

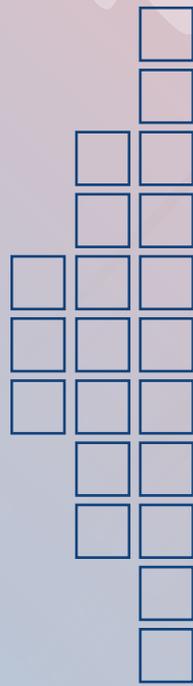


# Economic and Social Panorama of the Community of Latin American and Caribbean States, 2016



UNITED NATIONS

ECLAC



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ECLAC

**Alicia Bárcena**  
Executive Secretary

**Antonio Prado**  
Deputy Executive Secretary

**Luis Fidel Yáñez**  
Officer-in-Charge, Office of the Secretary of the Commission

**Ricardo Pérez**  
Chief, Publications and Web Services Division

This document was prepared by Enrique Oviedo, Political Affairs Officer with the Office of the Secretary of the Commission of the Economic Commission for Latin America and the Caribbean (ECLAC).

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## Foreword

This edition of the *Economic and Social Panorama of the Community of Latin American and Caribbean States* is a contribution by the Economic Commission for Latin America and the Caribbean (ECLAC) to the fifth Summit of Heads of State and Government of the Community of Latin American and Caribbean States (CELAC), to be held in Punta Cana, Dominican Republic, in January 2017.

This document continues the work carried out since the first summit of CELAC held in Santiago and is a testimony to our ongoing commitment to work in collaboration with the countries of the region.

This document collates information from some of the annual flagships published by the Commission in 2016: “Population projections” of the *Demographic Observatory 2015* (LC/G.2675-P), “Preliminary Overview of the Economies of Latin America and the Caribbean, 2016. Briefing paper”, *Foreign Direct Investment in Latin America and the Caribbean, 2016* (LC/G.2680-P), *Latin America and the Caribbean in the World Economy, 2016: The region amid the tensions of globalization* (LC/G.2697-P), *Social Panorama of Latin America, 2015* (LC/G.2691-P), and *Equality and women’s autonomy in the sustainable development agenda* (LC/G.2686(CRM.13/3)).

The document has six sections summarizing the situation in Latin America and the Caribbean as regards economic, social and population affairs, as well as foreign direct investment, trade and gender equality.

ECLAC has had the honour to support the Dominican Republic in its role as Pro Tempore Chair of CELAC, as it supported Chile, Cuba, Costa Rica and Ecuador during their respective chairships.

We wish CELAC a long and fruitful life and hope to continue working with this important forum for intergovernmental dialogue and consensus-building among the 33 countries of Latin America and the Caribbean, which has such an important role to play in achieving well-being, peace and security for the inhabitants of the region.

**Alicia Bárcena**  
Executive Secretary  
Economic Commission for Latin America  
and the Caribbean (ECLAC)



# **I. Economic panorama**



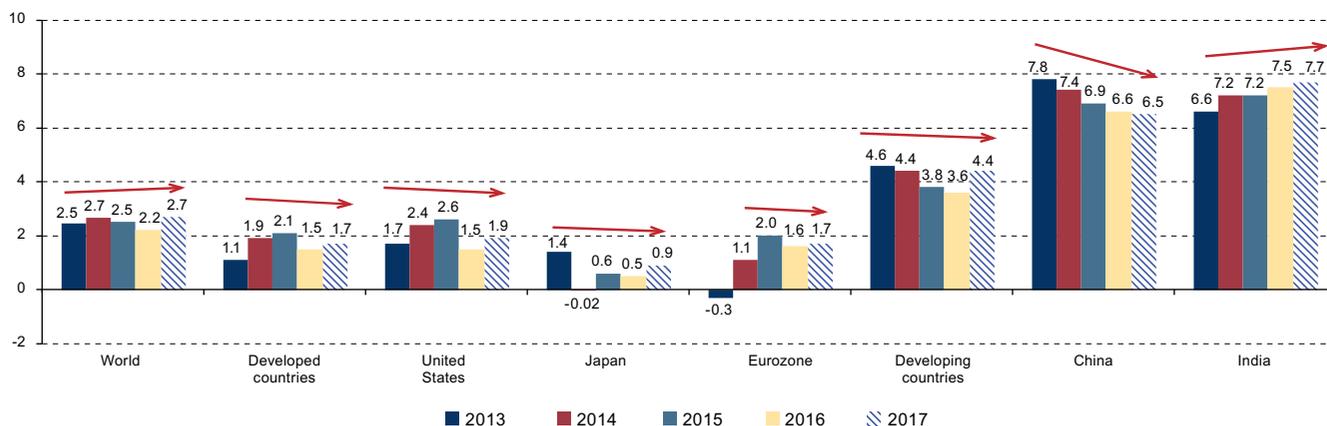
## A. Global economic trends

- In 2016 the global economy maintained the slow growth trend seen over the past eight years, with a rate of 2.2%, the lowest since the international financial crisis of 2008-2009. As in previous years, growth was driven by the developing economies, which posted a rate of 3.6% as a group in 2016, while the developed economies expanded by 1.5%.
- Projections for 2017 point to a better performance, with the global economy expected to grow by around 2.7%, thanks to an upturn in both emerging and developed economies.
- Global trade volumes grew even less than the global economy, at just 1.7% in 2016, down from 2.3% in 2015. As a result, world output growth exceeded world trade growth in the 2015-2016 biennium for the first time in 15 years, with the exception of 2009, at the height of the economic and financial crisis.
- The global economic upturn projected for 2017 is expected to support an expansion rate in the range of 1.8% to 3.1% in the volume of global trade.
- The fall in raw materials prices, a very significant factor for the economies of the region, eased in 2016, with a drop of 6%, compared to 29% in 2015. Prices fell most heavily for energy products in 2016 (-16%), followed by minerals and metals (-4%). Agricultural products posted a slight rise in prices over the year (3%). Commodity prices are projected to rise by 8% on average in 2017, led by energy products, with a jump of 19%.

■ Figure I.1 ■

### Selected regions and countries: gross domestic product growth, 2013-2017<sup>a</sup>

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, *World Economic Situation and Prospects*, 2015, 2016, 2017 and International Monetary Fund (IMF), *World Economic Outlook (WEO). Subdued Demand: Symptoms and Remedies*, October 2016.

<sup>a</sup>The figures for 2016 are estimates and those for 2017 are projections, both from *World Economic Situation and Prospects*, 2017.

■ **Table I.1** ■**Annual variation in international commodity prices, 2015, 2016 and 2017<sup>a</sup>**

(Percentages)

	2015	2016	2017
Agricultural and livestock products	-16	3	2
Foods, tropical beverages and oilseeds	-18	4	2
Foods	-15	8	2
Tropical beverages	-21	-1	5
Oils and oilseeds	-22	0	2
Forestry and agricultural raw materials	-6	-1	0
Minerals and metals	-23	-4	3
Energy	-42	-16	19
Crude oil	-47	-16	20
Total for primary products	-29	-6	8
Total for primary products (excluding energy)	-19	-0.2	2

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of figures provided by Bloomberg, the World Bank, the International Monetary Fund (IMF) and The Economist Intelligence Unit.

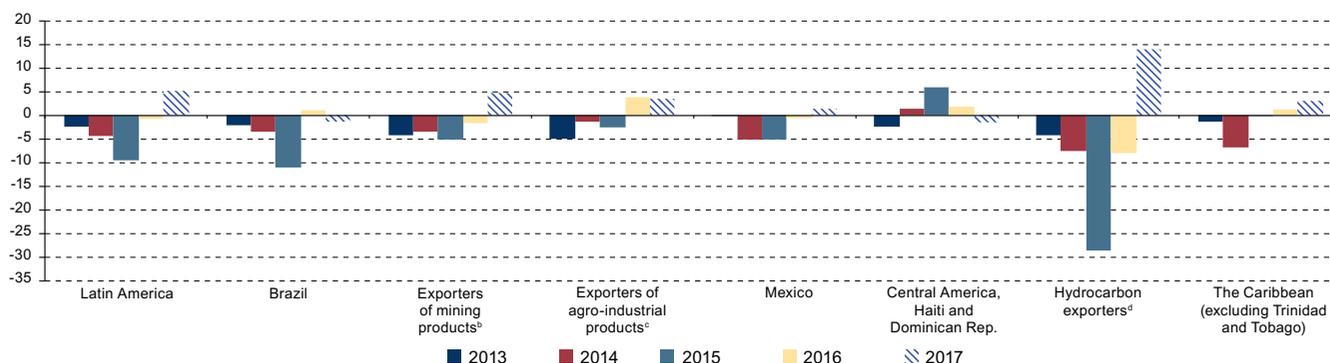
<sup>a</sup>The figures for 2016 are estimates and those for 2017 are projections.

## B. The external sector

- The fall in the region's terms of trade in 2016, at 1%, was not as steep as it had been in 2015, when they tumbled by 9%. However, the hydrocarbon-exporting countries were again the hardest hit, with an 8% fall, followed by mineral exporters (down 2%). In contrast, the Central American countries, those that export agro-industrial products, and the Caribbean (excluding Trinidad and Tobago), all benefited from lower energy prices, and their terms of trade rose in 2016, albeit by less than the previous year.
- For 2017, the regional terms of trade are likely to improve by about 5% on average, with a rise of around 15% for the hydrocarbon exporters, owing to an expected jump of some 20% in the oil price.

■ **Figure I.2** ■**Latin America and the Caribbean (selected countries and country groupings): rate of variation in the terms of trade, 2013-2017<sup>a</sup>**

(Percentages)



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

<sup>a</sup>The figures for 2016 and 2017 are estimations and projections, respectively.

<sup>b</sup>Chile and Peru.

<sup>c</sup>Argentina, Paraguay and Uruguay.

<sup>d</sup>Bolivian Republic of Venezuela, Colombia, Ecuador, Trinidad and Tobago and Plurinational State of Bolivia.

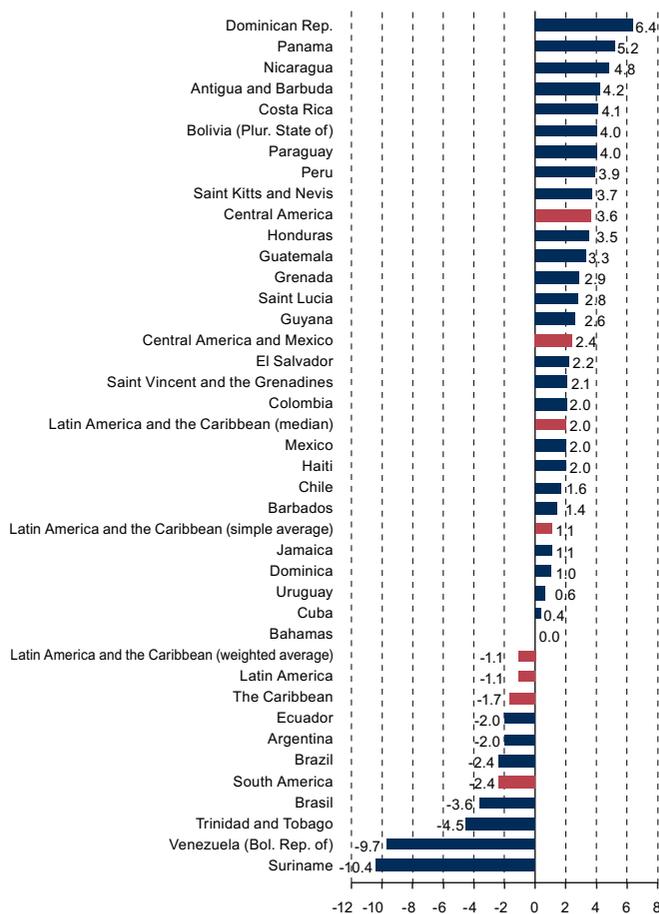
## C. Economic activity

- The GDP of Latin America and the Caribbean contracted by 1.1% in 2016, which translates into a 2.2% decline in per capita GDP. This negative rate of GDP growth continues the process of economic slowdown and contraction in which the region has been mired since 2011.
- In South America as a subregion, a contraction of 1.7% in 2015 was followed by one of 2.4% in 2016.
- In the economies of Central America,<sup>1</sup> growth remained strong despite a slowdown in 2016, to 3.6% from 4.7% in 2015.
- The region's weak performance was caused mainly by a large drop in investment and consumption. Domestic demand shrank by an estimated 2.0% for the region overall in 2016, with a contraction across all components: private consumption (-0.9%), public consumption (-1.0%) and gross fixed capital formation (-6.8%). Meanwhile, imports dropped by about 3% because of weaker domestic demand, which contributed positively to output growth.
- In South America private consumption and investment both contracted (by 2.3% and 9.9%, respectively), whereas in Central America both components rose, private consumption by 3.0% and investment by 1.9%.
- The Latin American and Caribbean region is expected grow 1.3% in 2017, which would put an end to the contraction of the 2015-2016 biennium.

■ Figure 1.3 ■

### Latin America and the Caribbean: GDP growth rates, 2016<sup>a</sup>

(Percentages based on dollars at constant 2010 prices)



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

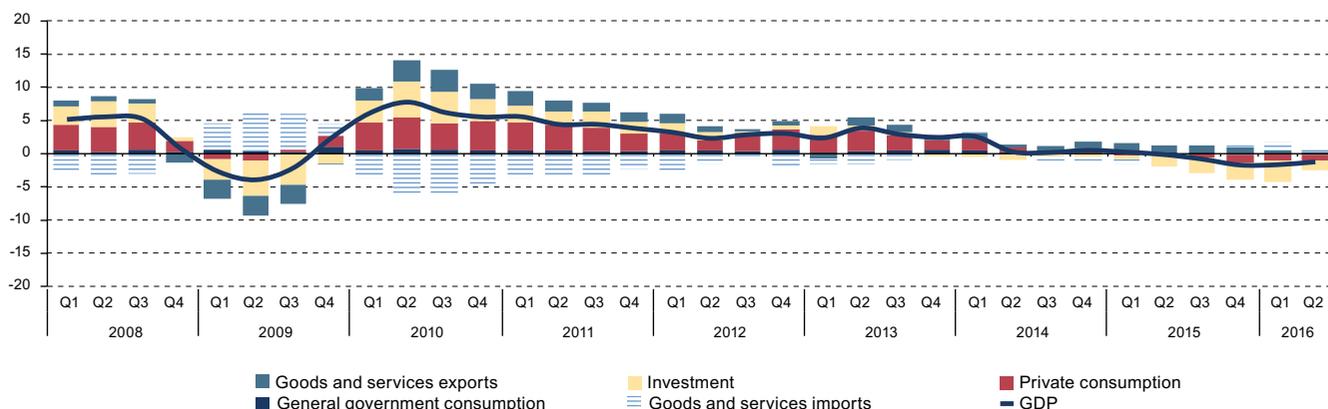
<sup>a</sup>The figures are projections.

<sup>1</sup> Includes Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Nicaragua and Panama.

■ Figure I.4 ■

**Latin America: GDP growth rates and contribution of aggregate demand components to growth, first quarter of 2008 to second quarter of 2016**

(Percentages)



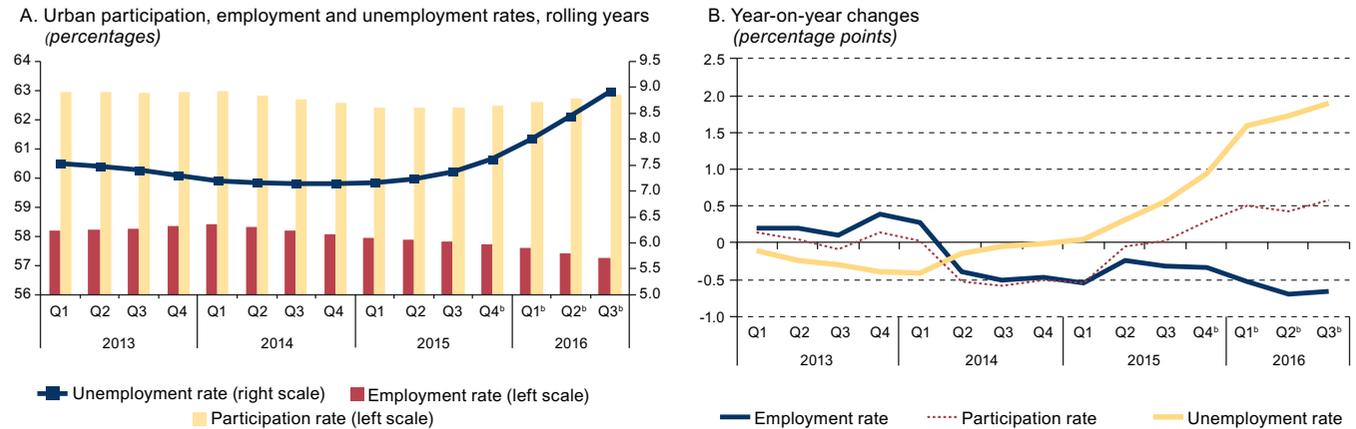
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

## D. Employment

- In Latin America and the Caribbean as a whole, the quantity and quality of jobs in the labour market declined sharply during 2016. This deterioration did not take place everywhere equally, however, but was concentrated in the South American countries.
- Labour market performance varied greatly across the different subregions and between men and women. In the South American countries, it is estimated that the unemployment rate rose from 8.2% in 2015 to 10.5% in 2016. By contrast, unemployment dropped from 4.9% to 4.6% in the group comprising Central America, Mexico and the Dominican Republic, and from 10.0% to 9.3% in the English-speaking Caribbean countries.
- The unemployment rate rose more steeply for women, by 0.7 percentage points, in contrast with 0.3 points for the male rate, in the simple average for the countries for which information is available.
- The higher unemployment rate was accompanied by a deterioration in the quality of employment, since wage-earning employment fell by 0.2% and self-employment climbed by 2.7% over the course of 2016. Although real wages in recorded employment rose by some 1% on average in the countries with information available, this was about one percentage point less than in 2015.

■ **Figure I.5** ■

**Latin America and the Caribbean (weighted average for 12 countries): urban participation, employment and unemployment rates, rolling years and year-on-year changes, first quarter of 2013 to third quarter of 2016<sup>a</sup>**



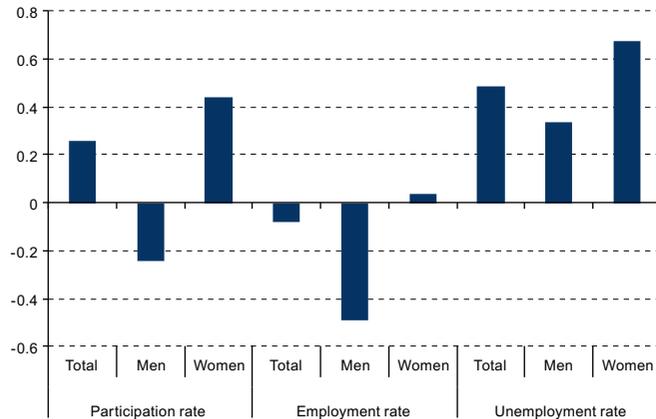
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

<sup>a</sup>The countries considered are Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Ecuador, Jamaica, Mexico, Paraguay, Peru and Uruguay. Some estimates based on incomplete data are included.

<sup>b</sup>Preliminary data.

■ **Figure I.6** ■

**Latin America and the Caribbean (simple average for 17 countries): year-on-year changes in participation, employment and unemployment rates, by sex, first three quarters of 2016<sup>a</sup>**  
(Percentage points)

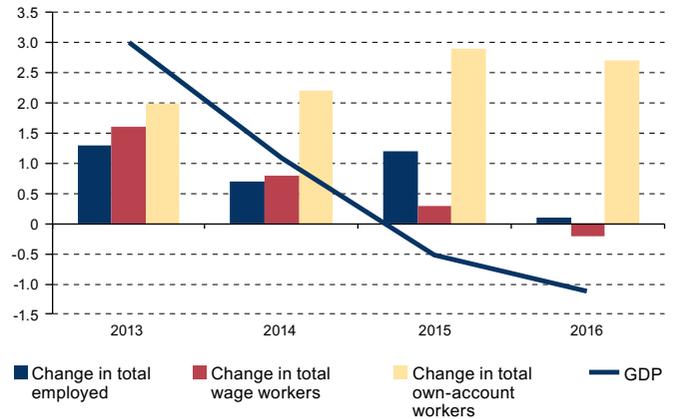


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

<sup>a</sup>The countries considered are Argentina, the Bahamas, Barbados, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Jamaica, Mexico, Panama, Paraguay, Peru and Uruguay. Not all the countries have complete information for all three quarters.

■ **Figure I.7** ■

**Latin America and the Caribbean (weighted averages for 11 countries): economic growth and job creation, 2013-2016<sup>a</sup>**  
(Percentages)



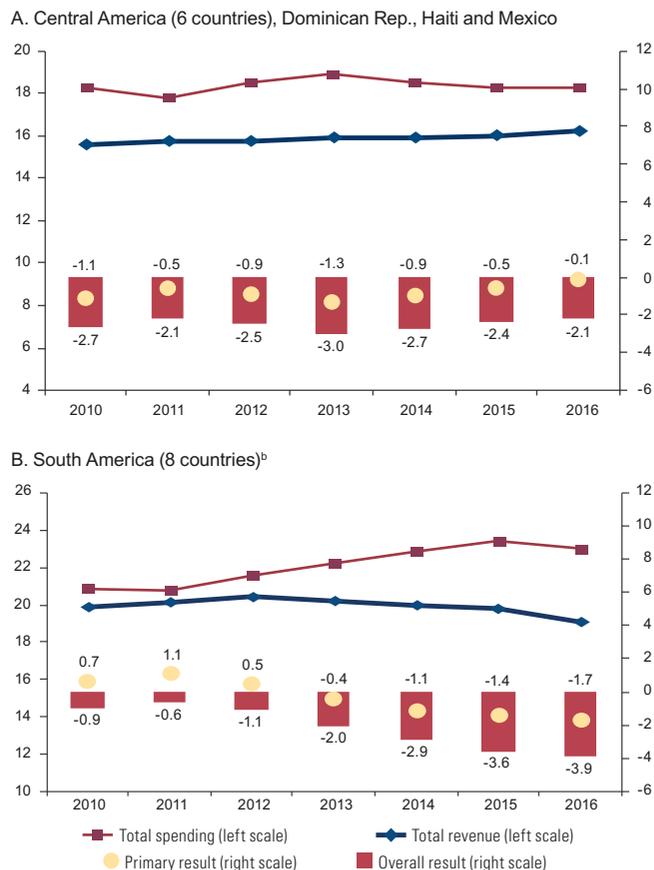
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

<sup>a</sup>The countries considered are the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Panama, Paraguay and Peru. The 2016 employment data are averages for the first three quarters; the 2016 GDP figure is an estimate for the year.

## E. Fiscal policy

- The average fiscal deficit held steady in the countries of Latin America during 2016 relative to 2015.
- Differences in individual countries' macroeconomic performance and in the economic specializations of different country groupings in Latin America were reflected in a great diversity of fiscal situations.
- Fiscal accounts have improved in the north of the region (Central America, the Dominican Republic, Haiti and Mexico). The average deficit continued to narrow in 2016, falling to -2.1% of GDP from -2.4% of GDP in 2015.
- In South America, the fiscal deficit expanded in 2016, to 3.9% of GDP from 3.6% of GDP in 2015. This reflected the fact that the drop in public revenues—which began in 2013—sharpened in 2016, when those revenues declined to 19.1% of GDP from 19.8% in 2015.
- The average fiscal deficit in the English- and Dutch-speaking Caribbean held steady at 2.5% of GDP for the second year running. Higher public spending (up from 29.9% to 30.5% of GDP) was accompanied by a similar increase in public revenues (up from 27.5% to 28.1% of GDP).
- Gross public debt across all countries of Latin America continued its upward trend to average 37.9% of GDP in 2016, a rise of 1.3 percentage points of GDP on 2015. This trend was seen in 14 of the region's 19 countries.
- Although the level of public debt in the region increased on average in 2016, its growth slowed, because the countries opted on the whole to borrow with relative moderation and keep the public accounts sustainable by trimming public spending to offset the decline in public revenues.
- Reflecting fiscal consolidation, capital spending dropped by an average of 0.3 percentage points of GDP. The largest falls were in the hydrocarbon-exporting countries (Colombia, Ecuador and Trinidad and Tobago) and in Argentina, Panama and Paraguay.

■ **Figure I.8** ■  
**Latin America and the Caribbean: central government fiscal indicators, 2010-2016<sup>a</sup>**  
*(Percentages of GDP)*



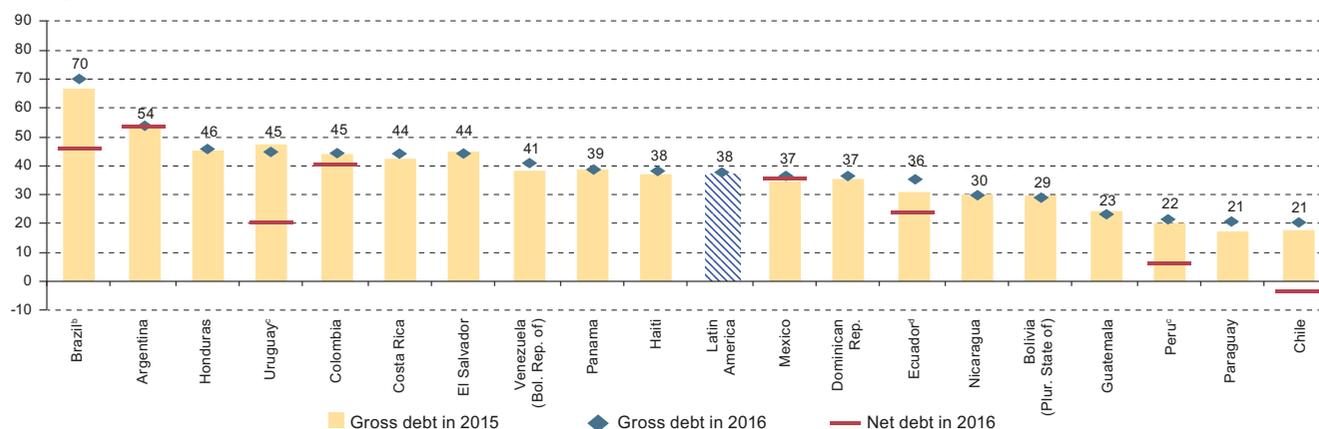
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

<sup>a</sup>The 2016 figures are official estimates for the close of the fiscal year taken from 2017 budgets.

<sup>b</sup>The countries considered are Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Uruguay.

**Figure I.9**
**Latin America and the Caribbean: gross and net central government debt, 2015-2016<sup>a</sup>**

(Percentages of GDP)



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

<sup>a</sup>Net debt is defined as gross debt minus financial assets. For 2016, the latest figure available is given.

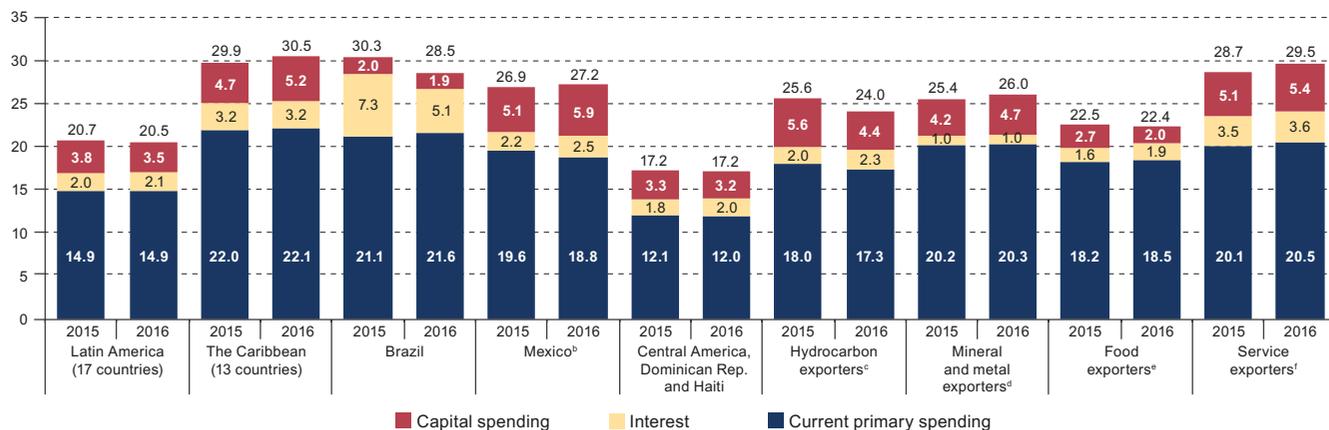
<sup>b</sup>General government coverage.

<sup>c</sup>Non-financial public-sector coverage for net debt.

<sup>d</sup>Net debt equals consolidated debt.

**Figure I.10**
**Latin America and the Caribbean: disaggregated central government spending, by subregion and country grouping, 2015-2016<sup>a</sup>**

(Percentages of GDP)



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

<sup>a</sup>The 2016 figures are official estimates for the close of the fiscal year taken from 2017 budgets.

<sup>b</sup>Federal public sector.

<sup>c</sup>Colombia, Ecuador and Trinidad and Tobago.

<sup>d</sup>Chile, Guyana, Peru and Suriname.

<sup>e</sup>Argentina, Paraguay and Uruguay.

<sup>f</sup>Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Jamaica, Panama, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines.

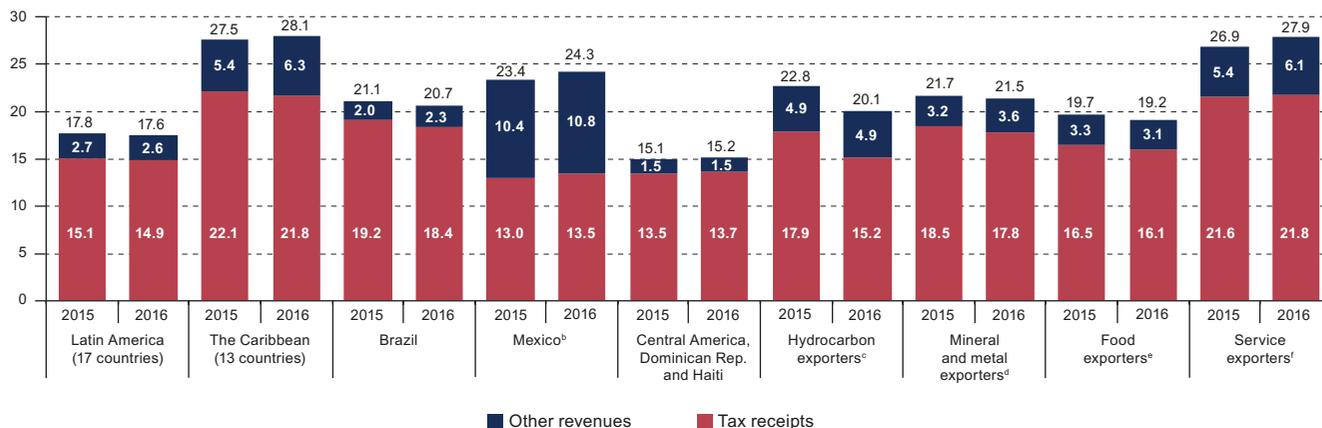
- Public revenues as a share of GDP in Latin America continued a decline that had begun in 2013. The trend intensified in 2016, however, with a drop of 0.2 percentage points of GDP to 17.6% of GDP on average for the 17 countries with

information available. This was partly due to a fall in tax receipts (0.2 percentage points of GDP), something not seen since 2009. Nonetheless, the averages given here tend to mask a high degree of heterogeneity in the region's performance.

■ Figure I.11 ■

**Latin America and the Caribbean: disaggregated central government revenues, by subregion and country grouping, 2015-2016<sup>a</sup>**

(Percentages of GDP)



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

<sup>a</sup>The 2016 figures are official estimates for the close of the fiscal year taken from 2017 budgets.

<sup>b</sup>Federal public sector.

<sup>c</sup>Colombia, Ecuador and Trinidad and Tobago.

<sup>d</sup>Chile, Guyana, Peru and Suriname.

<sup>e</sup>Argentina, Paraguay and Uruguay.

<sup>f</sup>Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Jamaica, Panama, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines.

## **II. Foreign direct investment**



## A. Decline in foreign direct investment in Latin America and the Caribbean

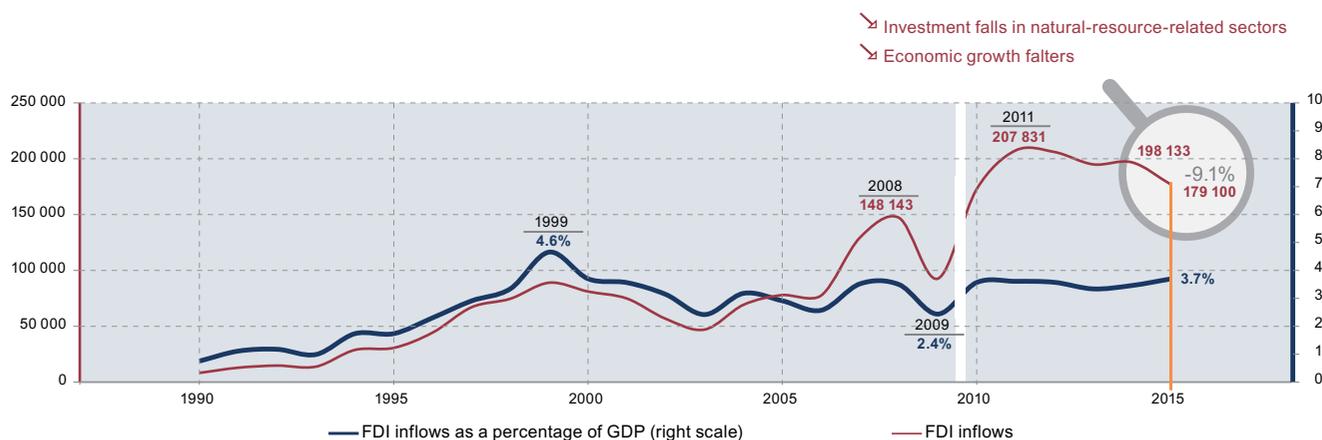
- Inflows of foreign direct investment (FDI) into Latin America and the Caribbean declined by 9.1% between 2014 and 2015, dropping to US\$ 179.1 billion, the lowest level since 2010. This performance reflected the drop in investment in natural resource sectors, especially mining and hydrocarbons, and the slowing of economic growth, particularly in Brazil.
- In 2015, despite the decline in FDI, Brazil maintained its lead as the region's main recipient. It was followed, some distance behind, by Mexico, Chile, Colombia and Argentina. The greatest increase in FDI inflows in that year was recorded by the Bolivarian Republic of Venezuela,

up by 153% in the first three calendar quarters. However, this outcome must be viewed in perspective: first, because it compares with the extremely low level of FDI inflows in 2014, and second because the US\$ 1.383 billion in the first three quarters of 2015 amounts to less than half of the average long-term amount. Among the countries receiving the greatest FDI inflows, Argentina recorded the strongest growth, at 130%,<sup>2</sup> followed by Mexico at 18%. On the other hand, Chile, Colombia and Peru saw inflows fall by between 8% and 26%. At the subregional level, Central America increased its inflows by 6%, while the Caribbean showed a decline of 17%.

■ Figure II.1 ■

### Latin America and the Caribbean: foreign direct investment inflows, 1990-2015

(Billions of dollars and percentages of GDP)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures as of 27 May 2016.

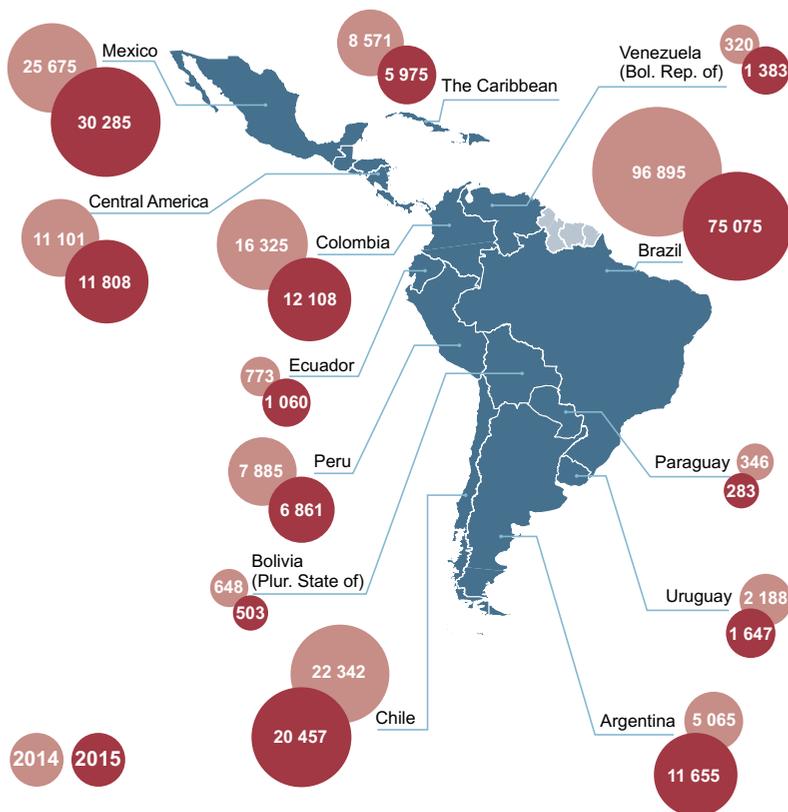
**Note:** The FDI figures do not include flows into the main financial centres of the Caribbean. FDI figures indicate inflows of foreign direct investment, minus divestment (repatriation of capital) by foreign investors. These figures differ from those set out in the 2015 edition of the *Economic Survey of Latin America and the Caribbean and the Preliminary Overview of the Economies of Latin America and the Caribbean*, because they show the net balance of foreign investment, that is, direct investment in the reporting economy (FDI) minus outward FDI. Flows as a percentage of GDP exclude the Bolivarian Republic of Venezuela. From 2010 on, the figures for Brazil include reinvested earnings; as a result, these figures are not directly comparable with those from before 2010. This is represented by a white line on the graph.

<sup>2</sup> The higher figure for Argentina reflected the fact that the nationalization of 51% of YPF, which took place in 2012, was finally accounted for in 2014, thus representing a major divestment that year. Had this transaction not been included, the 2015 figure would have been similar to that of 2014.

■ Figure II.2 ■

**Latin America and the Caribbean (selected subregions and countries): FDI inflows, 2014-2015**

(Billions of dollars)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and estimated as of 27 May 2016.

**Note:** The figures for the Bolivarian Republic of Venezuela and Trinidad and Tobago (included in the Caribbean) correspond to the first three quarters of 2015.

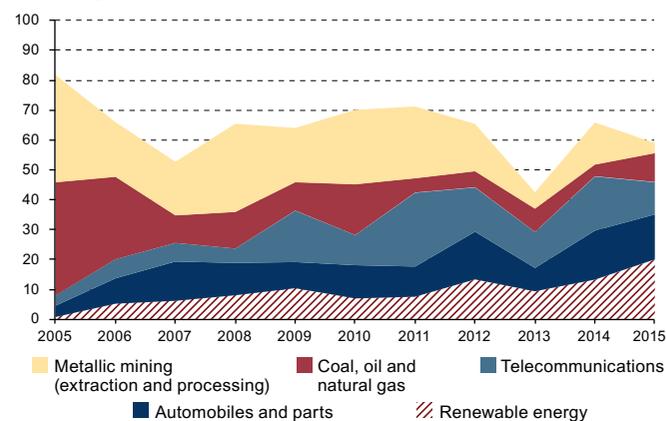
## B. Changes in foreign direct investment

- Between 2005 and 2015, there were some major changes in the sectoral distribution of FDI projects announced in Latin America and the Caribbean.
- New investments announced in the natural resource extraction and processing sectors—essentially mining and hydrocarbons—fell from 74% to 13% of the total between 2005 and 2015.
- In the manufacturing industry, the automotive sector was particularly dynamic. Announced investments for vehicle assembly and parts production rose from 4% of the total in 2005 to 15% in 2015.
- In services, two sectors stand out for their especially strong performance: telecommunications and renewable energy. Between 2005 and 2015, announced investments in the telecommunications sector increased from 4% to 11% of the total, reflecting the rapid deployment of new infrastructure that has enhanced the coverage and quality of modern services in the region. At the same time, announcements of renewable energy projects jumped from 1% to 20% of the total between 2005 and 2015. In fact, renewable energies have been the most important target of new investment announcements in 2015.
- In 2015 more than 50% of the investment announced in renewable energy projects was for Chile. During that year, in fact, Chile boosted its installed capacity by 580 MW. Honduras, too, recorded a strong performance, adding some 500 MW to its generating capacity. That country's success has been the result of a generous policy of subsidies for capacity installed prior to July 2015, and this has meant a substantial boost in the share of solar energy in the Honduran energy matrix. Significant FDI announcements in renewable energy projects have also been announced in Brazil, Mexico and Panama.

■ **Figure II.3** ■

### Latin America and the Caribbean: distribution of announced FDI projects by sector, 2005-2015

(Percentages)



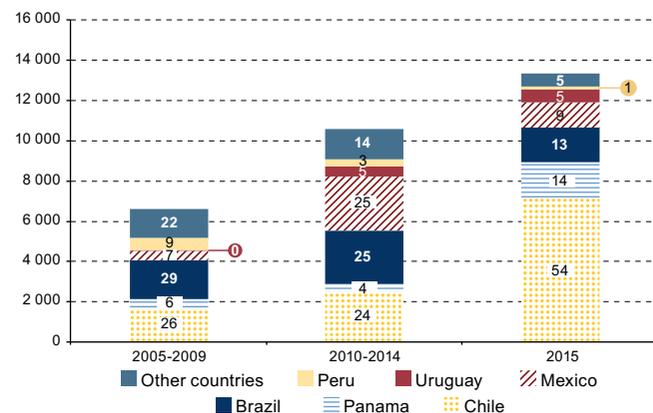
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Financial Times, *fDi Markets*.

**Note:** This analysis excludes the 2013 announcement of the Nicaragua Canal, for a value of US\$ 40 billion.

■ **Figure II.4** ■

### Latin America and the Caribbean: FDI projects announced in renewable energies, by country, 2005-2015

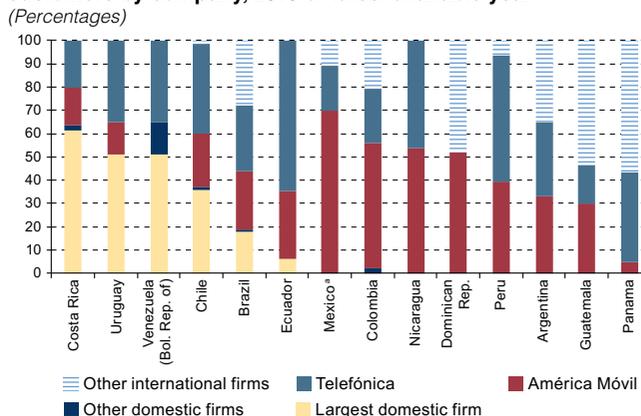
(Millions of dollars and percentages of the total)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Financial Times, *fDi Markets*.

- In Latin America and the Caribbean, telecommunications has been one of the most important services sectors for channelling FDI. Between 2011 and 2015, telecommunications accounted for 17% of all announced foreign investments.
- In the manufacturing sector, the automotive and parts industry remains one of the main focal points of interest for transnational companies, in terms of the volume of investment, although it is highly targeted in geographical terms. Between 2011 and 2015, investments amounting to some US\$ 60.279 billion were announced in the Latin American automotive and parts sector, concentrated essentially in three countries: Mexico (61%), Brazil (30%) and Argentina (5%).

■ **Figure II.5**  
**Latin America (selected countries): distribution of mobile telephony customers by company, 2015 or latest available year**  
*(Percentages)*



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

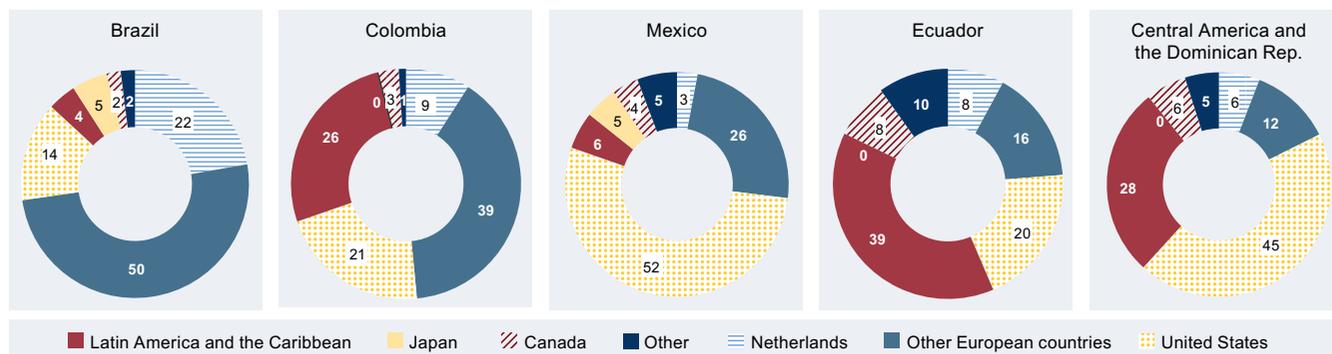
\*In Mexico, América Móvil is the main national player in this market.

## C. Origin of foreign direct investment

- In 2015, the United States became the main source of FDI flows to Latin America and the Caribbean. For those flows that have a clearly identified origin,<sup>3</sup> the

United States accounts for 25.7%. The Netherlands is the second most important source, at 15.9%, followed by Spain, at 11.5%.

■ **Figure II.6**  
**Latin America (selected subregions and countries): origin of FDI, 2015**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and estimates as of 27 May 2016.

**Note:** Central America here includes Costa Rica, El Salvador, Guatemala and Honduras. The figures exclude FDI for which the origin cannot be determined, ie, FDI of unknown origin or originating in tax havens. In countries for which data are available, FDI of undetermined origin accounts for 5.9% of inflows.

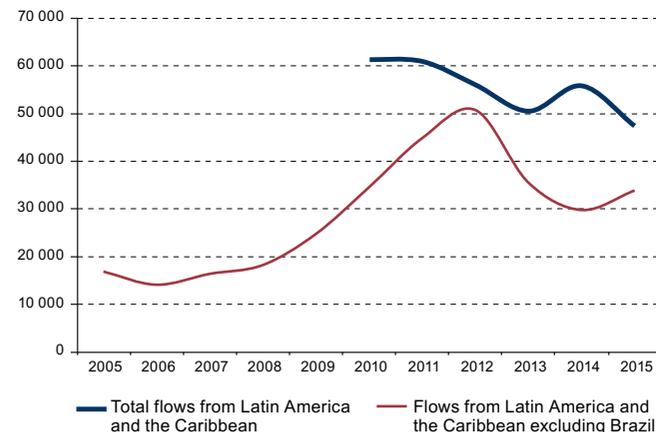
<sup>3</sup> The designation “identifiable investment” includes only figures from countries that disaggregate their statistics by country of origin, and it excludes investments from unidentified countries as well as from tax havens.

## D. Outward investment by trans-Latin firms

- In 2015, outward FDI flows from Latin American and Caribbean countries declined substantially to US\$ 47.362 billion, down by 15% from the previous year. Although the decline is real, it was accentuated by corrections and methodological changes introduced in the statistics, especially with the use of the sixth edition of the *Balance of Payments and International Investment Position Manual* of IMF. Adoption of the sixth edition sparked major changes in the statistics of Brazil, especially on Brazilian investments abroad. The impact of these changes can be appreciated from a comparison of regional figures with and without Brazil.
- Three countries account for over 85% of outward direct investment from the region. In 2015, Chile was the source of the greatest outflows of direct investment, illustrating the vigour of Chilean trans-Latin firms. Chile was followed by Brazil and Mexico, which were responsible for 28% and 26% of the total, respectively.
- Figures for the stock of outward direct investment help to place the annual flow statistics in perspective. In fact, the stock of such investment reveals the rapid growth of the two countries that are home to the largest firms with international operations: Brazil and Mexico. As well, those figures reveal the weakening role of the Bolivarian Republic of Venezuela as a source of direct investment.

■ Figure II.7 ■

**Latin America and the Caribbean: outward FDI flows, 2005-2015**  
(Billions of dollars)

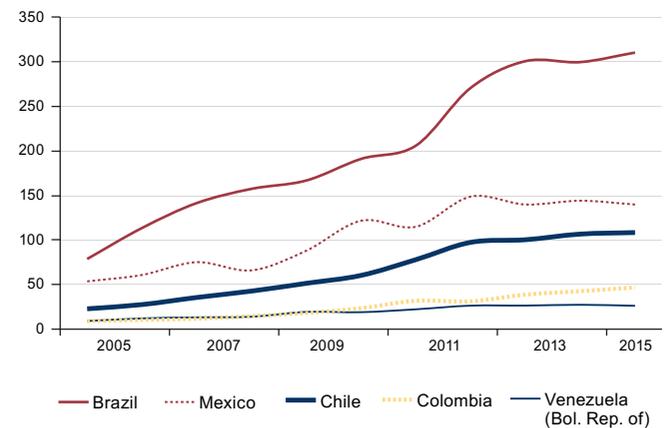


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and estimates as of 27 May 2016.

**Note:** Because the data prior to 2010 do not include the reinvestment of profits by Brazilian firms, the data before and after 2010 are not directly comparable.

■ Figure II.8 ■

**Latin America (selected countries): stock of FDI abroad, 2005-2015**  
(Billions of dollars)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and estimates as of 27 May 2016.



### **III. The region in the world economy**



## A. Globalization

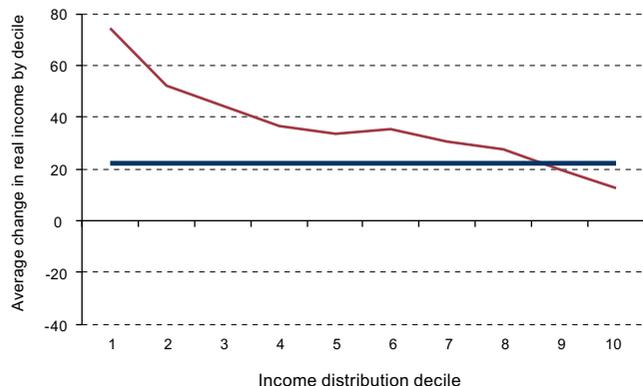
- From the 1990s onwards, economic relations between countries entered a new phase, known as hyperglobalization, characterized by rapid growth in cross-border flows of goods, services and capital. Hyperglobalization is also characterized by the low presence of global public goods and international coordination mechanisms that would correct or reduce the tensions associated with this phenomenon.
- Dissatisfaction with hyperglobalization has been growing recently in many advanced economies. The rising resistance to hyperglobalization stems from different types of tensions. First, a recessionary bias has held back the recovery of the world economy and global trade since the 2008-2009 crisis. The weak economic recovery has had major social costs, particularly in European countries that have not yet returned to pre-crisis employment levels. Second, despite the reduction in poverty at the global level, income distribution has deteriorated in almost all advanced economies in recent decades. Third, the sustained increase in immigration in the United States and Europe has created tensions that are further exacerbated by weak economic growth.
- The globalization process has helped to reduce global poverty and inequality. For the first time in history, the percentage of the world's population living in extreme poverty could fall below 10%. This decrease is due mainly to the high growth rates of Asian countries, particularly China. These countries have benefited from the opportunities that globalization has opened up and, in turn, China's economic expansion favoured the reduction of poverty in the natural-resource-exporting countries, such as those in South America.
- The change in income for each decile of the population between 1998 and 2008 varies between the developed countries, sub-Saharan Africa and China, on the one hand, and Latin America and the Caribbean, on the other. In the first group, the percentage increase in income was greater for the highest deciles. By contrast, in the region the poorest deciles showed larger gains in percentage terms. This difference can be explained by the strong growth in commodity prices towards the end of this period and the adoption, especially in the countries of South America, of redistributive policies favouring lower income segments of the population.
- Unlike in developed countries, there has not been strong opposition to globalization in Latin America and the Caribbean to date, owing, in part, to the reduction in poverty and inequality between 2004 and 2013. However, recent slowdowns in the global economy and world trade and falling commodity prices have hit the region hard, especially South America. The sharp slowdown in growth stemmed efforts to improve distribution. The question now is how to avoid a reversal in poverty and inequality reduction, which could lead to political tensions similar to those seen in developed countries.
- The loss of momentum has taken place as the region has fallen behind in the technological and production spheres, especially in sectors at the forefront of the new industrial revolution. Latin America and the Caribbean must recognize that the world is going through a disruptive process of technological and economic change.

■ Figure III.1 ■

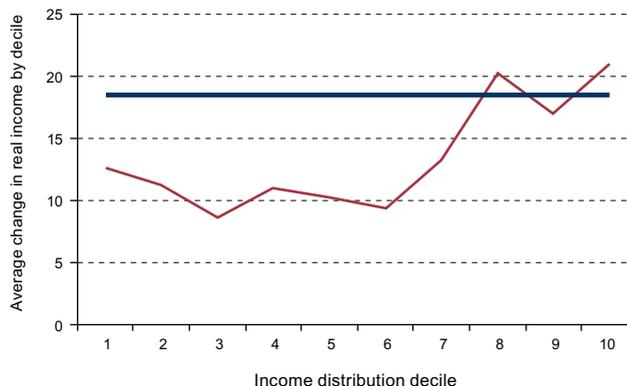
**Changes in real income by population decile, 1998-2008**

(Percentages)

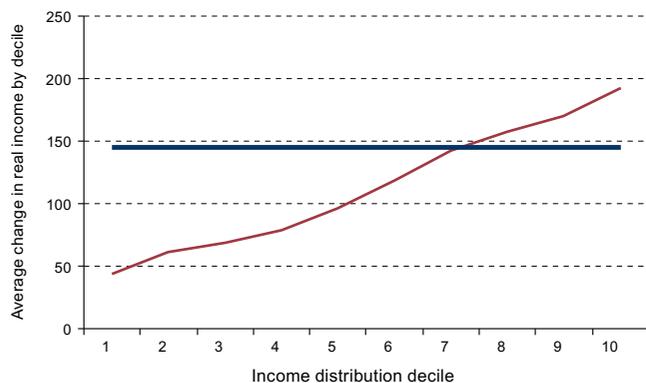
A. Latin America and the Caribbean



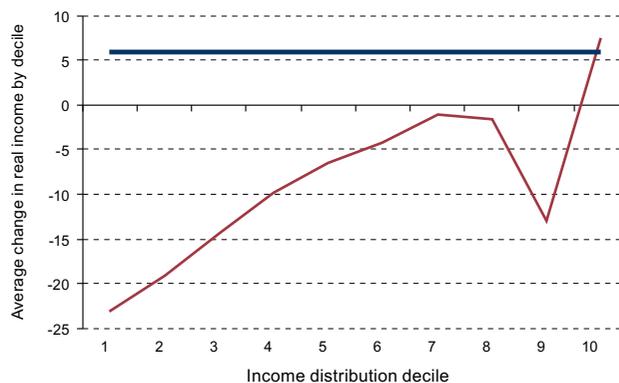
B. Developed countries



C. China



D. Sub-Saharan Africa



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from C. Lakner and B. Milanovic "World Panel Income Distribution (LMWPID)" 2013 [online] <http://go.worldbank.org/NWBUK13JP0>.

**Note:** The blue line refers to the average change in per capita income for each country or region in the period under consideration.

## B. Foreign trade by Latin America and the Caribbean

- The region's position in the economic globalization process is vulnerable, as is evident in the stagnation of its share in global exports of goods and services over the past 15 years. In the case of high-technology exports, the region's share has fallen outright. By contrast, over the same period, the developing Asian countries—and China in particular—sharply increased their share of global exports.
- Between 2000 and 2015, the region's share in global FDI inflows almost doubled, rising from 6% to 11%. This is one of the few variables in which the region shows a pattern similar to that of the successful developing Asian economies. The sectoral distribution of the region's FDI inflows shows a predominance of services, followed by manufacturing and natural resources.
- Although the participation of Latin America and the Caribbean in global value chains has risen during this century, it is smaller than the global average and than that of the United States, the European Union and Asia. Regional specialization is mainly in forward linkages, as a supplier of inputs—mostly commodities—for third country exports. The region has fewer backward linkages (i.e. the share of foreign value added in the region's exports) than other regions (particularly the European Union and South-East Asia) and their number has been declining.
- Another area where the region continues to lag behind is digital connectivity. Although the number of households with Internet access almost doubled from 22.4% in 2010 to 43.4% in 2015, a considerable divide remains between the region and the average for the countries of the Organization for Economic Cooperation and Development (OECD), which is 85% of households. Likewise, broadband speed in Latin America and the Caribbean is lower than in other world regions, which limits participation in activities on the technology frontier, such as telemedicine and advanced manufacturing.
- The value of the region's exports is projected to shrink by 5% in 2016—much less than the 15% drop of 2015—owing to a price drop of 6.7% combined with a volume rise of 1.7%. By subregion, the Caribbean and South America will see the heaviest declines in export value in 2016.
- Unlike exports, imports are not yet showing signs of recovery: the projected decrease in their value in 2016 (-9.4%) is similar to that of 2015 (-10%). As in 2014 and 2015, the volume of imports is projected to fall in 2016 amid sluggish aggregate demand in the region, especially in South America. By sector, import volumes will fall the most in capital goods (machinery and equipment) and intermediate inputs (pieces, parts and semi-processed materials), which reflects weak investment. In terms of import value, the largest drops will occur in fuels and intermediate goods, while capital goods will drop less than the overall figure. These three categories together account for over 80% of the region's total import value.

### ■ Table III.1 ■

#### Latin America and the Caribbean, developing Asian countries and China: share in global exports of goods and services, 2000 and 2015

(Percentages)

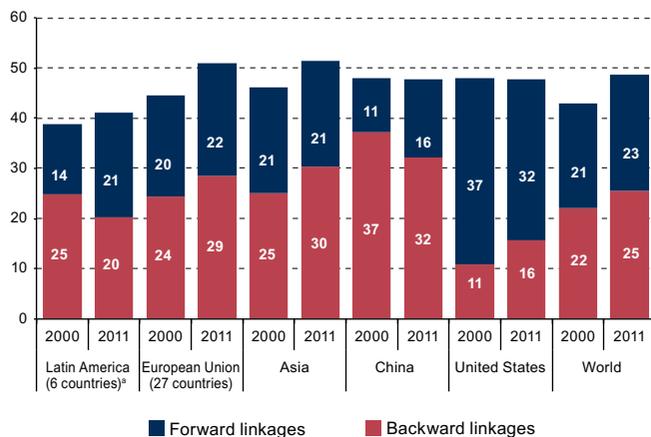
	Latin America and the Caribbean		Developing Asian countries		China	
	2000	2015	2000	2015	2000	2015
Total goods	5.7	5.5	20	25	4	11
High-technology goods	8	5	30	50	7	33
Total services	4.1	3.4	14	23	0.7	6
Modern services <sup>a</sup>	2.4	1.9	6.4	15.9	1.5	6.3

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the United Nations Commodity Trade Statistics Database (COMTRADE).

<sup>a</sup>Modern services correspond to the balance of payments category "other services."

■ **Figure III.2** ■

**Selected regions and countries: participation in global value chains through backward and forward linkages, 2000 and 2011**  
(Percentages of total gross exports)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Organization for Economic Cooperation and Development (OECD)/World Trade Organization (WTO) Trade in Value Added Database (TIVA). Online: <http://www.oecd.org/sti/ind/measuringtradeinvalue-addedanoecd-wtojointinitiative.htm>.

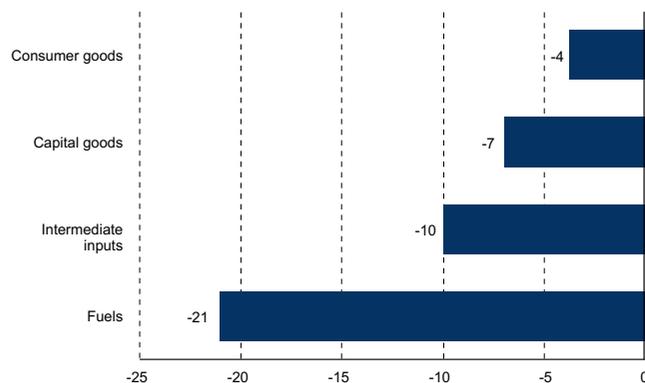
\*The Latin American countries included are Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.

- ECLAC projections for 2017-2020 suggest a modest recovery in the region’s trade, with an average annual growth rate close to 3% for both exports and imports.
- Before the end of the present decade, trade is, in short, unlikely to play such a strong role in the region’s economic growth as it did in 2004-2008 and 2010-2011. Accordingly, the region urgently needs public policies and investment projects to foster growth in more sophisticated export sectors that are less prone to price volatility than those of the existing export basket.
- By adopting modern trade and industrial policies, the region could become involved in the technological revolution, positioning itself in the world economy on the basis of a more knowledge-intensive and diversified export structure. This requires recognizing the technological changes taking place in value chain structure and the organization of production, fully integrating trends towards advanced manufacturing and the Internet of Things.

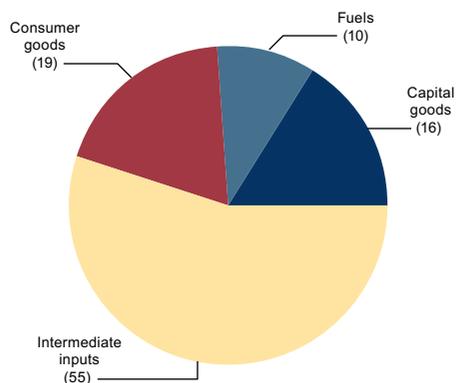
■ **Figure III.3** ■

**Latin America and the Caribbean: total imports by major economic category**  
(Percentages)

A. Projected annual rate of variation, 2016



B. Share in total imports, 2015



**Source:** Economic Commission for Latin America and the Caribbean (CEPAL), on the basis of official information from central banks, customs offices and national institutes of statistics for the countries.

■ Figure III.4 ■

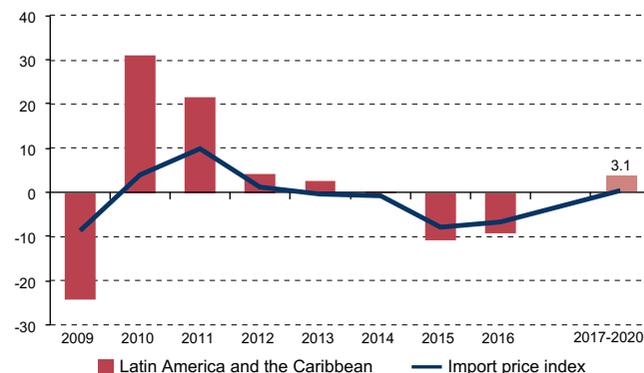
**Latin America and the Caribbean: annual variation of exports and imports of goods by value, 2009-2016 and 2017-2020<sup>a</sup>**

(Percentages)

## A. Exports



## B. Imports



**Source:** Economic Commission for Latin America and the Caribbean (CEPAL), on the basis of official information from central banks, customs offices and national institutes of statistics for the countries.

<sup>a</sup>The variation rates shown for 2016 and 2017-2020 are projections.

## C. The Trans-Pacific Partnership

- On 4 February 2016, 12 countries from Latin America and the Caribbean, North America, Asia and Oceania<sup>4</sup> signed the Trans-Pacific Partnership (TPP), after nearly six years of negotiations. This is the first of a new generation of trade negotiations of vast scope, known as megaregional agreements. TPP would create the largest free trade area in the world, measured by its members' joint GDP, and the second largest, after the European Union, by total trade among its members. Together, its members represent 38% of global GDP and a quarter of global trade. Likewise, in 2015 they received a third of global FDI flows and generated 40% of them.
- In addition to the United States and Japan, the world's first and third largest economies, respectively, three other TPP members—Canada, Australia and Mexico—are among the world's 15 largest economies. The agreement includes 5 of the top 15 global goods exporters in 2015 (United States, Japan, Canada, Mexico and Singapore) and 5 of the top 25 services exporters (United States, Japan, Singapore, Canada and Australia). Six TPP members (United States,

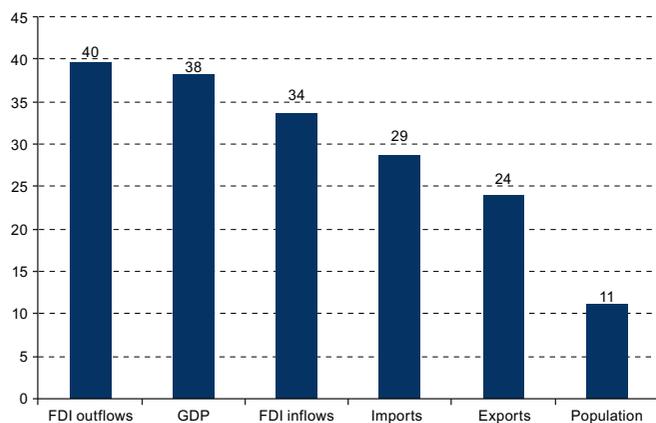
<sup>4</sup> Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Viet Nam.

Singapore, Canada, Mexico, Australia and Chile) were among the top 20 recipients of FDI in 2015, while 5 (United States, Japan, Canada, Singapore and Chile) were among the top 20 foreign investors.

- TPP differs from most previous trade agreements in that it is both plurilateral and interregional, as well as for the breadth of subjects it covers.
- Underlying TPP negotiations were three strategic aims of the United States: to strengthen its economic and geopolitical presence in Asia and the Pacific (counterbalancing China's growing influence); to write the new rules for global trade and investment over the coming decades; and to modernize the provisions of the North American Free Trade Agreement (NAFTA).
- Nevertheless, the conditions negotiated under TPP would improve market access for agricultural and agro-industrial exports from Chile, Mexico and Peru, since a broader range of agricultural products are liberalized under TPP than under the accords these countries have negotiated individually with partners such as Canada and Japan. Additionally, the cumulation of origin allowed between

Chile, Mexico and Peru, and between them and other TPP partners, could strengthen their production chains and better integrate them into international value chains. In any event, these are opportunities that will have to be unlocked through industrial, technological and innovation policies. Despite the interest shown by the United States in the negotiations, following the presidential elections in November 2016 the President-elect, Donald Trump, announced the withdrawal of the United States from TPP as part of the package of measures for his Administration's first 100 days. This development would completely change the scenario under consideration.

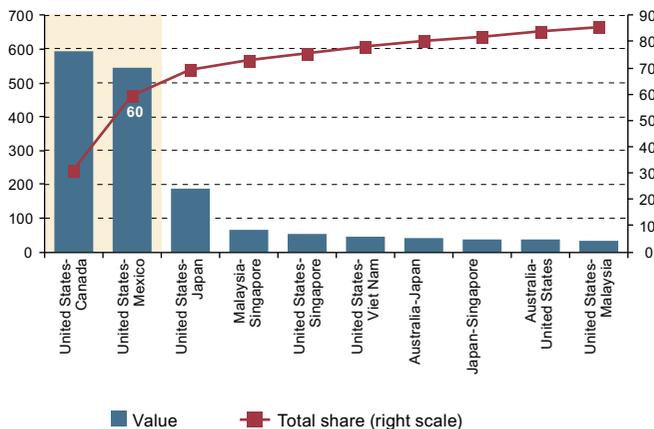
■ **Figure III.5** ■  
**The Trans-Pacific Partnership (TPP): population, GDP, trade and foreign direct investment (FDI) flows, 2015<sup>a</sup>**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the United Nations "World Population Prospects: The 2015 Revision, Key Findings and Advance Tables", *Working Paper*, No. ESA/P/WP.241, Population Division, 2015 [online] <http://esa.un.org/unpd/wpp/>, for population; International Monetary Fund "World Economic Outlook Database", October 2015 [online] <https://www.imf.org/external/ns/cs.aspx?id=28>, for GDP; United Nations Commodity Trade Statistics Database (COMTRADE), for imports and exports; and United Nations Conference on Trade and Development (UNCTAD), "World Investment Report 2016", Geneva, for foreign direct investment.  
<sup>a</sup>Global FDI flows exclude financial centres in the Caribbean.

- In 2015, exports among TPP member countries totalled US\$ 1.91 trillion, equivalent to 12% of world goods exports. That year, the TPP zone absorbed 48% of the exports of all its members and was the origin of 39% of their imports. The share of total exports varies between 30% (for Chile and Singapore) and more than 80% (for Canada and Mexico). Internal trade is concentrated in a small number of bilateral relations; trade between the United States, on one hand, and Canada, Mexico and Japan, on the other, accounts for almost 70% of exports among member countries. Meanwhile, the share of the three Latin American member countries in the bloc's trade is highly asymmetrical. Mexico is the second largest exporter in the bloc (together with Canada) and the third largest importer, surpassing Japan in both respects. However, Chile and Peru account for just 1% or less of trade flows among TPP members.

■ **Figure III.6** ■  
**Trans-Pacific Partnership (TPP): 10 main bilateral trade relations and their members' total export share, 2015<sup>a</sup>**  
*(Billions of dollars and percentages)*

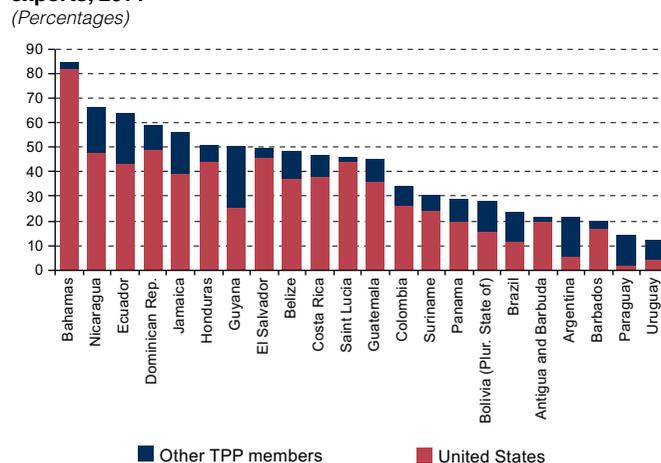


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the United Nations Commodity Trade Statistics Database (COMTRADE).

- Assessing the potential impact of TPP on non-member countries in the region is an even more complex task. Some of those countries could see their exports displaced from TPP markets, particularly the United States, as a result of their being excluded from tariff preferences and other benefits enjoyed by TPP members. ECLAC estimates that the value of United States imports from the region would drop by 1% in the first year of the entry into effect of TPP.
- One of the main effects of the entry into force of TPP will be the greater competition that exports of all the countries of the region will face in the United States market, due to tariff reductions that this country will apply to the non-Latin American members of the Partnership. In the case of the countries of the region that are not signatories to TPP, the scale of potential export diversion will depend on many factors, in particular, the weight of the United States market in their total exports, how similar their export patterns to the United States are to those of the Asian TPP members and the difference arising from tariff barriers.
- The share of all TPP members in the total exports of the countries of the region varies widely, between 12% for Uruguay and 85% for the Bahamas. The TPP area is a relatively less important market for the Southern Cone countries than for Central American, Caribbean and South American oil-exporting countries. This is due to the considerable weight of the United States market in exports from neighbouring countries.
- TPP has an accession clause, under which new countries can join once it has entered into effect. This would heighten its commercial and strategic value, especially in the case of large economies integrated into Asian value chains, such as the Republic of Korea and Thailand. Both countries have expressed their interest in joining TPP, as have other countries from Latin America and the Caribbean.
- Finally, if it enters into effect, TPP would also have important implications for the future of regional economic

integration processes in Latin America and the Caribbean. The three Latin American TPP members are also members of the Pacific Alliance, whose fourth member, Colombia, has also expressed an interest in eventually joining TPP. One hypothetical scenario consists in the Pacific Alliance being absorbed, de facto, by TPP, which could complicate its negotiating position vis-à-vis possible convergence with MERCOSUR. That would make it more difficult to reach agreements aimed at tapping the potential of an expanded Latin American market, which is crucial in the context of the emergence of megaregional blocs on a global level. Therefore, if TPP enters into force, it is essential that Chile, Mexico and Peru negotiate conditions that would allow the Pacific Alliance to continue fulfilling a constructive role in processes of regional convergence over the coming years.

■ **Figure III.7**  
**Latin America and the Caribbean (selected countries): share of Trans-Pacific Partnership (TPP) members in total goods exports, 2014**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the United Nations Commodity Trade Statistics Database (COMTRADE).



## **IV. Social panorama**



## A. Income poverty

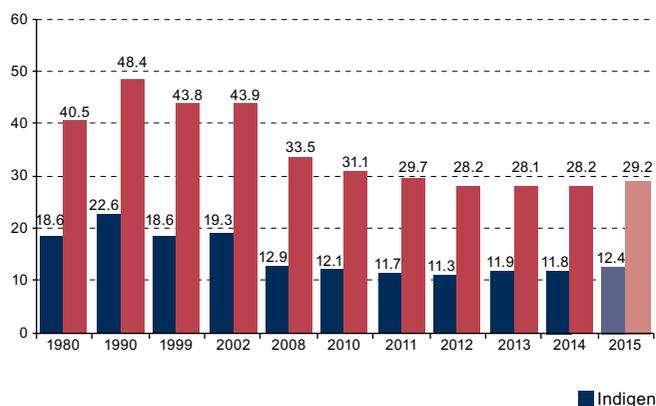
- Latin America had a poverty rate of 28.2% and an indigence rate of 11.8% of the whole population in 2014, a continuation of the previous year's levels. The number of poor grew in 2014 to 168 million, of whom 70 million were indigent. The increase was basically in the number of non-indigent poor, which rose from 96 million in 2013 to 98 million in 2014.
- ECLAC projections for 2015 show both indicators moving upward. The poverty rate is expected to be 29.2% and the extreme poverty rate 12.4%, representing increases of 1.0 and 0.6 percentage points, respectively. If borne out, these projections mean a figure of 175 million income-poor people in 2015, with 75 million indigent.

### ■ Figure IV.1 ■

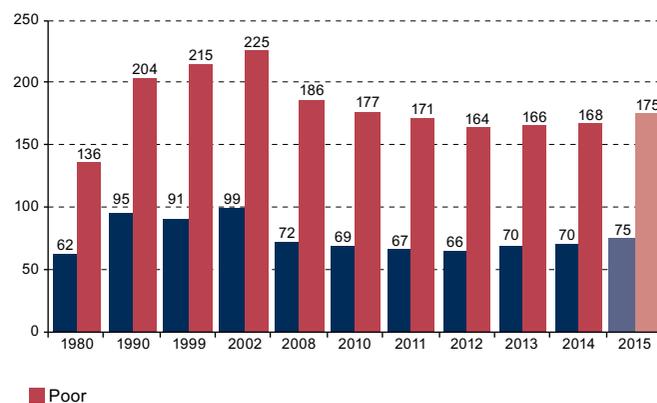
#### Latin America (19 countries): poverty and indigence, 1980-2015<sup>a</sup>

(Percentages and millions of people)

##### A. Percentages



##### B. Millions of people



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

<sup>a</sup>Cuba is not included. The 2015 figures are projections.

## B. Income inequality

- Like poverty, inequality in income distribution remained stable in Latin America in 2014. The average Gini coefficient for the countries with recent information available fell from 0.497 in 2013 to 0.491 in 2014. When the most recent figures are compared with those from the start of the 2010s, a more substantial reduction is found: the regional ratio stood at 0.507 in 2010, so that by 2014 there had been a cumulative fall of 3.2%, equivalent to 0.8% a year. There were statistically significant changes in the Gini coefficient in 9 of the 16 countries considered during this period. Between 2010 and 2014, the ratio between the income share of the highest-income 10% of households and that of the lowest-income 40% of households improved.
- Alternative indicators of inequality bear out the trend of the Gini coefficient for 2010-2014, with annual changes in the Gini coefficient and the Theil and Atkinson indices having the same sign in 13 of 16 countries. All three indicators dropped in 11 countries and increased in another two. Only in three countries did the indicators move in different directions.
- Inequality indices in the region are high by the standards of the European Union countries but less so when compared with other major economies. On average, the Gini coefficient

for the European Union was 0.31 in 2013, with a range of 0.25 to 0.37. In Latin America the average was 0.49, with a range of 0.38 to 0.56. In 2013, this indicator was 0.41 in the United States, a similar figure to that of the Russian Federation (0.42) and China (0.42).

■ **Figure IV.2** ■  
**Latin America (17 countries): annual rates of change in inequality indices, 2010-2014<sup>a</sup>**  
*(Percentages)*

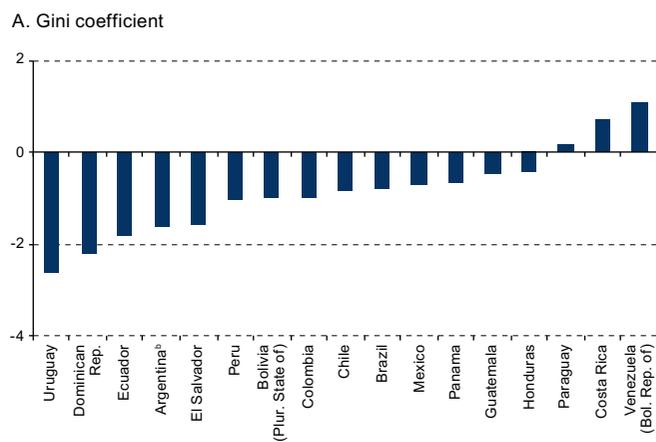
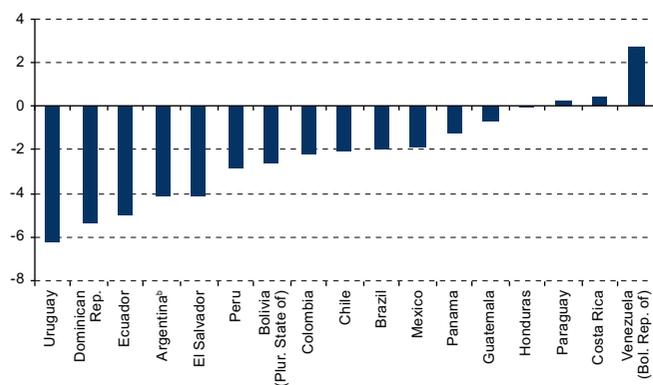
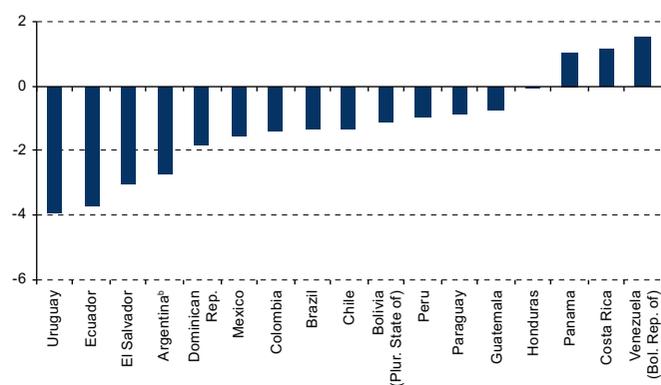


Figure IV.2 (concluded)

B. Theil index



C. Atkinson index

(Inequality aversion coefficient ( $\epsilon = 1.5$ ))

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

<sup>a</sup>Data are for 2010-2014 except in the cases of Argentina (2009-2014), the Bolivarian Republic of Venezuela (2010-2013), Brazil (2009-2014), Chile (2009-2013), El Salvador (2009-2014), Guatemala (2006-2014), Honduras (2010-2013), Mexico (2008-2014) and the Plurinational State of Bolivia (2009-2013).

<sup>b</sup>Urban areas.

## C. Other inequalities

- Inequality is usually described and analysed by measuring the income distribution of the population. Differences in average incomes between the groups at either end of the distribution also extend into other areas such as education, paid work, basic goods and services, and new technologies.

### 1. Education

- The region has made substantial progress in increasing education levels: in 2013, 92% of the population aged 15 to 19 had completed primary education, while the proportion of young people of secondary school-leaving age who had completed the secondary level rose from 37% in 1997 to 58% in 2013. However, further progress is needed if the large educational divides between income levels are to be closed,

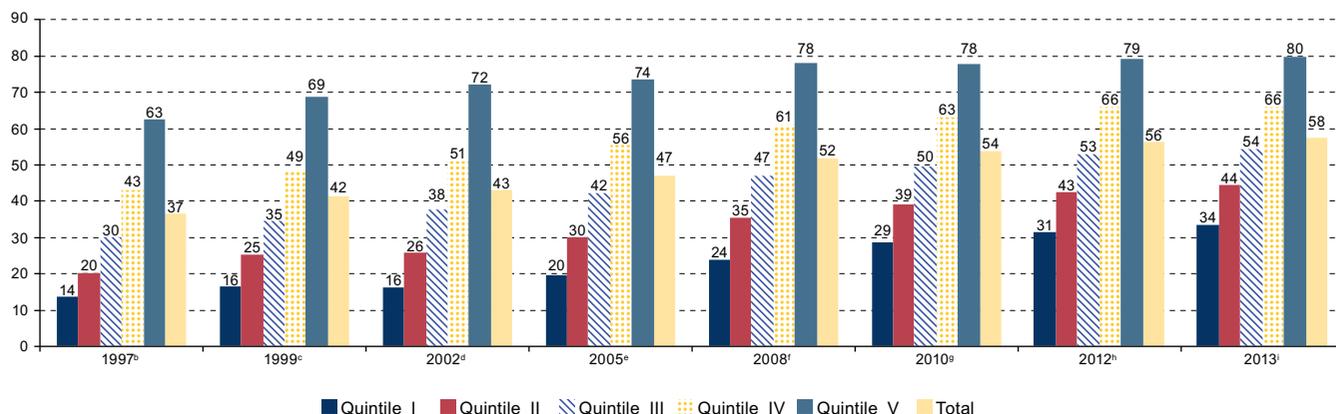
particularly in secondary and post-secondary education. Some 80% of 20- to 24-year-olds in the richest quintile had completed secondary education in 2013, compared to just 34% in the poorest quintile. In other words, the secondary school completion rate was less than half (42%) as great in the lowest-income quintile (quintile I) as in the highest-income quintile (quintile V).<sup>5</sup>

<sup>5</sup> All the values in this section correspond to simple averages for 18 countries of the region. The figure reported (42%) represents the educational achievements of young people in quintile I (34% of whom completed secondary education) compared with those of young people in quintile V (80% of whom completed secondary education).

■ **Figure IV.3** ■

**Latin America (18 countries): secondary education completion rates among the population aged 20 to 24, by income quintile, 1997-2013<sup>a</sup>**

(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 respective countries.

<sup>a</sup>Simple averages of national totals.

<sup>b</sup>Data for 17 countries. Data for Brazil, Chile, Mexico and Paraguay refer to 1996, those for Guatemala to 1989 and those for Nicaragua to 1998. Data for Argentina, Ecuador, Panama, Paraguay and Uruguay refer to urban areas. Data for the Dominican Republic are not included.

<sup>c</sup>Data for 17 countries. Data for Chile, Guatemala, Mexico and Nicaragua refer to 1998. Data for Argentina, Ecuador, Panama and Uruguay refer to urban areas. Data for the Dominican Republic are not included.

<sup>d</sup>Data for Chile refer to 2000 and those for El Salvador, Nicaragua, Peru and Paraguay to 2001. Data for Argentina, Ecuador and Uruguay refer to urban areas.

<sup>e</sup>Data for El Salvador, Mexico and the Plurinational State of Bolivia refer to 2004, those for Chile, Honduras and Peru to 2003 and those for Guatemala to 2002. Data for Argentina and Uruguay refer to urban areas.

<sup>f</sup>Data for Argentina refer to 2006 and to urban areas, those for Honduras and the Plurinational State of Bolivia to 2007, those for Chile and Guatemala to 2006, those for El Salvador to 2009 and those for Nicaragua to 2005.

<sup>g</sup>Data for Brazil, Chile, Nicaragua and the Plurinational State of Bolivia refer to 2009 and those for Guatemala to 2006. Data for Argentina refer to urban areas.

<sup>h</sup>Data for Guatemala refer to 2006, those for Honduras to 2010, those for Nicaragua to 2009 and those for the Plurinational State of Bolivia to 2011. Data for Argentina refer to urban areas.

<sup>i</sup>Data for Guatemala refer to 2006, those for Honduras to 2010, those for Mexico to 2012, those for Nicaragua to 2009 and those for the Plurinational State of Bolivia to 2011. Data for Argentina refer to urban areas.

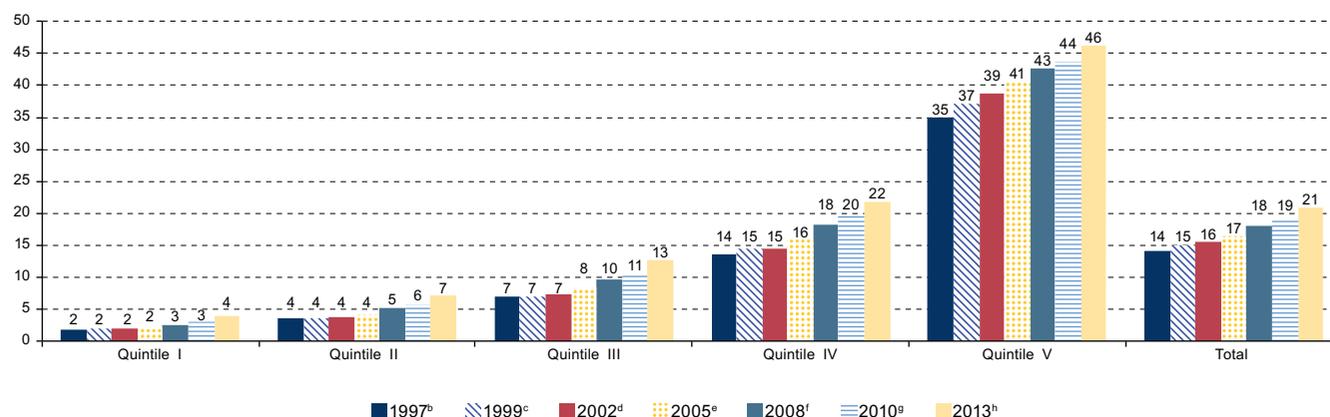
- The percentage of people going into tertiary education rose across all quintiles between 1997 and 2013. Access to tertiary education rose by 11 percentage points in the highest-income quintile in this period, but by just 2 percentage points in

the poorest quintile. This situation arose in a context where tertiary education coverage increased from 14% of the total population in 1997 to 21% in 2013.<sup>6</sup>

<sup>6</sup> With respect to this indicator, it should be noted that only people's quintile at the time of the survey is known, and not the quintile they were born into. On account of the opportunities for economic mobility afforded by access to tertiary education, it is possible that some people aged over 25 are in the higher quintiles because their education enabled them to obtain a better job and earn more. In other words, these people were born not into the quintile they are in now but into lower ones, so that their educational attainment should strictly speaking be ascribed to their quintile of origin and not their current one, which could narrow the gaps observed.

■ **Figure IV.4** ■**Latin America (18 countries): coverage of post-secondary education, population aged 25 and over, 1997-2013<sup>a</sup>**

(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 respective countries.

<sup>a</sup>Simple averages of national totals.

<sup>b</sup>Data for 17 countries. Data for Brazil, Chile, Mexico and Paraguay refer to 1996, those for Guatemala to 1989 and those for Nicaragua to 1998. Data for Argentina, Ecuador, Panama, Paraguay and Uruguay refer to urban areas. Data for the Dominican Republic are not included.

<sup>c</sup>Data for 17 countries. Data for Chile, Guatemala, Mexico and Nicaragua refer to 1998. Data for Argentina, Ecuador, Panama and Uruguay refer to urban areas. Data for the Dominican Republic are not included.

<sup>d</sup>Data for Chile refer to 2000 and those for El Salvador, Nicaragua, Peru and Paraguay to 2001. Data for Argentina, Ecuador and Uruguay refer to urban areas.

<sup>e</sup>Data for El Salvador, Mexico and the Plurinational State of Bolivia refer to 2004, those for Chile, Honduras and Peru to 2003 and those for Guatemala to 2002. Data for Argentina and Uruguay refer to urban areas.

<sup>f</sup>Data for Argentina refer to 2006 and to urban areas, those for Honduras and the Plurinational State of Bolivia to 2007, those for Chile and Guatemala to 2006, those for El Salvador to 2009 and those for Nicaragua to 2005.

<sup>g</sup>Data for Brazil, Chile, Nicaragua and the Plurinational State of Bolivia refer to 2009 and those for Guatemala to 2006. Data for Argentina refer to urban areas.

<sup>h</sup>Data for Guatemala refer to 2006, those for Honduras to 2010, those for Mexico to 2012, those for Nicaragua to 2009 and those for the Plurinational State of Bolivia to 2011. Data for Argentina refer to urban areas.

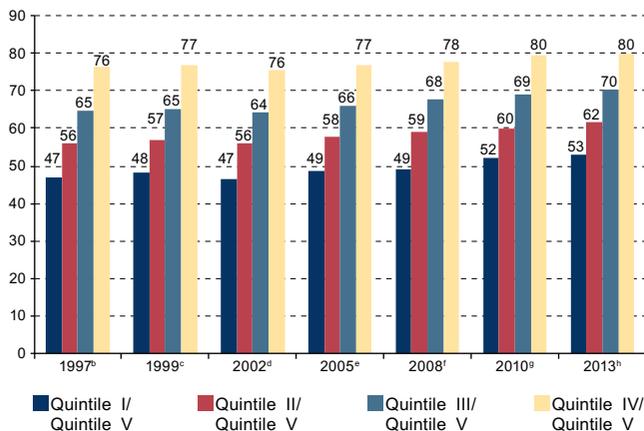
- Over the same period, the average years' education of the population aged 15 and over increased across all quintiles. During the same period, the relative gap between quintiles I and V narrowed, although absolute

growth was about the same.<sup>7</sup> In 1997, average years' education in the poorest quintile was 47% of the figure for the richest quintile; in 2013, it was 53%.

<sup>7</sup> Time spent in education increased by an average of 1.4 years between 1997 and 2013, with very similar figures for all quintiles (1.3 years in quintiles I and V, 1.4 in quintiles II and IV and 1.5 in quintile III). People in quintile I had spent an average of 4.8 years in education, so although the increase was smaller in absolute terms, the gap narrowed in percentage terms.

■ **Figure IV.5** ■

**Latin America (18 countries): average years' education of lower-income quintiles (quintiles I to IV) relative to the highest-income quintile (quintile V), population aged 15 and over, 1997-2013<sup>a</sup>**  
(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 respective countries.

<sup>a</sup>Ratio of average years' education in lower-income quintiles to average years' education in the highest-income quintile (quintile V), multiplied by 100. Simple averages.

<sup>b</sup>Data for 17 countries. Data for Brazil, Chile, Mexico and Paraguay refer to 1996, those for Guatemala to 1989 and those for Nicaragua to 1998. Data for Argentina, Ecuador, Panama, Paraguay and Uruguay refer to urban areas. Data for the Dominican Republic are not included.

<sup>c</sup>Data for 17 countries. Data for Chile, Guatemala, Mexico and Nicaragua refer to 1998. Data for Argentina, Ecuador, Panama and Uruguay refer to urban areas.

<sup>d</sup>Data for Chile refer to 2000 and those for El Salvador, Nicaragua, Peru and Paraguay to 2001. Data for Argentina, Ecuador and Uruguay refer to urban areas. Data for the Dominican Republic are not included.

<sup>e</sup>Data for El Salvador, Mexico and the Plurinational State of Bolivia refer to 2004, those for Chile, Honduras and Peru to 2003 and those for Guatemala to 2002. Data for Argentina and Uruguay refer to urban areas.

<sup>f</sup>Data for Argentina refer to 2006 and to urban areas, those for Honduras and the Plurinational State of Bolivia to 2007, those for Chile and Guatemala to 2006, those for El Salvador to 2009 and those for Nicaragua to 2005.

<sup>g</sup>Data for Brazil, Chile, Nicaragua and the Plurinational State of Bolivia refer to 2009 and those for Guatemala to 2006. Data for Argentina refer to urban areas.

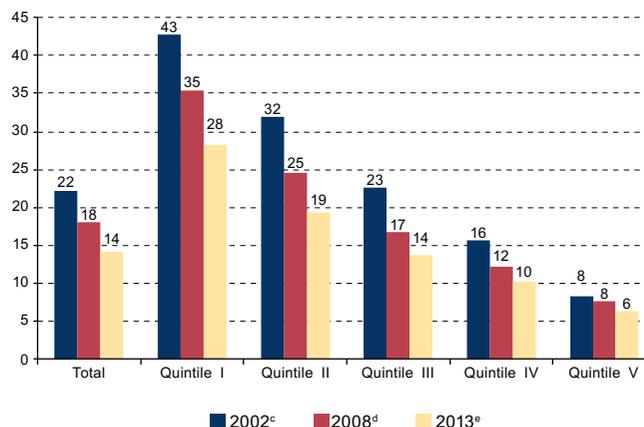
<sup>h</sup>Data for Guatemala refer to 2006, those for Honduras to 2010, those for Mexico to 2012, those for Nicaragua to 2009 and those for the Plurinational State of Bolivia to 2011. Data for Argentina refer to urban areas.

## 2. Housing and basic services

- The population with inadequate access to basic services in Latin America declined from 22% to 14% between 2002 and 2013. The greatest reductions were in the lower-income quintiles: in quintile I, for example, the incidence of inadequate access to basic services decreased from 43% in 2002 to 28% in 2013, while in quintile II it decreased from 32% in 2002 to 19% in 2013. However, socioeconomic disparities remained, since in 2013 or thereabouts the rate of inadequate access to basic services was 4.5 times as high in the poorest quintile as in the richest quintile.

■ **Figure IV.6** ■

**Latin America (16 countries): population with inadequate access to basic services (water, sanitation and electricity), by income quintile, around 2002, 2008 and 2013<sup>a,b</sup>**  
(Percentages, simple regional averages)



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

<sup>a</sup>Data for Argentina and Panama are not included.

<sup>b</sup>A population is considered deprived if it lacks access to at least two basic services.

<sup>c</sup>Data from 2002 except in the cases of Chile (2000), Colombia (1999), Costa Rica (2000), Ecuador (2007), El Salvador (2001), Guatemala (1998), Nicaragua (2001), Paraguay (2001), Peru (2001) and Uruguay (2007).

<sup>d</sup>Data from 2008 except in the cases of Chile (2006), Costa Rica (2007), Ecuador (2011), El Salvador (2009), Guatemala (2002), Honduras (2006), Nicaragua (2005), the Plurinational State of Bolivia (2007) and Uruguay (2009).

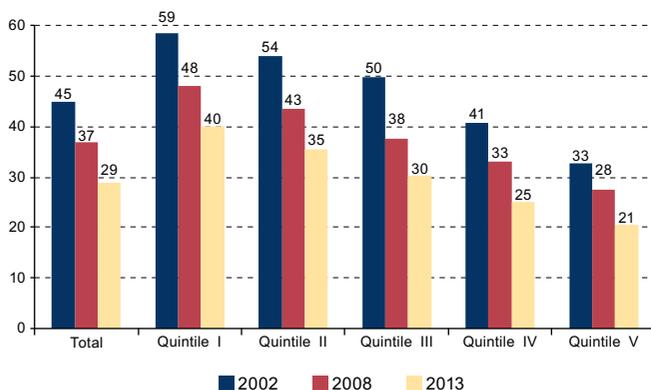
<sup>e</sup>Data from 2013 except in the cases of Guatemala (2006), Honduras (2010), Mexico (2012), Nicaragua (2009) and the Plurinational State of Bolivia (2011).

- Typically, rural populations have been worst affected by deprivations in access to basic services. This was still the situation in 2013 or thereabouts, given that approximately 4 in every 10 rural residents in the poorest income quintile had inadequate access to basic services. However, an improvement took place between 2002 and 2013 and was greatest, measured in absolute terms, in the lowest-income brackets. In the three lowest-income quintiles in rural areas, inadequate access to basic services decreased by between 18 and 20 percentage points between 2002 and 2013. In urban areas, meanwhile, the poorest quintile saw the greatest reduction in inadequate access to basic services (6.7 percentage points).
- The incidence of deprivation in respect of building materials fell in absolute terms between 2005 and 2013, particularly in the lowest-income brackets. The percentage of the population living in houses built using substandard materials decreased in the four lowest-income deciles by between 6.0 and 6.9 percentage points, while in the other deciles the decreases ranged from 5.5 to 0.6 percentage points.
- In the latest year with data available, the proportion of people living in housing built with substandard materials was much greater in rural areas than urban ones, with the highest levels of deprivation being found among the lowest-income quintiles in rural areas. In turn, the largest decreases, measured in absolute terms, were in the lowest-income quintiles in rural areas.

#### ■ Figure IV.7 ■

**Latin America: population with inadequate access to basic services (water, sanitation and electricity), by income quintile and area of residence, around 2002, 2008 and 2013<sup>a</sup>**  
(Percentages)

A. Rural areas (simple averages of 16 countries)<sup>b</sup>



B. Urban areas (simple averages of 15 countries)<sup>c</sup>



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

<sup>a</sup>A population is considered deprived if it lacks access to at least two basic services.

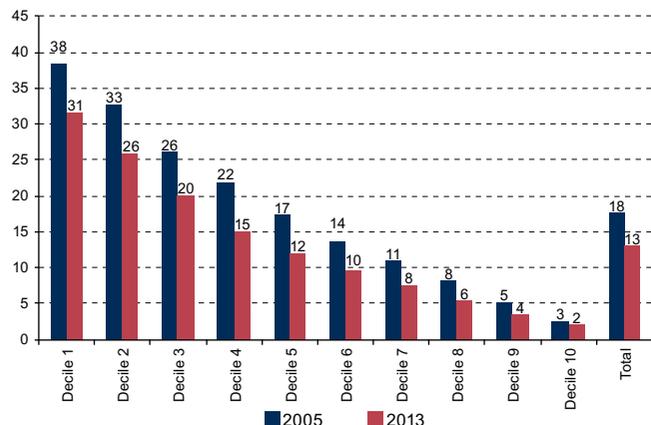
<sup>b</sup>Data for the Bolivarian Republic of Venezuela and Panama are not included.

<sup>c</sup>Data for Argentina, the Bolivarian Republic of Venezuela and Panama are not included.

■ **Figure IV.8** ■

**Latin America (17 countries): population living in housing built with substandard materials, by income decile, around 2005 and 2013<sup>a,b</sup>**

(Percentages, simple averages)



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

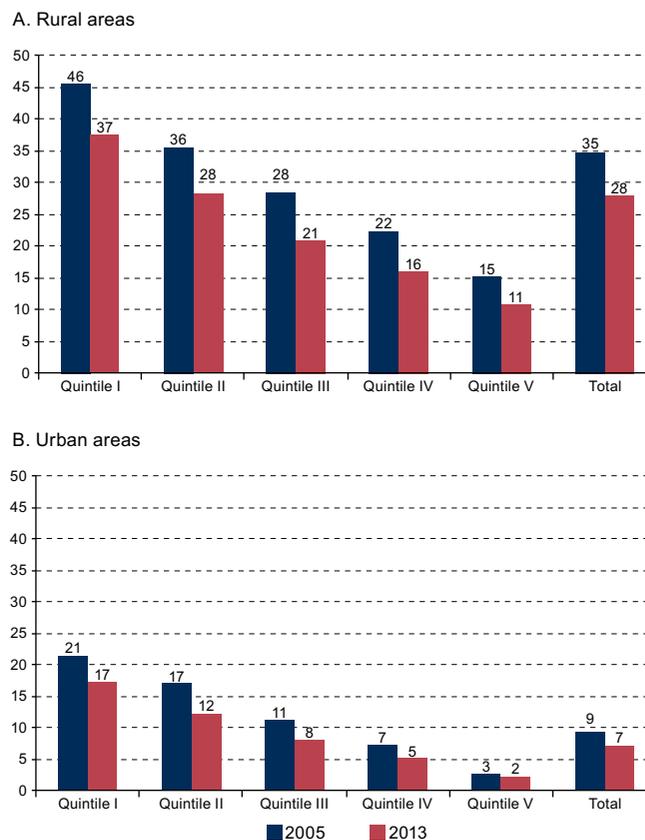
<sup>a</sup>Data refer to the following countries and years: Argentina (urban areas, 2005 and 2012), Bolivarian Republic of Venezuela (2005 and 2013), Brazil (2005 and 2013), Chile (2003 and 2013), Colombia (2008 and 2013), Costa Rica (2005 and 2013), Dominican Republic (2006 and 2013), Ecuador (2005 and 2013), El Salvador (2004 and 2013), Guatemala (2000 and 2006), Honduras (2006 and 2010), Mexico (2004 and 2012), Nicaragua (2005 and 2009), Paraguay (2005 and 2013), Peru (2003 and 2013), Plurinational State of Bolivia (2003 and 2011) and Uruguay (2007 and 2013). Data for Panama are not included.

<sup>b</sup>Housing built using natural or rudimentary materials for flooring, external walls or roofing is considered substandard.

■ **Figure IV.9** ■

**Latin America (15 countries): population in housing built with substandard materials, by income quintile and area of residence, around 2005 and 2013<sup>a,b</sup>**

(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 respective countries.

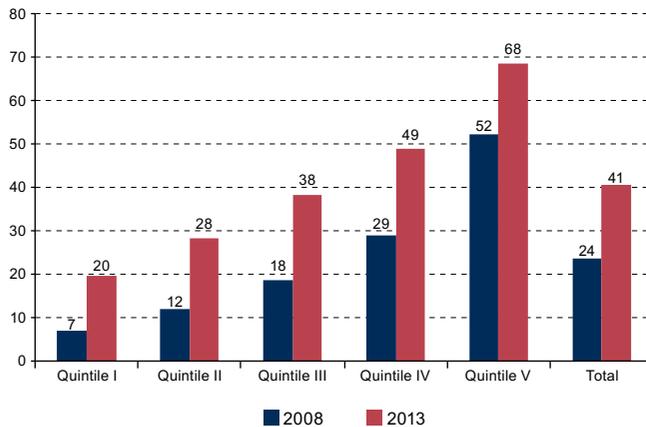
<sup>a</sup>Data refer to the following countries and years: Brazil (2005 and 2013), Chile (2003 and 2013), Colombia (2008 and 2013), Costa Rica (2005 and 2013), Dominican Republic (2006 and 2013), Ecuador (2005 and 2013), El Salvador (2004 and 2013), Guatemala (2000 and 2006), Honduras (2006 and 2010), Mexico (2004 and 2012), Nicaragua (2005 and 2009), Paraguay (2005 and 2013), Peru (2003 and 2013), Plurinational State of Bolivia (2003 and 2011) and Uruguay (2007 and 2013). Data for Argentina, the Bolivarian Republic of Venezuela and Panama are not included.

<sup>b</sup>Housing built using natural or rudimentary materials for flooring, external walls or roofing is considered substandard.

### 3. Access to new information and communications technologies

- The countries of Latin America have substantially increased access to telecommunication services and the use of social networks and applications in recent years. However, significant socioeconomic and gender gaps remain in access to and use of new technology. Around 2013, for example, the proportion of people living in households with a computer and the proportion with access to the Internet were substantially larger in higher-income quintiles. Although both increased in all income quintiles between 2008 and 2013, those increases, measured in absolute terms, were more modest in the poorest quintile.

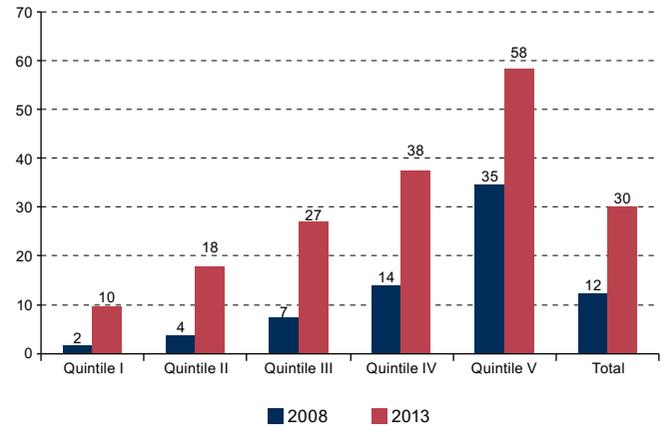
**Figure IV.10** ■  
Latin America (12 countries): households with at least one computer, by income quintile, around 2008 and 2013<sup>a</sup>  
(Percentages)



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

<sup>a</sup>Data refer to simple averages for the following countries and years: the Bolivarian Republic of Venezuela (2008 and 2013), Brazil (2008 and 2013), Chile (2009 and 2013), Colombia (2008 and 2013), Costa Rica (2009 and 2013), the Dominican Republic (2007 and 2013), El Salvador (2008 and 2013), Honduras (2006 and 2010), Mexico (2008 and 2012), Paraguay (2008 and 2013), Peru (2007 and 2013) and Uruguay (2008 and 2013). Most surveys asked about computer ownership in general. Laptop computers were specifically included in Chile (2009 and 2013), Costa Rica (2013) and Uruguay (2008 and 2013).

**Figure IV.11** ■  
Latin America (14 countries): people living in households with an Internet connection, by income quintile, around 2008 and 2013<sup>a</sup>  
(Percentages)



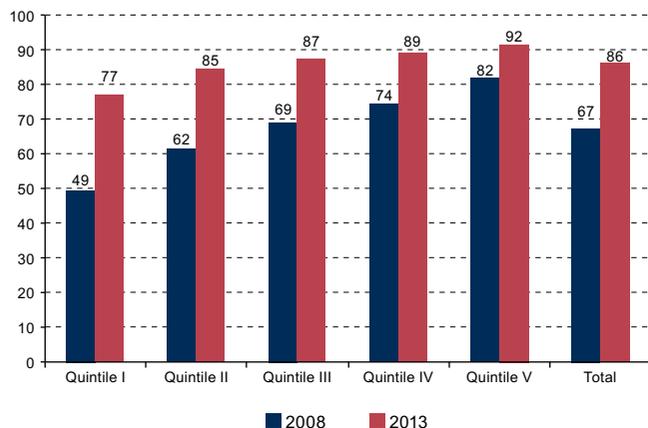
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the respective countries.

<sup>a</sup>Data refer to simple averages for the following countries and years: the Bolivarian Republic of Venezuela (2008 and 2013), Brazil (2008 and 2013), Chile (2009 and 2013), Colombia (2008 and 2013), Costa Rica (2009 and 2013), Ecuador (2010 and 2013), El Salvador (2008 and 2013), Guatemala (2006 and 2011), Honduras (2006 and 2010), Mexico (2008 and 2012), Paraguay (2008 and 2013), Peru (2007 and 2013), the Plurinational State of Bolivia (2008 and 2013) and Uruguay (2008 and 2013).

- A different picture emerges when access to mobile phones is examined, as there was a substantial increase in this case, most particularly in the lowest-income group. Taking a simple average of 14 countries, the share of people living in households where at least one person had a mobile phone increased from 67% in 2008 to 86% in 2013. The poorest quintile saw the greatest absolute increase (28 percentage points) and the richest quintile the smallest (10 percentage points).
- The percentage of the population with home access to mobile phones was higher in urban areas than in rural ones in 2013, but differences by area of residence were much less than in the case of home computers and Internet access.

■ **Figure IV.12** ■

**Latin America (14 countries): people living in households with at least one mobile telephone, by income quintile, around 2008 and 2013<sup>a</sup>**  
(Percentages)

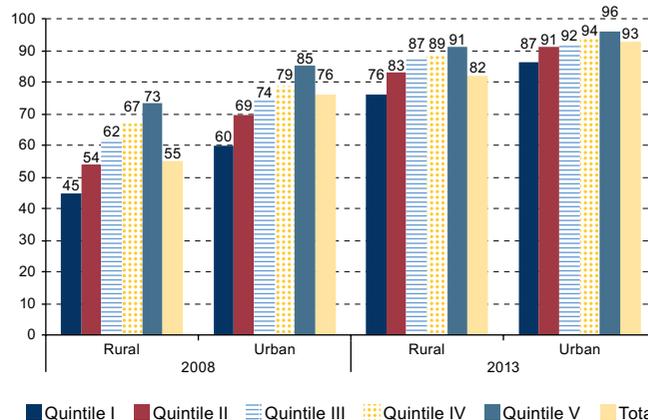


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the respective countries.

<sup>a</sup>Data refer to simple averages for the following countries and years: the Bolivarian Republic of Venezuela (2008 and 2013), Brazil (2008 and 2013), Chile (2009 and 2013), Colombia (2008 and 2013), Costa Rica (2009 and 2013), the Dominican Republic (2007 and 2013), Ecuador (2010 and 2013), El Salvador (2008 and 2013), Honduras (2006 and 2010), Mexico (2008 and 2012), Paraguay (2008 and 2013), Peru (2007 and 2013), the Plurinational State of Bolivia (2008 and 2013) and Uruguay (2008 and 2013).

■ **Figure IV.13** ■

**Latin America (13 countries): people living in households with at least one mobile phone, by income quintile and area of residence, around 2008 and 2013<sup>a</sup>**  
(Percentages)



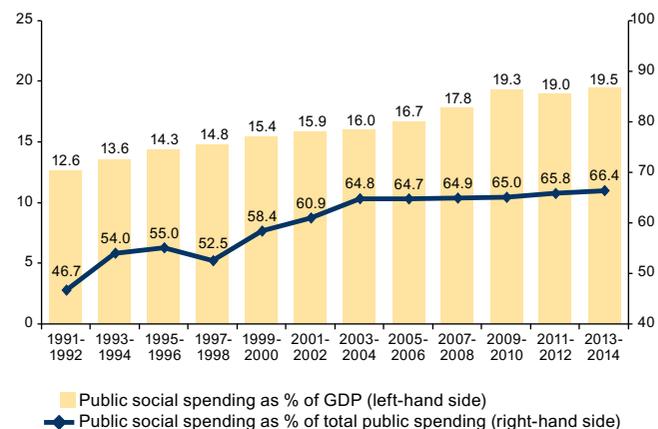
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the respective countries.

<sup>a</sup>Data refer to simple averages for the following countries and years: Brazil (2008 and 2013), Chile (2009 and 2013), Colombia (2008 and 2013), Costa Rica (2009 and 2013), the Dominican Republic (2007 and 2013), Ecuador (2010 and 2013), El Salvador (2008 and 2013), Honduras (2006 and 2010), Mexico (2008 and 2012), Paraguay (2008 and 2013), Peru (2007 and 2013), the Plurinational State of Bolivia (2008 and 2013) and Uruguay (2008 and 2013).

## D. Public social spending

- Despite the repeated economic ups and downs since the international financial crisis of 2008 and 2009, the regional trend until 2013 was for a real increase in the funding allocated to social services and cash transfers to households.
- In 2013-2014 (in the case of some countries with estimated data available), total public spending and social public spending both appear to have risen again, bringing the latter figure to 19.5% of regional GDP.

■ **Figure IV.14 ■**  
**Latin America and the Caribbean (21 countries): public social spending as a share of GDP and of total public spending, 1991-1992 to 2013-2014<sup>a,b</sup>**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data provided by the countries.

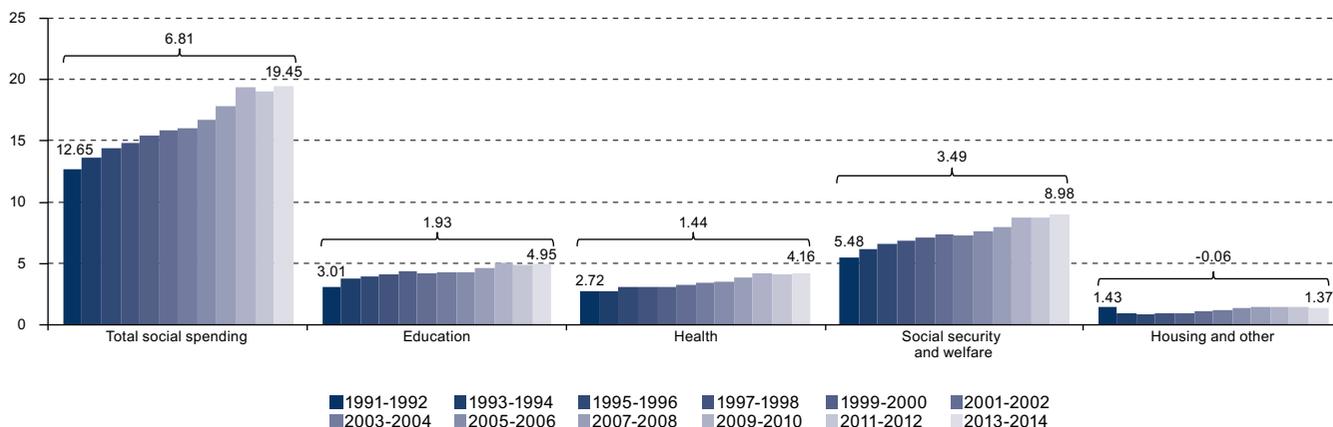
<sup>a</sup>Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela (Bolivarian Republic of).

<sup>b</sup>Weighted average of country figures.

## E. Social spending by sector

- Although at the regional level there has been relatively systematic growth in public social spending, that increase has not been spread evenly across all social functions.
- Generally speaking, the increase in social expenditure (equal to 6.8 percentage points of GDP) between 1991-1992 and 2013-2014 is largely attributable to greater spending on social security and welfare. The progressive ageing of the population in many countries in the region has meant a gradual increase in the resources earmarked for

paying social security benefits. Although a significant proportion of these resources comes from revenues based on contributory social security schemes (in this case, public or mixed), many countries have gradually introduced solidarity mechanisms for financing social security payments. Thus, in 1991-1992 this sector accounted for 43% of social expenditure funding, but in 2013-2014 that share had risen to 46.1%; in GDP terms, this meant an increase of 3.5 percentage points.

■ **Figure IV.15** ■**Latin America and the Caribbean (21 countries): public social spending by function, 1991-1992 to 2013-2014<sup>ab</sup>***(Percentages of GDP)*

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official data provided by the countries.

<sup>a</sup>Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela (Bolivarian Republic of).

<sup>b</sup>Weighted average of country figures. Figures are rounded to two decimal points; hence the differences between bienniums 1991-1992 and 2013-2014 may not correspond to those resulting from a direct calculation of the figures shown.

- The other sector in which there has been a notable increase in spending (of 1.9 percentage points of GDP) over the past 22 years is education. This increase reflects the great efforts made to expand the coverage and accessibility of primary education in the poorest countries, and secondary education in the others (in terms of infrastructure, and, above all, of current expenditure, associated mainly with the increase in teaching staff) as well as, to a lesser extent, an expansion of public post-secondary education.
- These developments have come at the expense of growth in the health sector, which posted a smaller increase than social spending (1.4 percentage points of GDP on a regional basis), despite the fact that, in contrast to education, the potential beneficiaries of these services are persons of all ages.
- The sector receiving the least attention has been housing (which includes drinking water supply, sanitation, community infrastructure and, lately, the environment), despite the fact that in practically all countries and major cities there are still large pockets of substandard housing and segregation. There has even been a contraction in the most recent biennium (-0.1 percentage points of GDP), owing in part to an expansion in the preceding period when housing was used as a tool to boost job creation and revitalize the region's domestic economies, particularly the construction industry.

## F. Financing of public social spending: the tax burden in Latin America

- Fiscal policy in Latin America has historically suffered from two major problems: (i) insufficient resources to finance social policies, and (ii) a procyclical stance, meaning that it moves in the same direction as the economic cycle and thus accentuates rather than smoothes the effects of that cycle. While the procyclical nature of fiscal policy seems to have been attenuated in the last economic cycle, the resources for financing social policies remain inadequate, and this constitutes a constraint for expanding the coverage of social policies and improving the quality of benefits.
- The composition of tax revenues in Latin America is characterized by the steadily increasing weight of general consumption taxes and, to a lesser extent, the growing weight of taxes on income and profits. The share of corporate income tax is greater than that of personal income tax. By contrast, the decline in specific excise tax revenues has to do with trade liberalization initiatives.
- With respect to the financing of government through the individual contributions of the citizens, the role played by social security contributions constitutes an element of differentiation among countries in the region. Some countries have highly developed pension and retirement systems that mobilize great volumes of monetary resources from workers in formal employment, while other countries have less-developed social welfare structures. As an average for the region, social security contributions have risen, growing from 2.0% of GDP in 1990 to 3.7% of GDP in 2014. But this average conceals a highly varied landscape, and several countries have reformed their social security systems. For example, Chile, Colombia and Mexico rely to a large extent on privately funded individual regimes, which explains the low levels of contributions to public social security. By contrast, in other countries such as Argentina, Brazil, Costa Rica and Uruguay, social security contributions accounts for at least 7% of GDP.

■ Figure IV.16 ■

**Latin America and the Caribbean (22 countries) and countries of the Organization for Economic Cooperation and Development (OECD): tax revenues by type of tax, 1990, 2000, 2013 and 2014**

(Percentages of GDP)

A. Latin America and the Caribbean and OECD countries  
1990, 2000, 2013 and 2014

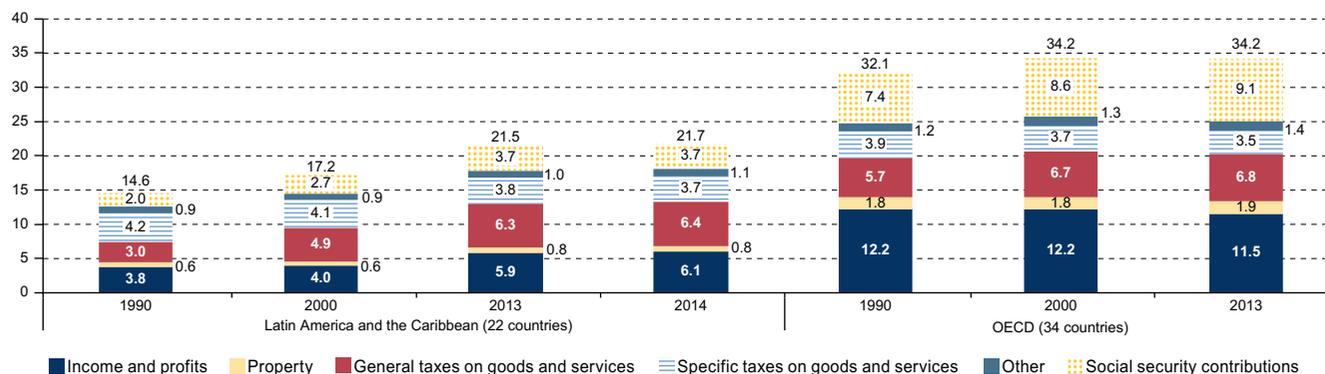
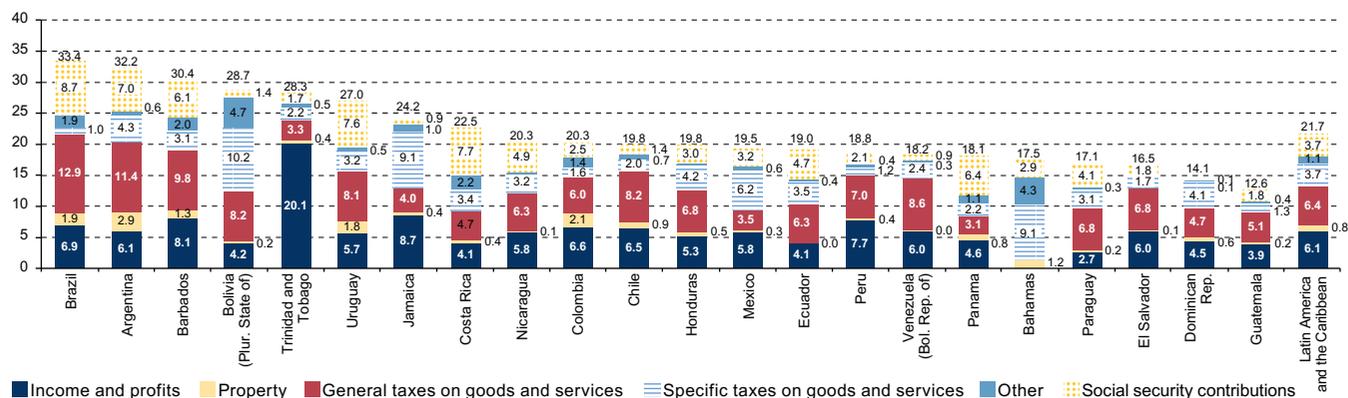


Figure IV.16 (concluded)

B. Latin America and the Caribbean (22 countries), 2014



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organization for Economic Cooperation and Development (OECD), *Revenue Statistics in Latin America and the Caribbean, 2016* [online] <http://www.oecd.org/tax/revenue-statistics-in-latin-america-2310922x.htm>.

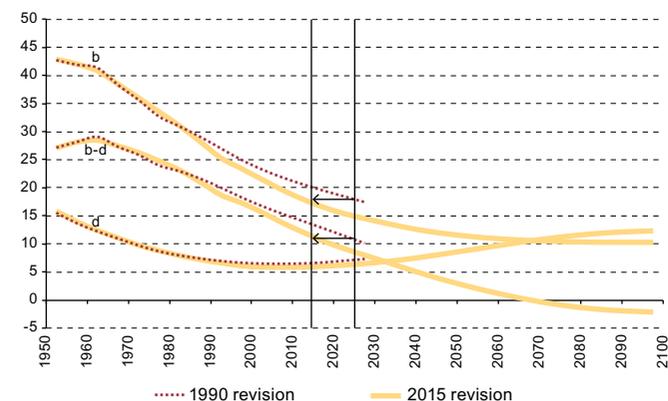
## **V. Population**



## A. Population estimates and projections

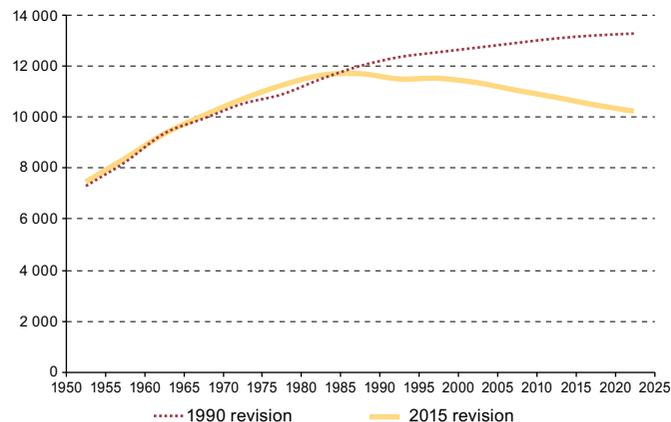
- A comparison of crude birth and death rates and of the natural population growth rates in Latin America from the 1990 and 2015 revisions reveals a greater difference between the birth rates. In the 2015 revision, the crude birth rate and the population growth rate declined about 10 years and around seven years earlier, respectively, than predicted in the 1990 revision.
- In 1990 the Latin American population was projected to grow by an average of 8.7 million persons a year during the period 2010-2015. According to the new figures, the population grew by slightly more than 6.8 million a year over that period, that is, 1.85 million less than projected. On the basis of this slower growth, and assuming that the projected trends persist, it is expected that by 2025 Latin America will have a population of nearly 679 million, which is nearly 62 million fewer than the 750 million projected in 1990. This significant difference in terms of total population is also reflected in the age structure of the population.
- The greater-than-expected decline in fertility has a direct impact on the younger age groups in the population structure. While in 1990 it was projected that 28% of the region's population would be under 15 years of age in 2015, this age group is now estimated to represent about 26% of the population. In absolute terms, in 1990 the region was projected to have 184.4 million inhabitants aged under 15 years in 2015, versus the 160.4 million in the current estimate, which is down by 24 million from the previous projection. The slower growth of the under-15 population, combined with a lower mortality rate, has accelerated the process of population ageing. The 1990 revision projected an ageing index<sup>8</sup> of 36 for 2015, and of 50 for 2025. According to current estimates and projections, these indices would be 43 for 2015 and 65 for 2025, with the prospect that those aged over 60 years will outnumber those aged under 15 years by 2038.

■ **Figure V.1** ■  
**Latin America: crude birth rate (b), crude death rate (d), and natural population growth rate (b-d), 1990 and 2015 revisions, for the period 1950-2100**  
*(Per thousand persons)*



**Source:** Latin American Demographic Centre (CELADE), "Latin America: fertility rates by age, 1950-2025", *Demographic Bulletin*, No. 52 (LC/DEM/G.135), Santiago, July 1993; and Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, population estimates and projections, 2015 revision.

■ **Figure V.2** ■  
**Latin America: average annual births by five-year age group, 1990 and 2015 revisions, 1950-2025**  
*(Thousands of persons)*



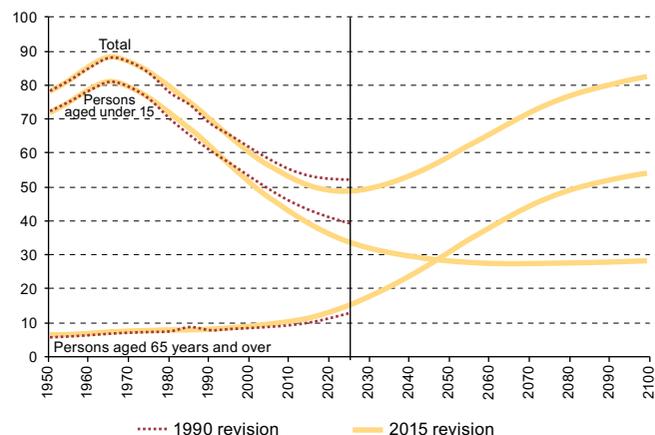
**Source:** Latin American Demographic Centre (CELADE), "Latin America: fertility rates by age, 1950-2025", *Demographic Bulletin*, No. 52 (LC/DEM/G.135), Santiago, July 1993; and Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, population estimates and projections, 2015 revision.

<sup>8</sup> The number of persons aged 60 or over per 100 persons aged under 15 years.

## B. Demographic dividend

- As a result of the foregoing, the demographic dividend will be of shorter duration than expected. The dividend is projected to end around 2027, after 61 years of steady decline in the total dependency ratio. The year 2027 will mark a turning point: as the demographic dividend comes to an end, the number of older persons will begin to rise sharply, and will come to exceed the number of under-15s in 2047, that is, 20 years after the dividend expires.

■ **Figure V.3** ■  
**Latin America: dependency ratios, total,<sup>a</sup> for persons under 15 years,<sup>b</sup> and for persons aged 65 years and older,<sup>c</sup> 1990 and 2015 revisions, 1950-2100**



**Source:** Latin American Demographic Centre (CELADE), "Latin America: fertility rates by age, 1950-2025", *Demographic Bulletin*, No. 52 (LC/DEM/G.135), Santiago, July 1993; and Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, population estimates and projections, 2015 revision.

<sup>a</sup>Total dependency ratio: (population 0 to 14 years + population 65 years and over)/(population 15 to 64 years)\*100.

<sup>b</sup>Under-15 dependency ratio: (population 0 to 14 years)/(population 15 to 64 years)\*100.

<sup>c</sup>65-and-over dependency ratio: (population 65 years and over)/(population 15 to 64 years)\*100.

## **VI. Gender equality**



- Three pillars represent those aspects of women’s autonomy related to the ability to earn one’s own income and control assets (economic autonomy), exert control over one’s

own body (physical autonomy) and fully participate in decisions affecting one’s life and society (decision-making autonomy).

## A. Decision-making autonomy

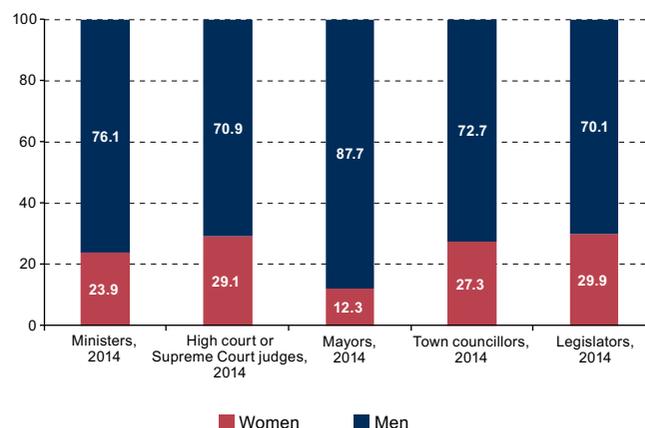
- Gender relations are marked by an unequal distribution and exercise of power, which is reflected in many different ways in both the public and the private sectors. In societies such as those in Latin America and the Caribbean, the public sphere and the exercise of power and public office have been construed symbolically as masculine.

### 1. Women’s political participation

- Despite the progress made and the valuable effects of affirmative action taken to increase and ensure the presence of women in decision-making posts in Latin America, their levels of participation in public decision-making processes —whether within the executive or legislative branches or the Supreme Courts— are, on average, less than 30%, which is still far from properly representing half of the population.
- Unlike the results of popular elections, which are influenced by various factors, ministerial cabinet appointments are a direct expression of the political will of the President and the result of negotiations within the governing political parties. These appointments reveal how much progress has been made towards the goal of equal participation between men and women in the political system, which can be seen at all stages, from the election campaign, when drawing up manifesto pledges, to the selection of cabinet ministers and in subsequent reshuffles.
- Since the first step was taken by Argentina in the 1990s, the introduction of quota or parity laws in the countries of the region (16 in Latin America and 2 in the Caribbean) has significantly increased women’s participation. The results of parliamentary elections held in 2015 confirmed that the region is still a world leader with regard to the

number of seats held by women in legislative bodies, with an average of 28.3%; although, according to data from the Gender Equality Observatory for Latin America and the Caribbean, women’s political participation in parliaments in the Caribbean is lower (16.9% on average). In those same elections, the largest increase in the world in the number of female representatives in a lower or single chamber occurred in Suriname, with a jump of 15.7 percentage points, thanks to the high number of female candidates who stood and were well placed on electoral lists.

■ Figure VI.1 ■  
Latin America: regional averages of participation in decision-making positions, 2014 or 2015<sup>a</sup>  
(Percentages)

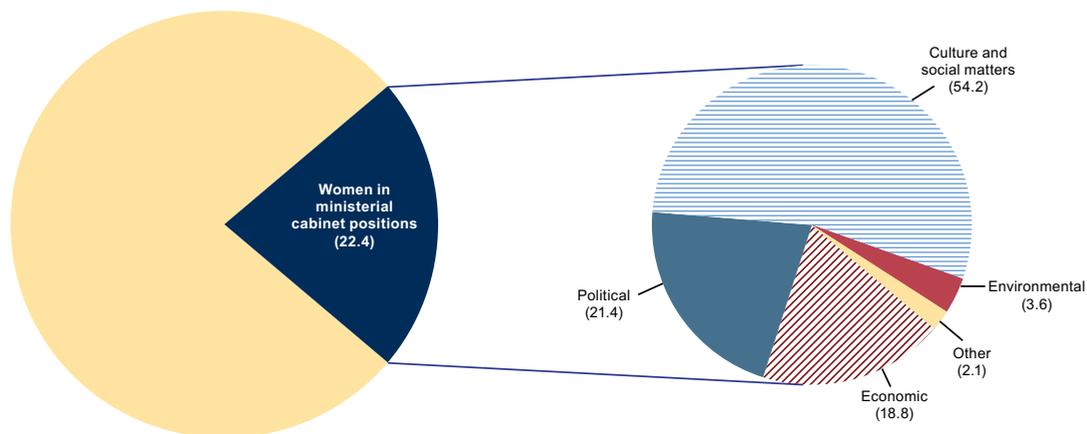


Source: Economic Commission for Latin America and the Caribbean (ECLAC), Gender Equality Observatory for Latin America and the Caribbean, on the basis of official sources.

<sup>a</sup>Latest data available.

■ **Figure VI.2** ■

**Latin America and the Caribbean:<sup>a</sup> women in ministerial cabinets and the distribution of their portfolios, 2014<sup>b</sup>**  
(Percentages)



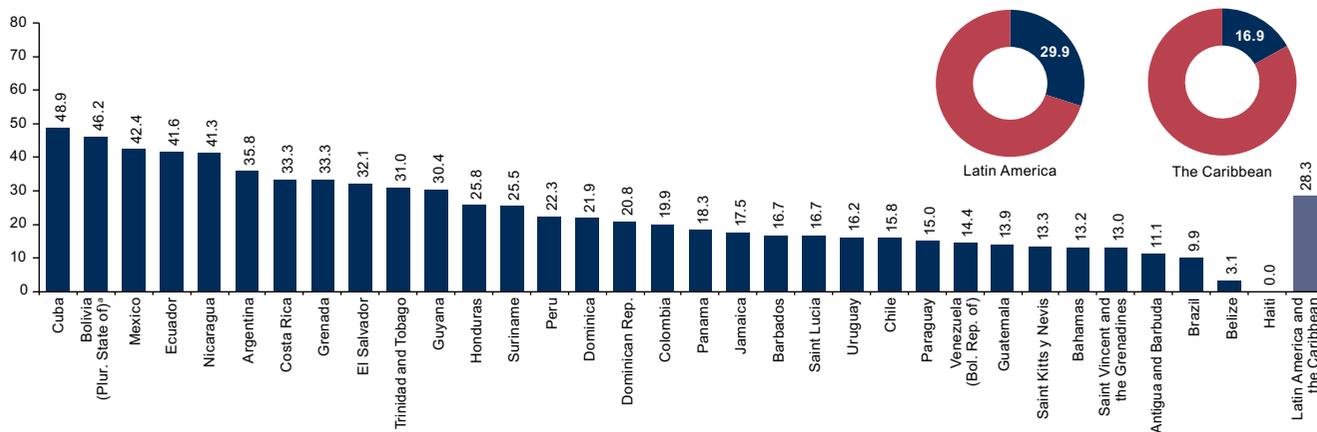
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Gender Equality Observatory for Latin America and the Caribbean, on the basis of official sources.

<sup>a</sup>Simple average for 31 countries.

<sup>b</sup>Most recent term of office for which data is available.

■ **Figure VI.3** ■

**Latin America (20 countries) and the Caribbean (13 countries): women holding seats in national legislative bodies, single or lower house, 2015**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Gender Equality Observatory for Latin America and the Caribbean, on the basis of official sources.

<sup>a</sup>The figure for the Plurinational State of Bolivia was provided by the Vice-Minister for Equality of Opportunities at the Ministry of Justice, in March 2016.

- The percentage of female mayors has increased less than the percentage of women in public office at the national level: in most countries (19) less than 15% of mayors are women and the regional average is only 12.3%. Nicaragua, where 40.1% of mayors are women, is the only country

with a representation rate over 30%, the proportion that is usually considered to constitute a critical mass capable of producing change. Another three countries (Cuba, Jamaica and Suriname) are approaching this threshold, with rates above 25%.

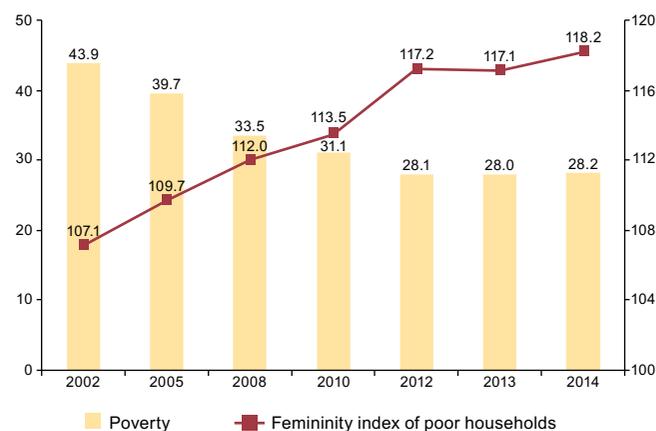
## B. Economic autonomy

- Economic autonomy is a cornerstone of women's autonomy and, by definition, requires women to receive enough income to overcome poverty and have enough free time for training, entry into the labour market, personal and professional development, active participation in social and political life and caring for loved ones without it becoming a barrier to realizing their own aspirations. Cash income and time are finite —and often scarce— resources, and empirical evidence suggests that they are not distributed equally either in households or in society. Women have less access to money and other production resources, such as land, training and technology. In addition, women have less time for themselves because of the amount of time they spend time on the daily care and welfare of family members. This undermines women's autonomy and impedes the achievement of distributive equality in either households or society as a whole.

### 1. Poverty

- The femininity index of poor households reflects the percentage of poor women aged 20-59 years compared with the proportion of poor men in the same age group, adjusted by population structure. In Latin America, the femininity index increased by 11 percentage points between 2002 and 2014, from 107.1% in 2002 to 118.2% in 2014. This means that, in 2014, the percentage of poor women was 18% higher than that of poor men in the same age group, pointing to women's overrepresentation in this group of households. The situation is similar but even more acute in extremely poor households, where the femininity index rose by 12 percentage points between 2002 and 2014, to 121.5%.

■ **Figure VI.4**  
**Latin America (18 countries): incidence of poverty and femininity index of poor households, 2002-2014**  
(Percentages)

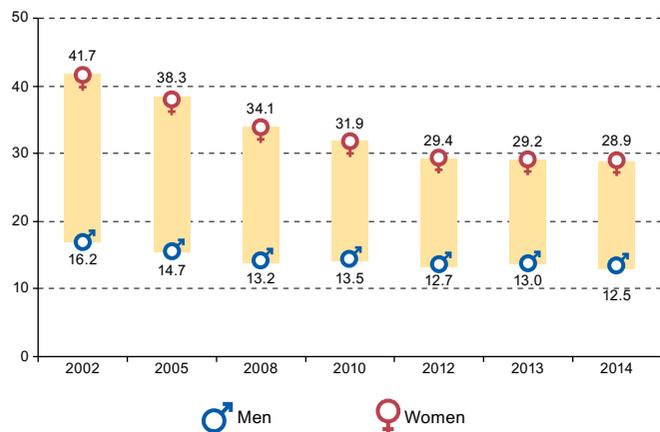


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the respective countries.

### 2. Independent income

- The proportion of the population without an independent income fell by 10 percentage points between the early 2000s and 2014, mainly as a result of increased employment and women's steadily growing labour force participation. However, in Latin America in 2014, 1 in 3 women over the age of 15 who were not studying exclusively had no income of their own, compared with one 1 in 10 men in a similar situation.

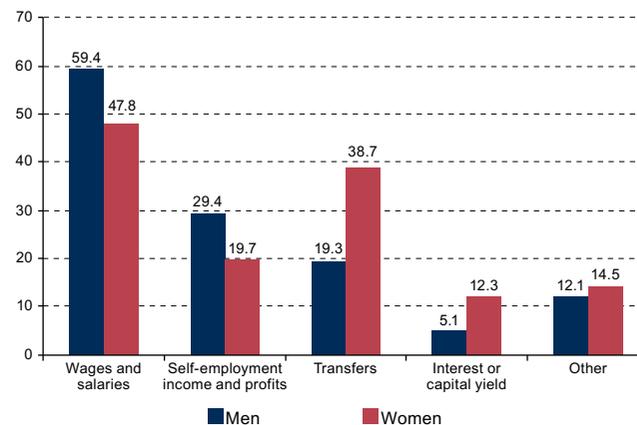
■ **Figure VI.5** ■  
**Latin America (weighted average of 18 countries): population without own income, by sex, 2002-2014**  
*(Percentages)*



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

- Most people who have an income of their own derive it from the labour market. This applies to both sexes, although to a greater extent for men than for women (59%, compared with 48%). In Latin America, there is a nearly 10% gap between men and women in the category of self-employment income and profits, which also come from the labour market and are crucial because formal and informal self-employment accounts for a huge share of overall income in the region. The proportion of women receiving transfers is 39%, compared with 19% of men, highlighting women’s dependence on this source of income.

■ **Figure VI.6** ■  
**Latin America (17 countries): population with own income by type of income and sex, around 2014**  
*(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 respective countries.

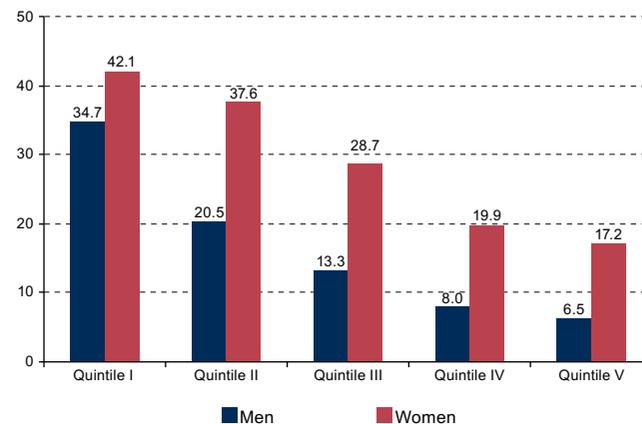
### 3. Income and time use

- Women’s monetary and time poverty creates a vicious circle that is very difficult to escape without special policies to foster their economic autonomy. The burden of the unpaid work culturally ascribed to women curtails their opportunities for entering the labour market and becomes even heavier, demanding a greater time commitment, in poor households needing to increase their income. Households in the lowest income deciles have the highest number of dependants to care for (mainly children and persons with disabilities or chronic illnesses). Women from

these households therefore have greater responsibilities for a larger number of dependants and higher demands on their time for domestic and care work, which limits their ability to seek employment and to enter and remain in the labour market, or leads them to accept poor-quality jobs because they are close to home or have more flexible working hours. In the poorest households in the lowest income quintile, 42.1% of women over the age of 15 have no income of their own and engage in unpaid domestic work. In the highest quintile, this drops to 17.2%. The gap between women is therefore shaped by their own income and that of their households.

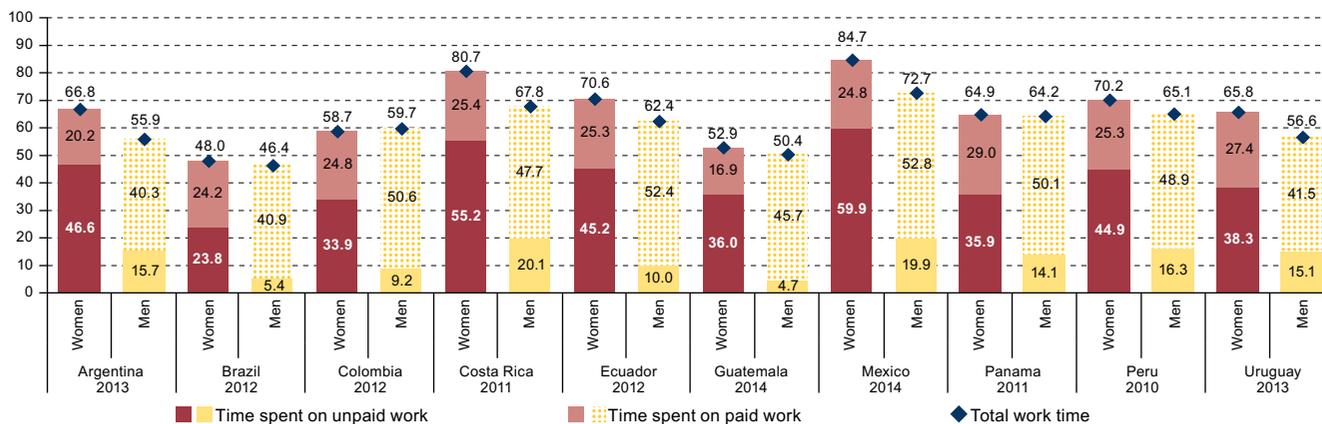
- Nineteen countries in the region have made some attempt to measure time use. While available time-use surveys are not comparable because countries have emphasized different aspects and set different goals in their surveys, clearly trends are similar and gender gaps are consistent across all these countries. Not only do women spend more than three times as many hours on unpaid work than men, women's total work time (paid and unpaid) is also greater than men's.

**Figure VI.7**  
**Latin America (weighted average of 18 countries): population aged 15 years and above without own income, by sex and household income quintile, around 2014**  
*(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 respective countries.

**Figure VI.8**  
**Latin America (10 countries): total time spent on paid and unpaid work by the population aged 20 to 59 years, by sex, around 2014<sup>a</sup>**  
*(Hours per week)*



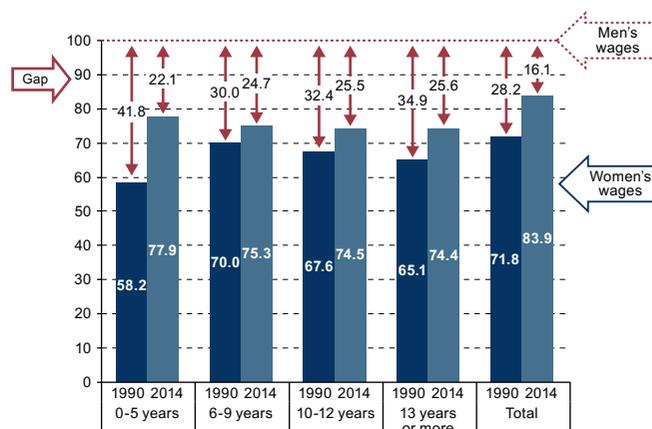
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the respective countries.

<sup>a</sup>National data, except in the case of Costa Rica, where data are for the Greater Metropolitan Area.

## 4. The gender wage gap

- The gender wage gap remains an obstacle to women's economic autonomy and reproduces patterns of inequality. The latest data available from household surveys in Latin America and an analysis of the median income of urban women and men wage workers aged 20-49 working in paid employment for 35 hours or more per week in 18 countries in the region (weighted average) show that, although the wage gap between women and men shrank by 12.1 percentage points between 1990 and 2014, women's pay is still only 83.9% of men's.

■ **Figure VI.9** ■  
**Latin America (weighted average of 18 countries): average wage of urban female wage workers aged 20 to 49 years, working 35 hours or more per week, as a proportion of the wages of men with the same characteristics, by years of schooling, 1990 and 2014**  
*(Percentages)*



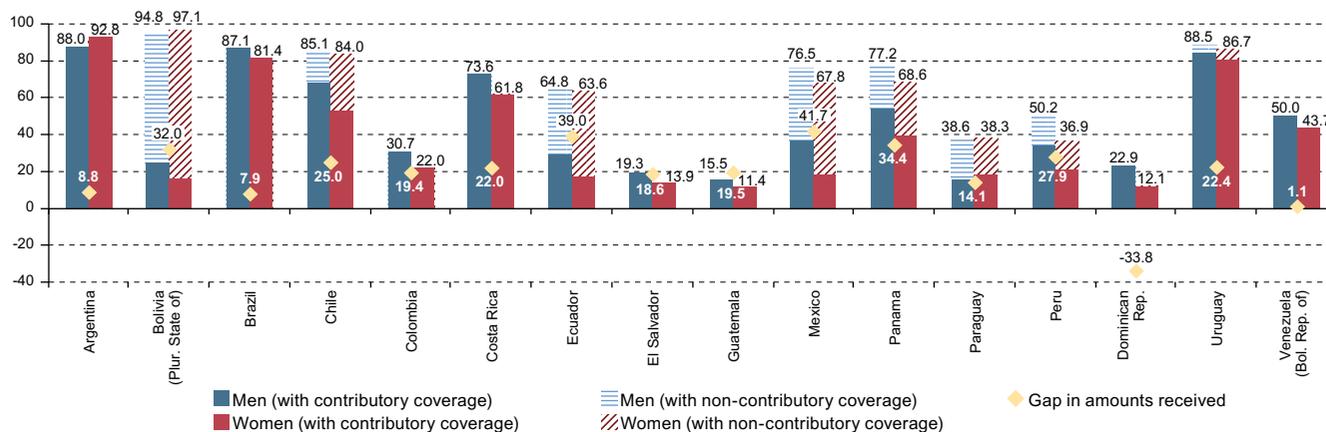
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the respective countries.

## 5. Pension systems and their debt to women

- Social security refers to people's right to protection in terms of access to health care and in the case of a drop in their income for any number of reasons, including old age. Pensions and retirement benefits are two examples of social security instruments and access to them is, therefore, a fundamental pillar of exercising citizenship. Despite the importance of these benefits and the ever-broader coverage of pension and retirement provisions in Latin America, the outcomes of their implementation reveal structural gaps and inequalities, including gender inequalities.
- Demographic trends are another cause for concern, as longer life expectancy and the ageing population are increasing the proportion of women among older persons. Their situation is precarious: on average, women are less likely to be enrolled in retirement and pension schemes and draw amounts that are almost one fifth less than those received by men. This is a common trend throughout the region, regardless of which type of pension scheme is in force in each country, be it a distributive arrangement, an individual capitalization plan or a mixture of the two.

■ Figure VI.10 ■

**Latin America (16 countries): persons aged 65 years or over who receive contributory and non-contributory pension payments, by sex and the gender gap in the average amounts paid, around 2014<sup>a,b</sup>**  
(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.

<sup>a</sup>The gap in amounts paid is the difference between the average contributory and non-contributory pension payments received by women aged 65 years or over compared with men in the same age bracket.

<sup>b</sup>For countries for which disaggregated data are available, the striped areas denote the percentage of people who receive non-contributory pensions only. The household survey data available for the following countries allow non-contributory pension programmes to be distinguished from other schemes: Chile (basic solidarity old age pension and solidarity pension support), Costa Rica (non-contributory pensions regime), Ecuador (Human Development Grant), Mexico (pension for older adults), Panama (the 120 to the 65s programme), Paraguay (food pension for older adults), Peru (Pensión 65 National Solidarity Assistance Programme), Plurinational State of Bolivia (Renta Dignidad universal old-age pension) and Uruguay (old age and disability pensions).

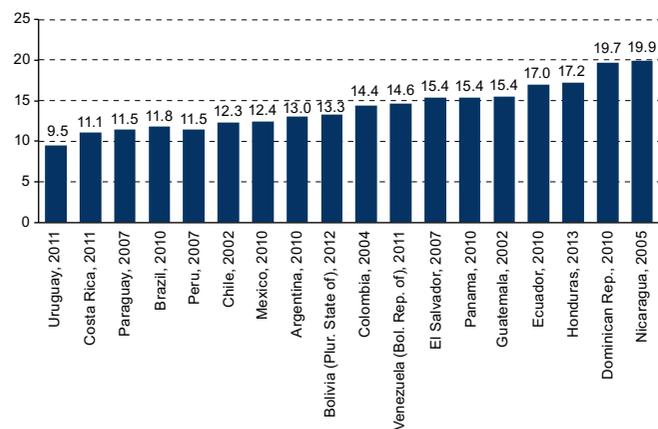
## C. Physical autonomy

- The region has made substantial progress over the past two decades in terms of women's physical autonomy, which refers to a woman's control over her own body. However, there are two areas in which the countries report both progress and pending challenges: women's sexual and reproductive health and violence against women.
- ### 1. Child and adolescent motherhood
- One of the biggest obstacles to women's autonomy at the beginning of their life cycle is motherhood in adolescence, and even more so, in childhood. Latin America's adolescent fertility rate is remarkably high on the global scale, coming second only to that of Africa.
  - What is more, the fertility rate for the 15-19 age group is much higher than the total fertility rate would suggest. The region's total fertility rate fell between 1990 and 2010, particularly in the last decade. However, this trend is not reflected in the adolescent maternity rate.
  - The fertility rate of 76 children per 1,000 women between the ages of 15 and 19 shows the region is lagging behind in sexual and reproductive health care for this population segment. According to information from the 2010 census round, 13% of women aged 15-19 were mothers. Data from Mexico's National Council for Population (CONAPO) point to an increase of 11.3% in just five years, owing partly to the limited use of contraceptives (just 54.8% of adolescents used some form of contraception during their first sexual

encounter) and partly to the increase in the percentage of the adolescent population that has engaged in sexual activity, from 15% in 2006 to 23% in 2012 in the 12-19 age group. At the same time, the percentage of 15-19 years olds who had become mothers before the age of 15 rose in half the countries that had data (5 of 10). The largest rises occurred in Colombia, the Dominican Republic and Ecuador.

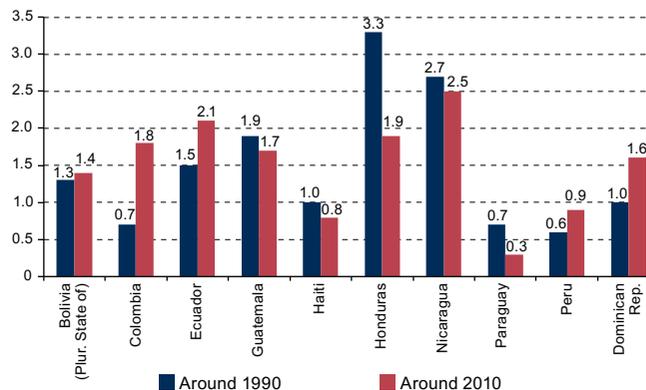
- An analysis of adolescent motherhood in five of nine countries for which data are available —Brazil, Colombia, Costa Rica, Nicaragua and Panama— shows that pregnancy rates exceed 20% in adolescent women between the ages of 15 and 19 who belong to indigenous groups or live in rural areas. In Brazil and Panama around 2010, one of three women between the ages of 15 and 19 in this segment were mothers.

**Figure VI.11**  
Latin America (18 countries): adolescent women aged 15-19 who are mothers, around 2010  
(Percentages)



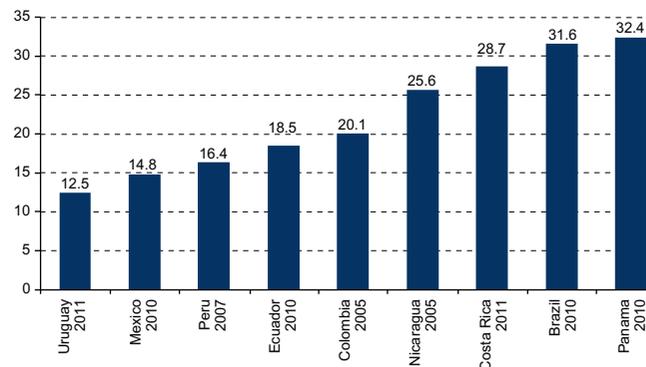
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special processing of population census microdata.

**Figure VI.12**  
Latin America and the Caribbean (10 countries): adolescents aged 15-19 who became mothers before the age of 15, around 1990 and 2010  
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT database and national reports on demographic and health and reproductive health surveys: Guatemala around 2010: table 4.9, Fifth National Maternal and Child Health Survey 2008-2009; Honduras, around 1990: table 4-9, National Epidemiology and Family Health Survey 1996; Nicaragua around 2010: table 4.7, National Demographic and Health Survey; Paraguay around 2010: table 4.7, National Demographic and Sexual and Reproductive Health Survey 2008; Ecuador around 2010: table 6.6, National Demographic and Maternal and Child Health Survey 2004.

**Figure VI.13**  
Latin America (9 countries): indigenous adolescents aged 15-19 who are mothers, around 2010  
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Mujeres indígenas en América Latina: dinámicas demográficas y sociales en el marco de los derechos humanos*, Project Documents (LC/N.558), Santiago, 2012, table 13, p. 85.

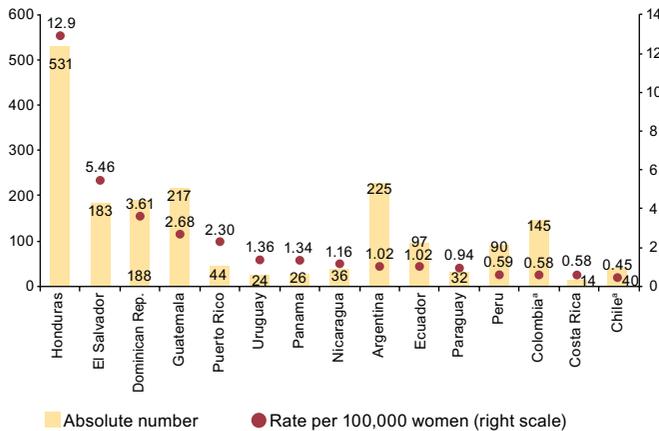
## 2. Femicide

- A significant regional development in recent years is the adoption of laws or criminal code reforms in 16 countries, which codify the murder of women as femicide or feminicide (a separate crime from others already covered in criminal legislation), or qualify gender as an aggravating factor in a murder.
- According to the official figures reported by the countries of the region to the Gender Equality Observatory for Latin America and the Caribbean, 1,903 women from 17 countries were victims of femicide or feminicide in 2014. This figure is a stark wake-up call for authorities, which must continue and step up their efforts to end this scourge. On top of the

challenge of implementing concrete prevention, assistance, protection and reparation measures to end femicide, they must contend with a lack of data.

- In the English- and Dutch-speaking Caribbean countries, data are available only for intimate-partner femicide, or women’s deaths at the hands of their current or former intimate partners. The most recent data show that of the eight countries for which figures are available, the highest rate was recorded in Suriname (2.6 per 100,000 women), which is the only country with data on both intimate and non-intimate femicide. It is hoped that Caribbean countries can improve their administrative records of violence against women and provide disaggregated data on this phenomenon and its characteristics.

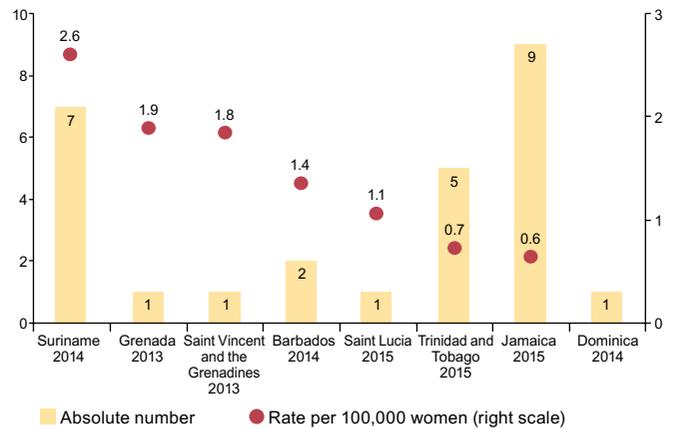
■ **Figure VI.14** ■  
**Latin America (15 countries): femicides or feminicides, 2014**  
*(Absolute numbers and rates per 100,000 women)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Gender Equality Observatory for Latin America and the Caribbean [online] <http://oig.cepal.org/en>.

<sup>a</sup>Colombia and Chile record information only on cases of intimate femicide.

■ **Figure VI.15** ■  
**The Caribbean (8 countries): women’s deaths at the hands of their current or former intimate partners (intimate femicide), most recent data available**  
*(Absolute numbers and rates per 100,000 women)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Gender Equality Observatory for Latin America and the Caribbean [online] <http://oig.cepal.org/en>.



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