...
Bolivia	1989	...	52.6	...	...	...	...	23.0	...	...	...
	1999	60.6	48.7	45.0	63.9	80.7	36.4	19.8	17.5	29.0	64.7
	2002	62.4	52.0	48.0	58.2	79.2	37.1	21.3	18.8	25.0	62.9
	2004	63.9	53.8	50.5	60.4	80.6	34.7	20.2	17.3	26.0	58.8
	2007	54.0	42.4	40.6	44.9	75.8	31.2	16.2	15.4	17.4	59.0
Brazil	1990	48.0	41.2	...	...	70.6	23.4	16.7	...	...	46.1
	1999	37.5	32.9	...	...	55.3	12.9	9.3	...	...	27.1
	2001	37.5	34.1	...	...	55.2	13.2	10.4	...	...	28.0
	2006	33.3	29.9	...	...	50.1	9.0	6.7	...	...	20.5
	2007	30.0	26.9	...	...	45.7	8.5	6.6	...	...	18.1
Chile	1990	38.6	38.5	32.1	43.5	38.8	13.0	12.5	9.3	14.9	15.6
	1998	21.7	20.7	14.6	25.0	27.5	5.6	5.1	3.3	6.4	8.6
	2003	18.7	18.5	12.4	22.7	20.0	4.7	4.4	2.8	5.6	6.2
	2006	13.7	13.9	10.4	16.0	12.3	3.2	3.2	2.3	3.7	3.5
Colombia	1991	56.1	52.7	...	...	60.7	26.1	20.0	...	...	34.3
	1999	54.9	50.6	43.1	53.1	61.8	26.8	21.9	19.6	22.7	34.6
	2002	51.5	51.4	39.8	54.5	52.0	24.8	24.3	17.1	26.3	26.4
	2005	46.8	45.4	33.8	48.6	50.5	20.2	18.2	12.0	19.9	25.6
Costa Rica	1990	26.3	24.9	22.8	27.7	27.3	9.9	6.4	4.9	8.4	12.5
	1999	20.3	18.1	17.5	18.7	22.3	7.8	5.4	4.3	6.5	9.8
	2002	20.3	17.5	16.8	18.0	24.3	8.2	5.5	5.5	5.6	12.0
	2006	19.0	18.0	16.5	23.8	20.4	7.2	5.4	4.8	7.9	9.8
	2007	18.6	17.8	16.2	23.9	19.6	5.3	4.2	3.8	5.7	6.8
Ecuador	1990	...	62.1	...	...	...	...	26.2	...	...	...
	1999	...	63.5	...	...	...	...	31.3	...	...	...
	2002	...	49.0	...	...	...	...	19.4	...	...	...
	2006	43.0	39.9	...	...	49.0	16.1	12.8	...	...	22.5
	2007	42.6	38.8	...	...	50.0	16.0	12.4	...	...	23.0
El Salvador	1995	54.2	45.8	34.7	55.1	64.4	21.7	14.9	8.8	20.1	29.9
	1999	49.8	38.7	29.8	48.7	65.1	21.9	13.0	7.7	19.0	34.3
	2001	48.9	39.4	32.1	47.7	62.4	22.1	14.3	9.9	19.2	33.3
	2004	47.5	41.2	33.2	48.6	56.8	19.0	13.8	8.4	18.8	26.6
Guatemala	1989	69.4	53.6	...	...	77.7	42.0	26.4	...	...	50.2
	1998	61.1	49.1	...	...	69.0	31.6	16.0	...	...	41.8
	2002	60.2	45.3	...	...	68.0	30.9	18.1	...	...	37.6
	2006	54.8	42.0	...	...	66.5	29.1	14.8	...	...	42.2
Honduras	1990	80.8	70.4	59.9	79.5	88.1	60.9	43.6	31.0	54.5	72.9
	1999	79.7	71.7	64.4	78.8	86.3	56.8	42.9	33.7	51.9	68.0
	2002	77.3	66.7	56.9	74.4	86.1	54.4	36.5	25.1	45.3	69.5
	2006	71.5	59.4	48.7	67.8	81.5	49.3	30.0	19.9	37.9	65.3
	2007	68.9	56.9	47.8	64.0	78.8	45.6	26.2	18.0	32.5	61.7
Mexico	1989	47.7	42.1	...	...	56.7	18.7	13.1	...	...	27.9
	1998	46.9	38.9	...	...	58.5	18.5	9.7	...	...	31.1
	2002	39.4	32.2	...	...	51.2	12.6	6.9	...	...	21.9
	2006	31.7	26.8	...	...	40.1	8.7	4.4	...	...	16.1
Nicaragua	1993	73.6	66.3	58.3	73.0	82.7	48.4	36.8	29.5	43.0	62.8
	1998	69.9	64.0	57.0	68.9	77.0	44.6	33.9	25.8	39.5	57.5
	2001	69.3	63.8	50.8	72.1	77.0	42.4	33.4	24.5	39.1	55.1
	2005	61.9	54.4	48.7	58.1	71.5	31.9	20.8	16.4	23.7	46.1

Table A-4 (concluded)

Country	Year	Population below the poverty line ^a					Population below the indigence line				
		National total	Urban areas			Rural areas	National total	Urban areas			Rural areas
			Total	Metropolitan area	Other urban			Total	Metropolitan area	Other urban	
Panama	1991	...	32.7	...	...	...	...	11.5	...	...	...
	1999	...	20.8	...	...	...	...	5.9	...	...	...
	2002	36.9	26.2	...	...	54.6	18.6	9.0	...	...	34.6
	2006	29.9	19.5	...	...	47.9	14.3	5.7	...	...	29.2
	2007	29.0	18.7	...	...	46.6	12.0	5.0	...	...	24.1
Paraguay	1990	...	...	43.2	...	...	...	...	13.1	...	...
	1999	60.6	49.0	39.5	61.3	73.9	33.9	17.4	9.2	28.0	52.8
	2001	61.0	50.1	42.7	59.1	73.6	33.2	18.4	10.4	28.1	50.3
	2005	60.5	55.0	48.5	64.3	68.1	32.1	23.2	15.5	34.5	44.2
	2007	60.5	55.2	53.1	58.3	68.0	31.6	23.8	22.2	26.3	42.5
Peru	1997	47.6	33.7	...	...	72.7	25.1	9.9	...	...	52.7
	1999	48.6	36.1	...	...	72.5	22.4	9.3	...	...	47.3
	2001 ^b	54.8	42.0	...	...	78.4	24.4	9.9	...	...	51.3
	2006 ^b	44.5	31.2	...	...	69.3	16.1	4.9	...	...	37.1
	2007 ^b	39.3	25.7	...	...	64.6	13.7	3.5	...	...	32.9
Dominican Republic	2002	47.1	42.4	...	...	55.9	20.7	16.5	...	...	28.6
	2006	44.5	41.8	...	...	49.5	22.0	18.5	...	...	28.5
	2007	44.5	43.0	...	...	47.3	21.0	19.0	...	...	24.6
Uruguay	1990	...	17.9	11.3	24.3	...	...	3.4	1.8	5.0	...
	1999	...	9.4	9.8	9.0	...	...	1.8	1.9	1.6	...
	2002	...	15.4	15.1	15.8	...	...	2.5	2.7	2.2	...
	2005	...	18.8	19.7	17.9	...	...	4.1	5.8	2.4	...
	2007	...	18.1	18.9	17.4	12.6	...	3.1	4.5	1.9	2.4
Venezuela (Bol. Rep. of) ^c	1990	39.8	38.6	29.2	41.2	46.0	14.4	13.1	8.0	14.5	21.3
	1999	49.4	...	...	...	...	21.7	...	...	...	...
	2002	48.6	...	...	...	...	22.2	...	...	...	...
	2006	30.2	...	...	...	...	9.9	...	...	...	...
	2007	28.5	...	...	...	...	8.5	...	...	...	...
Latin America ^d	1990	48.3	41.4	...	...	65.4	22.5	15.3	...	...	40.4
	1999	43.9	37.2	...	...	63.7	18.7	12.1	...	...	38.2
	2002	44.0	38.4	...	...	61.8	19.4	13.5	...	...	37.8
	2006	36.3	31.0	...	...	54.0	13.3	8.5	...	...	29.2
	2007	34.1	28.9	...	...	52.1	12.6	8.1	...	...	28.1

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data from the countries concerned.

^a Includes persons below the indigence line or in situations of extreme poverty.

^b Figures from the National Institute of Statistics and Informatics (INEI) of Peru. These values are not comparable with those for earlier years, owing to the change in the sample frame of the household survey. According to INEI, the new figures contain a relative overestimation in comparison with the previous methodology, of 25% of poverty and 10% of indigence.

^c From 1997, the sample design for the survey does not permit urban-rural breakdown. Figures therefore correspond to the national total.

^d Estimate for 18 countries in the region, plus Haiti.

Table A-5
INDIGENCE AND POVERTY LINES (IL and PL)
(Per capita monthly values)

Country	Year	Income reference period	Currency ^a	Urban		Rural		Variation ^b	Urban		Rural	
				IL	PL	IL	PL		IL	PL	IL	PL
				Currency in use					Dollars			
Argentina	1990 ^c	Sept.	A	255 928	511 856	...	...	5 791.0	44.2	88.4	...	...
	1999	Sept.	\$	72	143	...	...	1.0	71.6	143.3	...	...
	2002	Oct.	\$	99	198	...	...	3.6	27.5	55.0	...	...
	2006	Second semester	\$	138	276	...	...	3.1	45.1	90.2	...	...
Bolivia	1989	Oct.	Bs	68	137	...	...	2.9	23.8	47.5	...	...
	1999	Oct.-Nov.	Bs	167	333	130	228	5.9	28.0	56.1	21.9	38.3
	2002	Oct.-Nov.	Bs	167	334	133	234	7.4	22.6	45.2	18.1	31.6
	2004	Nov. 03-Nov. 04	Bs	180	359	144	252	7.9	22.7	45.4	18.2	31.8
	2007	Year	Bs	232	449	180	307	7.9	29.6	57.2	22.9	39.1
Brazil	1990	Sept.	Cr\$	3 109	6 572	2 634	4 967	75.5	41.2	87.0	34.9	65.7
	1999	Sept.	R\$	51	126	43	91	1.9	26.7	66.2	22.7	48.1
	2001	Sept.	R\$	58	142	50	105	2.67	21.7	53.2	18.7	39.2
	2006	Sept.	R\$	85	221	75	172	2.17	39.4	101.7	34.3	79.2
	2007	Sept.	R\$	89	222	78	173	1.90	47.1	116.8	41.0	91.1
Chile	1990	Nov.	Ch\$	9 297	18 594	7 164	12 538	327.4	28.4	56.8	21.9	38.3
	1998	Nov.	Ch\$	18 944	37 889	14 598	25 546	463.3	40.9	81.8	31.5	55.1
	2003	Nov.	Ch\$	21 856	43 712	16 842	29 473	625.5	34.9	69.9	26.9	47.1
	2006	Nov.	Ch\$	23 549	47 099	18 146	31 756	527.4	44.6	89.3	34.4	60.2
Colombia	1991	Ago.	Col\$	18 093	36 186	14 915	26 102	645.6	28.0	56.1	23.1	40.4
	1999	Ago.	Col\$	69 838	139 716	57 629	100 851	1 873.7	37.3	74.6	30.8	53.8
	2002	Year	Col\$	86 616	173 232	71 622	125 339	2 504.2	34.6	69.2	28.6	50.1
	2005	Year	Col\$	103 138	206 276	85 365	149 389	2 320.8	44.4	88.9	36.8	64.4
Costa Rica	1990	June	¢	2 639	5 278	2 081	3 642	89.7	29.4	58.9	23.2	40.6
	1999	June	¢	10 708	21 415	8 463	14 811	285.3	37.5	75.1	29.7	51.9
	2002	June	¢	14 045	28 089	11 132	19 481	358.1	39.2	78.4	31.1	54.4
	2006	June	¢	23 562	47 125	18 372	32 148	511.6	46.1	92.1	35.9	62.8
	2007	June	¢	25 865	51 286	20 164	35 032	518.7	49.9	98.9	38.9	67.5
Ecuador	1990	Nov.	S/.	18 465	36 930	...	...	854.8	21.6	43.2	...	...
	1999	Oct.	S/.	301 716	603 432	...	...	15 656.8	19.3	38.5	...	...
	2002	Nov.	US \$	34.6	69.1	...	...	1.0	34.6	69.1	...	...
	2006	Nov.	US \$	39.8	79.6	28.1	49.1	1.0	39.8	79.6	28.1	49.1
	2007	Nov.	US \$	41.5	81.9	29.2	50.6	1.0	41.5	81.9	29.2	50.6
El Salvador	1995	Jan.-Dic.	¢	254	508	158	315	8.8	29.0	58.1	18.0	35.9
	1999	Jan.-Dic.	¢	293	586	189	378	8.8	33.5	66.9	21.6	43.2
	2001	Jan.-Dic.	¢	305	610	197	394	8.8	34.9	69.7	22.5	45.0
	2004	Year	¢	333	666	215	430	8.8	38.1	76.1	24.6	49.2
Guatemala	1989	Apr.	Q	64	127	50	88	2.7	23.6	47.1	18.7	32.7
	1998	Dic. 97-Dic. 98	Q	260	520	197	344	6.4	40.7	81.5	30.8	54.0
	2002	Oct.-Nov.	Q	334	669	255	446	7.7	43.6	87.2	33.3	58.2
	2006	Mar.-Sept.	Q	467	935	362	633	7.6	61.5	123.0	47.6	83.3
Honduras	1990	Ago.	L	115	229	81	141	4.3	26.5	52.9	18.6	32.6
	1999	Ago.	L	561	1 122	395	691	14.3	39.3	78.6	27.7	48.4
	2002	Ago.	L	689	1 378	485	849	16.6	41.6	83.3	29.3	51.3
	2006	Ago.	L	869	1 738	612	1 070	18.9	46.0	91.9	32.4	56.6
	2007	Ago.	L	945	1 872	665	1 155	18.9	50.0	99.1	35.2	61.1
Mexico	1989	Third quarter	\$	86 400	172 800	68 810	120 418	2 510.0	34.4	68.8	27.4	48.0
	1998	Third quarter	MN\$	537	1 074	385	674	9.5	56.8	113.6	40.7	71.3
	2002	Third quarter	MN\$	742	1 484	530	928	9.9	75.0	150.1	53.6	93.8
	2006	Ago.-Nov. 06	MN\$	879	1 758	628	1 099	10.9	80.5	161.0	57.5	100.6
Nicaragua	1993	21 Feb.-12 Jun.	C\$	167	334	129	225	4.6	36.6	73.3	28.2	49.4
	1998	15 Apr.-31 Ago.	C\$	275	550	212	370	10.4	26.3	52.7	20.3	35.5
	2001	30 Apr.-31 Jul.	C\$	369	739	284	498	13.4	27.6	55.2	21.3	37.2
	2005	July-October	C\$	491	981	378	661	16.9	29.1	58.2	22.4	39.2

Table A-5 (concluded)

Country	Year	Income reference period	Currency ^a	Urban		Rural		Variation ^b	Urban		Rural	
				IL	PL	IL	PL		IL	PL	IL	PL
				Currency in use				Dollars				
Panama	1991	Ago.	B	35.0	70.1	...	...	1.0	35.0	70.1	...	...
	1999	July	B	40.7	81.4	...	...	1.0	40.7	81.4	...	...
	2002	July	B	40.7	81.4	31.4	55.0	1.0	40.7	81.4	31.4	55.0
	2006	July	B	43.9	87.8	34.0	59.5	1.0	43.9	87.8	34.0	59.5
	2007	July	B	47.5	95.0	36.8	64.4	1.0	47.5	95.0	36.8	64.4
Paraguay	1990 ^d	June, July, Ago.	G	43 242	86 484	...	...	1 207.8	35.8	71.6	...	...
	1999	July-Dic.	G	138 915	277 831	106 608	186 565	3 311.4	42.0	83.9	32.2	56.3
	2001	Sep. 00-Ago. 01	G	155 461	310 922	119 404	208 956	3 718.3	41.8	83.6	32.1	56.2
	2005	June 05	G	224 499	448 997	172 013	301 023	6 137.9	36.6	73.2	28.0	49.0
	2007	Oct.-Dic.	G	274 123	524 238	209 976	353 666	4 805.5	57.0	109.1	43.7	73.6
Peru	1997	Fourth quarter	N\$	103	192	83	128	2.7	42.1	84.3	31.6	55.3
	1999	Fourth quarter	N\$	109	213	89	141	3.5	31.2	61.2	25.5	40.5
	2001	Fourth quarter	N\$	117	230	102	159	3.5	34.0	66.8	29.5	46.0
	2003	Fourth quarter	N\$	120	239	107	167	3.5	34.5	68.9	30.8	48.2
Dominican Republic	2002	Sept.	RD\$	793	1 569	714	1 285	18.8	42.2	83.5	38.0	68.4
	2006	Sept.	RD\$	1 724	3 449	1 552	2 793	33.3	51.8	103.5	46.6	83.9
	2007	Sept.	RD\$	1 806	3 612	1 625	2 925	33.6	53.8	107.6	48.4	87.2
Uruguay	1990	Second semester	NUR\$	41 972	83 944	...	...	1 358.0	30.9	61.8	...	...
	1999	Year	\$	640	1 280	...	...	11.3	56.4	112.9	...	...
	2002	Year	\$	793	1 586	...	...	21.3	37.3	74.6	...	...
	2005	Year	\$	1 073	2 147	...	...	24.5	43.8	87.7	...	...
	2007	Year	\$	1 371	2 650	1 075	1 828	23.5	58.4	112.9	45.8	77.9
Venezuela (Bol. Rep. of)	1990	Second semester	Bs	1 924	3 848	1 503	2 630	49.4	38.9	77.9	30.4	53.2
	1999 ^e	Second semester	Bs	48 737	95 876	...	...	626.3	77.8	153.1	...	...
	2002 ^e	Second semester	Bs	80 276	154 813	...	...	1 161.0	69.1	133.4	...	...
	2006 ^e	Second semester	Bs	163 503	314 700	...	...	2 147.0	76.2	146.6	...	...
	2007 ^e	Second semester	Bs	200 374	376 280	...	...	2 147.0	93.3	175.3	...	...

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

^a National currencies:

Argentina: (A) Austral; (\$) Peso
 Bolivia: (Bs) Boliviano
 Brazil: (Cr\$) Cruzeiro; (R\$) Real
 Chile: (Ch\$) Peso
 Colombia: (Col\$) Peso
 Costa Rica: (¢) Colón
 Dominican Republic: (RD\$) Peso
 Ecuador: (S/.) Sucre, 1990-2001. Since 2002, United States dollar (US\$).
 El Salvador: (¢) Colón

^b International Monetary Fund (IMF) "rf" series.

^c Greater Buenos Aires.

^d Asunción.

^e National total.

Guatemala: (Q) Quetzal
 Honduras: (L) Lempira
 Mexico: (\$) Peso; (MN\$) New Peso
 Nicaragua: (C\$) Córdoba
 Panama: (B./) Balboa
 Paraguay: (G./) Guaraní
 Peru: (N\$) Peso
 Uruguay: (Nur\$) New Peso; (\$) Peso
 Venezuela (Bol. Rep. of): (Bs) Bolívar

Table A-6
LEVEL AND DISTRIBUTION OF HOUSEHOLD PER CAPITA INCOME, NATIONWIDE TOTAL, 1990-2007^a
(Percentages)

Country	Years	Average income ^b	Share of total income of the:				Average per capita income ratio ^c	
			40% poorest	30% following	20% below the richest 10%	10% richest	D ¹⁰ /D ^(1 to 4)	Q ⁵ /Q ¹
Argentina ^d	1999	12.5	15.4	21.5	26.1	37.0	16.4	16.5
	2002	8.1	13.4	19.2	25.2	42.1	20.0	21.8
	2006	10.8	16.9	23.7	25.4	34.1	13.8	14.9
Bolivia	1997	5.8	9.3	22.1	27.9	40.7	25.9	34.6
	1999	5.6	9.3	24.1	29.6	37.2	26.7	48.1
	2002	6.1	9.5	21.4	28.3	41.0	30.3	44.2
	2004	5.3	12.2	22.7	27.3	37.8	20.6	24.8
	2007	6.1	11.2	25.2	28.2	35.5	22.2	31.5
Brazil	1990	9.4	9.6	18.5	28.0	43.9	31.2	35.0
	1999	11.3	10.0	17.4	25.4	47.1	32.0	35.6
	2001	11.0	10.3	17.4	25.6	46.8	32.2	36.9
	2006	10.5	12.2	18.8	25.1	44.0	24.9	27.2
	2007	10.8	12.7	19.5	25.7	42.1	22.7	25.9
Chile	1990	9.5	13.2	20.8	25.3	40.7	18.2	18.4
	1998	13.7	13.0	20.4	26.6	39.9	19.1	19.7
	2003	13.6	13.8	20.8	25.6	40.0	18.8	18.4
	2006	14.4	14.6	21.6	26.7	37.2	15.9	15.7
Colombia	1991	6.7	14.1	23.2	25.8	36.9	16.7	18.2
	1999	6.7	12.4	21.6	26.0	40.1	22.3	25.6
	2002	6.9	12.3	22.4	26.5	38.8	24.1	28.5
	2005	7.8	12.2	21.3	25.4	41.0	25.2	27.8
Costa Rica	1990	9.5	16.7	27.4	30.2	25.6	10.1	13.1
	1999	11.4	15.3	25.7	29.7	29.4	12.6	15.3
	2002	11.7	14.4	25.6	29.7	30.2	13.7	16.9
	2006	11.2	14.5	25.7	29.3	30.4	13.4	16.1
	2007	11.0	15.0	24.9	28.1	32.0	13.9	14.8
Ecuador ^d	1990	5.5	17.1	25.4	26.9	30.5	11.4	12.3
	1999	5.6	14.1	22.7	26.5	36.6	17.2	18.4
	2002	6.7	15.5	24.3	26.1	34.3	15.7	16.8
	2006	8.1	15.7	24.1	26.1	34.1	14.8	15.6
	2007	8.3	15.4	23.1	26.1	35.5	15.4	15.8
El Salvador	1995	6.2	15.5	24.8	27.0	32.9	14.1	16.9
	1997	6.1	15.3	24.5	27.3	33.0	14.3	15.9
	1999	6.6	13.8	25.0	29.1	32.1	15.2	19.6
	2001	6.7	13.5	24.7	28.7	33.3	16.2	20.3
	2004	6.2	15.9	26.0	28.8	29.3	13.3	16.3
Guatemala	1989	6.0	11.8	20.9	26.9	40.5	23.6	27.4
	1998	7.1	14.3	21.6	25.0	39.1	20.4	19.8
	2002	6.8	14.1	22.4	27.3	36.4	18.6	19.3
	2006	7.6	12.8	21.8	25.7	39.8	22.0	23.9
Honduras	1990	4.3	10.2	19.7	27.1	43.1	27.4	30.7
	1999	3.9	11.8	22.9	29.0	36.5	22.3	26.5
	2002	4.3	11.4	21.7	27.6	39.4	23.6	26.3
	2006	4.5	8.8	22.5	29.3	39.3	27.8	40.9
	2007	4.7	10.1	23.5	29.5	37.0	23.6	32.5
Mexico	1989	8.6	15.8	22.5	25.1	36.6	17.2	16.9
	1998	7.7	15.0	22.7	25.6	36.6	18.4	18.5
	2002	8.2	15.7	23.8	27.2	33.2	15.1	15.5
	2006	8.7	16.9	24.1	26.1	32.9	14.7	14.8
Nicaragua	1993	5.2	10.4	22.8	28.4	38.4	26.1	37.7
	1998	5.6	10.4	22.1	27.0	40.5	25.3	35.1
	2001	5.8	12.0	21.7	25.6	40.8	23.6	27.5
	2005	6.5	14.3	24.0	26.2	35.5	17.2	18.6

Table A-6 (concluded)

Country	Years	Average income ^b	Share of total income of the:				Average per capita income ratio ^c	
			40% poorest	30% following	20% below the richest 10%	10% richest	D ¹⁰ /D ^(1 to 4)	Q ⁵ /Q ¹
Panama	1991 ^d	10.8	14.1	23.9	29.3	32.7	16.8	20.1
	1999 ^d	12.6	15.6	25.2	27.8	31.5	14.0	15.9
	2002	9.8	12.2	23.6	28.0	36.3	20.1	25.7
	2006	10.3	13.5	25.2	29.1	32.2	16.8	21.8
	2007	10.1	14.7	25.4	28.2	31.6	15.6	18.9
Paraguay	1999	6.2	13.2	23.0	27.8	36.2	19.3	22.6
	2001	6.2	12.9	23.5	26.3	37.3	20.9	25.6
	2005	5.5	14.9	23.9	26.4	34.7	16.0	18.2
	2007	5.7	14.3	23.9	25.2	36.6	17.0	19.1
Peru	1997	7.5	13.3	24.6	28.7	33.3	17.9	20.9
	1999	7.5	13.3	23.1	27.1	36.5	19.5	21.7
	2001	6.2	13.4	24.6	28.5	33.5	17.4	19.3
	2003	6.2	14.9	23.6	27.9	33.6	15.6	16.3
Dominican Republic	2002	6.9	12.7	22.7	26.9	37.7	17.8	20.7
	2006	8.1	9.8	20.1	29.0	40.9	24.5	29.1
	2007	7.5	11.0	22.0	29.2	37.8	21.3	26.4
Uruguay ^d	1990	9.9	18.9	23.3	22.5	35.3	11.0	10.5
	1999	11.9	21.6	25.5	25.8	27.0	8.8	9.5
	2002	9.4	21.7	25.4	25.6	27.3	9.5	10.2
	2005	8.1	21.6	25.0	25.7	27.8	9.3	10.0
	2007	8.4	21.1	25.1	26.3	27.5	9.6	10.3
Venezuela (Bol. Rep. of)	1990	8.9	16.7	25.7	28.9	28.7	12.1	13.4
	1999	7.2	14.5	25.0	29.0	31.4	15.0	18.0
	2002	7.1	14.3	25.0	29.5	31.3	14.5	18.1
	2006	9.0	17.4	27.0	28.3	27.4	10.5	12.3
	2007	8.9	18.4	27.5	28.5	25.7	9.3	10.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data from the countries concerned.

^a Households of the whole country ordered by per capita income.

^b Monthly average household income in multiples of the per capita poverty line.

^c D^(1 to 4) represents the lowest-income 40% of households, and D¹⁰ is the highest-income 10% of households.

The same notation is used in the case of quintiles (Q), which represent groups of 20% of households.

^d Total, urban areas.

Table A-7
INDICATORS OF INCOME CONCENTRATION, NATIONWIDE TOTAL, 1990-2007^a

Country	Year	Percentage of population with per capita income below: 50% of average	Concentration indices			
			Gini ^b	Logarithmic variance	Theil	Atkinson ($\epsilon=1.5$)
Argentina ^c	1999	22.2	0.539	1.194	0.667	0.530
	2002	24.3	0.578	1.510	0.724	0.593
	2006	21.7	0.519	1.173	0.626	0.522
Bolivia	1997	28.7	0.595	2.024	0.728	0.674
	1999	29.5	0.586	2.548	0.658	0.738
	2002	28.6	0.614	2.510	0.776	0.738
	2004	23.8	0.561	1.559	0.636	0.600
	2007	27.2	0.565	2.159	0.611	0.709
Brazil	1990	26.6	0.627	1.938	0.816	0.664
	1999	25.9	0.640	1.913	0.914	0.663
	2001	26.1	0.639	1.925	0.914	0.665
	2006	24.4	0.604	1.646	0.807	0.621
	2007	24.7	0.590	1.559	0.744	0.605
Chile	1990	20.4	0.554	1.261	0.644	0.546
	1998	21.0	0.560	1.302	0.654	0.553
	2003	19.5	0.552	1.203	0.674	0.535
	2006	18.5	0.522	1.065	0.568	0.497
Colombia	1991	20.4	0.531	1.157	0.638	0.524
	1999	21.8	0.572	1.456	0.734	0.603
	2002	22.4	0.569	1.396	0.705	0.580
	2005	21.2	0.584	1.460	0.752	0.591
Costa Rica	1990	19.4	0.438	0.833	0.328	0.412
	1999	20.7	0.473	0.974	0.395	0.457
	2002	21.2	0.488	1.080	0.440	0.491
	2006	20.7	0.482	1.031	0.427	0.475
	2007	18.9	0.484	0.918	0.466	0.449
Ecuador ^c	1990	17.4	0.461	0.823	0.403	0.422
	1999	18.8	0.526	1.075	0.567	0.498
	2002	19.6	0.513	1.031	0.563	0.487
	2006	19.3	0.507	0.978	0.609	0.474
	2007	19.0	0.520	1.043	0.550	0.488
El Salvador	1995	22.0	0.507	1.192	0.502	0.525
	1997	22.9	0.510	1.083	0.512	0.492
	1999	24.2	0.518	1.548	0.496	0.601
	2001	24.4	0.525	1.559	0.528	0.602
	2004	21.3	0.493	1.325	0.449	0.552
Guatemala	1989	22.7	0.582	1.476	0.736	0.590
	1998	20.0	0.560	1.182	0.760	0.534
	2002	17.9	0.542	1.157	0.583	0.515
	2006	24.7	0.585	1.475	0.773	0.590
Honduras	1990	26.1	0.615	1.842	0.817	0.649
	1999	25.7	0.564	1.560	0.636	0.603
	2002	26.5	0.588	1.607	0.719	0.608
	2006	31.9	0.605	2.332	0.736	0.713
	2007	30.5	0.580	1.963	0.650	0.661
Mexico	1989	19.7	0.536	1.096	0.680	0.509
	1998	22.9	0.539	1.142	0.634	0.515
	2002	21.2	0.514	1.045	0.521	0.485
	2006	19.5	0.506	0.992	0.527	0.481
Nicaragua	1993	27.4	0.582	1.598	0.671	0.619
	1998	26.8	0.583	1.800	0.731	0.654
	2001	23.8	0.579	1.599	0.783	0.620
	2005	22.6	0.532	1.187	0.614	0.526

Table A-7 (concluded)

Country	Year	Percentage of population with per capita income below: 50% of average	Concentration indices			
			Gini ^b	Logarithmic variance	Theil	Atkinson ($\epsilon=1.5$)
Panama	1991 ^c	22.0	0.530	1.254	0.543	0.534
	1999 ^c	21.7	0.499	1.088	0.459	0.490
	2002	26.6	0.567	1.691	0.616	0.618
	2006	26.6	0.540	1.580	0.548	0.597
	2007	25.9	0.524	1.334	0.520	0.547
Paraguay	1999	25.7	0.565	1.555	0.668	0.599
	2001	26.4	0.570	1.705	0.702	0.631
	2005	22.8	0.536	1.318	0.614	0.553
	2007	21.9	0.539	1.309	0.701	0.557
Peru	1997	25.6	0.533	1.351	0.567	0.554
	1999	23.6	0.545	1.357	0.599	0.560
	2001	23.9	0.525	1.219	0.556	0.527
	2003	22.8	0.506	1.052	0.503	0.484
Dominican Republic	2002	22.1	0.537	1.247	0.569	0.536
	2006	25.3	0.583	1.597	0.692	0.614
	2007	24.2	0.556	1.466	0.599	0.587
Uruguay ^c	1990	17.4	0.492	0.812	0.699	0.441
	1999	19.0	0.440	0.764	0.354	0.393
	2002	19.6	0.455	0.802	0.385	0.412
	2005	19.9	0.451	0.798	0.383	0.414
	2007	19.5	0.457	0.787	0.389	0.403
Venezuela (Bol. Rep. of)	1990	20.1	0.471	0.930	0.416	0.446
	1999	21.6	0.498	1.134	0.464	0.507
	2002	22.4	0.500	1.122	0.456	0.507
	2006	19.3	0.447	0.811	0.359	0.409
	2007	18.1	0.427	0.734	0.321	0.381

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data from the countries concerned.

^a Calculated on the basis of per capita income distribution among the entire population of the country.

^b Includes persons with incomes equal to zero.

^c Total, urban areas.

Table A-8
**MALE AND FEMALE ECONOMIC ACTIVITY RATES BY AGE GROUP,
 NATIONWIDE TOTAL, 1990-2007**

Country	Year	Age group									
		Males					Females				
		TOTAL	15 to 24 years	25 to 34 years	35 to 49 years	50 and over	TOTAL	15 to 24 years	25 to 34 years	35 to 49 years	50 and over
Argentina ^a	1999	74	53	94	97	59	44	36	62	61	27
	2002	72	48	93	96	60	46	35	64	67	27
	2006	75	54	94	96	64	50	38	67	69	34
Bolivia	1997	82	60	94	99	83	60	46	66	73	56
	1999	81	59	94	98	82	62	48	67	75	61
	2002	83	64	94	98	85	62	46	72	75	58
	2004	83	64	95	98	85	64	48	69	78	64
	2007	82	61	94	99	82	62	44	69	77	62
Brazil	1990	84	81	96	95	63	44	47	54	52	22
	1999	82	75	95	94	64	54	52	67	66	33
	2001	81	73	95	94	63	54	51	67	66	33
	2006	81	73	94	94	64	58	55	73	71	36
	2007	80	72	94	93	63	58	55	73	71	35
Chile	1990	74	51	94	95	58	33	27	44	42	18
	1998	75	46	93	96	64	39	30	54	50	23
	2003	73	42	92	96	64	42	30	58	56	27
	2006	73	43	92	95	65	43	30	61	59	29
Colombia	1991	85	71	97	98	76	44	40	57	52	25
	1999	81	64	97	97	71	50	44	66	63	26
	2002	81	67	96	97	70	54	48	69	67	31
	2005	80	63	96	97	69	52	44	68	67	32
Costa Rica	1990	83	74	96	96	64	33	35	41	39	12
	1999	82	68	96	96	64	39	37	48	49	18
	2002	79	63	97	96	63	41	35	54	53	22
	2006	79	62	96	96	66	44	37	57	57	24
	2007	80	64	96	96	66	45	39	60	56	26
Ecuador ^a	1990	80	56	95	98	78	43	33	54	56	31
	1999	82	64	97	98	76	54	45	65	67	36
	2002	81	60	96	98	74	53	40	65	67	41
	2006	82	62	96	98	77	55	40	70	70	42
	2007	81	57	95	98	78	54	40	66	69	43
El Salvador	1995	82	70	95	96	75	42	32	55	57	29
	1999	78	65	93	94	70	44	34	58	59	31
	2001	79	67	93	95	70	44	33	59	61	32
	2004	77	63	93	95	66	44	32	59	59	30
Guatemala	1989	90	82	98	98	84	28	28	32	32	22
	1998	88	79	97	98	84	46	41	49	55	38
	2002	91	85	96	98	86	49	45	54	59	39
	2006	88	80	97	98	84	47	41	54	57	39
Honduras	1990	87	78	96	97	81	32	26	39	42	25
	1999	87	78	98	97	81	44	36	52	57	34
	2002	85	75	96	97	80	38	30	46	49	29
	2006	83	69	95	97	79	40	31	49	52	32
	2007	83	70	95	97	80	40	28	51	52	33
Mexico	1989	79	64	94	94	73	30	26	38	35	21
	1998	82	68	94	94	73	41	37	48	48	31
	2002	81	65	94	95	75	43	34	51	54	32
	2006	82	65	97	97	75	48	38	59	61	37
Nicaragua	1993	77	62	89	91	70	36	24	47	51	26
	1998	85	77	95	94	77	43	31	56	56	31
	2001	86	79	97	96	77	46	36	55	61	36
	2005	84	74	95	95	79	44	32	53	59	34

Table A-8 (concluded)

Country	Year	Age group									
		Males					Females				
		TOTAL	15 to 24 years	25 to 34 years	35 to 49 years	50 and over	TOTAL	15 to 24 years	25 to 34 years	35 to 49 years	50 and over
Panama	1991 ^a	72	52	95	96	48	48	39	66	65	20
	1999 ^a	77	61	97	96	58	50	42	67	68	26
	2002	80	63	97	97	67	45	34	61	61	24
	2006	80	62	97	97	67	46	33	61	63	29
	2007	79	62	96	97	66	47	34	62	65	30
Paraguay	1999	85	73	96	96	80	48	39	59	60	38
	2001	85	76	96	97	77	53	46	64	64	42
	2005	85	73	96	98	78	56	45	68	70	46
	2007	85	73	96	97	78	55	43	68	70	44
Peru	1997	85	70	97	98	83	64	56	74	76	53
	1999	78	61	91	94	76	58	50	68	69	48
	2001	79	61	92	95	75	59	47	69	72	48
	2003	79	63	91	95	74	60	49	70	76	47
Dominican Republic	2002	79	62	95	97	70	48	42	68	63	23
	2006	79	62	95	96	68	50	43	68	67	26
	2007	79	64	95	95	68	50	42	68	66	25
Uruguay ^a	1990	75	68	98	97	54	44	47	69	64	21
	1999	73	67	96	97	50	50	50	74	74	26
	2002	72	63	96	96	51	50	47	76	76	28
	2005	71	60	95	96	50	50	46	76	77	29
	2007	75	63	96	97	57	54	46	77	77	35
Venezuela (Bol. Rep. of)	1990	79	59	93	96	74	35	23	48	49	20
	1999	83	66	97	97	74	47	35	60	63	30
	2002	84	67	97	97	74	55	42	69	71	37
	2006	81	59	96	97	73	51	33	65	69	37
	2007	79	57	95	97	72	50	31	64	68	37

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data from the countries concerned.

^a Total, urban areas.

Table A-9
BREAKDOWN OF THE EMPLOYED ECONOMICALLY ACTIVE POPULATION BY OCCUPATIONAL CATEGORY, URBAN AREAS, 1990-2007
(Population aged 15 and over, in percentages)

Country	Year	Employers	Wage or salary earners							Own-account and unpaid family workers	
			Total	Public sector	Private sector				Total ^c	Non-professional, non-technical	
					Total ^a	Professional and technical	Establishments employing more than 5 persons ^b	Establishments employing up to 5 persons			Domestic employment
Argentina ^d	1990	5.4	69.0	...	69.0	6.9	44.8	11.6	5.7	25.6	23.0
	1999	4.6	73.6	11.6	62.0	10.6	32.1	13.9	5.3	21.8	17.3
	2002	4.2	73.4	17.6	55.8	12.4	22.9	15.0	5.6	22.4	17.5
	2006	3.8	76.7	12.4	64.3	10.9	32.5	13.4	7.5	19.5	15.4
Bolivia	1989 ^e	2.2	54.0	17.9	36.1	4.3	13.7	12.3	5.8	43.8	41.0
	1999	4.2	47.5	10.3	37.2	7.3	15.1	11.8	3.1	48.3	45.9
	2002	4.3	47.7	10.4	37.3	4.6	15.5	13.2	3.9	48.0	45.7
	2004	4.9	49.3	8.7	40.5	4.7	14.5	16.7	4.6	45.8	44.1
	2007	6.9	54.1	12.4	41.8	7.5	15.1	13.9	5.3	39.0	36.7
Brazil ^f	1990	5.2	72.0	...	72.0	14.3	34.2	17.3	6.2	22.8	21.5
	1999	4.7	66.7	13.0	53.7	11.0	25.7	8.4	8.5	28.6	26.5
	2001	4.6	68.8	12.7	56.1	11.6	26.8	8.9	8.8	26.6	24.4
	2006	5.0	70.3	12.5	57.7	7.1	33.0	9.3	8.4	24.8	21.6
	2007	4.2	71.2	12.8	58.4	7.4	33.4	9.3	8.2	24.6	21.4
Chile	1990	2.5	74.8	...	74.8	12.9	45.5	9.4	7.0	22.8	20.9
	1998	4.2	76.1	...	76.1	17.1	43.5	9.7	5.8	19.7	15.1
	2003	4.1	75.5	11.4	64.1	12.2	38.3	7.1	6.5	20.4	14.9
	2006	3.2	76.5	10.5	66.0	11.3	42.4	6.5	5.8	20.4	15.9
Colombia	1991	4.2	66.1	11.6	54.5	4.8	44.2	...	5.6	29.6	27.3
	1999	4.3	57.5	8.7	48.8	5.7	37.8	...	5.2	38.2	35.7
	2002	5.1	52.8	7.8	45.0	4.1	35.1	...	5.8	42.1	39.3
	2005	5.3	54.2	7.5	46.7	4.4	37.2	...	5.1	40.4	37.5
Costa Rica	1990	5.5	74.8	25.0	49.7	6.1	29.5	9.7	4.4	19.7	17.6
	1999	8.0	72.8	17.2	55.6	8.9	29.7	11.8	5.1	19.2	17.2
	2002	8.1	71.3	17.3	54.0	11.9	27.2	10.9	4.0	20.6	17.8
	2006	7.5	72.6	17.2	55.4	12.2	27.9	10.3	5.0	19.9	17.0
	2007	7.2	74.8	16.5	58.3	13.6	29.6	10.5	4.6	18.0	15.3
Ecuador	1990	5.0	58.9	17.5	41.4	4.5	21.1	11.3	4.5	36.1	34.5
	1999	8.8	59.1	10.7	48.4	7.0	22.5	13.4	5.4	32.1	31.5
	2002	6.9	58.4	11.5	46.9	6.4	22.6	13.3	4.5	34.7	32.9
	2006	6.5	59.5	9.7	49.8	7.0	23.0	15.7	4.1	34.0	32.2
	2007	27.9	60.7	10.0	50.7	8.7	24.0	17.9	0.2	7.2	7.1
El Salvador	1995	6.2	61.7	12.5	49.3	7.2	27.2	10.5	4.4	32.1	31.1
	1999	4.6	65.2	12.3	52.9	9.1	25.7	13.8	4.3	30.3	29.2
	2001	5.0	62.2	11.3	50.8	7.5	25.6	13.5	4.2	32.8	31.6
	2004	4.9	61.4	10.6	50.7	7.7	25.8	13.2	3.9	33.7	32.5
Guatemala	1989	2.8	64.2	14.4	49.8	6.2	22.8	13.8	7.0	33.0	30.9
	1998	4.7	59.0	8.2	50.8	7.3	19.5	20.1	3.9	36.4	34.5
	2002	6.8	57.1	6.9	50.2	8.4	24.7	13.1	4.0	36.1	34.5
	2006	4.7	58.9	7.4	51.5	7.4	25.8	14.2	4.0	24.6	23.0
Honduras	1990	1.5	65.5	14.4	51.1	4.9	26.3	13.2	6.7	33.0	31.7
	1999	6.2	60.2	9.7	50.5	7.5	27.0	11.2	4.8	33.6	33.1
	2002	4.3	58.8	9.7	49.1	7.2	24.9	12.9	4.0	36.9	34.9
	2006	3.9	59.1	10.6	48.5	10.9	24.1	9.9	3.7	37.0	25.2
	2007	3.5	59.0	11.0	48.0	11.2	23.5	9.4	3.9	37.6	26.6
Mexico	1989	3.3	76.4	...	76.4	9.0	64.7	...	2.7	20.3	18.9
	1998	4.8	72.9	14.2	58.7	6.6	33.1	14.9	4.1	22.4	20.5
	2002	4.3	73.0	13.2	59.9	6.3	32.0	17.0	4.6	22.7	20.9
	2006	3.9	73.5	...	73.5	13.9	38.8	16.9	3.9	22.6	20.2

Table A-9 (concluded)

Country	Year	Employers	Wage or salary earners							Own-account and unpaid family workers	
			Total	Public sector	Private sector				Total ^c	Non-professional, non-technical	
					Total ^a	Professional and technical	Establishments employing more than 5 persons ^b	Establishments employing up to 5 persons			Domestic employment
Nicaragua	1993	0.7	60.8	20.3	40.4	6.6	16.0	11.7	6.2	38.5	29.3
	1998	3.8	59.8	...	59.8	13.5	25.4	14.5	6.4	36.4	35.1
	2001	4.7	58.4	11.9	46.5	4.1	22.3	15.8	4.4	36.9	35.3
	2005	5.4	58.4	10.8	47.6	5.7	23.8	14.1	4.1	36.1	35.0
Panama	1991	3.0	78.6	30.1	48.5	9.0	27.0	5.1	7.4	18.4	17.2
	1999	3.2	76.7	21.1	55.6	12.1	31.2	6.2	6.1	20.1	18.9
	2002	3.4	74.4	20.4	54.0	6.7	32.4	8.1	6.7	22.1	20.6
	2006	3.7	73.6	17.8	55.8	8.6	32.3	8.0	6.9	22.7	21.1
	2007	3.5	75.6	18.4	57.2	7.1	36.4	7.2	6.5	20.9	19.3
Paraguay	1990 ^g	8.9	68.4	11.9	56.5	4.3	26.0	15.7	10.5	22.7	21.2
	1999	6.6	62.2	11.8	50.4	5.1	21.1	14.9	9.2	31.2	29.1
	2001	7.6	59.9	11.1	48.8	5.5	19.6	13.3	10.4	32.5	30.1
	2005	6.0	61.9	12.7	49.2	4.9	18.0	15.2	11.1	32.0	29.4
	2007	6.1	63.0	11.6	51.4	4.8	21.4	15.2	10.0	30.9	28.6
Peru	1997	5.8	53.7	12.3	41.4	3.5	20.8	12.6	4.4	40.5	39.5
	1999	5.6	52.9	11.9	41.1	3.1	18.1	14.0	5.8	41.5	40.1
	2001	4.8	53.1	12.0	41.1	6.5	15.9	13.4	5.2	42.1	39.6
	2003	4.6	51.0	10.7	40.4	6.6	15.8	12.4	5.6	44.4	42.0
Dominican Republic	2002	3.9	61.3	13.8	47.5	8.0	22.8	12.3	4.3	34.8	32.7
	2006	4.5	58.9	13.2	45.6	7.5	26.0	7.2	4.9	36.6	34.2
	2007	4.6	59.6	12.7	46.9	8.5	27.1	5.9	5.4	35.8	33.8
Uruguay	1990	5.8	74.2	21.8	52.4	9.7	29.1	6.7	6.9	20.1	19.3
	1999	4.0	72.4	16.2	56.1	6.5	31.8	10.4	7.5	23.6	20.6
	2002	3.7	70.5	17.3	53.2	5.9	26.4	11.0	9.9	25.8	21.8
	2005	3.9	71.7	16.3	55.4	6.2	28.3	13.7	7.2	24.4	20.3
	2007	4.5	71.8	15.0	56.8	6.4	29.6	11.7	9.0	23.6	19.6
Venezuela (Bol. Rep. of) ^h	1990	7.5	70.0	21.4	48.6	5.8	30.1	6.4	6.3	22.4	21.4
	1999	5.1	57.9	14.9	43.0	4.9	24.0	12.1	2.0	36.9	35.3
	2002	5.4	54.7	13.8	40.9	3.9	23.2	11.1	2.6	39.9	38.2
	2006	4.5	58.3	16.6	41.7	5.3	24.2	10.1	2.1	37.3	35.3
	2007	4.1	59.1	17.0	42.1	5.3	25.0	9.8	1.9	36.8	34.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data from the countries concerned.

^a Figures for Argentina (1990, 1994, 1997), Brazil (1990), Chile (1990, 1994, 1998), Mexico (1989, 2004-2006) and Nicaragua (1998) include public-sector wage-earners.

^b For Colombia and Mexico (1989 and 1994) no data were available for the size of establishments. Non-professional non-technical wage-earners in establishments employing up to five persons were included in the column corresponding to establishments with over five workers. Furthermore, in the cases of the Bolivarian Republic of Venezuela, Bolivia (1999 and 2002), Chile (1994 and 1996), El Salvador (1995), the Dominican Republic and Uruguay (1990, 2002-2007), establishments with up to four employees were counted.

^c Includes professional and technical workers.

^d Greater Buenos Aires.

^e Eight departmental capitals and El Alto.

^f No information is available on the size of establishments for 1990. Therefore, the figure given for Brazil in the column for establishments employing more than five persons includes wage earners who have an employment contract ("carteira"), while the column for establishments employing up to 5 persons includes workers who do not have such contracts.

^g Asunción metropolitan area.

^h From 1997, the sample design for the survey does not permit urban-rural breakdown. Figures therefore correspond to the national total.

Table A-10
URBAN POPULATION EMPLOYED IN LOW-PRODUCTIVITY SECTORS OF THE LABOUR MARKET, 1990-2007
(Percentages of the total urban employed population)

Country	Year	Total	Microenterprises ^a				Domestic employment	Unskilled self-employed workers ^b		
			Employers	Wage or salary earners				Total ^c	Manufacturing and construction	Commerce and services
				Total	Professional and technical	Non-professional, non-technical				
Argentina ^d	1990	44.4	3.8	12.0	0.4	11.6	5.7	23.0	6.9	16.0
	1999	42.4	3.2	14.8	1.1	13.7	5.8	18.6	5.4	13.0
	2002	42.4	2.9	15.2	1.2	14.0	6.0	18.4	6.4	11.8
	2006	41.0	2.9	14.5	1.0	13.4	7.4	16.2	5.2	10.9
Bolivia	1989 ^e	62.8	2.2	13.8	1.6	12.3	5.8	41.0	9.8	30.0
	1999	64.2	2.5	12.7	1.0	11.8	3.1	45.9	12.1	31.1
	2002	66.7	3.2	14.0	0.7	13.2	3.9	45.7	12.3	29.4
	2004	70.9	4.1	18.1	1.4	16.7	4.6	44.1	10.8	28.9
	2007	62.5	5.2	15.3	1.4	13.9	5.3	36.7	8.6	24.8
Brazil ^f	1990	49.3	...	21.6	4.3	17.3	6.2	21.5	3.5	15.8
	1999	47.4	2.3	10.1	1.7	8.4	8.5	26.5	5.2	16.4
	2001	46.2	2.2	10.8	1.9	8.9	8.8	24.4	4.8	15.4
	2006	42.3	2.3	10.1	0.8	9.3	8.4	21.6	5.9	11.7
	2007	41.8	2.0	10.2	0.9	9.3	8.2	21.4	6.2	11.8
Chile	1990	38.9	0.8	10.3	0.9	9.4	7.0	20.9	5.7	14.0
	1998	34.3	2.6	10.7	1.0	9.7	5.8	15.1	4.1	10.0
	2003	31.7	2.4	7.9	0.8	7.1	6.5	14.9	4.8	9.3
	2006	30.7	1.7	7.2	0.7	6.5	5.8	15.9	4.8	10.0
Colombia	1991	...	...	...	...	...	5.6	27.3	6.4	20.0
	1999	...	...	...	...	...	5.2	35.7	7.5	26.7
	2002	...	...	...	...	...	5.8	39.3	8.0	28.2
	2005	...	...	...	...	...	5.1	37.5	7.6	27.2
Costa Rica	1990	36.9	4.4	10.5	0.8	9.7	4.4	17.6	6.4	10.1
	1999	41.6	6.0	13.3	1.4	11.8	5.1	17.2	4.5	11.9
	2002	40.3	6.2	12.3	1.4	10.9	4.0	17.8	4.7	12.2
	2006	39.8	6.2	11.6	1.3	10.3	5.0	17.0	4.2	11.8
	2007	37.7	5.7	12.1	1.6	10.5	4.6	15.3	3.7	10.8
Ecuador	1990	54.5	3.6	11.9	0.6	11.3	4.5	34.5	7.8	24.4
	1999	58.9	7.0	15.0	1.6	13.4	5.4	31.5	5.6	23.8
	2002	56.4	4.8	14.2	0.9	13.3	4.5	32.9	6.9	23.6
	2006	57.8	4.9	16.6	1.0	15.7	4.1	32.2	5.1	24.5
	2007	57.3	4.3	15.2	1.0	14.2	4.2	33.6	5.5	26.0
El Salvador	1995	51.0	4.9	10.7	0.2	10.5	4.4	31.1	8.1	20.2
	1999	52.3	4.1	14.6	0.8	13.8	4.3	29.2	6.7	20.0
	2001	54.4	4.4	14.2	0.7	13.5	4.2	31.6	6.7	22.8
	2004	54.7	4.4	13.9	0.7	13.2	3.9	32.5	6.5	23.9
Guatemala	1989	54.6	2.1	14.6	0.8	13.8	7.0	30.9	7.4	14.9
	1998	64.4	3.6	22.4	2.3	20.1	3.9	34.5	8.2	20.7
	2002	57.7	5.2	13.9	0.8	13.1	4.0	34.5	8.9	19.8
	2006	58.1	4.2	15.3	1.1	14.2	4.0	34.5	7.6	20.0
Honduras	1990	53.3	1.0	13.9	0.7	13.2	6.7	31.7	8.9	18.7
	1999	55.2	5.1	12.2	1.0	11.2	4.8	33.1	7.4	22.0
	2002	56.7	3.6	14.1	1.1	12.9	4.0	34.9	9.8	20.1
	2006	43.3	3.3	11.1	1.2	9.9	3.7	25.2	9.2	11.7
	2007	43.9	2.9	10.5	1.1	9.4	3.9	26.6	9.2	13.2
Mexico	1989	...	...	...	...	...	2.7	18.9	3.0	12.5
	1998	44.0	3.6	15.8	1.0	14.9	4.1	20.5	3.2	16.4
	2002	47.1	3.3	18.3	1.3	17.0	4.6	20.9	4.2	16.1
	2006	45.7	2.8	18.8	1.9	16.9	3.9	20.2	3.8	15.9
Nicaragua	1993	49.3	0.5	13.3	1.6	11.7	6.2	29.3	7.7	17.5
	1998	60.7	3.0	16.2	1.7	14.5	6.4	35.1	4.3	26.4
	2001	59.8	3.6	16.5	0.7	15.8	4.4	35.3	5.5	25.7
	2005	58.4	4.6	14.7	0.6	14.1	4.1	35.0	8.1	22.9

Table A-10 (concluded)

Country	Year	Total	Microenterprises ^a				Domestic employment	Unskilled self-employed workers ^b		
			Employers	Wage or salary earners				Total ^c	Manufacturing and construction	Commerce and services
				Total	Professional and technical	Non-professional, non-technical				
Panama	1991	32.3	1.8	5.9	0.8	5.1	7.4	17.2	3.9	11.5
	1999	34.2	2.2	7.0	0.8	6.2	6.1	18.9	4.3	13.8
	2002	38.4	2.3	8.7	0.7	8.1	6.7	20.6	4.4	15.2
	2006	40.1	2.8	9.2	1.3	8.0	6.9	21.1	4.1	16.0
	2007	36.5	2.7	7.9	0.8	7.2	6.5	19.3	4.2	14.3
Paraguay	1990 ^g	55.3	6.8	16.7	1.1	15.7	10.5	21.2	5.2	15.5
	1999	59.2	5.0	15.8	0.9	14.9	9.2	29.1	5.2	21.3
	2001	61.7	6.4	14.7	1.4	13.3	10.4	30.1	5.3	21.9
	2005	61.2	4.6	16.1	0.9	15.2	11.1	29.4	5.7	19.3
	2007	60.1	5.3	16.3	1.0	15.2	10.0	28.6	5.6	19.1
Peru	1997	61.9	4.9	13.1	0.5	12.6	4.4	39.5	5.5	29.7
	1999	65.0	4.5	14.5	0.5	14.0	5.8	40.1	5.2	31.1
	2001	63.3	4.0	14.4	1.0	13.4	5.2	39.6	5.0	28.8
	2003	64.6	3.7	13.3	0.9	12.4	5.6	42.0	5.3	29.7
Dominican Republic	2002	54.3	3.2	14.1	1.7	12.3	4.3	32.7	7.4	22.0
	2006	50.0	3.1	7.8	0.6	7.2	4.9	34.2	8.1	22.0
	2007	48.9	3.0	6.7	0.8	5.9	5.4	33.8	7.7	21.9
Uruguay	1990	36.8	2.7	7.8	1.1	6.7	6.9	19.3	5.6	13.5
	1999	41.5	2.4	11.0	0.6	10.4	7.5	20.6	7.0	12.7
	2002	45.7	2.4	11.6	0.6	11.0	9.9	21.8	8.1	12.5
	2005	44.3	2.5	14.3	0.6	13.7	7.2	20.3	6.9	12.3
	2007	43.8	2.9	12.3	0.6	11.7	9.0	19.6	6.3	11.7
Venezuela (Bol. Rep. of) ^h	1990	39.1	4.9	6.6	0.2	6.4	6.3	21.4	4.1	15.3
	1999	53.8	3.9	12.5	0.5	12.1	2.0	35.3	6.7	23.7
	2002	56.5	4.2	11.5	0.4	11.1	2.6	38.2	6.5	26.4
	2006	51.4	3.4	10.6	0.5	10.1	2.1	35.3	6.5	24.0
	2007	50.1	3.2	10.3	0.5	9.8	1.9	34.7	6.5	23.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data from the countries concerned.

^a Refers to establishments employing up to five persons. In the cases of the Bolivarian Republic of Venezuela, Bolivia (1999 and 2002), Chile (1994 and 1996), El Salvador (1995), the Dominican Republic and Uruguay (1990, 2002-2007), establishments with up to four employees were counted.

^b Refers to own-account and unpaid family workers without professional or technical skills.

^c Includes persons employed in agriculture, forestry, hunting and fishing.

^d Greater Buenos Aires.

^e Eight departmental capitals and El Alto.

^f In 1990, wage-earners with no employment contract were included under microenterprises because no information was available on the size of establishments.

^g Asunción metropolitan area.

^h From 1997, the sample design for the survey does not permit urban-rural breakdown. Figures therefore correspond to the national total.

Table A-11
OPEN UNEMPLOYMENT RATES BY SEX AND AGE IN URBAN AREAS, AROUND 1990, 2002, 2006 AND 2007^a

Country	Sex	Age groups																			
		Total				15 to 24 years				25 to 34 years				35 to 44 years				45 and over			
		1990	2002	2006	2007	1990	2002	2006	2007	1990	2002	2006	2007	1990	2002	2006	2007	1990	2002	2006	2007
Argentina	Total	5.9	19.0	10.5	...	13.0	33.8	26.0	...	4.9	15.4	8.0	...	4.1	18.1	5.9	...	3.8	14.1	7.2	...
	Males	5.7	18.5	8.2	...	11.5	31.7	20.0	...	5.0	15.3	5.9	...	3.9	14.8	3.5	...	4.2	16.7	6.8	...
	Females	6.4	19.5	13.4	...	15.6	36.3	32.9	...	4.9	15.7	10.6	...	4.3	22.1	8.7	...	3.0	10.3	7.7	...
Bolivia	Total	9.4	6.4	...	7.7	17.4	11.2	...	19.2	8.5	7.1	...	8.6	5.1	4.6	...	2.6	6.6	3.3	...	2.5
	Males	9.5	5.2	...	6.3	18.2	9.2	...	16.4	7.5	4.8	...	6.2	5.5	3.2	...	2.5	8.5	4.0	...	2.1
	Females	9.1	7.9	...	9.4	16.5	13.4	...	23.2	9.9	9.7	...	11.5	4.6	6.1	...	2.8	3.8	2.4	...	3.2
Brazil	Total	4.5	10.7	9.5	9.1	8.3	20.5	20.1	18.8	4.4	10.0	9.1	8.9	2.4	6.7	5.6	5.9	1.5	5.2	4.2	4.2
	Males	4.8	8.7	7.4	6.9	8.7	17.4	16.2	15.1	4.7	7.3	6.3	6.0	2.8	5.2	3.7	3.9	2.0	5.0	4.0	3.7
	Females	3.9	13.4	12.1	11.9	7.7	24.6	24.7	23.5	3.8	13.4	12.4	12.3	1.7	8.7	7.7	8.3	0.6	5.5	4.6	4.7
Chile	Total	8.7	10.8	7.6	...	17.9	23.3	18.2	...	8.3	10.9	8.1	...	5.1	8.1	5.4	...	5.3	7.6	4.3	...
	Males	8.1	10.2	6.3	...	17.0	22.8	15.8	...	7.4	9.7	6.3	...	4.6	7.4	4.2	...	5.6	7.8	3.8	...
	Females	9.7	11.8	9.5	...	19.3	23.9	21.6	...	9.7	12.7	10.7	...	5.8	9.2	7.2	...	4.7	7.2	5.0	...
Colombia	Total	9.3	17.2	13.3	...	19.7	32.2	27.5	...	8.3	16.9	13.7	...	4.2	11.5	8.7	...	3.8	10.0	7.1	...
	Males	6.7	14.7	11.0	...	15.3	28.8	23.7	...	5.5	13.3	10.4	...	2.8	9.2	6.3	...	3.7	10.2	7.2	...
	Females	13.0	20.1	16.0	...	24.8	35.7	31.6	...	11.8	21.0	17.2	...	6.2	14.0	11.2	...	3.9	9.7	6.9	...
Costa Rica	Total	5.3	6.8	6.0	4.8	10.5	16.4	15.5	11.8	4.9	5.1	5.1	3.9	2.5	3.7	2.7	2.2	2.9	3.3	2.7	2.3
	Males	4.9	6.2	4.5	3.3	9.8	14.7	12.2	9.5	4.1	4.4	3.0	2.0	2.3	3.0	1.4	1.6	3.1	3.4	2.6	1.3
	Females	6.2	7.7	8.2	6.8	11.6	19.0	20.2	15.3	6.2	6.0	7.9	6.3	2.8	4.6	4.4	3.0	2.3	3.3	2.8	3.9
Cuba ^b	Total	5.4	2.3	2.0	...	...	6.4	3.7	...	...	3.4	3.2	...	...	1.7	1.9	...	...	0.8	0.8	...
	Males	3.6	1.9	2.0	...	...	6.1	3.9	...	...	2.8	3.1	...	...	1.3	1.7	...	...	0.6	0.9	...
	Females	8.5	2.9	2.1	...	...	6.8	3.4	...	...	4.2	3.3	...	...	2.3	2.2	...	...	1.1	0.7	...
Ecuador	Total	6.1	9.1	7.7	6.1	13.5	17.4	16.3	13.7	6.4	9.2	7.5	5.7	2.7	5.9	4.5	3.8	1.3	5.2	4.4	3.4
	Males	4.2	5.8	5.3	4.9	11.2	12.0	12.2	13.2	3.2	4.7	4.3	3.6	1.7	3.1	2.2	2.5	1.3	4.3	3.5	2.7
	Females	9.2	13.9	11.0	7.6	17.2	25.5	22.9	14.5	11.3	15.3	11.7	8.5	4.5	9.8	7.2	5.5	1.4	6.7	5.7	4.4
El Salvador	Total	...	7.0	...	...	...	13.2	...	...	...	6.6	...	...	...	4.7	...	...	...	4.6	...	...
	Males	...	8.8	...	...	...	15.2	...	...	...	8.3	...	...	...	5.6	...	...	...	6.2	...	...
	Females	...	5.0	...	...	...	10.2	...	...	...	4.7	...	...	...	3.8	...	...	...	2.7	...	...
Guatemala	Total	3.5	6.0	2.7	...	7.1	11.1	5.4	...	2.9	3.8	2.4	...	1.6	3.2	1.4	...	1.2	3.4	1.2	...
	Males	3.3	5.2	2.4	...	7.2	8.2	4.5	...	2.6	3.3	2.4	...	1.5	2.7	1.1	...	1.4	5.1	1.3	...
	Females	3.8	7.0	3.1	...	7.0	14.6	6.7	...	3.4	4.6	2.3	...	1.8	3.8	1.8	...	0.9	0.9	1.0	...
Honduras	Total	6.9	6.0	4.7	3.9	11.2	9.3	7.7	7.6	7.0	6.1	5.1	3.7	4.3	4.1	3.0	2.3	3.7	3.5	2.6	1.8
	Males	7.6	6.3	4.3	4.0	11.5	9.4	6.7	7.4	6.6	5.5	4.2	3.6	6.0	4.9	2.9	2.4	5.3	4.5	3.3	2.5
	Females	5.9	5.7	5.1	3.7	10.7	9.3	9.0	7.9	7.6	6.9	6.3	4.0	2.0	3.3	3.1	2.2	0.7	2.0	1.5	0.7
Mexico	Total	3.3	3.4	3.7	...	8.1	7.2	9.0	...	2.4	3.5	3.3	...	0.7	1.5	1.5	...	0.8	1.8	2.1	...
	Males	3.4	3.9	4.3	...	8.4	8.2	10.2	...	2.5	3.9	3.2	...	0.9	1.6	1.7	...	1.0	2.2	3.0	...
	Females	3.1	2.6	2.8	...	7.6	5.4	7.0	...	2.0	2.9	3.3	...	0.2	1.3	1.4	...	0.1	1.0	0.7	...

Table A-11 (concluded)

Country	Sex	Age groups																			
		Total				15 to 24 years				25 to 34 years				35 to 44 years				45 and over			
		1990	2002	2006	2007	1990	2002	2006	2007	1990	2002	2006	2007	1990	2002	2006	2007	1990	2002	2006	2007
Nicaragua	Total	...	12.5	...	...	...	21.5	...	...	...	10.2	...	...	...	9.7	...	...	...	6.3	...	...
	Males	...	13.1	...	...	...	21.8	...	...	...	10.7	...	...	...	9.6	...	...	...	6.6	...	...
	Females	...	11.7	...	...	...	20.9	...	...	...	9.6	...	...	...	9.8	...	...	...	5.8	...	...
Panama	Total	20.0	16.5	10.4	7.8	38.8	34.2	23.4	18.9	21.7	16.8	11.0	8.1	10.4	10.4	7.0	4.8	8.1	7.4	4.7	3.1
	Males	17.9	14.0	8.6	6.5	37.0	31.0	19.4	15.9	17.8	12.9	7.9	6.1	8.4	7.1	5.4	3.1	9.1	7.7	5.4	3.4
	Females	22.8	19.8	13.0	9.6	41.0	39.1	29.1	23.7	26.5	21.6	15.3	10.7	12.7	14.7	9.2	6.7	6.4	6.8	3.7	2.6
Paraguay ^c	Total	6.3	11.5	8.0	6.7	15.5	21.4	17.4	16.5	4.8	11.8	6.0	5.8	2.3	4.5	4.1	3.2	1.4	6.4	5.2	2.6
	Males	6.2	11.0	7.0	5.5	14.7	21.0	16.8	13.8	5.0	9.5	2.3	4.1	3.2	3.0	3.1	2.2	2.0	8.5	6.9	3.0
	Females	6.5	12.1	9.2	8.2	16.5	21.8	18.0	19.9	4.7	14.3	9.9	7.7	1.1	6.2	5.5	4.4	0.0	3.9	3.3	2.0
Peru	Total	...	7.2	...	...	...	12.4	...	...	...	6.4	...	...	...	4.7	...	...	...	5.6	...	...
	Males	...	6.8	...	...	...	12.6	...	...	...	5.2	...	...	...	3.9	...	...	...	6.0	...	...
	Females	...	7.6	...	...	...	12.2	...	...	...	7.7	...	...	...	5.7	...	...	...	5.0	...	...
Dominican Republic	Total	...	16.8	16.8	15.9	...	30.9	32.2	32.4	...	18.0	17.7	15.4	...	11.3	11.9	11.8	...	7.2	6.5	6.1
	Males	...	11.1	10.6	10.1	...	22.6	24.1	23.8	...	10.3	10.3	9.5	...	6.6	6.4	5.4	...	5.8	3.4	3.8
	Females	...	24.4	25.1	23.8	...	42.4	42.6	44.3	...	26.7	26.8	22.9	...	17.3	18.2	19.0	...	9.5	11.9	10.2
Uruguay	Total	8.9	16.9	12.1	9.5	24.4	37.9	29.2	25.0	8.2	16.4	12.8	9.0	4.3	12.1	8.2	6.1	3.5	9.6	6.2	4.9
	Males	7.3	13.4	9.5	6.9	22.2	32.0	25.1	21.0	6.0	12.7	8.7	5.2	2.5	7.8	5.1	3.0	3.0	7.7	4.8	3.6
	Females	11.1	21.1	15.3	12.6	27.5	46.1	34.7	30.6	11.0	20.8	17.5	13.2	6.4	16.8	11.4	9.7	4.4	12.1	7.9	6.5
Venezuela (Bol. Rep. of) ^d	Total	10.2	16.2	9.3	7.5	19.3	28.2	17.0	14.3	11.3	16.3	10.0	7.7	5.9	11.1	6.6	5.2	4.5	9.9	5.6	4.6
	Males	11.2	14.4	8.2	7.1	19.9	24.4	14.3	12.7	12.3	13.5	7.8	6.2	6.9	9.9	5.8	5.3	5.5	10.4	6.2	5.3
	Females	8.4	18.8	11.1	8.1	18.0	34.5	22.0	17.4	9.6	20.4	13.2	10.0	4.0	12.9	7.7	5.1	1.7	9.0	4.8	3.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data from the countries concerned.

^a For the exact years of the surveys in each country, see table 5.

^b National Statistical Office (ONE), Cuba; 1990-1999, total unemployment (urban and rural), 2003-2006, urban unemployment; on the basis of tabulations of data from the National Occupation Survey.

^c Total for urban areas, except that the figure for 1990 relates to the Asunción metropolitan area.

^d The sample design in the surveys conducted since 1997 does not distinguish between urban and rural areas and the figures therefore refer to the nationwide total.

Table A-12
AVERAGE INCOME OF THE EMPLOYED ECONOMICALLY ACTIVE POPULATION BY OCCUPATIONAL CATEGORY, URBAN AREAS, 1990-2007
(In multiples of the relevant per capita poverty line)

Country	Year	Total	Employers	Wage or salary earners							Own-account and unpaid family workers	
				Total	Public sector	Private sector					Total ^b	Non-professional, non-technical
						Total ^a	Professional and technical	Non-professional, non-technical				
								Establishments employing more than 5 persons	Establishments employing up to 5 persons	Domestic employment		
Argentina ^c	1990	6.4	20.6	4.7	...	4.7	9.4	4.5	3.6	2.5	8.0	7.2
	1999	6.9	23.8	5.6	6.9	5.3	9.3	5.2	3.6	2.4	8.0	6.6
	2002	4.7	20.9	3.5	3.3	3.5	6.7	3.1	2.1	1.7	5.6	4.1
	2006	5.9	21.0	4.8	5.7	4.6	7.4	4.9	3.4	1.7	7.4	6.2
Bolivia	1989 ^d	4.2	16.2	3.7	4.1	3.5	7.7	3.6	2.7	1.6	4.1	3.8
	1999	3.4	8.2	4.1	4.7	3.9	7.4	3.8	2.4	1.8	2.3	2.2
	2002	3.2	7.3	4.0	5.2	3.7	7.7	4.0	2.4	2.0	2.0	1.9
	2004	2.9	7.6	3.4	5.0	3.1	7.4	3.6	1.9	1.4	1.8	1.6
	2007	3.5	7.6	4.0	5.4	3.6	6.4	3.9	2.4	1.9	2.0	1.9
Brazil ^e	1990	4.7	16.1	4.1	...	4.1	8.2	3.8	2.6	1.0	3.8	3.4
	1999	4.4	14.8	4.1	6.6	3.5	6.9	3.2	2.1	1.4	3.3	2.8
	2001	4.3	14.8	4.0	6.7	3.5	6.9	3.1	2.1	1.4	3.3	2.8
	2006	4.2	13.9	3.9	6.8	3.3	6.7	3.4	2.2	1.4	2.9	2.2
	2007	4.5	14.5	4.3	7.1	3.6	7.1	3.7	2.4	1.6	3.4	2.7
Chile	1990	4.7	24.8	3.8	...	3.8	7.4	3.5	2.4	1.4	5.4	5.0
	1998	7.4	34.0	5.6	...	5.6	11.7	4.3	3.0	2.2	8.7	6.5
	2003	7.4	36.7	5.7	7.6	5.3	12.4	4.0	2.9	2.4	7.8	5.9
	2006	6.6	26.9	5.5	7.7	5.1	11.5	4.1	3.1	2.3	7.5	5.6
Colombia	1991	2.9	7.4	2.7	3.9	2.5	5.3	2.4	...	1.2	2.4	2.2
	1999	3.3	9.5	3.7	6.3	3.2	6.8	2.8	...	2.1	2.2	1.9
	2002	3.0	7.2	3.5	6.3	3.1	6.2	2.9	...	1.7	1.7	1.5
	2005	3.3	8.6	3.9	6.6	3.4	6.8	3.2	...	1.9	1.9	1.7
Costa Rica	1990	5.2	6.8	5.4	7.3	4.4	9.0	4.3	3.2	1.5	3.7	3.4
	1999	6.0	10.4	5.9	8.8	5.1	9.7	4.8	3.6	1.7	4.3	4.0
	2002	6.5	10.2	6.8	9.5	6.0	9.7	5.9	3.7	2.0	3.7	3.1
	2006	6.1	9.1	6.7	10.3	5.6	8.8	5.6	3.6	2.0	3.0	2.5
	2007	5.8	11.3	5.8	8.7	5.0	7.7	4.9	3.2	1.7	3.6	2.9
Ecuador	1990	2.8	4.8	3.2	4.1	2.8	6.0	2.9	2.3	0.8	1.9	1.9
	1999	2.9	7.6	2.8	3.8	2.6	4.5	2.9	1.7	0.9	1.8	1.8
	2002	3.5	8.7	3.4	4.7	3.1	5.0	3.4	2.1	1.5	2.5	2.4
	2006	3.6	8.8	3.8	5.8	3.4	5.6	3.7	2.3	2.0	2.4	2.2
	2007	4.1	3.0	5.2	6.8	4.9	7.7	4.7	3.8	0.0	0.0	0.0
El Salvador	1995	3.5	9.2	3.5	5.3	3.1	6.9	2.8	2.0	1.0	2.2	2.1
	1999	4.2	9.9	4.6	6.9	4.0	8.2	3.7	2.4	2.1	2.5	2.3
	2001	3.9	9.2	4.2	6.6	3.7	7.4	3.6	2.3	2.0	2.4	2.2
	2004	3.4	7.1	3.7	6.1	3.2	5.3	3.2	2.3	2.1	2.3	2.2
Guatemala	1989	3.5	17.7	3.0	4.8	2.5	5.2	2.6	1.7	1.4	3.2	2.9
	1998	3.4	15.7	3.1	4.5	2.9	5.2	3.4	2.0	0.6	2.2	2.1
	2002	2.9	7.4	3.4	5.6	3.0	5.4	3.2	1.6	1.6	1.4	1.2
	2006	3.4	17.2	2.7	4.6	2.5	4.3	2.7	1.4	1.2	3.8	3.5
Honduras	1990	2.8	16.4	3.1	4.9	2.5	6.5	2.7	1.6	0.8	1.7	1.5
	1999	2.0	5.1	2.0	2.9	1.9	3.0	2.1	1.1	0.5	1.2	1.2
	2002	2.3	5.1	2.7	4.3	2.4	5.3	2.3	1.4	0.8	1.3	1.2
	2006	2.4	4.6	3.0	4.9	2.6	4.6	2.3	1.4	1.2	1.3	0.9
	2007	2.6	5.8	3.2	5.2	2.7	5.0	2.3	1.5	1.3	1.5	1.1
Mexico	1989	4.4	21.6	3.5	...	3.5	6.9	3.1	...	1.4	4.8	4.3
	1998	4.1	18.2	3.5	5.3	3.1	6.9	3.1	1.9	1.3	3.0	2.6
	2002	4.1	16.1	3.6	5.4	3.2	7.1	3.3	2.1	1.4	3.5	3.2
	2006	4.1	15.2	3.7	...	3.7	6.9	3.5	2.1	1.4	3.4	2.9

Table A-12 (concluded)

Country	Year	Total	Employers	Wage or salary earners							Own-account and unpaid family workers	
				Total	Public sector	Private sector				Total ^b	Non-professional, non-technical	
						Total ^a	Professional and technical	Establishments employing more than 5 persons	Establishments employing up to 5 persons			Domestic employment
Nicaragua	1993	3.5	8.5	3.3	3.4	3.2	6.1	3.1	2.3	2.1	3.6	2.9
	1998	3.1	11.0	3.2	...	3.2	6.3	2.6	1.9	1.7	2.1	2.0
	2001	3.1	14.2	3.0	4.5	2.7	5.4	3.0	1.8	1.4	1.9	1.8
	2005	2.9	9.8	2.9	4.3	2.6	4.6	2.9	1.7	1.6	1.7	1.6
Panama	1991	5.6	14.9	5.8	7.8	4.6	9.8	4.2	2.7	1.3	3.1	2.8
	1999	6.2	11.9	6.7	9.0	5.8	11.3	4.9	2.8	2.1	3.6	3.3
	2002	6.2	17.8	6.3	8.9	5.3	9.1	5.8	3.1	1.6	4.4	4.1
	2006	6.4	17.4	6.2	8.6	5.4	8.1	5.9	3.4	1.8	5.3	4.7
	2007	5.9	18.7	5.4	7.6	4.6	7.1	5.0	3.1	1.7	5.9	5.3
Paraguay	1990 ^f	3.4	10.3	2.4	3.4	2.2	4.1	2.8	1.8	0.8	3.8	3.6
	1999	3.2	8.3	3.2	4.8	2.9	6.7	3.1	2.1	1.6	2.1	1.9
	2001	3.1	8.6	3.1	5.2	2.7	4.5	3.3	1.9	1.4	1.8	1.5
	2005	2.7	8.8	2.7	4.1	2.3	4.2	2.9	1.7	1.4	1.5	1.3
	2007	2.6	8.2	2.6	3.5	2.3	4.2	2.8	1.8	1.3	1.7	1.5
Peru	1997	3.3	7.9	3.8	4.0	3.8	7.2	4.2	2.3	2.3	1.9	1.8
	1999	3.2	7.0	3.9	4.5	3.9	9.5	4.4	2.0	2.9	1.8	1.7
	2001	2.8	6.7	3.3	3.9	3.2	5.9	3.4	1.9	2.0	1.8	1.7
	2003	2.7	7.9	3.2	4.1	3.2	5.5	3.3	1.8	2.0	1.6	1.5
Dominican Republic	2002	4.2	15.6	3.9	4.7	3.7	7.0	3.6	2.5	1.3	3.5	3.2
	2006	3.3	8.7	3.2	3.9	3.0	4.9	3.1	1.6	1.4	2.8	2.6
	2007	4.7	18.6	2.9	3.3	2.8	4.7	2.8	1.8	1.0	5.9	5.4
Uruguay	1990	4.3	17.9	3.7	4.0	3.5	5.0	3.7	2.4	1.5	3.0	3.0
	1999	5.4	14.1	5.3	6.7	4.9	11.2	4.9	3.2	2.1	4.1	3.6
	2002	4.3	10.6	4.4	5.8	3.9	7.9	4.3	2.6	2.0	3.1	2.4
	2005	3.7	9.7	3.8	5.4	3.3	6.6	3.6	2.0	1.7	2.7	2.0
	2007	3.9	10.4	3.9	5.9	3.4	6.6	3.8	2.0	1.6	2.7	2.0
Venezuela (Bol. Rep. of) ^g	1990	4.5	11.9	3.7	4.0	3.6	6.6	3.6	2.5	2.1	4.5	4.3
	1999	3.5	9.2	3.1	3.7	3.0	6.4	2.9	2.0	1.4	3.4	3.2
	2002	3.4	9.9	3.0	4.5	2.4	4.8	2.5	1.7	1.2	3.2	3.1
	2006	4.2	9.7	4.0	5.6	3.3	5.4	3.4	2.4	1.7	3.9	3.7
	2007	4.1	7.8	4.2	5.7	3.6	5.6	3.7	2.7	1.9	3.4	3.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data from the countries concerned.

^a Figures for Argentina (1990, 1994, 1997), Brazil (1990), Chile (1990, 1994, 1998), Mexico (1989, 2004-2006) and Nicaragua (1998) include public-sector wage-earners. Also, figures for the Bolivarian Republic of Venezuela, Bolivia (1999 and 2002), Chile (1994 and 1996), El Salvador (1995), the Dominican Republic, Uruguay (1990, 2002-2007) include—in the case of non-professional and non-technical workers—establishments having up to four employees. In cases where no information was available on the size of establishments, no overall figures are provided for persons employed in low-productivity sectors.

^b Includes professional, technical and own-account workers.

^c Greater Buenos Aires.

^d Eight departmental capitals and El Alto.

^e No information is available on the size of establishments for 1990. Therefore, the figure given for Brazil in the column for establishments employing more than five persons includes wage earners who have an employment contract ("carteira"), while the column for establishments employing up to 5 persons includes workers who do not have such contracts.

^f Asunción metropolitan area.

^g From 1997, the sample design for the survey does not permit urban-rural breakdown. Figures therefore correspond to the national total.

Table A-13
RATIO OF AVERAGE FEMALE INCOME TO AVERAGE MALE INCOME, BY AGE GROUP, URBAN AREAS, 1990-2007
(Percentages)

Country	Year	Disparity in labour income by age group ^a					
		Total	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 and over
Argentina ^b	1990	65	87	77	61	59	52
	1999	65	94	76	64	58	54
	2002	59	89	73	60	54	43
	2006	65	78	76	62	62	52
Bolivia	1989 ^c	59	71	65	54	54	62
	1999	63	72	70	55	68	54
	2002	61	80	69	57	53	44
	2004	63	70	70	53	62	56
	2007	63	75	71	54	67	52
Brazil	1990	56	73	64	54	47	35
	1999	65	81	72	63	57	55
	2001	66	84	74	64	59	53
	2006	68	82	76	67	62	53
	2007	68	86	77	67	61	53
Chile	1990	62	84	69	61	57	52
	1998	66	90	77	68	59	54
	2003	64	90	79	65	55	55
	2006	70	88	81	67	64	63
Colombia	1991	69	88	77	64	56	55
	1999	75	101	87	69	68	56
	2002	78	100	84	74	74	59
	2005	76	93	88	73	70	53
Costa Rica	1990	72	86	75	66	60	61
	1999	70	87	75	67	64	58
	2002	75	86	78	70	68	70
	2006	75	91	84	65	75	61
	2007	70	88	78	66	64	50
Ecuador	1990	66	80	70	61	60	64
	1999	67	99	82	61	51	55
	2002	67	83	77	66	55	50
	2006	73	105	78	65	70	61
	2007	68	90	78	66	61	57
El Salvador	1995	62	76	70	57	50	46
	1999	75	84	79	71	67	60
	2001	73	87	79	73	62	51
	2004	77	80	78	78	76	52
Guatemala	1998	55	88	76	51	34	39
	2002	58	80	63	55	42	45
	2006	58	91	64	55	55	42
Honduras	1990	59	77	68	51	56	43
	1999	65	78	65	68	51	52
	2002	76	86	78	70	71	63
	2006	81	94	85	77	76	69
	2007	81	96	84	75	76	64
Mexico	1989	56	73	64	54	47	48
	1998	58	84	74	53	56	40
	2002	63	83	67	63	59	43
	2006	63	83	69	59	58	54
Nicaragua	1993	77	107	87	62	64	67
	1998	65	93	73	60	47	42
	2001	69	87	84	72	33	84
	2005	71	87	73	80	48	53

Table A-13 (concluded)

Country	Year	Disparity in labour income by age group ^a					
		Total	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 and over
Panama	1991	78	73	89	81	68	78
	1999	78	98	87	74	73	57
	2002	76	88	86	77	67	56
	2006	74	82	80	75	72	59
	2007	73	87	75	68	76	56
Paraguay	1990 ^d	55	63	68	52	50	60
	1999	72	96	85	67	70	43
	2001	68	93	76	62	54	64
	2005	61	90	78	67	38	43
	2007	71	97	74	61	68	67
Peru	1997	60	84	69	58	49	37
	1999	64	105	85	65	45	29
	2001	68	94	76	59	59	56
	2003	61	97	77	65	39	31
Dominican Republic	2002	72	92	74	70	63	62
	2006	72	82	72	75	67	61
	2007	59	77	63	60	46	65
Uruguay	1990	44	63	60	46	37	30
	1999	68	81	78	64	65	55
	2002	73	91	80	69	70	63
	2005	72	88	81	71	69	59
	2007	69	83	76	67	67	58
Venezuela (Bol. Rep. of)	1990	69	84	74	67	60	53
	1999	74	94	76	70	66	60
	2002	77	87	82	75	71	60
	2006	79	86	85	74	75	70
	2007	81	91	85	78	74	71

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data from the countries concerned.

^a Refers to the income differential in the total employed population. This differential is calculated as the quotient of average female income and average male income, multiplied by 100.

^b Greater Buenos Aires.

^c Eight departmental capitals and El Alto.

^d Asunción metropolitan area.

Table A-14
INDICATORS OF PUBLIC SOCIAL SPENDING, 1990/1991 - 2005/2006 ^a

Country	Coverage ^c	Public social spending ^b											
		Per capita (in dollars at 2000 prices)				Percentage of GDP				Percentage of total public spending ^d			
		1990/1991	1995/1996	2000/2001	2005/2006	1990/1991	1995/1996	2000/2001	2005/2006	1990/1991	1995/1996	2000/2001	2005/2006
Argentina ^e	CG	695	828	824	818	11.4	11.3	11.0	9.7	60.3	67.5	61.3	60.4
	GG	1 103	1 417	1 516	1 587	18.1	19.3	20.2	18.8	62.7	66.5	63.2	63.5
	NFPS	1 179	1 519	1 640	1 712	19.3	20.7	21.8	20.3	62.2	65.5	62.7	63.3
Bolivia ^f	CG	47	71	120	...	5.2	7.4	12.0	...	34.4	26.3	35.4	...
	NFPS	...	126	162	183	...	13.2	16.3	16.6	...	39.6	42.8	48.4
Brazil ^g	FG	337	415	445	535	10.1	11.5	12.1	13.4	52.3	55.0	59.9	80.5
	Consolidated	604	721	776	917	18.1	20.0	21.1	23.0	48.9	55.6	61.6	72.1
Chile	CG	380	543	741	719	12.0	12.3	15.0	12.4	61.2	64.9	67.3	66.4
Colombia ^h	NFPS	123	306	236	314	6.6	14.6	11.7	13.9	28.8	43.7	33.2	...
Costa Rica	PS	486	570	728	788	15.6	15.9	18.0	16.9	38.9	39.8	40.5	34.8
Cuba	CG	864	610	661	1 220	27.6	26.3	23.7	33.2	35.6	44.8	47.0	52.3
Ecuador ⁱ	CG	98	83	65	101	7.4	6.2	4.9	6.4	42.8	30.4	20.9	28.6
El Salvador	CG	...	111	209	251	...	5.6	10.0	11.6	...	25.9	38.6	45.8
Guatemala	CG	49	63	105	123	3.7	4.5	6.8	7.7	29.9	42.2	47.3	54.2
Honduras	CG	80	75	116	152	7.5	6.7	10.0	11.4	40.7	41.1	45.4	52.5
Jamaica	CG	243	256	273	...	8.4	8.6	9.5	...	26.8	20.0	17.1	...
Mexico	BCG	355	455	618	724	6.5	8.4	9.7	10.6	41.3	53.0	61.3	59.0
Nicaragua	BCG	45	45	63	95	6.6	6.7	8.1	11.1	34.0	38.7	38.4	49.2
Panama	CG	229	300	371	383	7.5	8.6	9.5	8.3	38.1	44.9	42.5	40.9
	NFPS	496	621	680	...	16.2	17.8	17.4	...	40.0	43.4	44.3	...
Paraguay	BCG	45	126	107	121	3.2	8.5	8.0	8.7	39.9	45.0	38.3	43.4
Peru	BCG	64	134	160	..	3.9	6.7	7.7	...	33.0	40.3	45.0	...
	PS	...	...	173	210	...	...	8.3	8.5	...	...	49.7	50.3
Dominican Republic ^h	CG	74	142	200	263	4.3	6.8	7.4	8.5	38.4	48.0	45.6	39.1
Trinidad and Tobago ^j	CG	303	302	588	888	6.9	6.5	9.1	9.5	40.6	41.8	70.8	76.3
Uruguay ^k	CG-consolidated	820	1 207	1 322	1 370	16.8	21.0	22.2	20.9	62.3	71.3	66.6	63.1
	GG	...	...	1 405	...	...	...	23.6	...	...	...	62.8	...
	NFPS	...	...	1 506	...	...	...	25.3	...	...	...	64.4	...
Venezuela (Bol. Rep. of) ^l	BCG-approved	441	384	563	653	8.8	7.6	11.6	12.5	32.8	34.6	37.8	42.3
	BCG-executed	...	...	494	523	...	...	10.2	10.5	...	...	43.5	40.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Commission's social expenditure database.

^a Includes public spending on education, health and nutrition, social security, employment and social welfare, housing, water and sewerage systems.

^b The figures are simple averages for the relevant bienniums.

^c NFPS: non-financial public sector; GG: general government; CG: central government; FG: federal government; PS: public sector; BCG: budgetary central government.

^d In most countries, the figure for total public spending is the official statistic provided by the country; no consideration is given to whether debt servicing is included or excluded.

^e Includes the spending of the national government, provincial governments and the central government of Buenos Aires, as well as local government.

^f In Bolivia, in the case of the NFPS, the 2005-2006 figure is the figure for 2005 from the new series published by the country since 2002, and is not comparable to those for previous years.

^g Estimate of consolidated social spending, which includes federal, state and municipal spending.

^h Figures under review owing to changes in the GDP series.

ⁱ The figures of the series are retained; social security spending is under review.

^j In Trinidad and Tobago, the Classification of the Functions of Government (COFOG) series begins in 2000 and is not comparable with earlier series; the figure under the heading 2005/2006 relates to 2005.

^k In Uruguay, the figure for 2005-2006 corresponds to the 2002-2007 series published by the Ministry of Social Development (MIDES); it is not comparable with earlier years.

^l Relates to the budgetary law. In the case of the Bolivarian Republic of Venezuela, it includes the modifications made yearly on 31 December. The 2005-2006 figure for the central government executed budget corresponds to 2005.

Table A-15
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS^a

Country or territory	Goal 1. Eradicate extreme poverty and hunger									
	Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day					Target 1.B: Achieve full and productive employment and decent work for all, including women and young people				
	Indicator 1.1 Population living in extreme poverty, measured by national poverty lines		Indicator 1.2 Poverty gap ratio		Indicator 1.3 Share of poorest quintile in national consumption	Indicator 1.4 Growth rate of GDP per person employed		Indicator 1.5 Employment-to-population ratio		
	Level 1990	Level 2007	Level 1990	Level 2007	Level 2006	Rate 1992	Rate 2006	Level	Level	
Latin America and the Caribbean	...	...	9.8	6.7	3.1	-3.0	3.5	56.9	60.0
Latin America	22.5	12.8	9.8	6.7	3.1	-3.0	3.4	57.1	60.2	
Argentina ^b	8.2	7.2 ^c	1.6	2.8 ^c	3.6	8.9	6.2	53.8	59.8	
Bolivia	39.5	31.2	9.7	14.5	1.5 ^c	-1.6	1.3	61.0	69.7	
Brazil	23.4	8.5	9.7	3.9	2.5	-10.0	2.8	60.1	61.1	
Chile	12.9	3.2 ^c	4.4	1.1 ^c	4.1	5.6	3.0	51.2	49.2	
Colombia	26.1	20.2 ^c	9.8	8.3 ^c	2.9 ^c	-0.1	3.7	53.9	63.1	
Costa Rica	9.8	5.3	4.8	2.0	3.9	4.8	4.1	55.1	59.6	
Cuba	...	...	...	...	...	...	...	54.4	52.8
Ecuador ^b	26.2	16.0 ^d	9.2	5.6 ^d	4.1	-5.5	1.8	55.1	65.5	
El Salvador	27.7	19.0 ^c	9.1	8.1 ^c	3.4 ^c	6.7	2.0	58.3	57.0	
Guatemala	41.8	29.1 ^c	18.5	11.3 ^c	3.7 ^c	2.7	2.4	57.6	55.2	
Haiti	...	...	...	...	...	-13.0	-1.1	59.7	64.6
Honduras	60.6	45.6	31.5	23.9	1.6	-1.9	1.2	57.2	68.6	
Mexico	18.8	8.7	5.9	2.4	4.2	-0.3	3.5	57.0	57.2	
Nicaragua	51.4	31.9 ^c	24.3	12.3 ^c	2.5 ^c	5.1	1.2	56.2	56.0	
Panama ^b	11.5	12.0 ^d	7.3	4.3 ^d	3.9	1.2	5.0	49.6	58.9	
Paraguay	35.0	31.6 ^d	3.6	13.5 ^d	3.2	-4.7	0.6	61.6	68.5	
Peru	25.0	13.7	...	4.3	3.8 ^c	-7.0	4.9	56.4	64.2	
Dominican Republic	...	21.0	...	8.9	2.5	5.9	7.7	48.5	52.8	
Uruguay ^b	3.4	3.1	0.9	0.7	4.8 ^c	3.7	5.8	55.4	61.6	
Venezuela (Bol. Rep. of)	14.4	8.5	5.0	3.2	4.6	4.5	6.6	54.5	59.6	
The Caribbean	...	...	...	...	...	-0.3	3.8	48.4	50.9
Anguilla	...	...	...	...	...	...	...	...	...
Antigua and Barbuda	...	...	...	...	...	...	...	...	...
Netherlands Antilles	...	...	...	...	...	-1.7	2.8	53.4	51.1
Aruba	...	...	...	...	...	...	...	...	...
Bahamas	...	...	...	...	...	-3.1	2.0	61.1	60.8
Barbados	...	...	...	...	...	-1.2	3.1	56.9	64.5
Belize	...	...	...	...	...	9.0	0.9	51.8	56.6
Dominica	...	...	...	...	...	...	...	...	...
Grenada	...	...	...	...	...	...	...	...	...
Guadeloupe	...	...	...	...	...	...	...	46.7	48.1

Table A-15 (concluded)

Country or territory	Goal 1. Eradicate extreme poverty and hunger									
	Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day					Target 1.B: Achieve full and productive employment and decent work for all, including women and young people				
	Indicator 1.1 Population living in extreme poverty, measured by national poverty lines		Indicator 1.2 Poverty gap ratio		Indicator 1.3 Share of poorest quintile in national consumption	Indicator 1.4 Growth rate of GDP per person employed		Indicator 1.5 Employment-to-population ratio		
	Level 1990	Level 2007	Level 1990	Level 2007	Level 2006	Rate 1992	Rate 2006	Level	Level	
French Guiana	
Guyana	-0.6	3.1	51.7	58.4	
Cayman Islands	
Turks and Caicos Islands	
Martinique	46.4	47.0	
Montserrat	
Puerto Rico	37.9	42.7	
Saint Kitts and Nevis	
Saint Vincent and the Grenadines	
Saint Lucia	
Suriname	4.6	4.2	44.9	42.8	
Trinidad and Tobago	-1.2	9.2	48.1	57.7	

Source: United Nations, Millennium Development Goals: a Latin America and Caribbean perspective, J.L. Machinea, A. Bárcena and A. León (coords.) (LC/G.2331-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2005; United Nations, Millennium Indicators Database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

^a The indicators appear in the order in which they are listed officially; the absence of any indicator is due to lack of information. Figures are percentages unless otherwise indicated. For indicators recorded at two different times, the regional and subregional averages take into account only those countries for which information is available at both times.

^b The figures for indicators 1.1, 1.2 and 1.3 relate to urban areas.

^c Figures relate to the most recent year for which information was available (as distinct from the year in the heading of the column).

^d National total. Not comparable with previous figures.

Table A-16 (concluded)

Goal 1. Eradicate extreme poverty and hunger								
Country or territory	Target 1.B: Achieve full and productive employment and decent work for all, including women and young people				Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger			
	Indicator 1.6 Proportion of employed people living below \$1 (PPP) per day		Indicator 1.7 Proportion of own-account and contributing family workers in total employment		Indicator 1.8 Prevalence of underweight children under five years of age		Indicator 1.9 Proportion of population below minimum level of dietary energy consumption	
	Level	Level	Level	Level	Level	Level	Level	Level
	1992	2004	1990	2005	1981/1993	1995/2006	1990/1992	2001/2003
United States Virgin Islands
Jamaica	6.8 ^b	0.7	42.3 ^b	34.4	7.2	3.6	14	10
Martinique
Montserrat	12.6 ^b	...	...	...	...	...
Puerto Rico
Saint Kitts and Nevis	12.1 ^b	8.5 ^b	...	...	13	11
Saint Vincent and the Grenadines	20.2 ^b	...	...	19.5	22	12
Saint Lucia	23.5 ^b	28.7 ^b	13.8	...	8	5
Suriname	15.6 ^b	16.8 ^b	...	13.3	13	10
Trinidad and Tobago	8.2	...	21.7	15.6	6.7	5.9	13	11

Source: United Nations, Millennium Development Goals: a Latin America and Caribbean perspective, J.L. Machinea, A. Bárcena and A. León (coords.) (LC/G.2331-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2005; United Nations, Millennium Indicators Database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

^a The indicators appear in the order in which they are listed officially; the absence of any indicator is due to lack of information. Figures are percentages unless otherwise indicated. For indicators recorded at two different times, the regional and subregional averages take into account only those countries for which information is available at both times.

^b Figures relate to the most recent year for which information was available (as distinct from the year in the heading of the column).

Table A-17
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS^a

Country or territory	Goal 2. Achieve universal primary education					
	Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling					
	Indicator 2.1 Net enrolment ratio in primary education		Indicator 2.2 Pupils completing primary education according to the International Standard Classification of Education (ISCED) 1997		Indicator 2.3 Literacy rate of 15-24 year-olds	
	Level 1990	Level 2006	Level 1992	Level 2005	Level 1990	Level 2007
Latin America and the Caribbean	87.5	96.1	...	...	92.6	97.1
Latin America	87.5	96.2	83.8	90.9	92.6	97.1
Argentina	93.8	99.1 ^b	97.1	97.1	98.2	99.1
Bolivia	90.8	96.3	67.1	88.7 ^b	92.6	98.5
Brazil	85.6	95.6 ^b	82.2	92.6	91.8	97.8
Chile	87.7	94.1 ^b	95.5	98.3 ^b	98.1	99.1
Colombia	68.1	92.0	85.6	91.1	94.9	97.9
Costa Rica	87.3	90.4 ^b	84.6	92.3	97.4	98.0
Cuba	98.6	99.4 ^b	96.0	97.3 ^b	96.2 ^c	100.0
Ecuador	97.8	99.4	89.8	92.8	95.5	96.5
El Salvador	72.8	95.7	69.0	76.1 ^b	83.8	95.2
Guatemala	64.0	96.1	52.2	58.3 ^b	73.4	85.5
Haiti	22.1	...	...	...	54.8	81.7
Honduras	89.9	97.0	61.7	70.6 ^b	79.7	90.3
Mexico	100.0	99.4	86.7	93.9	95.2	98.1
Nicaragua	72.2	91.4	60.2	64.5 ^b	68.2	88.7
Panama	91.5	99.1	89.3	95.0	95.3	96.3
Paraguay	92.8	94.9 ^b	78.3	89.5	95.6	96.4
Peru	87.8	99.0	85.4	91.6 ^b	94.5	97.9
Dominican Republic	58.2	79.7	76.3	86.1	87.5	96.0
Uruguay	91.9	100.0	96.2	96.4	98.7	98.7
Venezuela (Bol. Rep. of)	88.1	93.2	88.3	91.5	96.0	98.2 ^b
The Caribbean	92.0	91.9	...	...	95.1	96.5
Anguilla	...	95.3	...	...	...	...
Antigua and Barbuda	...	...	...	...	...	...
Netherlands Antilles	...	97.0 ^b	...	...	97.5	98.2
Aruba	...	99.5	...	...	...	99.3
Bahamas	89.6	88.4	...	...	96.5	...
Barbados	80.1	96.2	...	...	99.8	99.8 ^b
Belize	94.0	99.1	...	...	96.0	84.2 ^b
Dominica	...	82.0	...	...	...	...
Grenada	...	86.5 ^b	...	...	...	...
Guadeloupe	...	...	...	...	...	99.8
French Guiana	...	...	...	...	...	...
Guyana	88.9	...	...	...	99.8	...
Cayman Islands	...	83.9 ^b	...	...	...	...
Turks and Caicos Islands	...	80.7 ^b	...	...	...	...
British Virgin Islands	...	97.3	...	...	...	...
United States Virgin Islands	...	...	...	...	...	...
Jamaica	95.7	91.0 ^b	...	...	91.2	94.3
Martinique	...	...	...	...	...	99.7
Montserrat	...	99.3	...	...	...	...
Puerto Rico	...	...	...	...	96.1	97.7 ^b
Saint Kitts and Nevis	...	95.6 ^b	...	...	...	...
Saint Vincent and the Grenadines	...	92.5 ^b	...	...	...	...
Saint Lucia	95.1	98.8	...	...	...	...
Suriname	78.4	96.5	...	...	...	95.2
Trinidad and Tobago	90.9	89.4 ^b	...	...	99.6	99.5

Source: United Nations, Millennium Development Goals: a Latin America and Caribbean perspective, J.L. Machinea, A. Bárcena and A. León (coords.) (LC/G.2331-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2005; United Nations, Millennium Indicators Database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

^a The indicators appear in the order in which they are listed officially; the absence of any indicator is due to lack of information. Figures are percentages unless otherwise indicated. For indicators recorded at two different times, the regional and subregional averages take into account only those countries for which information is available at both times.

^b Figures relate to the most recent year for which information was available (as distinct from the year in the heading of the column).

^c The information provided is from the 1981 population and housing census.

Table A-18
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS^a

Goal 3. Promote gender equality and empower women														
Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005 and in all levels of education no later than 2015														
Country or territory	Indicator 3.1 Ratio of girls to boys in:						Indicator 3.1.1 Ratio of women to men completing primary education according to the International Standard Classification of Education (ISCED) 1997		Indicator 3.1.2 Literacy gender parity index		Indicator 3.2 Share of women in wage employment in the non-agricultural sector		Indicator 3.3 Proportion of seats held by women in national parliament	
	Primary		Secondary		Tertiary		Level 1992	Level 2005	Level 1990	Level 2007	Level 1990	Level 2006	Level 1990	Level 2008
	Level 1990	Level 2006	Level 1990	Level 2006	Level 1990	Level 2006								
Latin America and the Caribbean	0.98	0.97	1.08	1.05	0.97	1.18	...	...	1.06	1.01	37.8	43.4	8	18
Latin America	0.98	0.97	1.08	1.05	0.97	1.17	1.01	1.02	1.07	1.01	37.7	43.4	8	18
Argentina	1.04	0.99 ^b	...	1.11 ^b	...	1.45 ^b	1.01	1.01	0.81	1.00	37.3	45.0	6	40
Bolivia	0.91	1.00	0.85	0.96	...	0.55 ^b	0.89	0.96 ^b	2.88	0.99	35.2	36.5 ^b	9	17
Brazil	0.94	0.94 ^b	...	1.10 ^b	1.06	1.30 ^b	1.05	1.04	0.72	1.02	40.2	46.7 ^b	5	9
Chile	0.98	0.95	1.08	1.02	...	1.00	1.01	1.01 ^b	0.80	1.00	36.2	38.5	...	15
Colombia	1.15	0.99	1.13	1.11	1.07	1.09	1.03	1.05	0.78	1.01	39.9	49.1	5	8
Costa Rica	0.99	0.99	1.05	1.06	...	1.26 ^b	1.00	1.03	0.80	1.01	37.2	40.7	11	37
Cuba	0.93	0.95 ^b	1.10	0.92 ^b	1.34	1.70 ^b	...	1.01 ^b	1.00	1.00	39.6	43.8 ^b	34	43
Ecuador	0.99	1.00	...	1.02	...	...	0.99	1.02	1.28	1.01	37.3	41.8	5	25
El Salvador	1.01	0.96	1.06	1.04	0.71	1.21	0.96	1.05 ^b	1.17	1.01	32.3	48.6	12	17
Guatemala	0.88	0.93	...	0.92	...	0.82	0.72	0.82 ^b	1.73	0.94	36.8	38.3 ^b	7	12
Haiti	0.94	...	0.96	...	...	...	...	...	1.05	1.14	...	...	...	4
Honduras	1.05	0.99	...	1.30 ^b	0.77	1.41 ^b	1.06	1.11 ^b	0.89	1.06	48.1	45.3 ^b	10	23
Mexico	0.98	0.97	1.01	1.02	0.74	0.93	0.97	0.99	1.38	1.00	35.3	39.3	12	23
Nicaragua	1.06	0.98	1.37	1.14	1.06	1.08 ^b	1.09	1.21 ^b	0.97	1.08	...	...	15	19
Panama	0.96	0.97	1.07	1.09	...	1.61	1.01	1.00	1.21	1.00	44.3	42.5	8	17
Paraguay	0.97	0.97 ^b	1.04	1.03 ^b	0.88	1.13 ^b	0.96	1.06	1.17	1.00	40.5	43.9 ^b	6	10
Peru	0.97	1.01	...	1.03	...	1.06	0.90	0.97 ^b	2.53	0.99	28.9	36.4	6	29
Dominican Republic	1.02	0.95	...	1.20	...	1.59 ^b	1.09	1.08	0.90	1.02	35.5	39.4 ^b	8	20
Uruguay	0.99	0.97	...	1.16	...	1.68	1.01	1.02	0.53	1.01	41.9	45.2	6	12
Venezuela (Bol. Rep. of)	1.03	0.98	1.38	1.12	...	1.08 ^b	1.05	1.05	0.74	1.01 ^b	35.2	40.9	10	19
The Caribbean	0.99	0.99	1.08	1.07	0.81	2.10	...	...	0.61	1.02	45.3	43.5	12	19
Anguilla	...	0.99	...	1.02	...	4.86	...	...	...	...	...	46.9 ^b	...	...
Antigua and Barbuda	...	...	...	...	...	...	...	...	...	...	...	...	...	11
Netherlands Antilles	...	0.99 ^b	...	1.09 ^b	...	1.43 ^b	...	...	0.85	1.00	43.1	48.8 ^b	...	...
Aruba	...	0.98	...	1.04	...	1.56	...	...	...	1.00	...	50.1	...	...
Bahamas	1.03	1.00	...	1.01	...	...	...	...	0.54	...	49.2	50.0 ^b	4	12
Barbados	1.00	0.98	...	1.04	1.26	2.46 ^b	...	...	1.00	1.00 ^b	45.5	48.7 ^b	4	10
Belize	0.98	0.97	1.15	1.06	...	2.43 ^b	...	...	0.73	1.01 ^b	37.4	44.1 ^b	...	3
Dominica	...	1.02	...	0.98	...	...	...	...	...	...	...	45.8 ^b	10	16
Grenada	...	0.96 ^b	...	1.03 ^b	...	...	...	...	...	...	...	42.7 ^b	...	27
Guadeloupe	...	...	...	...	...	...	...	...	...	1.00	...	...	...	...
French Guiana	...	...	...	...	...	...	...	...	...	...	...	41.6 ^b	...	...
Guyana	0.98	0.99 ^b	1.06	0.98	...	2.17	...	...	1.00	1.00 ^b	...	39.9 ^b	37	29

Table A-18 (concluded)

Goal 3. Promote gender equality and empower women														
Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005 and in all levels of education no later than 2015														
Country or territory	Indicator 3.1 Ratio of girls to boys in:						Indicator 3.1.1 Ratio of women to men completing primary education according to the International Standard Classification of Education (ISCED) 1997		Indicator 3.1.2 Literacy gender parity index		Indicator 3.2 Share of women in wage employment in the non-agricultural sector		Indicator 3.3 Proportion of seats held by women in national parliament	
	Primary		Secondary		Tertiary		Level 1992	Level 2005	Level 1990	Level 2007	Level 1990	Level 2006	Level 1990	Level 2008
	Level 1990	Level 2006	Level 1990	Level 2006	Level 1990	Level 2006								
Cayman Islands	...	0.89 ^b	...	0.92 ^b	...	3.01 ^b	...	...	...	...	...	48.1	...	...
Turks and Caicos Islands	...	1.04 ^b	...	0.94 ^b	...	0.44 ^b	...	...	...	...	...	40.7 ^b	...	...
British Virgin Islands	...	0.97	...	1.13	...	2.28 ^b	...	...	...	...	...	...	...	...
United States Virgin Islands	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Jamaica	0.99	1.00 ^b	1.06	1.03 ^b	0.73	2.29 ^b	...	...	0.37	1.08	49.6	47.6	5	13
Martinique	...	...	...	...	...	...	...	...	0.55	1.00	...	48.1 ^b	...	...
Montserrat	...	1.00	...	0.98	...	...	...	...	...	...	...	...	...	...
Puerto Rico	...	...	...	...	...	...	...	...	0.65	0.99	46.5	40.6	...	...
Saint Kitts and Nevis	...	1.06 ^b	...	0.98 ^b	...	...	...	...	...	...	...	...	7	7
Saint Vincent and the Grenadines	0.99	0.90 ^b	1.24	1.24 ^b	...	...	...	...	...	...	...	...	10	18
Saint Lucia	0.94	0.94	1.45	1.19	1.38	5.46	...	...	...	...	...	46.6 ^b	...	11
Suriname	1.00	1.00	1.15	1.37	...	1.62 ^b	...	...	...	0.99	39.1	33.1 ^b	8	26
Trinidad and Tobago	0.99	0.98 ^b	1.05	1.05 ^b	0.79	1.28 ^b	...	...	...	1.00	35.6	42.6 ^b	17	27

Source: United Nations, Millennium Development Goals: a Latin America and Caribbean perspective, J.L. Machinea, A. Bárcena and A. León (coords.) (LC/G.2331-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2005; United Nations, Millennium Indicators Database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

^a The indicators appear in the order in which they are listed officially; the absence of any indicator is due to lack of information. Figures are percentages unless otherwise indicated. For indicators recorded at two different times, the regional and subregional averages take into account only those countries for which information is available at both times.

^b Figures relate to the most recent year for which information was available (as distinct from the year in the heading of the column).

Table A-19
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS^a

Country or territory	Goal 4. Reduce child mortality						Goal 5. Improve maternal health		
	Target 4.A: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate						Target 5.A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio		
	Indicator 4.1 Under-five mortality rate (per 1 000 live births)		Indicator 4.2 Infant mortality rate (per 1 000 live births)		Indicator 4.3 Children immunized against measles		Indicator 5.1 Maternal mortality ratio (per 100 000 live births)	Indicator 5.2 Proportion of births attended by skilled health personnel	
	Level 1990	Level 2007	Level 1990	Level 2007	Level 1990	Level 2007	Level 2005	Level 2000	Level 2006
Latin America and the Caribbean	...	...	41.9	21.4	76	92	126	85.1	85.5
Latin America	55.6	27.8	42.3	21.6	76	92	127	85.0	85.2
Argentina	30.0	16.1	25.8	13.6	93	99	77	99	99 ^b
Bolivia	113.0	62.1	81.9	46.6	53	64	290	65	67 ^b
Brazil	59.6	29.5	47.5	24.0	78	99	110	97 ^b	...
Chile	19.3	9.1	16.3	7.3	82	90	16	100	...
Colombia	52.3	26.2	31.1	19.2	82	89	120	86 ^b	96 ^b
Costa Rica	18.6	11.1	16.0	10.0	90	89	30	98	...
Cuba	13.2	6.7 ^b	10.7	5.3 ^b	94	100 ^b	30	100 ^b	100 ^b
Ecuador	65.3	26.4	49.9	21.5	60	93	110	69 ^b	...
El Salvador	64.1	29.6	47.1	22.0	98	99	170	69	92 ^b
Guatemala	85.0	39.9	60.4	31.0	68	77	290	41	...
Haiti	133.5	73.0	92.1	49.6	31	54	670	24 ^b	26
Honduras	66.8	42.4	47.7	28.5	90	92	280	56	67
Mexico	44.3	20.5	36.3	17.1	75	96	60	85 ^b	...
Nicaragua	75.8	26.6	55.7	22.0	82	96	170	67	...
Panama	35.8	24.3	28.3	18.4	73	99	83	90 ^b	93 ^b
Paraguay	55.8	38.4	45.0	32.4	69	90	150	86 ^b	77 ^b
Peru	85.7	30.2	56.9	22.1	64	80	240	59 ^b	73 ^b
Dominican Republic	70.7	33.6	54.6	30.1	96	99	77 ^b	99	96
Uruguay	25.0	16.2	21.4	13.2	97	95	20	100 ^b	...
Venezuela (Bol. Rep. of)	30.3	24.0	25.0	17.2	61	76	57	94 ^b	95 ^b
The Caribbean	...	21.8	22.3	14.6	75	89	70	94.3	96.9
Anguilla	...	...	...	...	...	...	...	...	...
Antigua and Barbuda	...	12.0 ^b	...	11.0 ^b	89	99	65 ^b	100 ^b	100 ^b
Netherlands Antilles	...	17.0	16.7	14.8	...	...	...	...	...
Aruba	...	20.2	16.9	17.2	...	...	...	99 ^b	...
Bahamas	...	17.2	21.5	14.0	86	85	16	99 ^b	...
Barbados	...	11.3	14.6	10.3	87	93	16	98 ^b	100 ^b
Belize	...	20.3	32.3	16.6	86	95	52	100 ^b	...
Dominica	...	15.0 ^b	...	13.0 ^b	88	98	...	100 ^b	...
Grenada	...	41.6	44.1	34.2	85	99	...	100 ^b	100 ^b
Guadeloupe	...	9.1	15.6	6.9	...	...	...	...	...
French Guiana	...	15.2	22.5	13.5	...	...	...	...	...
Guyana	...	58.1	64.6	43.6	73	92	470	90 ^b	94 ^b
Cayman Islands	...	...	...	...	...	...	...	...	...
Turks and Caicos Islands	...	...	...	...	...	...	...	88 ^b	100 ^b
British Virgin Islands	...	...	...	...	...	95 ^b	...	...	100 ^b
United States Virgin Islands	...	10.1	15.6	8.7	...	...	...	...	...
Jamaica	...	17.2	21.9	13.7	74	84	26	95 ^b	97 ^b
Martinique	...	8.1	9.8	6.6	...	...	...	...	...
Montserrat	...	...	...	...	...	...	...	...	100 ^b
Puerto Rico	...	9.1	12.7	7.3	...	...	18	...	...
Saint Kitts and Nevis	...	...	...	18.0 ^b	99	99	...	99 ^b	100 ^b
Saint Vincent and the Grenadines	...	28.4	32.3	23.6	96	97	...	100 ^b	100 ^b
Saint Lucia	...	16.3	18.5	12.0 ^b	82	94	35 ^b	100 ^b	100 ^b
Suriname	...	35.4	34.9	28.1	65	91	72	91 ^b	...
Trinidad and Tobago	...	18.2	15.8	12.7	70	93	45	96 ^b	98

Source: United Nations, Millennium Development Goals: a Latin America and Caribbean perspective, J.L. Machinea, A. Bárcena and A. León (coords.) (LC/G.2331-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2005; United Nations, Millennium Indicators Database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

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Table A-20
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS^a

Country or territory	Goal 6. Combat HIV/AIDS, malaria and other diseases					
	Target 6.A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS		Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases			
	Indicator 6.1.1 HIV/AIDS prevalence among the population aged 15-49		Indicator 6.8.1 Incidence of tuberculosis per 100 000 population		Indicator 6.8.2 Tuberculosis death rate per 100 000 population	
	Level 2001	Level 2007	Level 1990	Level 2006	Level 1990	Level 2006
Latin America and the Caribbean	0.63	0.56	155	68	14	7
Latin America	0.61	0.55	157	69	15	7
Argentina	0.7	0.5	113	49	10	5
Bolivia	0.1	0.2	454	266	42	30
Brazil	0.6	0.6	146	55	14	4
Chile	0.3	0.3	90	16	8	1
Colombia	0.5	0.6	90	59	8	6
Costa Rica	0.6	0.4	34	17	3	1
Cuba	0.1	0.1	4	5 ^b	0.5	0.2 ^b
Ecuador	0.3	0.3	315	195	29	26
El Salvador	0.6	0.8	155	64	14	9
Guatemala	1.1	0.8	154	104	14	14
Haiti	5.5	2.2	604	403	56	58
Honduras	1.6	0.7	181	95	17	11
Mexico	0.3	0.3	76	25	7	2
Nicaragua	0.2	0.2	241	74	22	7
Panama	0.7	1.0	110	43	10	4
Paraguay	0.4	0.6	118	100	11	12
Peru	0.4	0.5	618	187	57	16
Dominican Republic	1.8	1.1	214	118	20	15
Uruguay	0.3	0.6	54	31	5	3
Venezuela (Bol. Rep. of)	0.6	0.8	68	52	6	6
The Caribbean	1.73	1.83	34	29	3	4
Anguilla	...	...	49	40	5	5
Antigua and Barbuda	...	...	13	9	1	1
Netherlands Antilles	...	...	18	15	2	2
Aruba	...	...	...	...	...	...
Bahamas	3.0	3.0	84	40	8	8
Barbados	1.5	1.2	27	11	3	2
Belize	2.1	2.1	64	56	6	6
Dominica	...	...	30	16	3	1
Grenada	...	...	10	8	1	1
Guadeloupe	...	...	...	...	...	...
French Guiana	...	...	...	...	...	...
Guyana	2.5	2.5	61	215	6	29
Cayman Islands	...	...	...	6	...	1
Turks and Caicos Islands	...	...	...	22	...	2
British Virgin Islands	...	...	29	20	3	2
United States Virgin Islands	...	...	26	16	2	2
Jamaica	0.8	1.6	13	8	1	1
Martinique	...	...	...	...	...	...
Montserrat	...	...	18	15	2	2
Puerto Rico	...	...	30	6	3	1
Saint Kitts and Nevis	...	...	21	17	2	2
Saint Vincent and the Grenadines	...	...	56	47	5	5
Saint Lucia	...	...	32	22	3	2
Suriname	1.3	2.4	152	96	14	13
Trinidad and Tobago	3.0	1.5	21	10	2	2

Source: United Nations, Millennium Development Goals: a Latin America and Caribbean perspective, J.L. Machinea, A. Bárcena and A. León (coords.) (LC/G.2331-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2005; United Nations, Millennium Indicators Database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

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Table A-21
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS^a

Goal 7. Ensure environmental sustainability												
Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources, and												
Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss												
Country or territory	Indicator 7.1.1 Proportion of land area covered by forest		Indicator 7.2.1 Carbon dioxide (CO ₂) emissions, metric tons per 1 000 population		Indicator 7.2.2 Ozone-depleting chlorofluorocarbons, consumption in ozone-depleting potential (ODP) metric tons		Indicator 7.2.3 Per capita consumption of biomass fuels (fuelwood+cane residues+other primary fuels)		Indicator 7.2.4 Energy use (kg oil equivalent) per US\$ 1 000 GDP PPP (purchasing power parity)		Indicator 7.5 Ratio of area protected to maintain biological diversity to surface area	
	Level 1990	Level 2005	Level 1990	Level 2004	Level 1990	Level 2003	Level 1990	Level 2001	Level 1990	Level 2005	Level 1990	Level 2005
Latin America and the Caribbean	49.2	45.8	2.5	2.6	34 480	8 611	0.07	0.06	169	142	12.9	18.4
Latin America	48.4	44.9	2.4	2.5	33 331	8 521	0.08	0.07	166	140	13.3	18.9
Argentina	12.9	12.1	3.4	3.7	2 138	1 676	...	...	161	152	5.0	6.2
Bolivia	57.9	54.2	0.8	0.8	23	27	0.09	0.02	202	156	8.8	19.8
Brazil	61.5	56.5	1.4	1.8	8 539	967	0.05	0.04	138	132	15.7	18.7
Chile	20.4	21.5	2.7	3.9	662	222	0.14	0.18	186	148	13.4	20.8
Colombia	59.1	58.5	1.7	1.2	2 026	557	0.10	0.04	129	108	31.5	31.6
Costa Rica	50.2	46.8	0.9	1.5	342	96	0.16	0.01	105	101	18.9	23.3
Cuba	18.7	25.3 ^b	3.3	2.3	778	84 ^b	...	0.09 ^b	...	238 ^c	...	4.9 ^b
Ecuador	49.9	39.2	1.6	2.3	604	133	0.05	0.03	184	119	16.3	53.5
El Salvador	18.1	14.4	0.5	0.9	384	119	0.17	0.16	138	128	0.9	0.9
Guatemala	43.8	36.3	0.6	1.0	357	58	0.30	0.27	148	128	25.9	30.8
Haiti	4.2	3.8	0.1	0.2	0	81	0.11	0.11	108	228	0.1	0.1
Honduras	66.0	41.5	0.5	1.1	0	123	0.25	0.16	181	172	14.6	20.0
Mexico	36.2	33.7	4.9	4.2	12 037	1 604	0.07	0.06	194	150	2.5	8.7
Nicaragua	53.9	42.7	0.6	0.7	87	36	0.22	0.22	192	231	8.1	18.2
Panama	58.8	57.7	1.3	1.8	252	93	0.13	0.13	137	95	18.9	24.6
Paraguay	53.3	46.5	0.5	0.7	171	251	0.27	0.18	165	176	2.9	5.8
Peru	54.8	53.7	1.0	1.2	801	128	0.11	0.07	120	78	4.8	13.3
Dominican Republic	28.4	28.4	1.3	2.1	256	204	0.08	0.06	132	149	11.5	32.6
Uruguay	5.2	8.6	1.3	1.6	531	98	0.10	0.09	104	94	0.3	0.4
Venezuela (Bol. Rep. of)	59.0	54.1	6.0	6.6	3 343	1 842	...	...	386	232	39.8	62.9
The Caribbean	81.7	81.6	5.5	7.9	1 149	91	0.09	0.10	553	461	2.0	5.5
Anguilla	75.0	75.0	...	...	214	10	...	...	...	...	...	0.1
Antigua and Barbuda	20.5	20.5	4.9	5.1	421	1	...	...	...	...	0.9	0.9
Netherlands Antilles	1.3	1.3	6.3	22.2	...	...	...	...	...	...	...	1.1
Aruba	2.2	2.2	28.9	21.3	...	...	...	...	...	...	...	0.1
Bahamas	51.4	51.4	7.6	6.3	51	13	...	...	...	...	0.4	0.9
Barbados	4.7	4.7	4.0	4.4	21	7	...	...	...	...	0.1	0.1
Belize	72.5	72.5	1.7	2.9	15	10	...	...	...	...	14.9	30.4
Dominica	66.7	61.3	0.9	1.6	...	1	...	...	...	...	3.7	4.5
Grenada	11.8	11.8	1.3	2.1	4	1	0.04	0.05	...	...	0.1	0.1
Guadeloupe	49.7	47.3	3.3	4.0	...	...	...	...	...	...	...	3.1
French Guiana	91.8	91.5	6.9	5.4	...	...	...	...	...	...	...	5.4
Guyana	76.7	76.7	1.6	2.0	19	24	0.28	0.29	...	...	...	2.2
Cayman Islands	46.2	46.2	9.5	7.0	...	...	...	...	...	...	...	92.7
Turks and Caicos Islands	79.1	79.1	...	...	...	...	...	...	...	...	...	...
British Virgin Islands	26.7	26.7	2.9	3.9	...	...	...	...	...	...	...	34.6
United States Virgin Islands	35.3	29.4	...	...	...	...	...	...	...	...	...	3.0
Jamaica	31.9	31.3	3.4	4.0	424	5	0.03	0.04	383	409	3.6	13.5
Martinique	43.4	43.4	5.7	3.3	...	...	...	...	...	...	...	10.5
Montserrat	40.0	40.0	3.1	11.6	...	...	...	...	...	...	...	10.7
Puerto Rico	45.5	46.0	...	...	...	...	...	...	...	...	...	2.5
Saint Kitts and Nevis	13.9	13.9	1.6	2.6	6	2	...	...	...	...	9.6	9.6
Saint Vincent and the Grenadines	23.1	28.2	0.7	1.7	3	1	...	...	...	...	1.3	1.3
Saint Lucia	27.9	27.9	1.2	2.3	8	2	...	...	...	...	2.2	2.4
Suriname	94.7	94.7	4.5	5.1	40	8	0.08	0.09	...	...	2.2	11.5
Trinidad and Tobago	45.8	44.1	13.8	24.7	138	18	...	...	706	712	1.7	1.8

Source: United Nations, Millennium Development Goals: a Latin America and Caribbean perspective, J.L. Machinea, A. Bárcena and A. León (coords.) (LC/G.2331-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2005; United Nations, Millennium Indicators Database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>. The figures for indicators relating to Cuba were supplied directly by the National Statistical Office (ONE).

^a The indicators appear in the order in which they are listed officially; the absence of any indicator is due to lack of information. Figures are percentages unless otherwise indicated. For indicators recorded at two different times, the regional and subregional averages take into account only those countries for which information is available at both times.

^b Figures relate to the most recent year for which information was available (as distinct from the year in the heading of the column).

^c Based on constant GDP in 1997 prices. Corresponds to the year 2007.

Table A-22
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS^a

Country or territory	Goal 7. Ensure environmental sustainability												Target 7.D: By 2010, to have achieved a significant improvement in the lives of at least 100 million slum-dwellers		
	Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation												Indicator 7.9 Slum dwellers in urban areas		
	Indicator 7.7.1 Sustainable access to improved water sources. National total		Indicator 7.7.2 Sustainable access to improved water sources. Urban areas		Indicator 7.7.3 Sustainable access to improved water sources. Rural areas		Indicator 7.8.1 Access to improved sanitation. National total		Indicator 7.8.2 Access to improved sanitation. Urban areas		Indicator 7.8.3 Access to improved sanitation. Rural areas				
	Level	Level	Level	Level	Level	Level	Level	Level	Level	Level	Level	Level	Level	Level	Level
	1990	2006	1990	2006	1990	2006	1990	2006	1990	2006	1990	2006	1990	2006	2001
Latin America and the Caribbean	84	92	92	97	61	72	68	79	81	86	35	51	35	32	
Latin America	84	92	92	97	60	72	68	79	81	86	34	50	36	33	
Argentina	94	96	97	98	72	80	81	91	86	92	45	83	31	33	
Bolivia	72	86	91	96	49	69	33	43	49	54	14	22	70	61	
Brazil	83	91	93	97	55	58	71	77	82	84	37	37	45	37	
Chile	90	95	98	98	49	72	84	94	91	97	52	74	4	9	
Colombia	92	93	98	99	78	77	82	78	95	85	52	58	26	22	
Costa Rica	...	98	100	99	...	96	...	96	...	96	97	95	12	13	
Cuba	...	96 ^b	84	99 ^b	78	89 ^b	...	98 ^b	96	98 ^b	68	90 ^b	...	...
Ecuador	73	95	82	98	61	91	63	84	77	91	45	72	28	26	
El Salvador	67	84	87	94	48	68	51	86	70	90	33	80	45	35	
Guatemala	79	96	89	99	72	94	58	84	73	90	47	79	66	62	
Haiti	47	58	60	70	42	51	24	19	25	29	23	12	85	86	
Honduras	84	84	92	95	79	74	50	66	77	78	31	55	24	18	
Mexico	82	95	89	98	64	85	58	81	75	91	13	48	23	20	
Nicaragua	70	79	91	90	46	63	45	48	64	57	24	34	81	81	
Panama	90	92	99	96	79	81	71	74	89	78	51	63	31	31	
Paraguay	62	77	81	94	44	52	58	70	72	89	45	42	37	25	
Peru	74	84	89	92	41	63	52	72	69	85	15	36	60	68	
Dominican Republic	84	95	98	97	66	91	52	79	60	81	43	74	56	38	
Uruguay	100	100	100	100	100	100	100	100	100	100	99	99	7	7	
Venezuela (Bol. Rep. of)	...	83 ^b	...	85 ^b	...	70 ^b	...	68 ^b	...	71 ^b	...	48 ^b	41	41	
The Caribbean	93	94	97	97	89	91	88	89	94	89	78	88	13	10	
Anguilla	...	60 ^b	...	60 ^b	...	...	99	99 ^b	99	99	...	...	40	41
Antigua and Barbuda	...	91	95	95	...	89 ^b	...	95 ^b	98	98	...	94 ^b	7	7	
Netherlands Antilles	...	...	...	...	...	...	...	...	...	...	...	...	1	1
Aruba	100	100	100	100	100	100	...	...	...	...	...	...	2	2
Bahamas	...	97 ^b	98	98	...	86 ^b	100	100	100	100	100	100	2	2	
Barbados	100	100	100	100	100	100	100	99	99	99	100	100	1	1	
Belize	...	91 ^b	100	100	...	82 ^b	...	47 ^b	...	71 ^b	...	25 ^b	54	62	
Dominica	...	97 ^b	100	100	...	90 ^b	...	84 ^b	...	86 ^b	...	75 ^b	17	14	
Grenada	...	95 ^b	97	97	...	93 ^b	97	97	96	96	97	97	7	7	
Guadeloupe	...	98 ^b	98	98	...	93 ^b	...	64 ^b	...	64 ^b	...	61 ^b	7	7	
French Guiana	...	84 ^b	88	...	71	...	78	...	85	...	57	...	13	13	
Guyana	...	93	...	98	...	91	...	81	...	85	...	80	5	5	
Cayman Islands	...	...	...	...	...	...	...	...	...	...	...	...	2	2
Turks and Caicos Islands	100	100	100	100	100	100	...	96 ^b	98	98	...	94 ^b	2	3	
British Virgin Islands	100	100	98	98 ^b	98	98	100	100	100	100	100	100	3	3	
United States Virgin Islands	...	...	...	...	...	...	...	...	...	...	...	...	2	2
Jamaica	92	93	98	97	86	88	75	83	86	82	64	84	29	36	
Martinique	...	...	...	...	...	...	...	...	...	...	...	...	2	2
Montserrat	100	100	100	100	100	100	100	96	96	96	96	96	11	9	
Puerto Rico	...	...	...	...	...	...	...	...	...	...	...	...	2	2
Saint Kitts and Nevis	100	99	99	99	99	99	95	96	96	96	96	96	5	5	
Saint Vincent and the Grenadines	...	...	...	...	...	93 ^b	...	...	...	...	96	96	5	5
Saint Lucia	98	98	98	98	98	98	...	89 ^b	...	89 ^b	...	89 ^b	12	12	
Suriname	...	92	98	97	...	79	...	82	99	89	...	60	7	7	
Trinidad and Tobago	92	94	93	97	89	93	100	92	100	92	100	92	35	32	

Source: United Nations, Millennium Development Goals: a Latin America and Caribbean perspective, J.L. Machinea, A. Bárcena and A. León (coords.) (LC/G.2331-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2005; United Nations, Millennium Indicators Database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>. The figures for indicators relating to Cuba were supplied directly by the National Statistical Office (ONE).

^a The indicators appear in the order in which they are listed officially; the absence of any indicator is due to lack of information. Figures are percentages unless otherwise indicated. For indicators recorded at two different times, the regional and subregional averages take into account only those countries for which information is available at both times.

^b Figures relate to the most recent year for which information was available (as distinct from the year in the heading of the column).

Table A-23
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS^a

Goal 8. Develop a global partnership for development								
Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications								
Country or territory	Indicator 8.14 Telephone lines per 100 population		Indicator 8.15 Cellular subscribers per 100 population		Indicator 8.16.1 Personal computers in use per 100 population		Indicator 8.16.2 Internet users per 100 population	
	Level 1990	Level 2006	Level 1990	Level 2006	Level 1998	Level 2006	Level 1996	Level 2006
Latin America and the Caribbean	6.2	17.3	0.0	54.3	3.4	12.1	0.3	18.7
Latin America	5.9	17.2	0.0	53.7	3.3	12.1	0.3	18.4
Argentina	9.3	24.2	0.04	80.5	5.5	9.1 ^b	0.2	20.9
Bolivia	2.7	7.1	0	30.8	0.8	2.4 ^b	0.2	6.2
Brazil	6.3	20.5	...	52.9	3.0	16.1 ^b	0.5	22.6
Chile	6.6	20.2	0.11	75.6	6.3	14.8 ^b	0.7	25.2
Colombia	6.9	17.0	0	64.3	3.2	5.4	0.3	14.5
Costa Rica	10.1	30.2	0	32.8	7.8	23.1 ^b	0.9	27.6
Cuba	3.2	11.0 ^b	0.2 ^b	2.90 ^b	1.4	4.5 ^b	0.5	11.7 ^b
Ecuador	4.8	13.1	0	63.2	1.9	12.7	0.1	11.5
El Salvador	2.4	14.8	0	55.0	...	5.1 ^b	0.1	10.0
Guatemala	2.1	10.5	...	55.6	0.8	2.1 ^b	0.0	10.2
Haiti	0.7	1.7	0	13.9	...	0.2 ^b	0.0	7.5
Honduras	1.7	9.7	0	30.4	0.8	1.9	0.0	4.7
Mexico	6.5	...	0.08	52.6	3.7	13.9	0.2	19.0
Nicaragua	1.3	4.4	0	32.7	1.9	3.8 ^b	0.1	2.8
Panama	9.3	14.9	0	66.1	2.7	4.6 ^b	0.2	15.3
Paraguay	2.7	5.3	0	51.3	1.0	7.5 ^b	0.0	4.1
Peru	2.6	8.5	...	30.9	3.0	10.0 ^b	0.3	22.9
Dominican Republic	4.8	9.9	0.04	51.1	...	2.3 ^b	0.1	15.9
Uruguay	13.6	28.3	0	66.8	9.1	13.9 ^b	1.9	24.4
Venezuela (Bol. Rep. of)	7.6	15.5	0.04	69.0	3.9	9.3 ^b	0.3	14.5
The Caribbean	17.1	23.6	0.2	79.1	6.3	11.8	0.4	31.2
Anguilla	...	47.0	0	107.1 ^b	...	20.5 ^b	...	32.3
Antigua and Barbuda	25.2	45.5	0	133.6	...	21.2	2.9	64.2
Netherlands Antilles	24.7	37.2 ^b	0	90.1 ^b	...	...	0.2	0.9 ^b
Aruba	28.2	38.4	0	104.9	...	9.9	2.7	23.8
Bahamas	27.4	40.2	0.75	77.3	...	12.4 ^b	1.8	33.6
Barbados	28.1	50.1 ^b	0	87.8	7.5	14.9 ^b	0.4	92.5
Belize	9.2	12.5	0	44.1	8.8	15.6	0.9	10.9
Dominica	16.4	29.4 ^b	0	58.7	...	18.2 ^b	1.1	37.2
Grenada	17.7	26.7	0.17	44.6	10.8	15.5 ^b	0.3	21.2
Guadeloupe	...	...	...	...	19.1	20.3 ^b	0.0	19.0 ^b
French Guiana	...	...	...	...	13.2	18.0 ^b	0.4	22.5 ^b
Guyana	2.2	14.7	0	37.5	2.4	3.9 ^b	0.1	23.3
Cayman Islands	46.9	92.9 ^b	0	74.6 ^b	...	...	...	45.8
Turks and Caicos Islands	...	14.8 ^b	0	99.6 ^b	...	...	...	...
British Virgin Islands	39.3	55.3 ^b	0	37.8 ^b	...	...	...	18.9 ^b
United States Virgin Islands	45.3	64.0 ^b	0	71.7 ^b	...	2.7 ^b	...	26.8
Jamaica	4.5	12.9	0	93.7	3.9	6.8 ^b	0.6	48.8
Martinique	...	...	...	...	10.6	20.8 ^b	...	32.8 ^b
Montserrat	32.7	73.5	0	108.0	...	...	...	25.0
Puerto Rico	27.9	26.2	0.58	84.8 ^b	...	0.8 ^b	0.3	25.2
Saint Kitts and Nevis	23.9	59.3 ^b	0	23.7 ^b	11.3	26.1 ^b	2.0	32.4
Saint Vincent and the Grenadines	12.4	19.0	0	73.6	8.9	13.9 ^b	0.5	29.4
Saint Lucia	12.4	32.6 ^b	0	65.7	13.3	16.3 ^b	0.7	61.7
Suriname	9.1	18.0	0	70.8	...	4.5 ^b	0.2	8.4
Trinidad and Tobago	14.1	24.9	0	68.8	4.7	17.4	0.4	22.0

Source: United Nations, Millennium Development Goals: a Latin America and Caribbean perspective, J.L. Machinea, A. Bárcena and A. León (coords.) (LC/G.2331-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2005; United Nations, Millennium Indicators Database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

^a The indicators appear in the order in which they are listed officially; the absence of any indicator is due to lack of information. Figures are percentages unless otherwise indicated. For indicators recorded at two different times, the regional and subregional averages take into account only those countries for which information is available at both times.

^b Figures relate to the most recent year for which information was available (as distinct from the year in the heading of the column).



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