

SOCIAL PANORAMA OF LATIN AMERICA 1998

MAY 1999 No. 4

REGIONAL PERSPECTIVE

SOCIAL PANORAMA OF LATIN AMERICA 1998

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United Nations

ECLAC

Economic Commission for
Latin America and the Caribbean

A number of factors have marked Latin America's social evolution during the 1990s, arising from the new modes of development unfolding in the region. The institutional reforms carried out by most countries stand out, as do the recovery of economic growth, its subsequent slowdown and the significant changes in labour markets. Social spending was restored, overcoming the sharp fall of the 1980s.

In the latest edition of its annual report, the *Social Panorama of Latin America*, ECLAC pays special attention to poverty, public social spending and equity. The study also includes an evaluation of progress towards meeting the goals set by UNICEF for the region's children in 2000.

Between 1990 and 1997, poverty levels fell in the great majority of the region. The percentage of poor households went down from

(continued on page 3 ➡)

Latin America: Poverty and indigence levels a/ (1980-1997)

	Percentage of households					
	Poor households b/			Indigent households c/		
	Total	Urban	Rural	Total	Urban	Rural
1980	35	25	54	15	9	28
1990	41	35	58	18	12	34
1994	38	32	56	16	11	34
1997	36	30	54	15	10	31

	Number of people affected (thousands)					
	Poor d/			Indigent e/		
	Total	Urban	Rural	Total	Urban	Rural
1980	135 900	62 900	73 000	62 400	22 500	39 900
1990	200 200	121 700	78 500	93 400	45 000	48 400
1994	201 500	125 900	75 600	91 600	44 300	47 400
1997	204 000	125 800	78 200	89 800	42 700	47 000

Source: ECLAC, on the basis of special tabulations of data from household surveys conducted in the relevant countries.

a/ Estimate relating to 19 countries in the region.

b/ Percentage of households whose income places them below the poverty line. Includes indigent households.

c/ Percentage of households whose income places them below the indigent line.

d/ Persons living in poor households. Includes the indigent populations.

e/ Persons living in indigent households.

POVERTY, INCOME DISTRIBUTION AND SOCIAL SPENDING IN LATIN AMERICA IN THE 1990s

Rolando Franco

Without a doubt, the most outstanding achievement in Latin America this decade is the significant reduction of poverty. The region is recovering from the setbacks suffered during the 1980s. In 1997, 36% of households received incomes which left them below the poverty line, compared with 41% in 1990 and 35% in 1980. In absolute numbers, this has almost meant a halt to the growth of poverty; by 1997, there were 204 million poor people, as against 200 million in 1990.

Several lessons about the link between economic development and poverty can be drawn from this experience. At the same time, there are still challenges to be faced.

Of the lessons, the positive impact of sustained economic growth on poverty reduction stands out. Jobs with low productivity and low wages are created, and this is what has predominantly occurred in the region over this period. By the same token, poverty levels are brought down as more members of poor households are able to find work, thus increasing their per capita income.

As for the challenges, the current slowdown of economic growth highlights the need not only to maintain economic stability and low inflation, but also to moderate possible trends towards greater unemployment and underemployment and to try to hold firm the purchasing power of incomes from work.

If poverty is to be overcome further, it is very important to avoid recession. The experience of the region shows that a single year of recession is enough to

wipe out between half and all the ground gained in reducing poverty during four or five years of economic growth.

A further challenge comes from the diminishing returns of poverty reduction. These are due most of all to the existence of sectors of “hardcore poverty” which are not benefited by growth. To meet this challenge, persistence is needed not only in employment policies, but also in training human capital and providing basic social services such as water and sewage disposal.

The region’s traditionally high degree of income concentration also needs stressing. The trend towards greater inequality due to the already mentioned predominance of low-income, low-productivity jobs is part of

«Persistence is needed not only in employment policies, but also in training human capital and providing basic social services...»

the explanation for this, together with comparatively higher wage and salary rises for more productive jobs.


There are also structural factors which bring about severe inertia in income distribution. This inertia can only be reverted by means of systematic and sustained action aimed at deactivating the mechanisms which

transmit inequality from generation to generation. Educational expansion, however, is not enough on its own.

Every young person, from whichever social stratum, should complete good-quality secondary education and at an appropriate age. At the same time, job opportunities must be created and certain demographic trends changed. At the moment, in the lower-income sector, an average of one person works in each household with five or six members, while high-income households have two people working and three or four members.

Another trend in the 1990s in Latin America has been a significant increase in public social spending. In the region as a whole, this grew 38% between 1990-91 and 1997-98, duplicating the increase of per capita GDP and allowing three-quarters of the region’s countries to surpass the pre-crisis spending levels of 1980-81.

In the countries with the highest levels of per capita social spending, economic growth was the main factor allowing this increase. Elsewhere, it was explained by an increased share of social spending in total public expenditure and the growth of the latter in relation to GDP.

It needs to be pointed out that, due to the economic slowdown referred to earlier, the margin available to raise social spending levels faster than growth is narrowing all the time. This makes keeping up current levels the most immediate challenge. 

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41% to 36%, almost reaching the 1980 level of 35%. Indigence, or extreme poverty, was also reduced, from 18% to 15%. The trend towards the urbanization of poverty, which caused a great deal of the deterioration suffered by the region's cities in the 1980s, also stopped after 1990.

But, while the growth of poverty was contained, levels remain very high. About 200 million people still live below the poverty line, and 90 million of them are indigent. To make matters worse, the slowdown of economic growth in the latter years of the decade will make it hard to reduce poverty further, and even threatens to increase it in a number of countries.



Social sectors

Public spending for social purposes rose in 14 of the 17 countries studied, leading to an average 38% increase in per capita public social expenditure between 1990 and 1997, an annual rate of 5.5%. However, this rate of expansion fell in the last two years of this period to only half that in the first five years of the decade.

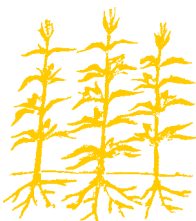
In some countries, this rise was due to economic growth; in others, it resulted mainly from a greater share of public expenditure being allocated to social spending and an increase of the former in relation to GDP. However, the current braking of economic growth puts in doubt the viability of any further increase in public social spending.

The decade also saw declining expansion of the population of working age; but this did not lead to any fall in the labour supply, due mainly to the accelerating entry of women and young people into the labour market. The report underlines the substantial growth of jobs in low-productivity sectors and the widening gap in both quality and remuneration between these jobs and the few created in the modern sectors of the economy.

Another chapter of the *Social Panorama* discusses the situation of children. By 2000, it is estimated that over 80% of the region's children from urban areas will complete four years' primary education, with more than 70% finishing a minimum cycle of six years, meaning that UNICEF's goals will have been met. Rural areas still lag behind, however, and inequality persists between the educational achievement of children from lower- and higher-income urban homes.

The report also analyzes income distribution, emphasizing the region's poor record in this regard. In particular, it looks in depth at public spending on education, the effect of this on teachers' salaries, and their comparative socioeconomic situation. A chapter on public safety and violence discusses the growing awareness of this problem, the current situation and measures taken to confront it in various of the region's cities.

The full version of the *Social Panorama* will be available shortly on ECLAC's Internet site, <http://www.eclac.cl> or www.eclac.org. The printed version is currently available through the Publications Unit, e-mail publications@eclac.cl.



POVERTY AT THE END OF THE NINETIES

Poverty levels in Latin America fell from 41% to 36% in the first eight years of the decade. In relative terms, this returned the situation to that before the crisis of the 1980s, during which the number of poor people in the region grew from 136 to 200 million. The total number still stands at just over 200 million, but is not growing.

The most successful countries in this area were Chile, where poverty levels were cut by 13% and indigence by 6%, Brazil (12% and 7%) and Panama (9% and 6%). Countries with lower reductions included Costa Rica (4% and 3%), Peru (4% and 0%) and Colombia (2% and 5%). In a few countries, however, levels rose, such as in Venezuela (up by 8% and 5%) and Mexico (4% and 2%).

But ECLAC warns that these favourable signs should be regarded with caution, as the economic slowdown in 1998 and 1999 could lead to stagnation and the worsening of the situation in several countries.

Most of the poverty growth in the eighties - 64 million people - took place in the cities. As a proportion of the whole population living under the poverty line, the number of the urban poor rose from 46% (63 million) in 1980 to 61% (122 million) in 1990, falling to 62% in 1997. During the same period, the proportion of rural

poor dropped from 54% to 39%, with a slight increase in numbers (from 73 to 78 million).

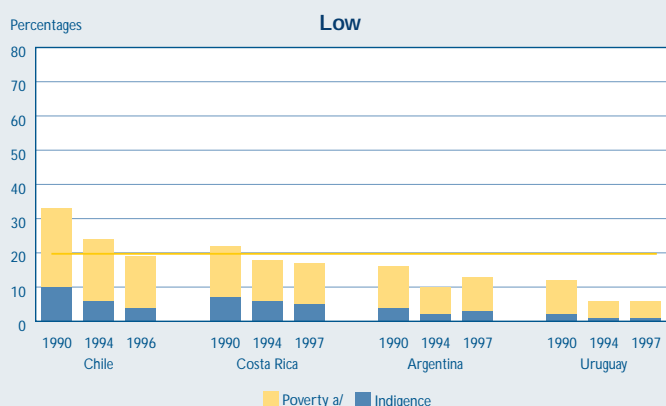
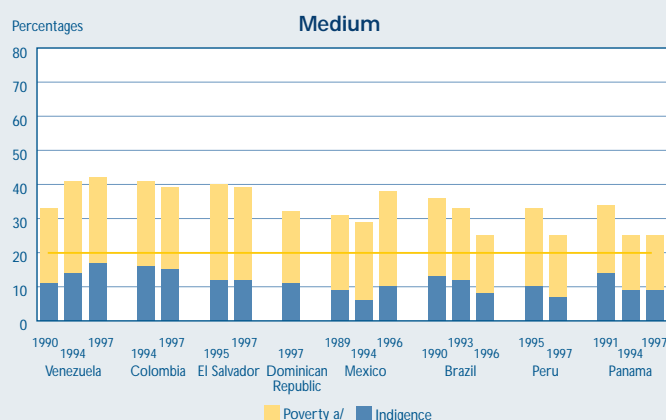
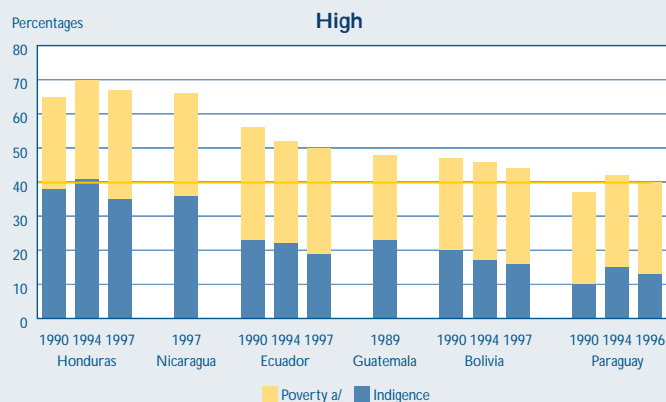
This trend towards the urbanization of poverty, which played an important role in the deterioration of life in the cities, halted from 1990 onwards.

The evolution of indigence followed a similar pattern to that of poverty. The 15% of households in this category in 1980 grew to 18% in 1990, then fell to 15% again in 1997. The total of 62 million people classified as indigent in 1980 reached 93 million in 1990, to fall to just under 90 million in 1997.

Three quarters of the 31 million newcomers to this group during the 1980s were to be found in urban areas. In 1990, 48% of the total number lived in these areas, compared with 36% in 1980. As with poverty, the rapid urbanization of indigence in the 1980s ceased in the nineties.

The fact that most poor people live in urban areas does not mean that rural poverty has declined. In 1980, 54% of rural households were poor; by 1990 the figure had risen to 58%, and then fell back to 54% in 1997. Similarly, while 28% of rural households were indigent in 1980, the proportion reached 34% in 1990, to drop to 31% in 1997 (the figures for the same years for the urban indigent

**Latin America (17 countries):
Urban Poverty and Indigence 1990 – 1997**
(Percentage of households)



were 9%, 12% and 10%, respectively).

Poverty is more severe in rural than in urban areas. While in the latter those living in extreme poverty represent 34% of the total number of the poor, in rural areas this figure is 60%.



Relationship between growth and poverty

Differences exist between countries with respect to the incidence of urban poverty. In some, such as Uruguay, Argentina, Chile and Costa Rica, this is low, at below 20%. Others, such as Panama, Brazil, Peru, the Dominican Republic, Mexico, Colombia and El Salvador, rank in the middle, with between 20% and 39%, while in countries such as Paraguay, Venezuela, Bolivia, Guatemala, Nicaragua and Honduras the incidence is high, at 40% or more.

Even some countries during the nineties confirmed that economic growth does help reduce poverty. A clearly positive relationship could be seen between the rate of growth of gross per capita income and falling average annual poverty levels.

The cases of Chile and Venezuela are examples. In the first, per capita income went up by 47.8% between 1990 and 1996, while the proportion of poor households fell from 33% to 20%. In Venezuela, a drop of 0.5% in per capita income between 1990 and 1997 was accompanied by an increase in the proportion of poor homes from 34% to 42%.

However, the ECLAC study shows that in other countries this relationship was not so apparent. This is because similar rates of GDP growth have different effects on poverty levels depending on the form that such growth takes - above all, in terms of jobs and wages - and on how poverty levels respond to other factors.

In Argentina, for example, a 37% rise in per capita income between 1990 and 1997 was accompanied by only a 3% drop in the proportion of poor households. In Brazil, on the other hand, a 12.5% increase of per capita income went with a 12% reduction in poverty.

Different forms of growth also have varying effects on the labour market: “There is no doubt that those which stimulate a rapid expansion of high-productivity employment will be more effective in reducing poverty, says ECLAC.”

Experience in the region in recent years has underscored the widening differences in productivity between job sectors, and the growing income gaps caused as a result. In addition, lower-productivity and lower-income jobs, whose effect in overcoming poverty is small, have played by far the largest role in overall employment. Most jobs held by women, for example, have been created in low-productivity sectors.

At the same time, the reports points out, “although most of the jobs created have been low-productivity and low-wage, they have allowed many households to increase the proportion of their members who are working, allowing them to improve their standards of living.”

Such occupational density has increased in most countries and in some, such as Chile and Brazil, has been of great importance in reducing poverty figures.

Among the factors which are not directly related to economic

Source: ECLAC, on the basis of special tabulations of data from household surveys conducted in the relevant country.
a/ Includes indigent households

growth but which have an effect on poverty levels, special attention needs to be paid to inflation, income transfers to households and changes in relative prices.

The influence of inflation on the extent of poverty is particularly evident when it rises or falls by large amounts.

When high, four-digit inflation was reduced in Argentina, Brazil and Peru, the impact on poverty levels was very positive. When inflation rose significantly, as in Venezuela, it contributed to increasing poverty. At the same time, very low inflation does not necessarily lead to lower poverty rates (as in Argentina between 1994 and 1997), nor does moderate inflation prevent these falling (Uruguay 1990-1994).



Income transfers

Income transfers received by households from the public sector have had an appreciable influence in reducing poverty, especially in countries which used them specifically for this purpose, such as Argentina, Costa Rica, Panama and Uruguay, where transfers in urban areas make up between 20% and 25% of the income of the poorest fifth of the population.

Brazil also carried out a policy of reinforcing such transfers, contributing to a substantial fall in poverty levels from 64% to 53% between 1990 and 1993, above all in rural areas. In the case of Uruguay, maintaining transfers has played an important role in keeping poverty levels at their lowest level in the region.

Experience in recent years indicates that price variations for basic consumer goods have been lower than those recorded in the overall consumer price index, aiding the purchasing power of low-income groups.

The report also shows that a country improves its chances of success in the struggle against poverty “when it achieves high, sustained economic growth of a kind which creates a substantial expansion in the number of high-productivity, high-paying jobs; when such incomes are also helped by a policy aimed at defending their purchasing power; and when support also exists in the form of significant programmes of well-focused public transfers and adequate control of inflation.”

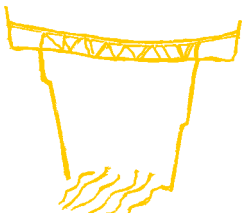
INCOME CONCENTRATION STILL HIGH

During the 1990s, the region experienced a slight recovery in terms of income distribution. A high level of concentration persisted, however, rooted in patrimonial, occupational, educational and demographic factors. The growth of per capita income allowed the reduction of poverty and indigence, but not a reduction of income concentration.

Among the twelve countries analysed, urban income distribution improved in four countries (Bolivia, Honduras, México and Uruguay), remained the same in one (Chile), and worsened in seven (Argentina, Brazil, Costa Rica, Ecuador, Panamá, and Venezuela).

This reinforces the theory that economic growth alone doesn't determine the outcome of income distribution. Negative economic growth in Venezuela, for example, coincided with a marked regression in distribution, while in México, distribution improved despite a mere 0.3% increase in per capita income. Chile and Argentina both showed important increases in per capita income, while Chile maintained stable distribution and Argentina's worsened.

Uruguay is the country with the best income distribution in Latin America due to, among other factors, public sector transfers, especially to pensions. These transfers were also relevant for poverty reduction in other countries such as Brazil, although that country did not manage to modify its general distribution pattern, which continued to be favourable to the highest income brackets.



SOCIAL SPENDING UP SIGNIFICANTLY

Public social spending in the region increased significantly during the decade. It went up in 14 of the 17 countries examined, allowing 12 of them to more than compensate for the fall suffered in the 1980s.

Despite the severe economic slowdown of the last two years, average per capita public social expenditure rose from US\$331 in 1990-1991 to US\$457 in 1996-1997, an increase of 38%.

It is worth highlighting that this rise was considerably more than that of GDP, which went up between 10% and 30%, while

social spending grew between 20% and 70%.

This per capita increase was particularly noteworthy in Peru, Paraguay, Bolivia and Colombia, where spending more than doubled. In Chile, El Salvador and the Dominican Republic it went up by between 60% and 70%, in Uruguay by almost 50% and in Argentina, Brazil, Costa Rica, Guatemala, Mexico and Panama by between 15% and 40%. In Honduras and Nicaragua, expenditure was virtually static, while in Venezuela it fell by 6%.



Sectors favored by the increase

The reasons behind the increase varied between groups of countries. In those where spending was greatest, two-thirds of the increase was due largely to economic growth. In those with medium and

low spending levels, the main factors were an increase of social spending as a proportion of total public expenditure, and of the latter in relation to GDP.

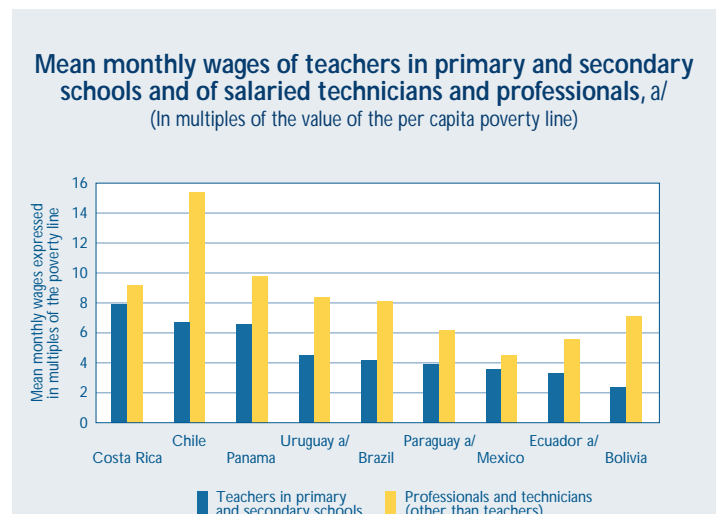
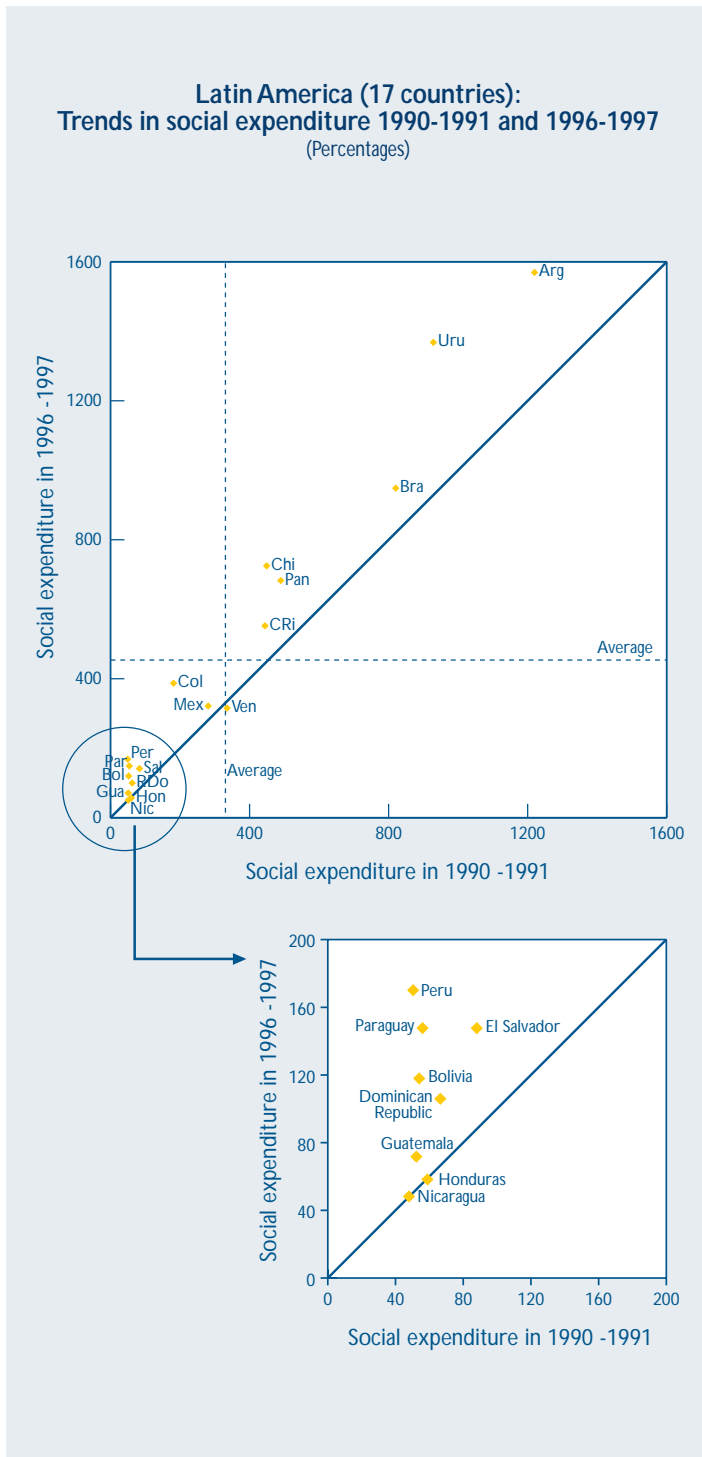
As to developments by sector, 44% of the increase went to education and health - 25% and 19%, respectively - and 41% to social security. Several countries carried out important reforms in these sectors, which meant significant increases of current spending and investment. In those with medium and low levels of expenditure, education and health - sectors whose impact is progressive - predominated, accounting for 61% of the increase, while only 21% went to social security. In countries with higher levels of expenditure, social security accounted for almost 50% of the increase.

The current slowdown of both economic growth and the increase in social spending (which fell from 6.4% in the first half of the decade to 3.3% in the last two years examined) cast doubt over the possibility of consolidating current spending rates in the region.

Education spending is a particularly noteworthy aspect of the overall rise of public social expenditure in the 1990s, and is looked at especially closely in the new edition of the *Social Panorama*. The study underscores the growing importance placed on education by governments; in 15 countries between 1990-1991 and 1996-1997, spending on this sector rose from 2.8% to 3.7% as a share of GDP, and by 40% (from US\$87 to US\$122) per capita.

This notable expansion was largely due to salary increases, of between 3% and 9% annually, for primary and secondary teachers. In some countries, this effort to reduce the gap between teachers' incomes and those of other qualified public sector workers accounted for 70% to 80% of the total rise in education spending.

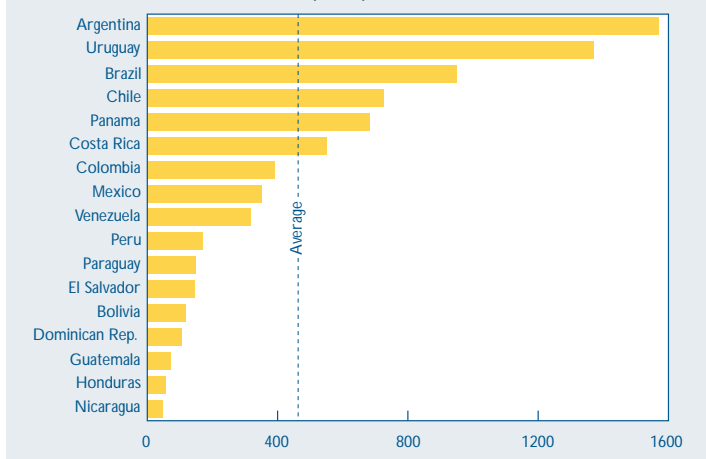
Between 1996 and 1997, primary or secondary teachers in Chile, Costa Rica and Panama earned between six and eight times the



Source: ECLAC database on social expenditure

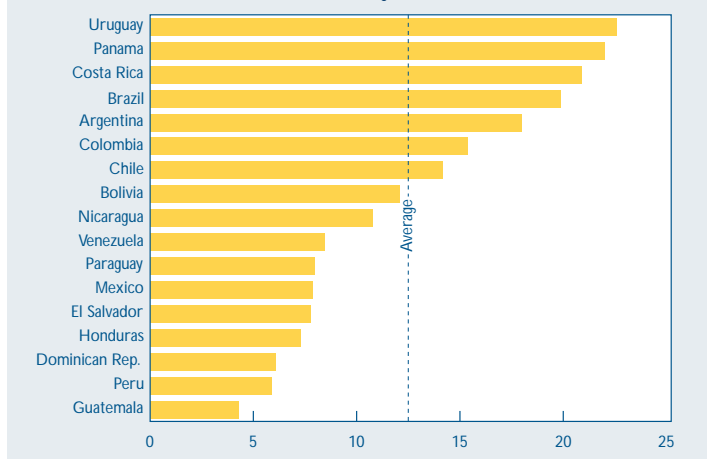
Source: ECLAC, on the basis of special tabulations of data from household surveys conducted in the relevant countries. a/ Urban areas only

**Latin America (17 countries):
Per capita social expenditure, 1996-1997**
(1997 per capita dollars)



Source: ECLAC database on social expenditure.

**Latin America (17 countries):
Social expenditure as a percentage of GDP, 1996-1997**
(Percentages)



Source: ECLAC database on social expenditure.

per capita poverty-line figure. In Brazil, Paraguay and Uruguay, the figure stood at between four to five times this amount and, in Bolivia, Ecuador and Mexico, between 2.4 and 3.6 times.

However, despite these significant improvements, hourly salary rates for primary and secondary teachers are still considerably below those earned by other professionals and salaried technicians with similar levels of qualification. The greatest differences, of between 25% and 30%, are in Brazil, Panama, Paraguay and Uruguay; in Bolivia, Chile and Ecuador teachers earn between 35% and 50% less. Of the countries surveyed, only in Costa Rica does the average teacher's salary, by number of years' training, not differ to any

degree from that paid to other professionals and technicians.

The fact that a large proportion of teachers live in poor or economically highly vulnerable households, where the monthly family income is less than twice the poverty line, is worrying. In Bolivia, Ecuador, Mexico and Paraguay this proportion stands at between 35% and 40%; in Brazil, 20%; and in Chile, Costa Rica and Panama almost 10%. Only in Uruguay is it less than 5%.

Any improvement in teaching standards, the main goal of educational reforms in the region, requires continuing efforts to increase teacher's incomes further, linking these increases to performance.



STEADY INCORPORATION OF WOMEN INTO THE LABOUR MARKET

At the beginning of the 1990s, the rate of expansion of the labour supply was expected to decline steadily in most Latin American countries, due to lower growth of the working population, greater ability of education systems to retain students and economic growth. In fact, however, matters turned out differently. Even though the growth rate of the population of working age has fallen in every country, rates of participation in the labour force have grown everywhere except in El Salvador and the Dominican Republic.

One factor largely explains this: the steady incorporation of women into the labour force. Ten years ago there was no certainty about the future of female labour, but today there is due to two main factors: the long term trend towards a greater presence by

women in all aspects of social life, aided by advances such as earlier schooling and a longer school day, and the need to increase family incomes, despite increasing per capita GDP.

This latter need is especially evident in the case of lower-income households; in many countries, the increased participation of women in the labour force is concentrated in this social group. In Venezuela, for example, between 1990 and 1997 the number of women workers grew more than 60% in the poorest 25% of the population. In Argentina the figure was above 40% and in Brazil, Costa Rica, Ecuador, Honduras and Mexico, more than 20%. (There were exceptions, such as Chile, Colombia, Honduras and Panama, where the increase was greater in middle- and high-income sectors).

Economic growth in the region has not been translated into a significant increase of good-quality jobs. Only a few of the

employment opportunities created have been in the modern sector of the economy, while most are in the less productive parts of the private sector, especially non-tradeable goods and services. This situation makes overcoming poverty and improving income distribution more difficult.

To this picture must be added the proliferation of unprotected jobs, flexible and fixed-term contracting, subcontracting and other practices which have increased job uncertainty and instability for both unqualified workers and a growing number of professionals and technicians alike. It should be added that all this is happening despite significant efforts in most countries to raise educational and training levels.

The wage and salary gap

At the same time, the wage and salary gap between qualified and non-qualified labour has widened considerably - in Bolivia, by more than 40%, in Paraguay by over 50% and in Panama and Uruguay by more than 42%. As a result, a certain rigidity in income distribution has been consolidated, and Latin America has kept up its high degree of income concentration compared to other regions of the world.

As far as the distribution of jobs by sector was concerned, agriculture and manufacturing industry continue to decline in relative terms, and the tertiary sector (commerce, etc.) to expand. Unemployment, which had fallen from the mid-eighties onwards, began to rise again from the early nineties, due to the crises in Mexico in 1995 and, later, in Asia. In most countries, the urban unemployment rate was greater in 1997 than at the beginning of the decade, dropping only in Bolivia, Chile, Honduras and Panama. The impact was greatest on women, young people and those on low incomes, although it is clear now that middle- and high-income sectors are also being affected in a number of countries.

This edition of the *Social Panorama* pays special attention to the situation of young people. They suffer the effects of unemployment and job precariousness especially harshly, and have to deal with the inadequacy of the education system in coping with new demands created by changing production methods and institutions. Young people between 15 and 24 years of age make up 20-25% of the region's labour force. In recent years, the number of years of education they bring with them has been going up steadily, but not fast enough. The insufficient dynamism of most countries' economies and the sparse creation of high-productivity jobs, makes it difficult for them gain a satisfactory foothold in the labour force. An example of this is the fact that, except in Brazil and Honduras, more than half of the young unemployed have more than eight years' schooling. This figure reaches almost 90% in Chile, where half have more twelve years' schooling or more, as is also the case in Ecuador and Panama.

Young workers are concentrated in commerce and services to a greater extent than the rest of the labour force; in 1997, the proportions of the young labour force in these sectors varied from 48% in Honduras to 70% in Panama. Chile is the country with the lowest proportion of young people in low-productivity urban employment sectors, while Honduras has the greatest. In Argentina,

Colombia, Costa Rica and Uruguay, the proportion is less than a fifth of the total.

The economic difficulties faced by lower-income households often force young people to look for work early, thus prejudicing the continuity of their education and, as a result, their future employment prospects. They suffer more difficulties than other groups in finding work, and greater problems of the kinds entailed by low-productivity jobs. The unemployment rate for the 15-24 age group accounts for over half the total unemployment in the region's urban areas (except for Argentina, Bolivia and Chile, where older age groups are most affected). The problem is exacerbated by the longer duration of youth unemployment; in many countries this duplicates that suffered by older workers.

The situation of young people who neither study nor seek work is especially worrying, as are very vulnerable to getting involved in various forms of marginality, violence and illegality. Hence the need to work out policies which contribute to keeping young people in the education system and helping them to find a satisfactory entry into the working world.

Latin America (12 countries): Rate of open unemployment by sex and household income level, 1990 and 1997, a/
(Urban areas)

Country	Sex	Total	Quartile 1	Quartile 2	Quartile 3	Quartile 4
Argentina b/	Both sexes	14.3	31.9	17.0	9.7	3.0
	Men	12.4	28.8	13.0	8.1	1.4
	Women	17.3	38.0	23.7	12.0	5.0
Bolivia c/	Both sexes	4.5	8.8	5.2	3.4	1.5
	Men	4.5	9.7	4.7	2.5	1.9
	Women	4.6	7.5	5.9	4.6	1.0
Brazil d/	Both sexes	8.1	15.3	8.0	5.5	3.8
	Men	6.7	13.1	6.0	4.3	3.1
	Women	10.2	18.8	11.0	7.2	4.7
Chile d/	Both sexes	6.0	14.4	6.7	3.2	1.6
	Men	5.1	11.4	5.4	2.5	1.4
	Women	7.6	22.0	9.3	4.3	1.8
Colombia	Both sexes	12.1	24.1	12.3	8.7	5.2
	Men	9.7	19.1	9.2	6.6	4.8
	Women	15.4	31.6	16.7	11.4	5.7
Costa Rica	Both sexes	5.9	14.9	5.2	4.2	1.9
	Men	5.3	14.1	4.7	3.6	1.5
	Women	6.8	16.3	6.2	5.4	2.5
Ecuador	Both sexes	9.3	17.4	10.3	6.9	3.8
	Men	6.9	14.0	7.0	4.6	2.7
	Women	13.1	23.5	16.0	10.6	5.3
Honduras	Both sexes	5.4	12.9	4.9	3.0	1.8
	Men	5.9	14.5	4.7	3.2	2.2
	Women	4.6	10.6	5.2	2.7	1.3
Mexico e/	Both sexes	5.1	8.8	6.0	3.2	2.1
	Men	5.8	9.7	6.3	3.8	2.3
	Women	3.9	6.8	5.5	2.3	1.7
Panama f/	Both sexes	15.3	28.1	17.8	12.2	5.5
	Men	12.8	22.9	13.2	10.3	4.9
	Women	19.4	38.4	25.9	15.0	6.3
Uruguay	Both sexes	11.4	19.9	11.4	7.0	4.5
	Men	8.9	14.7	8.8	5.7	3.5
	Women	14.8	27.7	14.8	8.6	5.7
Venezuela	Both sexes	10.7	21.8	11.8	7.5	4.5
	Men	9.0	15.6	9.6	6.1	3.5
	Women	13.8	28.8	15.8	10.1	6.1

Source: ECLAC, on the basis of special tabulations of data from household surveys conducted in the relevant countries.

a/ Does not include domestic employees living in the household. b/ Greater Buenos Aires.

c/ Period 1989-1997. d/ Period 1990-1996. e/ Period 1992-1996. f/ Period 1991-1997.



SOME IMPROVEMENT IN SITUATION OF CHILDREN

By the year 2000, it is estimated that over 80% of Latin American children who live in urban areas will complete four years' primary education, and that more than 70% will finish such education, completing a minimum of six years. But, despite high overall rates of matriculation in primary education, rural areas continue to lag behind significantly.

The 1998 edition of the *Social Panorama* assesses progress in meeting some of the goals set by UNICEF for children by the year 2000, and examines a number of factors which limit opportunities for well-being among children and adolescents.



Educational goals and achievements

The end of the 1990s will see a slight reduction in differences between urban socioeconomic strata as far as access to, and years spent in, primary education are concerned. However, children from the lowest-income quarter of the population will still be significantly behind in comparison with the average, and with their counterparts from higher-income homes.

According to ECLAC, by the year 2000 the countries which today have the greatest levels of inequality in income distribution will be the furthest away from attaining the goals of universal access and four years of primary education for all, especially in rural areas.

By 1990, the six-year goal had already been reached for 70% of urban children in 11 of the 12 countries surveyed. Brazil is the only country still falling severely behind in this respect, although it has made important advances during the course of the decade. In most countries, these levels will be maintained, or go on improving, in the coming years.

In six countries (Argentina, Chile, Costa Rica, Mexico, Panama and Uruguay) the six-year goal will be reached comfortably, and in five others (Colombia, Ecuador, Honduras, Paraguay and Venezuela) it will be met in urban areas.

However, the goal of cutting early-1990s levels of grade repetition by half will not be reached. This will only be achieved in two of the nine countries for which data exist: Honduras, in urban and rural areas, and Ecuador, in urban areas.

Although backwardness in rural areas has fallen in some countries (Brazil, Costa Rica and Honduras) in the past six or seven years, all the cases studied - with the exception of Costa Rica - showed pronounced and persistent disparities between urban and rural areas.



Goals for basic services and equity

Assessing probable levels of access to basic services in 2000, ECLAC found that a significant majority of countries are likely to meet the goal of reducing the urban population without potable water by 25% or more, but that only half will manage to reduce the share of the population without basic hygiene services by 17% or

Year 2000 educational goals for children Summary of attainment in 12 selected countries

Overall performance, by urban and rural areas	Universal access to primary education	Halving of the repetition rate in the first two grades	Increase in the percentage of boys and girls completing the 4th grade to more than 80%	Increase in the percentage of boys and girls completing primary education to more than 70%
1. Goal met in urban and rural areas	Argentina a/ Chile Costa Rica Mexico Panama c/ Uruguay a/ Venezuela c/	Honduras c/	Argentina a/ Chile Costa Rica c/ Mexico Panama Uruguay a/ Venezuela c/	Argentina a/ Chile Costa Rica c/ Mexico Panama Uruguay a/ Colombia
2. Goal met only in urban areas	Ecuador b/ Paraguay b/	Ecuador b/	Colombia Ecuador b/ Honduras c/ Paraguay b/	Ecuador b/ Honduras c/ Paraguay b/ Venezuela c/
3. Goal met in neither urban nor rural areas	Brazil c/ Colombia Honduras c/	Brazil Chile Colombia Costa Rica c/ Panama Uruguay a/ Venezuela c/	Brazil	Brazil

a/ No information was available on rural areas, but the level and trend of the indicator for urban areas make it reasonable to expect that the goal will be met in rural ones as well.

b/ No information was available on rural areas.

c/ Urban-rural differences will have been reduced by the year 2000.

Access to basic services by the year 2000 Summary of goal achievement forecasts for countries that have information available

Overall performance, by urban and rural areas	Reduce the proportion of the population lacking drinking water by 25%	Reduce the proportion of the population lacking basic sanitation by 17%
1. Goal expected to be achieved in urban and rural areas		Mexico
2. Goal expected to be achieved only in urban areas	Brazil Chile Colombia Honduras	Chile Honduras
3. Goal expected to be achieved in neither urban nor rural areas	Mexico	Brazil Colombia

more. The great backwardness in rural areas in both regards will remain.

If current trends continue, in four of the ten countries for which data was available (Argentina, Chile, Colombia and Uruguay), fewer than 3% of the urban population will live in homes lacking potable water. In five more (Bolivia, Brazil, Honduras, Mexico and Venezuela), this proportion will approach 10%.

Advances in sewage disposal are less than for potable water. With respect to water, in almost all countries studied the situation improved more for the poorest 25% of the population than for urban households as a whole; but in sewage disposal, only half as many benefited.




Children's opportunities limited

During the 1990s, the percentage of working adolescents fell in only half the countries of the region and rose in a third, says the report. The trend was even less positive among children under 14 years of age, although their participation in the labour force is less than that of adolescents between 15 and 17.

In summary, participation by working children and adolescents in the labour force fell simultaneously in only a third of countries. "This phenomenon severely mortgages human capital and the opportunities of young people for future well-being," says the study.

Measuring child labour among 13- to 14-year-olds and adolescents between 15 and 17, the *Social Panorama* defines three groups of countries. The first is made up of Argentina, Panama and Chile, where levels of child and adolescent labour are low, under 3% and 10% respectively. The second, intermediate group includes Colombia, Costa Rica, Uruguay and Venezuela, where the figure for child labour varies between 3% and 7%, and for adolescent labour between 10% and 20%. Lastly, Bolivia, Brazil, Ecuador, Honduras, Mexico and Paraguay all have higher levels of more than 7% for children and 20% for adolescents.

In most countries, the percentage of urban adolescents who neither study nor belong to the work force, but spend their time exclusively in activities at home, has gone down in most countries. But this is less so in rural areas. In 1997, this limiting situation affected between 15% and 25% of urban young people in almost half the countries, rising to between 25% and 50% in rural areas.

High rates of adolescent pregnancy have remained unaltered throughout the decade. At the national level, 20% to 25% of woman have their first child before they are 20 years old. In rural areas, this figure rises to 30%, while in the cities it falls to between 15% and 20%. The situation improved slightly in Bolivia and Honduras, where such pregnancy rates nevertheless remain high. 

PUBLIC INSECURITY ON THE RISE

Public insecurity and violence increased in Latin America and the Caribbean during the 1990s, and there is now more delinquency in all Latin American cities.

Homicide rates were up in most countries, and in Colombia, Panama, Peru and Trinidad and Tobago those rates have risen between four- and six-fold. International comparisons describe the region as one of the most violent in the world, with homicides running at almost 20 per 100,000 inhabitants.

At the same time, however, there are large differences between sub-regions, countries and cities in the same country. In Colombia in 1996, for example, homicide rates reached 208 per 100,000 inhabitants in Medellin, 108 in Cali, 60 in Bogota and 35 in Cartagena de Indias.

There was also a wide range of crimes against property, particularly theft using force and robbery with violence against persons. Other forms of criminality, such as kidnappings in Colombia, Guatemala and Mexico, have also increased.

Violence against children went up as well. Today, 6 million minors suffer abuse and 80,000 die each year as result of injury by their parents, relatives or others.

Authorities' perceptions

To identify the most important public safety issues, ECLAC carried out a survey among the mayors or governors (depending on which was appropriate) of 14 Latin American and Caribbean cities. Among the findings were:

- Death by violence (homicide or accident) is the first cause of public insecurity in Bogota, Medellin, Sao Paulo and Santa Cruz, and the second cause in Quito.

- Robbery, assaults and muggings are the main cause for concern among citizens in Buenos Aires and San Juan, and the second or third most important in Bogota, Mexico City, Medellin, Rio de Janeiro, Sao Paulo, San José and Santiago.

- Drug consumption is the main problem in Panamá and Lima, drug trafficking in Rio de Janeiro, San José and Sao Paulo.

- In descending order of importance, domestic violence and child abuse stand out (in Bogota, Lima and Panamá), followed closely by police corruption and an inadequate police presence (Buenos Aires and México), and, to a lesser extent, the use of violence in carrying out crimes, then finally gangs.

- Prostitution and organized crime - problems of the first order in Managua, Lima and Mexico City -, and the sale of uncertified products in La Paz, appear to be of lesser concern.

All the cities in the region have taken measures to increase public security. The most successful have been those combining prevention and control.

Produced by ECLAC Information Services

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The symbols used in this newsletter represent the various indigenous cultures of the Americas and some of the milestones in the region's history. The symbols are engraved on the outside of the conference rooms at ECLAC headquarters in Santiago, Chile.



Fishing villages



Irrigation systems



Corn



Hanging bridge

STATISTICAL APPENDIX

Latin America (16 countries): Participation in economic activity and unemployment among youths between the ages of 15 and 24, a/ urban areas

Country	Year	Labour force participation rate		Unemployment rate		Percentage of youths in total EAP	Percentage of unemployed youths in total unemployed	Ratio of youth unemployment rate to total unemployment rate
		Total	Youth	Total	Youth			
Argentina b/	1990	56	52	5.9	13.0	19.2	42.1	2.20
	1997	59	53	14.3	24.2	20.6	35.0	1.69
Bolivia	1989	59	41	9.4	17.4	23.1	43.0	1.85
	1997	62	41	3.7	6.4	21.9	38.3	1.73
Brazil	1990	63	62	4.5	8.3	28.2	52.7	1.84
	1996	64	61	8.0	15.1	26.3	49.3	1.89
Chile	1990	52	38	8.7	17.9	19.5a	40.1	2.06
	1996	56	37	6.0	13.2	16.3	36.1	2.20
Colombia	1990	61	49	10.3	20.1	23.8	46.5	1.95
	1997	63	48	11.8	24.3	21.8	44.8	2.06
Costa Rica	1990	57	51	5.3	10.5	25.3	49.8	1.98
	1997	58	47	5.8	13.0	21.9	49.1	2.24
Ecuador	1990	61	44	6.1	13.5	23.8	53.0	2.21
	1997	64	48	9.2	18.9	23.3	48.2	2.05
El Salvador	1990	64	51	9.9	19.3	26.1	51.0	1.95
	1997	60	43	7.3	14.6	21.9	43.8	2.00
Honduras	1990	60	48	6.9	11.2	28.9	46.7	1.62
	1997	65	55	5.2	8.9	29.4	50.1	1.71
Mexico	1989	53	43	3.3	8.1	27.8	69.0	2.45
	1996	59	47	5.1	12.5	25.2	61.6	2.45
Nicaragua	1997	61	45	13.1	20.9	25.8	41.1	1.60
	Panamá	1989	65	47	27.0	37.1	22.7	31.2
1997		63	50	15.4	31.5	22.0	45.1	2.05
Paraguay c/	1990	65	59	6.3	15.5	26.6	65.6	2.46
	1996	71	65	8.4	17.8	27.6	58.3	2.12
Dominican Republic	1992	69	66	19.7	34.1	33.8	58.6	1.73
	1997	64	56	17.0	27.8	30.5	50.0	1.64
Uruguay	1990	58	57	8.9	24.4	19.5	53.5	2.74
	1997	59	61	11.4	26.3	21.6	49.8	2.31
Venezuela d/	1990	57	41	9.6	17.8	22.9	42.5	1.85
	1997	64	50	10.6	19.8	23.3	43.4	1.87

Source: ECLAC, on the basis of special tabulations of data from household surveys conducted in the relevant countries.

a/ Includes domestic employees living in the household. b/ Greater Buenos Aires. c/ Asunción. d/ Nationwide total.

Annual wages of teachers in public schools as a percentage of per capita GDP

	Primary schools		Secondary schools		Latin American countries	Primary schools		Secondary schools	
	Starting pay	Teachers with 15 years experience	Starting pay	Teachers with 15 years experience		Starting pay	Teachers with 15 years experience	Starting pay	Teachers with 15 years experience
OECD countries									
Austria	0.9	1.2	1.0	1.3	Argentina	0.6	0.8	0.9	1.3
Belgium	0.9	1.2	1.1	1.4	Bolivia	1.6	2.0	1.9	2.4
Spain	1.6	1.9	1.8	2.1	Brazil	0.8	1.1	1.2	1.5
United States	0.9	1.2	0.9	1.2	Chile	1.0	1.1	0.9	1.1
France	0.9	1.3	1.1	1.4	Costa Rica	1.6	2.0	1.8	2.2
Greece	1.1	1.3	1.1	1.3	Ecuador	0.8	1.2	0.9	1.6
Italy	0.9	1.1	1.0	1.2	Mexico	1.3	1.4	1.4	1.6
Norway	0.7	0.9	0.8	0.9	Panama	1.2	1.4	1.5	2.3
Netherlands	1.1	1.4	1.2	1.8	Paraguay	1.5	1.6	2.0	2.2
Portugal	1.2	1.9	1.2	1.9	Uruguay	0.9	1.0	0.9	1.0
Sweden	0.8	1.1	1.0	1.2					
Simple average	1.0	1.3	1.1	1.4	Simple average	1.1	1.4	1.3	1.7
Average wages (in 1995 U.S. dollars)	20,753	27,356	23,017	29,620	Average wages (in 1995 dollars)	4,285	5,157	5,081	6,503

Source: OECD countries: Organisation for Economic Co-operation and Development, *Education at a Glance: OECD indicators, 1998*, Paris, 1998; Latin American countries (except Argentina): ECLAC, on the basis of special tabulations of data from household surveys conducted in the relevant countries.

Note: Mean annual wages shown for Latin American countries correspond to a 30-hour work week. Starting pay and salaries for teachers having 15 years of experience have been estimated from data on the average wages for teachers under and over 40 years of age, respectively. The annual salaries shown for teachers in secondary schools in OECD countries are a simple average of the salaries for teachers in the basic cycle and upper cycle within that level. Wages are expressed in 1995 dollars and have not been adjusted for changes in exchange rates.



1 **Revista de la CEPAL**
No. 67, (LC/G.2055-P, Spanish only). Contains articles on the First World and the Third World following the end of the Cold War (by the British historian Eric Hobsbawm), rural development, training in small enterprises, public and private investment in Brazil, Chile's trade policy, improvements in road and rail transport, etc. US\$ 15 (yearly subscription: US\$ 30).

2 **Towards a New International Financial Architecture**, (LC/G.2054, English and Spanish). Report of the Task Force of the Executive Committee on Economic and Social Affairs of the United Nations. [www](#)

3 **Indexes of Structural Reform in Latin America**, Reformas Económicas Series No. 12, (LC/L.1166, English only). Quantifies the process of structural reform in 17 countries of the region, focusing on five areas: trade, financial liberalisation, taxation, external capital transactions and privatisation. [www](#)

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MONTH	EVENT	VENUE
MAY		
6	United Nations Regional Inter-agency Meeting on Coordination, ECLAC	Santiago, Chile
13 - 14	Seminar on Monitoring of Health-sector Human Resources in Chile, ECLAC/Department of Human Resources, Ministry of Public Health/Pan American Health Organisation	Santiago, Chile
17 - 18	Workshop on Concepts and Methodology in Cluster Analysis	Santiago, Chile
24 - 28	Third Regional Workshop of the Programme to Improve Surveys on Living Conditions in Latin America and the Caribbean (MECOVI), on Measurement of Spending in Household Surveys	Aguascalientes, Mexico
	Meeting on Social Aspects of High Seas Fishing, ECLAC/ Federación Nacional de Sindicatos de Tripulantes de Naves Especiales, (Chile)	Santiago, Chile
JUNE		
2	Seventh Meeting of Specialised Agencies and Other Bodies of the United Nations System on Future Activities to Promote the Integration of Women into Latin American and Caribbean Development	Curaçao, Netherlands Antilles
3 - 4	Twenty-eighth Meeting of the Presiding Officers of the Regional Conference on Women in Latin America and the Caribbean	Curaçao, Netherlands Antilles
25	Seminar-workshop on the El Niño/La Niña Phenomenon: Its Impact on Chile, ECLAC/ Meteorological College of Chile	Santiago, Chile
JULY		
8 - 9	Fifth Meeting of the Ad Hoc Working Group Established Pursuant to ECLAC Resolution 553 (XXVI)	New York, United States
14 - 16	Second Latin American Meeting on Regulation and Supervision of Transport, ECLAC/Executive Group for the Integration of Transport Policies (GEIPOT)	Brasília, Brazil
21 - 23	Fifth Meeting of Trade Policy Officials of Latin America and the Caribbean, LAIA/ECLAC/SELA	Lima, Peru
AUGUST / SEPTEMBER		
	Workshop «Is Latin America on the Verge of a New Crisis?», ECLAC/Institute of International Studies, University of Chile/ Andrés Bello Diplomatic Academy/UNDP/Latin American Faculty of Social Sciences (FLACSO-Chile)/IDB	Santiago, Chile
SEPTEMBER		
8 - 10	Latin American and Caribbean Meeting on Older Persons, in the International Year of Older Persons	Santiago, Chile

