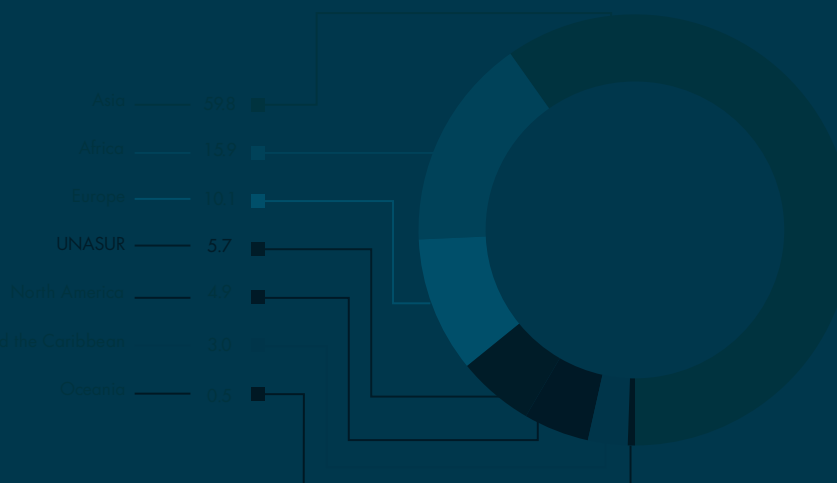


South American Social and Economic Panorama

2016



UNITED NATIONS

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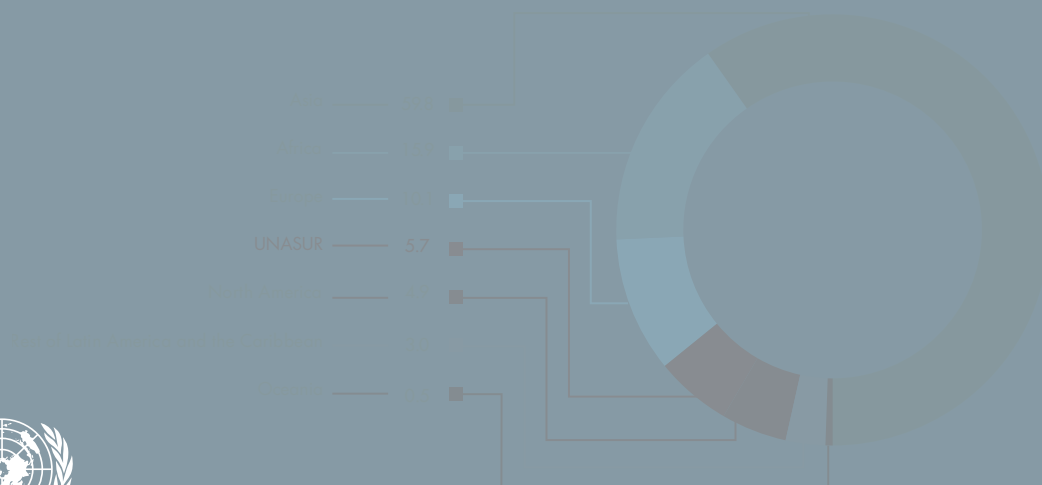


UNASUR

Unión de Naciones Suramericanas
União de Nações Sul-Americanas
Union of South American Nations
Unie van Zuid-Amerikaanse Naties

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The boundaries and names shown on the maps in this document do not imply official endorsement or acceptance by the United Nations.

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Foreword

The Union of South American Nations (UNASUR) is now almost a decade old and, backed by the partnership of its 12 member States, is currently focused on consolidating its long-term projects—which include social projects oriented towards social inclusion, economic projects geared towards competitiveness and political projects aimed at enhancing democracy and citizen security—and on the great challenge of contributing to the integration and sustainable development of South America.

This report, *South American Social and Economic Panorama, 2016*, has been prepared by the Economic Commission for Latin America and the Caribbean (ECLAC) at the request of the General Secretariat of UNASUR.

It is part of an ongoing effort that crystallized earlier in the documents published in 2009, 2011 and 2014, and it furthers the UNASUR General Secretariat's aim of providing national authorities, academics and students, as well as the general public, with an overview of some key issues on the development agenda of the South American nations. The General Secretariat also hopes to use this document to drive a high-level debate that will enable the UNASUR countries to build on the social, economic and political successes of recent years so that they can confront the challenges of their development and deepen regional cooperation.

This publication is the first since the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) were adopted in September 2015. These include important economic, social, environmental and health goals for 2030 which the UNASUR countries hope to attain and for which they require basic information and follow-up. This report provides a summary of issues relating to the region's development, offers an overview of the similarities and asymmetries between the countries and sets out the conditions for stimulating cooperation within UNASUR. The analysis is supported by a large amount of graphic material illustrating the main components of the diagnosis.

The report has four chapters. Chapter I, on population, includes a demographic snapshot of the region, including its age profile, emerging trends in the demographic transition, urbanization and recent migration movements, and the presence of indigenous peoples, among other topics.

Chapter II addresses the issues of poverty, indigence and inequality by income, gender and age, in addition to setting out the situation with unemployment and public social spending. It also gives a situation report in the areas of education, health, food and nutrition. The overview provided by these indicators offers a starting point for creating and consolidating spaces of cooperation and sharing that can help give substance to the dream of a more egalitarian and integrated South America characterized by greater fairness and solidarity.

Chapter III analyses the region's economic and trade performance, while also presenting numerous regional integration and infrastructure initiatives. The data provide an overview of UNASUR cooperation opportunities that offer a prospect of overcoming the effects of the crisis and better integrating the region's countries into the world economy.

Lastly, chapter IV presents an overview of our sustainable development, acknowledging that the challenge of the 2030 Agenda makes it necessary for us to move towards a new socio-environmental paradigm. The chapter provides important statistical information on ecosystems, energy and emissions, infrastructure and natural resource governance.

It is our hope that, within the framework of UNASUR goals, this publication will help to enhance political dialogue between member States in the pursuit of full physical, energy, industrial, production, financial, cultural and other types of integration in South America, participation on the international stage, successful design of public policies to eradicate poverty and illiteracy and overcome inequalities, and the realization of policies and/or projects to protect biodiversity or undertake research in different areas of regional interest, among other things.

This fourth edition of the report consolidates the relationship between our institutions. We hope to deepen our working relationship further so that ECLAC can support UNASUR in a new stage characterized by greater political, cultural and technical maturity and solidarity which, whatever the context, gives grounds for optimism about the prospects of preserving peace, upholding democracy and effectively applying human rights in the region.

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

Ernesto Samper
Secretary General
Union of South American Nations
(UNASUR)

I. Population

The member countries of the Union of South American Nations (UNASUR)¹ will have a combined population of 420,290,752 in 2016, representing 67% of the Latin American population. The demographic transition is tending to slow the pace of population growth —although the population will continue to increase— and is producing an older age profile.

It is time, then, to address demographic change, particularly in terms of adjusting resources in line with the new age pyramid, in light of current poverty indices and the low coverage of social security.

UNASUR is one of the most highly urbanized regions in the world, and it contains six of the eight cities of Latin America and the Caribbean with more than 4 million inhabitants. In this context, the grouping's member States share a number of problems, such as social inequalities and urban poverty. Rural areas, too, continue to exhibit unresolved specific needs and social lags.

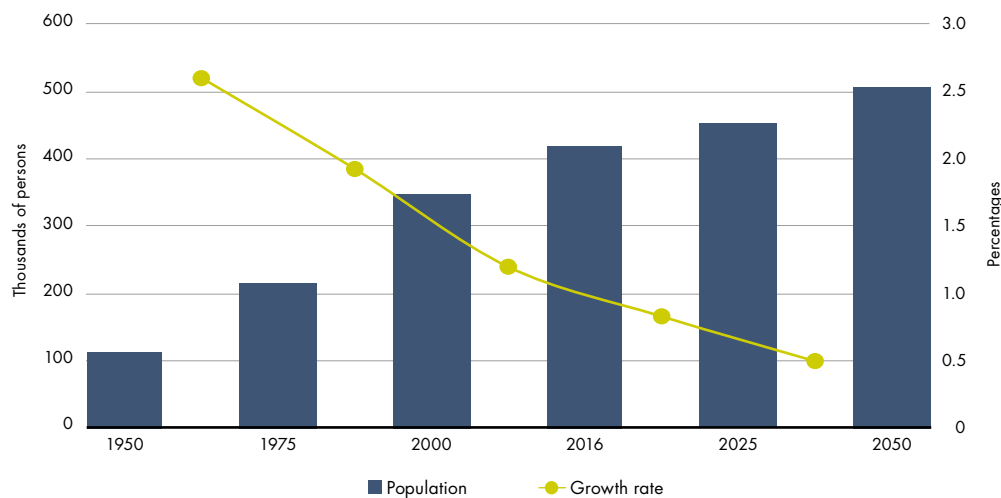
International migration among the member countries of UNASUR accounts for the bulk of migration within the Latin America region. At the same time, the relative frequency of internal migration within member countries is declining, reflecting perhaps in part its substitution by international migration.

¹ Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Plurinational State of Bolivia, Suriname and Uruguay.

A. Population dynamics and structure

- According to population estimates and projections by the Latin American and Caribbean Centre (CELADE)-Population Division of ECLAC, the total population of the UNASUR countries at the mid-twentieth century was 113,090,132. By 2016, that figure will have risen to 420,290,752, representing around 5.6% of the world population and 67% of the Latin American population. By 2025, the total population of UNASUR member countries will be 452,934,972, and by 2050 it will reach 507,800,534 (see figure I.1).

Figure I.1
 Union of South American Nations (UNASUR): total population and average annual growth rate, 1950-2050^a
 (Millions of persons and percentages)



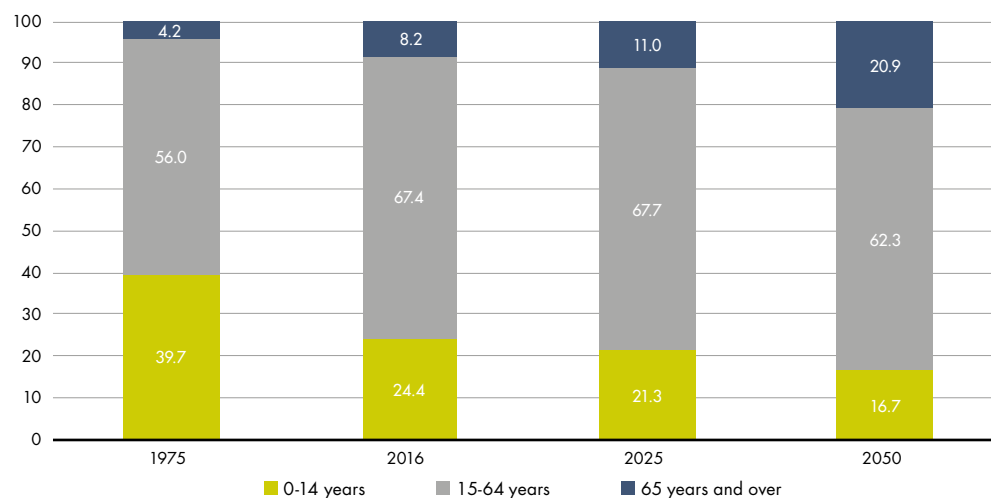
Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of United Nations, *World Population Prospects. The 2012 Revision*, 2013.

^a Simple averages of the figures for the countries.

- The pace of population growth within UNASUR has been declining over the years. In the period 1950-1975, UNASUR recorded an annual population growth rate of 2.6%, while that rate is expected to decline to an annual average of 0.8% in 2015-2025, and to fall even further, to 0.5%, in 2025-2050 (see figure I.1).

- Changes in growth rates and in the population structure can be attributed to a steady decrease in mortality and, more particularly, in fertility. These demographic shifts, have been more pronounced in some UNASUR countries. In the period 1950-1955 the total fertility rate (TFR) was 5.5 children per woman, while in 2015-2025 it is 2 children per woman, i.e. below replacement level. In the following 15 years, that rate will decline further below the replacement rate, as women will be having on average 1.9 children by 2025-2030.
- The member countries of UNASUR have made enormous efforts to boost life expectancy at birth. In 1950, life expectancy at birth for both sexes was just 60 years, while in 2015-2020 it is approximately 75.9 years —72 for men and 79 for women. There are of course differences between countries: life expectancy at birth is highest in Chile (82 years), and lowest in the Plurinational State of Bolivia (70 years).
- Over the next 30 years, life expectancy will continue to rise: for 2040-2045 it is forecast to be 84 years, although gender and country differences will persist.
- As to the population structure by sex in UNASUR member countries, women tend to outnumber men slightly: the gender ratio for 2016 is estimated at 97.6 men for every 100 women. Because of the higher male mortality that is characteristic of the region, this index will decline slightly by 2016-2025, when there will be 96.9 men for every 100 women.
- The analysis of the population age structure uses three broad groups: persons under 15 years, those between 15 and 64 years, and those aged 65 years and older, bearing in mind that the first and third groups (those under 15 and those over 64) are potentially dependent. In 2016, 24.4% of the UNASUR population will fall within the under-15 age group, while the 65 and older group will account for 8.2%, leaving 67.4% of the population between the ages of 15 and 64 (the potentially active group). The population age structure will continue to change: in 2025 the proportion under 15 years will fall to 21.3%, while the middle and older age groups will grow further, with persons 65 and over accounting for 11% of the population, and those 15 to 64 years representing 67.7% (see figure I.2). By 2050, the proportion of the population aged over 65 will be larger than the proportion aged under 15, which will bring new challenges for the UNASUR countries.
- The changes that the population age structure will undergo in less than 10 years (from 2016 to 2025) will be reflected, for example, in the fact that the under-15 population will decline in absolute terms by 5,672,366 persons, or 5.5%, while the number of persons over 65 will increase by 15,137,936, or 44%. The 15-64 age group will expand by 7.8%, representing an additional 23,178,650 individuals.

Figure I.2
Union of South American Nations (UNASUR): population distribution by age group, 1950-2050^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of United Nations, *World Population Prospects: The 2012 Revision*, 2013.

^a Simple averages of the figures for the countries.

- As the demographic transition advances and as mortality and —especially— fertility rates drop, the population will become progressively older. The UNASUR countries have not been exempt from the ageing process: while 12% of the population is over 60 years of age today, this proportion will rise to 15.6% by 2025, and to 27% by 2050.
- Moreover, 3 of the 12 member countries of UNASUR had already reached an advanced stage of the ageing process in 2016: Uruguay, with 19.3% of the population aged over 60; Argentina, with 15.3%; and Chile, with 16%. By 2050, the population aged over 60 will represent 19% of the population in the countries now at the earlier stages of ageing, and 25% in the countries now at the later stages.

B. International migration

- An analysis of international migration between UNASUR countries, using recent data available from six countries, shows that the highest volumes of immigrants are to be found in Argentina and in the Bolivarian Republic of Venezuela, and their ranks expanded during the 2010 decade (see table I.1). The proportion of immigrants from other countries within the region has risen notably (except in the case of the Plurinational State of Bolivia), and is growing at a faster rate than total immigrants. These trends generally follow the Latin American regional pattern, as shown by the figures in table I.1.

Table I.1

Union of South American Nations (UNASUR) (6 countries): stocks, percentages and growth rates of the immigrant population by place of birth, 2000 and 2010

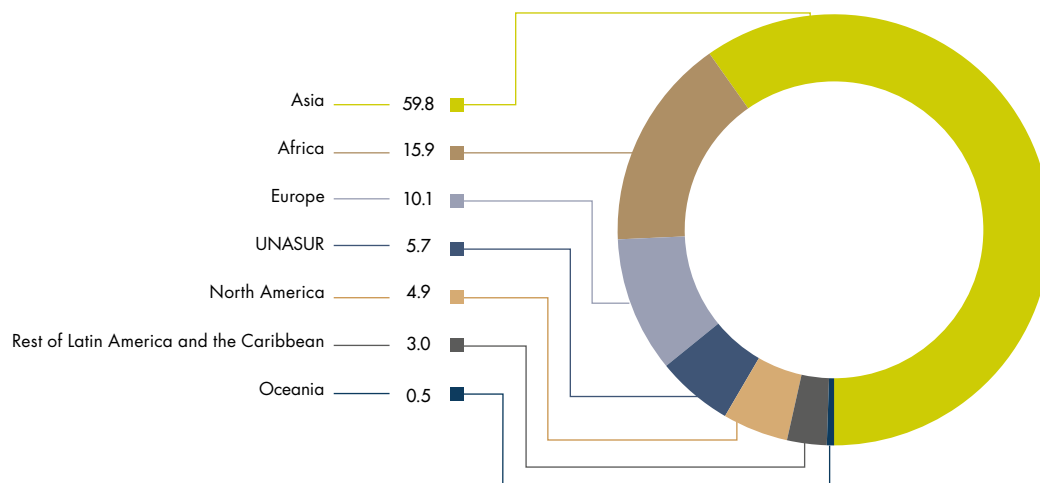
Country of residence	2000			2010			Annual growth rate 2000-2010		
	Total born abroad	Born in Latin America and the Caribbean (percentages)	Born in other countries (percentages)	Total born abroad	Born in Latin America and the Caribbean (percentages)	Born in other countries (percentages)	Total born abroad	Born in Latin America and the Caribbean	Born in other countries
Argentina	1 517 904	67.8	32.2	1 805 957	80.3	19.7	1.74	3.42	-3.15
Bolivia (Plurinational State of)	87 338	82.8	17.2	127 645	75.2	24.8	3.79	2.84	7.44
Brazil	683 830	20.7	79.3	592 393	30.4	69.6	-1.44	2.40	-2.74
Ecuador	150 565	49.2	50.8	194 398	70.1	29.9	2.56	6.11	-2.76
Uruguay	92 378	50.0	50.0	77 003	62.9	37.1	-1.82	0.47	-4.79
Venezuela (Bolivarian Republic of)	1 015 538	73.0	27.0	1 156 581	73.6	26.4	1.30	1.39	1.06
Total	3 547 553	57.3	42.7	3 95 977	62.8	37.2	2.60	3.50	1.23

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Investigation of International Migration in Latin America (IMILA) project.

C. Urbanization and internal migration

- UNASUR represents 5.7% of the world population. Oceania and North America together represent slightly less (0.5% and 4.9%, respectively), while Asia, Africa and Europe represent the largest proportion (see figure I.3)

Figure I.3
Distribution of world population by major region, 2015
(Percentages)

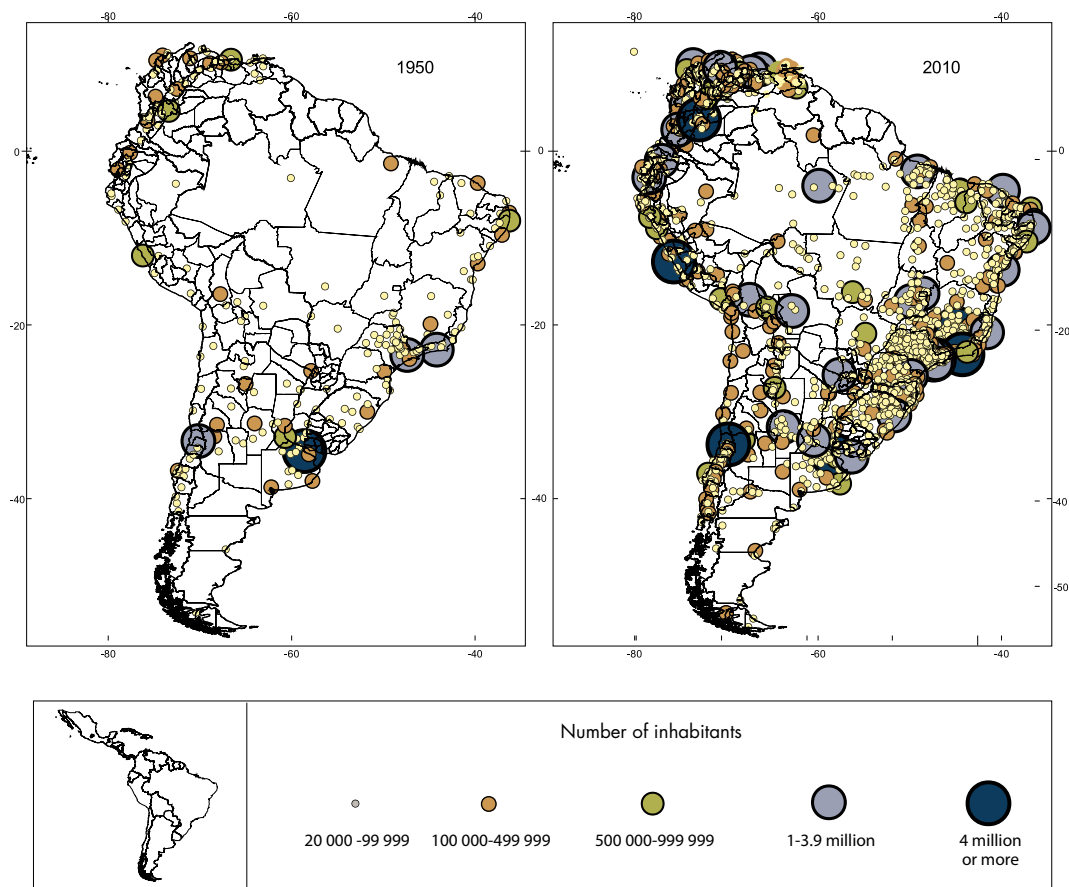


Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of United Nations, *World Population Prospects: The 2012 Revision*, 2013.

- According to census data for the member countries of UNASUR, population density is 20.9 inhabitants per km², which is lower than the world average (47.9 inhabitants per km²) and lower than the regional averages for Asia (123.5 inhabitants per km²), Europe (116.3 inhabitants per km²) and Africa (30.4 inhabitants per km²).
- In the 2010 decade, the urban population represents 84% of the total population in UNASUR, making it one of the most urbanized regions in the world. Moreover, 66.4% of the population lives in cities with at least 20,000 inhabitants, and 34% in cities of at least 1 million. The most populous cities are São Paulo (19.5 million), Buenos Aires (12.8 million), Rio de Janeiro (11.7 million), Lima (8.5 million), Bogotá (7.3 million) and Santiago (5.4 million) (see map I.1).

Map I.1

Union of South American Nations (UNASUR): cities with 20,000 or more inhabitants, data from census rounds of 1950 and 2010^a



Source: Economic Commission for Latin America and the Caribbean (ECLAC): on the basis of data from the project Spatial distribution of population and urbanization in Latin America and the Caribbean (DEPUALC).

^aThe information for Chile, Colombia, Paraguay, Peru and the Plurinational State of Bolivia is from the 2000 census rounds.

- With respect to internal migration, table I.2 shows a number of interesting facts and trends. First, in all countries the majority of people live in the major administrative division in which they were born. Second, figures for lifetime (absolute) migration between minor administrative divisions reveal that a significant portion of the population has experienced a move. Third, the

percentage of migrants between major administrative divisions in countries with census data from 2010 or later is lower than 5.5%: by way of comparison, the figure for the United States of America over the years 2005-2010 was 5.7%, according to the 2010 census.²

Table I.2

Union of South American Nations (UNASUR) (10 countries): migration between major administrative regions (MAD) and minor administrative regions (MIAD), by type of migration (long-term and recent), 1990-2010^a (Percentages)

Country	Census year	Long-term migration		Recent migration (past 5 years)	
		MAD	DAME	MAD	MIAD
Argentina	2001	19.9	...	3.3	...
	2010	19.9	...	3.4	...
Bolivia (Estado Plurinacional de)	1992	13.8	25.0	5.6	9.6
	2001	15.2	26.3	6.0	10.0
	2012 ^b	14.8	23.9	4.1	7.5
Brazil	1991	14.8	36.0	3.8	13.4
	2000	15.4	37.1	3.4	10.0
	2010	13.9	...	2.8	...
Chile	1992	20.3	46.0	6.1	17.1
	2002	21.0	48.9	5.8	16.0
Colombia	1993	22.1	...	8.1	...
	2005	20.6	36.8	4.3	7.6
Ecuador	1990	19.2	28.1	5.8	8.3
	2001	19.9	32.8	5.2	8.7
	2010	20.8	46.9	4.7	7.5
Paraguay	1992	26.1	31.7	9.1	12.6
	2002	26.4	35.1	7.6	11.5
Peru	1993	22.4	...	8.6	...
	2007	19.6	34.9	5.4	11.8
Uruguay	1996	24.1	...	6.5	...
	2011 ^b	29.8	...	5.1	...
Venezuela (Bolivarian Republic of)	1990	23.1	N/A	6.0	N/A
	2001	23.8	N/A	5.1	6.7
	2011 ^b	18.5	...	1.8	2.9

Source: Economic Commission for Latin America and the Caribbean (ECLAC), *UNASUR: un espacio de desarrollo y cooperación por construir* (LC/L.3339), Santiago, Chile, 2011, table I.2, and special processing of census microdatabases of the 2010 round of censuses.

Note: Three dots (...) indicates that data were not available. N/A: not applicable.

^a According to data from censuses carried out in different years.

^b Data from processing of provisional census microdatabases, although the outcomes are expected to vary little if at all, at least with respect to the indicators in the table.

² Refers to change of residence between states, 2005-2010, in the population resident in the United States in 2005. ECLAC calculations on the basis of David K. Ihrke and Carol S. Faber, *Geographical Mobility: 2005 to 2010, 2012* [online] www.census.gov/prod/2012pubs/p20-567.pdf.



- Table I.2 shows a declining trend in the intensity of internal migration, at the scale of both major administrative divisions (MAD) and minor administrative divisions (MIAD). This is rather surprising, as the costs of moving within countries have on the whole fallen, and territorial inequalities have persisted, which might be expected to generate steady or even growing migratory pressures. Yet the evidence shows conclusively that changes of residence between major administrative divisions and between minor administrative divisions in the same country are less frequent than they were in the past. There must, then, be factors that are countering the forces that should, a priori, be favourable to a continuing or even rising level of internal migration. Those factors include: (i) the exhaustion of the principal type of internal migration during the twentieth century, i.e. migration from the countryside to the city, due essentially to the narrowing of the potential base of rural emigrants; (ii) the increase in international migration, which in some cases can be a substitute for internal migration; (iii) increased day-to-day or seasonal mobility, which can also be a substitute for migration; (iv) the ageing of the population (since older persons are less likely to migrate); and (v) the end of official internal migration programmes, including those that encouraged colonization.

D. Indigenous peoples³

- According to census data, the indigenous population of UNASUR in 2010 was around 20 million, representing 5.3% of the grouping's total population: 7 million indigenous people were living in Peru, and 6 million in the Plurinational State of Bolivia.
- Thus, the countries with the greatest proportion of indigenous people are the Plurinational State of Bolivia (62.2%) and Peru (24.0%) (see table I.3)

Table I.3

Union of South American Nations (UNASUR) (8 countries): total and indigenous populations, 2010-2012^a

(Numbers of individuals and percentages)

Country and census year	Total population	Indigenous population	Percentage of indigenous population
Census information			
Argentina (2010)	40 117 096	955 032	2.4
Bolivia (Plurinational State of) 2012	9 995 000	6 216 026	62.2
Brazil 2010	190 755 799	896 917	0.5
Chile (2012) ^b	16 341 929	1 805 243	11.0
Ecuador (2010)	14 483 499	1 018 176	7.0
Paraguay (2012) ^c	6 232 511	112 848	1.8
Uruguay (2011) ^d	3 251 654	76 452	2.4
Venezuela (Bolivarian Republic of) 2011	27 227 930	724 592	2.7
Estimates at 2010 ^e			
Colombia	46 448 000	1 559 852	3.4
Peru ^f	29 272 000	7 021 271	24.0
Total	652 413 740	31 236 663	4.8

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

^a According to data from censuses carried out in different years.

^b These are the results of the 2012 census in Chile. However, the current administration does not regard them as official owing to census quality issues.

^c Data refer to preliminary results of the Indigenous Census of Paraguay. They do not include the indigenous population counted in the general census, which is not yet available.

^d The census question on the recognition of descent with multiple response categories shows a total of 1 593 319 indigenous persons in Uruguay.

^e For these countries, census results are not yet available for the 2010 decade. The percentages for the indigenous population were therefore taken from the latest census available and applied to the estimated population in 2010, on the basis of population estimates produced by the Latin American and Caribbean Demographic Centre (CELADE) Population Division of ECLAC, *Demographic Observatory 2012. Population projections* (LC/G.2569-P), Santiago, ECLAC, 2013.

^f Because the 2007 census in Peru included only mother tongue, the indigenous population was estimated by classing all household members as indigenous when the head of household or spouse reported an indigenous language.

³ This section was prepared on the basis of information from the document *Los pueblos indígenas en América Latina: avances en el último decenio y retos pendientes para la garantía de sus derechos* (LC/L.3902) (whose summary is available in English as *Guaranteeing indigenous peoples' rights in Latin America: progress in the past decade and remaining challenges. Summary* [LC/L.3893]), prepared by the Latin American and Caribbean Demographic Centre (CELADE) Population Division of ECLAC in 2014 in preparation for the World Conference on Indigenous Peoples.

- Today, 826 indigenous peoples are accounted for in the region. This represents an increase from the last figure reported by ECLAC in 2006, when 642 indigenous peoples were identified. This increase can be attributed to the improvement in statistical information in recent years, and to the efforts of indigenous peoples themselves to win recognition.
- Within the countries of UNASUR, Brazil has the greatest number of indigenous peoples (305), followed by Colombia (102) and Peru (85). Many of these peoples are facing physical or cultural extinction: this is the case in Brazil (with 70 indigenous peoples at risk) and in Colombia (35). In addition, it is estimated that another 200 indigenous peoples are living in voluntary isolation in the Bolivarian Republic of Venezuela, Brazil, Colombia, Ecuador, Paraguay, Peru and the Plurinational State of Bolivia.
- The past decade has seen improvements in indigenous peoples' access to health and education, in the recognition of their territorial rights and in their political participation, although there are still gaps to be closed.
- Access to health services has improved greatly, as reflected for example in better indicators for assisted childbirth and child mortality rates among indigenous peoples. Mortality among children under the age of five declined between 2000 and 2010 in the five countries for which data are available (Bolivarian Republic of Venezuela, Brazil, Ecuador, Peru and Plurinational State of Bolivia). In addition, several countries have some type of State institution with a specific mandate to manage cross-cultural health.
- In the education field, school attendance rates have risen at all levels. The six countries with census data available from 2010 and 2012, for example, report attendance rates of between 82% and 99% for children aged 6 to 11 years. Nevertheless, there are still significant gaps between indigenous and non-indigenous groups in the completion rate for secondary school and in access to tertiary education.
- There has also been progress in recognizing the territorial rights of indigenous peoples, including the right to collective ownership of their territory. Most countries of the region have made progress in this regard, primarily through the demarcation and registration of land titles, but major challenges remain with respect to territorial control, including over natural resources. Between 2010 and 2013 there were more than 200 conflicts relating to hydrocarbon and mining activities in indigenous territories.
- Political participation by indigenous peoples has also been gaining momentum, with the steady strengthening of their organizations and the forging of alliances to enhance their political influence. However, these peoples still have scant representation in the branches of government. Moreover, while there has been some progress in terms of the right to free, prior and informed consent and respect for indigenous peoples' institutions and systems of self-government, the outcomes still fall short of international standards that recognize these indigenous peoples' fundamental right to free determination.
- Territorial inequalities are the expression of the limitations that people face in exercising their rights. For indigenous peoples those constraints are more intense and bear special significance. In a territorial analysis of indigenous peoples, as well as in public policies, there is a need for a concept of territory and a practice of territoriality that, beyond the physical dimension, will include the social, cultural and symbolic dimensions.

II. Social issues

In the past few decades South America has made significant progress in reducing poverty. However, the region's poverty rates are still higher than they should be in relation to its level of income, and wealth is very unevenly distributed.

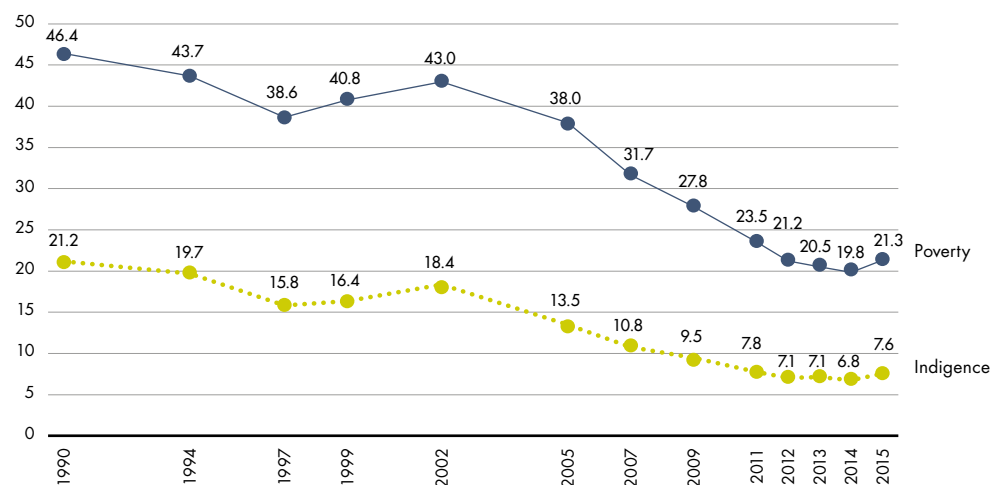
This inequality is the main obstacle to development and to social cohesion in South America. The asymmetries within countries are considerable and obvious, but there are also asymmetries between countries. The region's historic and cultural identity has been fractured by these inequalities, which undermine the trust that is needed for regional cooperation and for a common sense of belonging.

The following section presents the social landscape of South America in terms of poverty and inequality, employment, social spending, education, food and nutrition, health, and some data on gender parity.

A. Poverty and inequality

- Poverty and indigence have declined noticeably in UNASUR countries, but a significant portion of the population still lacks the resources to satisfy its basic needs. While income distribution has improved in recent years, inequity remains a distinctive feature of UNASUR in comparison with other regions of the world. Thus, to move toward greater social inclusion will require overcoming poverty and ensuring a more equitable structure of opportunities.
- Poverty levels have fallen substantially in the countries of UNASUR in recent years. In 2014, the poverty and indigence rates stood at their lowest level since 1990 (19.8% and 6.8% respectively).
- In 2014, the poor numbered 81 million in total, down sharply from the 156 million recorded in 2003, which was the highest figure for the last two decades.
- Poverty trends are closely linked to the business cycle: the percentage of poor declined between 1990 and 1997, rose again between 1997 and 2002, and dropped steeply between 2003 and 2009, a time of sustained economic growth. Between 2009 and 2014 the downward trend continued.
- Poverty is projected to show a rise in the 2015 figures, to 21.3% for poverty and 7.6% for indigence (see figure II.1).

Figure II.1
 Union of South American Nations (UNASUR) (10 countries):^a poverty and indigence rates, selected years between 1990 and 2015^b
 (Percentages of the total population)



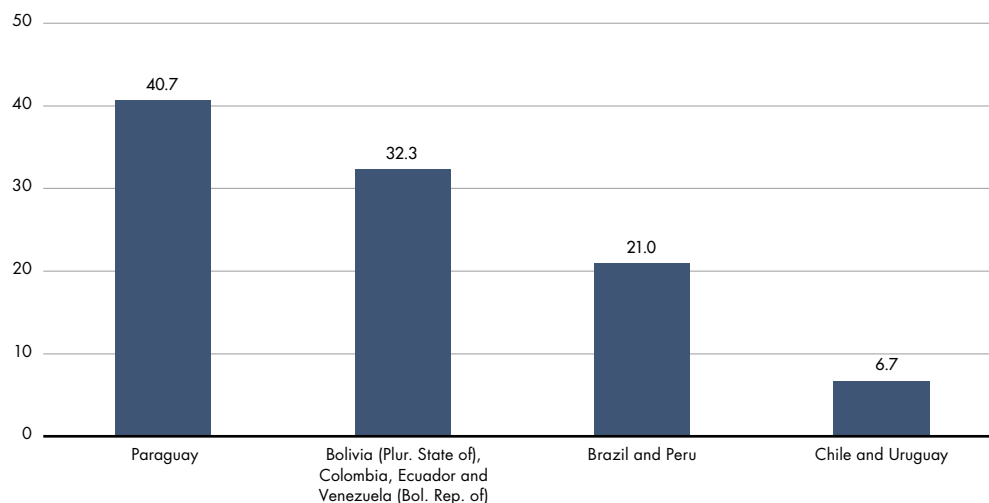
Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of household surveys conducted in the respective countries.

^a Simple averages of the figures for the countries. No comparable information is available for Guyana and Suriname.

^b Figures for 2015 are projections.

- The countries of UNASUR have differing incidences of poverty. In figure II.2, countries are grouped in four categories by poverty level in 2013, from those in which over 40% of the population was poor, to others in which less than 7% was poor.

Figure II.2
 Union of South American Nations (UNASUR) (10 countries):^a classification of countries by poverty rate, 2013
 (Percentages)

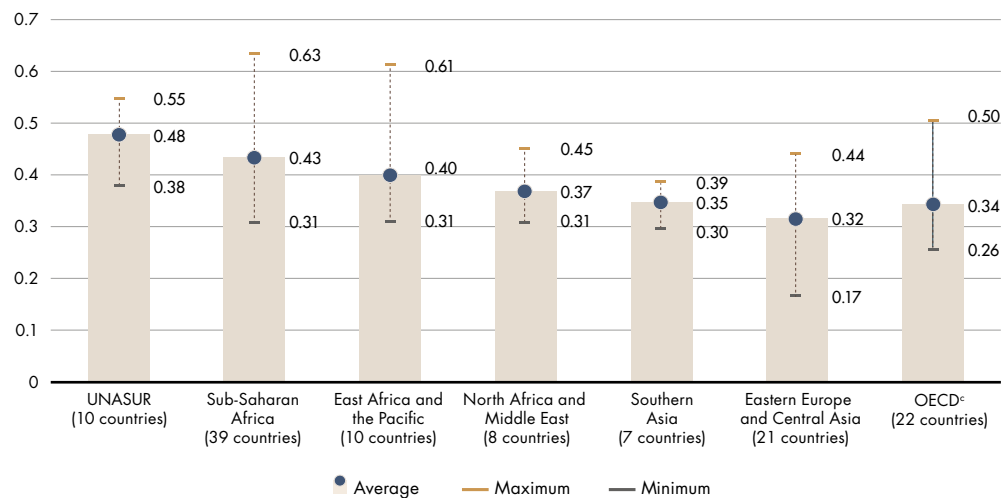


Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of household surveys conducted in the respective countries.

^a Simple averages of the figures for the countries included in each group. No comparable information is available for Guyana and Suriname.

- Between 2009 and 2014, 9 of the 10 UNASUR countries for which information was available saw an improvement in income distribution as measured by the Gini index: in five, the Gini fell by 5% or more, and by more than 10% in two of those five (Plurinational State of Bolivia and Uruguay). Despite this favourable trend, however, UNASUR remains the most unequal region in the world, with greater income concentration than any other region (see figure II.3).

Figure II.3
 Union of South American Nations (UNASUR) (10 countries) and other world regions:^a Gini coefficient of per capita income concentration, around 2014^b



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of household surveys conducted in the respective countries and World Bank, *World Development Indicators (WDI)*.

^a No comparable information is available for Guyana and Suriname.

^b Simple averages of the Gini coefficients of the countries in each region. The number of countries in each region is indicated in brackets.

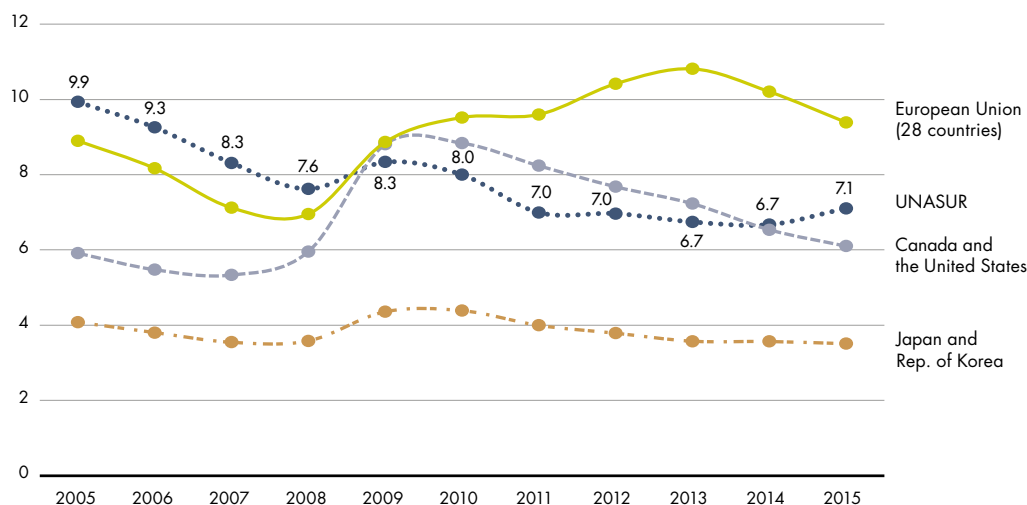
^c Organization for Economic Cooperation and Development (OECD).

B. Employment

- Between 2003 and 2008, a time of strong economic growth, there was a major reduction in open unemployment, which fell from 12.7% in 2003 to 7.6% in 2008. The fallout from the international financial crisis pushed this rate up again, to 8.3% in 2009. From 2010 to 2014, however, unemployment fell significantly, to 6.7% in 2014, before edging back up to 7.1% in 2015.
- Since the end of the 1990s, the average unemployment rate in UNASUR has exceeded rates in more developed regions. However, the gap between UNASUR and developed countries has been narrowed by the declines in unemployment recorded between 2003 and 2008 and between 2010 and 2014.
- Since 2009, average unemployment in UNASUR had in fact fallen below the levels in the United States and Canada taken together, and in the European Union. However, this changed in 2015, when unemployment in UNASUR countries was higher than the United States and Canada (see figure II.4).

Figure II.4
Union of South American Nations (UNASUR) (10 countries) and other world regions:^a unemployment rate, 2005-2015

(Percentages)

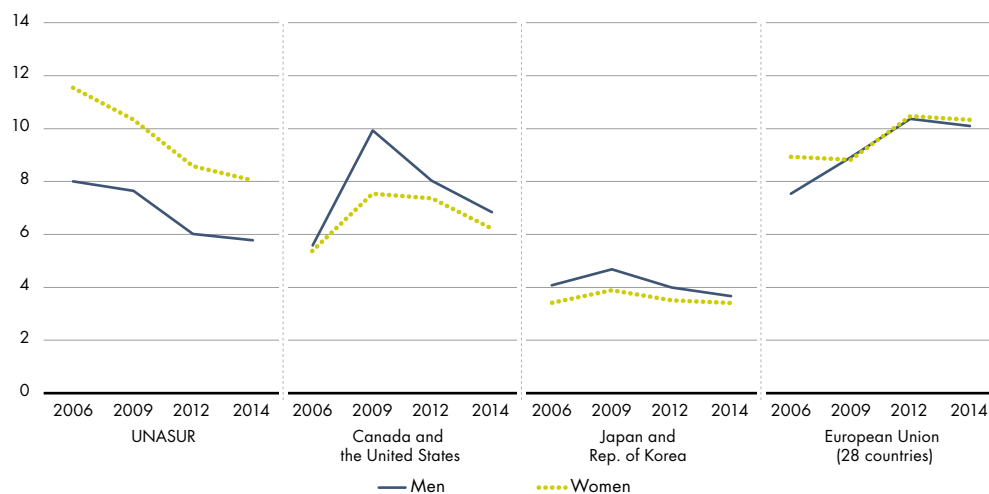


Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of official figures from the countries and Organization for Economic Cooperation and Development (OECD).

^a Simple averages of the figures for the countries. No comparable information is available for Guyana and Suriname.

- The open unemployment rate in UNASUR countries dropped faster —yet remains higher— for women than for men between 2006 and 2014.
- Disparities in the unemployment rate by sex are much greater in UNASUR than in other regions and in more developed countries, a situation that pertained as much in 2006, 2009 and 2012 as in 2014 (see figure II.5).

Figure II.5
 Union of South American Nations (UNASUR) (10 countries) and other world regions:^a unemployment rate by sex 2006, 2009, 2012 and 2014
 (Percentages)



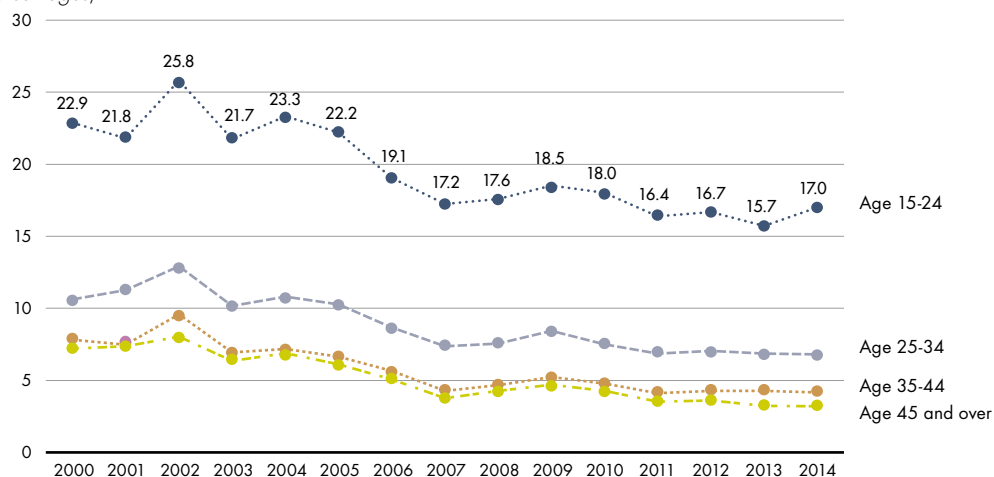
Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of official figures from the countries and Organization for Economic Cooperation and Development (OECD), “Labour force statistics by sex and age: indicators”, OECD Employment and Labour Market Statistics [database].

^a Simple averages of the figures for the countries. No comparable information is available for Guyana and Suriname.

- Between 2000 and 2014, unemployment among young people aged between 15 and 24 was higher than for other age groups in UNASUR. In the first five years of the 2000 decade, the youth unemployment rate exceeded 20% and then declined to 15.7% in 2013. In 2014 it rose again, to 17% (see figure II.6).
- In the UNASUR countries, having a job is no guarantee of escape from poverty, or of avoidance of slipping back into it. This is largely a reflection of the high rate of informal employment. Nevertheless, low-productivity jobs have fallen as a proportion of total jobs created in recent years. In 2007, the share of employment in low-productivity sectors in UNASUR was 52.8%, while by 2013 it had fallen to 46.6%. This positive trend was broken in 2014, however, when the proportion of employed in low-productivity sectors edged up to 47.5% (see figure II.7).

Figure II.6
 Union of South American Nations (UNASUR) (up to 10 countries):^a urban unemployment rate by age bracket, 2000-2014

(Percentages)

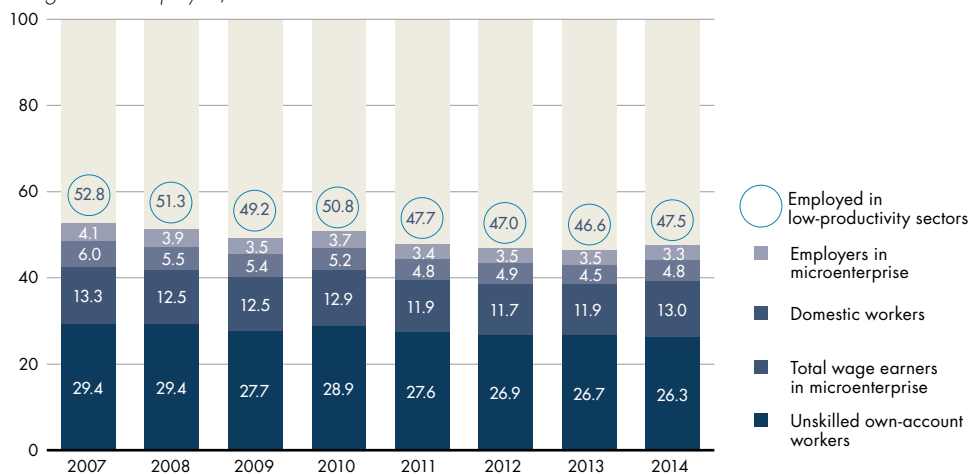


Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of official figures from the countries.

^a Depending on the year, the simple average is calculated from between 5 and 10 surveys, according to availability. No comparable information is available for Guyana and Suriname.

Figure II.7
 Union of South American Nations (UNASUR) (up to 10 countries):^a proportion of employed in low-productivity sectors, by type of business unit, 2007-2014

(Percentages of all employed)

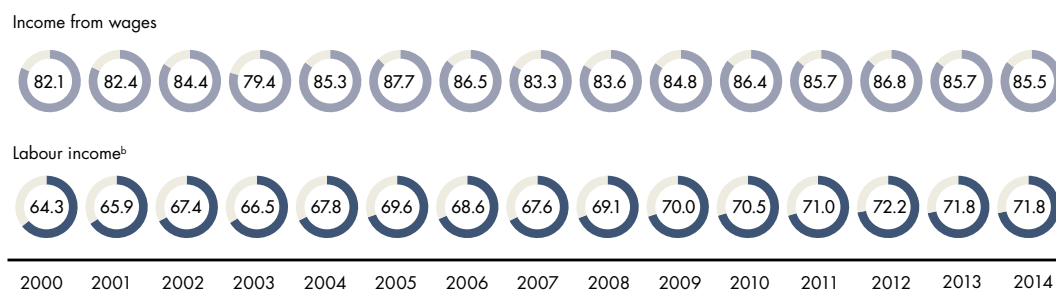


Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of official figures from the countries.

^a Depending on the year, the simple average is calculated from between 5 and 10 surveys, according to availability. No comparable information is available for Guyana and Suriname.

- The labour market gaps in UNASUR are also evident in the quality of employment. For example, earnings from work have been systematically lower for women than for men, although the gap has started to narrow again after widening around 2007. In 2014, women’s earnings (including earnings of employees and own-account workers) represented 71.8% of men’s earnings, compared to 67.6% in 2007. In other words, the 2014 gap was 28.2 percentage points, compared to 32.4 percentage points in 2007, for a reduction of 4.2 percentage points over a period of seven years (see figure II.8).

Figure II.8
 Union of South American Nations (UNASUR) (10 countries):^a women’s average income compared to men’s average income, 2000-2014
 (Percentages)



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

^a Simple averages of the figures for the countries. No comparable information is available for Guyana and Suriname.

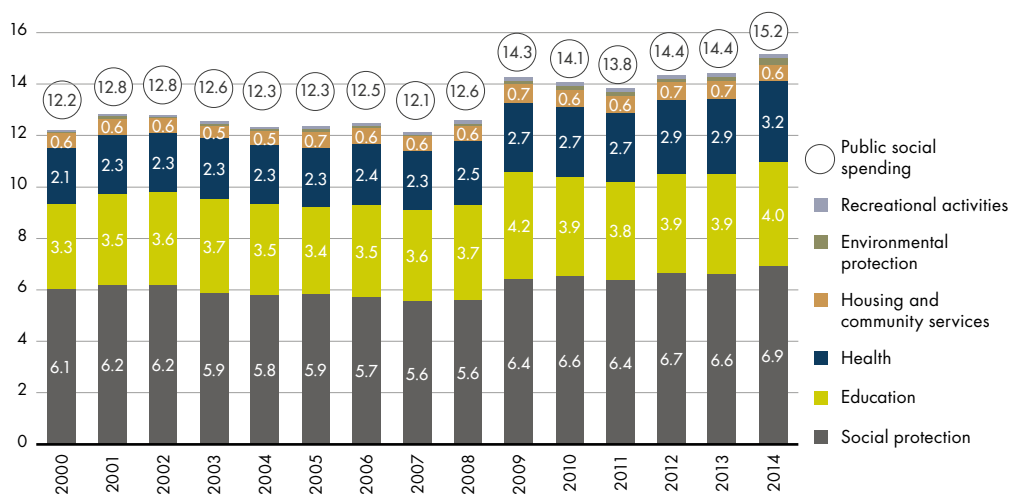
^b Includes income from both waged and own-account work.

- Although they are still at a disadvantage, the situation of women compares more favourably when considering only those working as employees. In this measure, the average wage for women in 2014 amounted to 85.5% of the male wage, leaving a wage gap of 14.5 percentage points.
- The trend since 2000 has been positive: in that year, the female wage was 82.1% of the male wage, giving a gap of 17.9 percentage points.

C. Social spending

- The public spending data reported by UNASUR countries for the period from the mid-1990s to 2000-2014 show significant and steady growth in social spending overall and by sector (see figure II.9).

Figure II.9
Union of South American Nations (UNASUR) (10 countries):^a public social spending, total and by sector, 2000-2014
(Percentages of GDP)

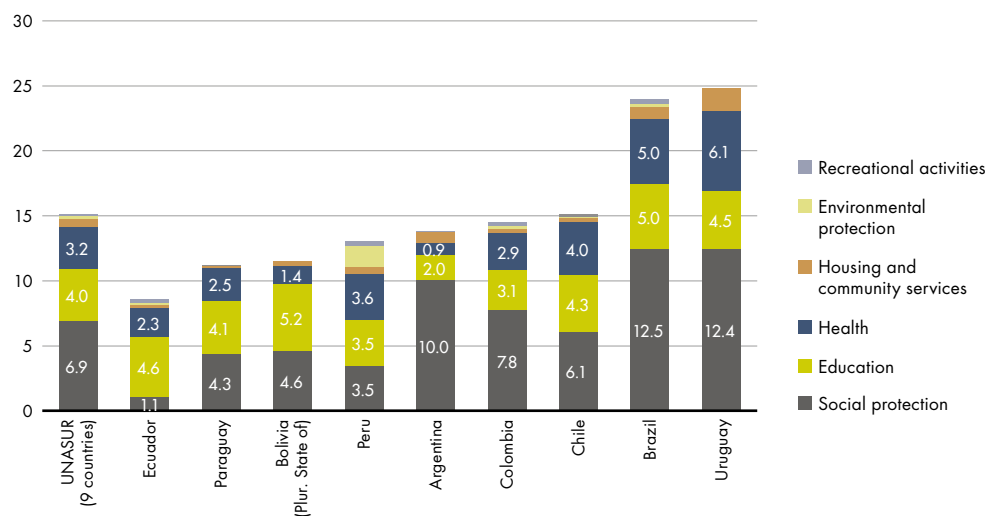


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Commission's social expenditure database.

^a Simple averages of the figures for the countries. Does not include Guyana or Suriname.

- In 2014, social spending represented 16% of GDP, a pattern that is expected to continue in 2015. The sectoral distribution of social spending reveals continued priority to social security and assistance, which accounts for the largest single share of the total (45%).
- Education remains the second priority, with a share of 26%. The health sector has seen the biggest relative increase in the period under analysis (see figure II.10).

Figure II.10
 Union of South American Nations (UNASUR) (9 countries):^a public social spending, total and by sector, 2014
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Commission's social expenditure database.

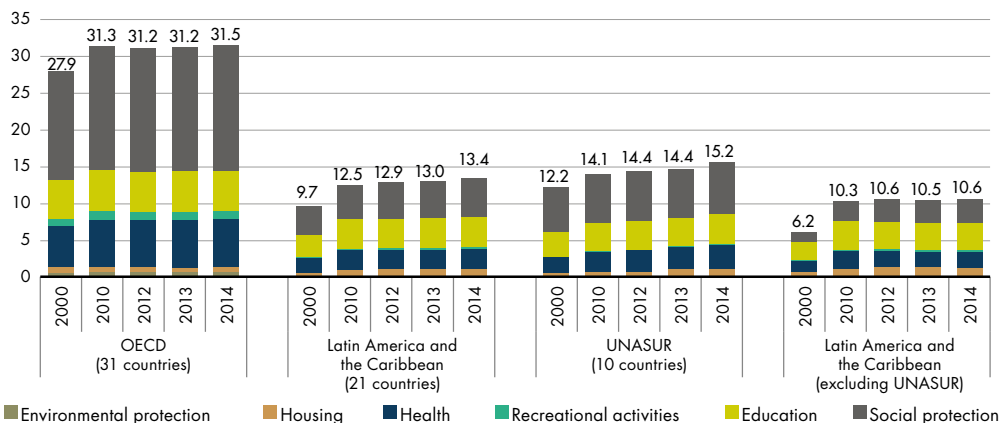
^a Does not include the Bolivarian Republic of Venezuela, Guyana or Suriname.

- On average, UNASUR countries devote a higher proportion of GDP to social spending than other Latin American countries. However, this proportion is still far smaller than the average for the countries of the Organization for Economic Cooperation and Development (OECD) (see figure II.11).
- Fiscal policy in UNASUR countries, and in Latin America in general, has a relatively limited impact on the distribution of income, especially by comparison with the average for OECD countries and the European Union. The application of direct taxes (income tax) and cash transfers—chiefly public pensions—yields a 7.3% improvement in the Gini in the average for UNASUR. Although this is better than the average for Latin America (6.1%) more broadly, it is still significantly poorer than the inequality reduction achieved in OECD countries (35.8%) and in the European Union (39.3%).
- It is interesting to examine the impact of the different fiscal tools in terms of reducing inequality. As shown in figure II.12, direct taxes reduce inequality relatively little either in the UNASUR countries (2.5%) or in the average for Latin America (2.5%). This reflects the fact that the effective rate of personal income tax is quite low on average, especially by comparison with the countries of the European Union. This shows, in turn, structural weaknesses in the tax system, which are compounded by the high level of tax evasion and avoidance.

Figure II.11

Union of South American Nations (UNASUR), Organization for Economic Cooperation and Development (OECD), and Latin America and the Caribbean, including and excluding UNASUR: public social spending, total and by sector, 2000-2014^a

(Percentages of GDP)



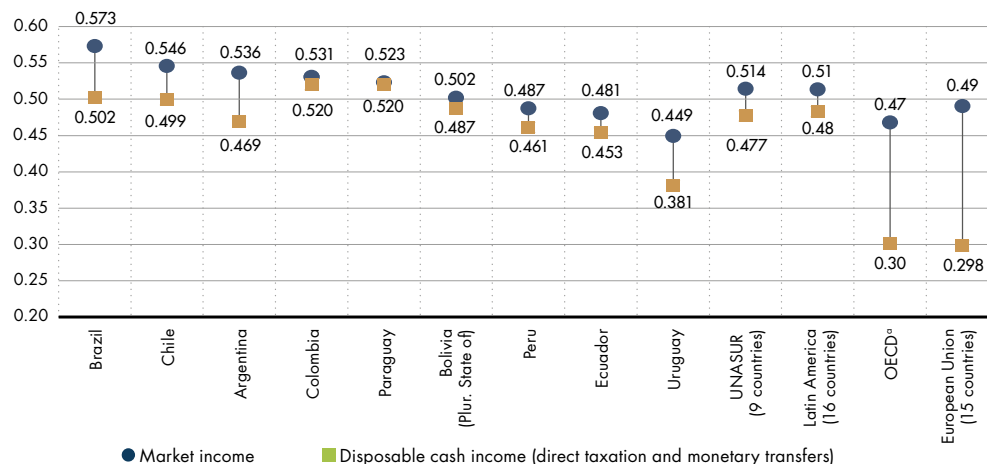
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Commission's social expenditure database.

^a Does not include the Bolivarian Republic of Venezuela, Guyana or Suriname.

Figure II.12

Union of South American Nations (UNASUR) (9 countries): inequality measured by the Gini coefficient of market income and disposable cash income of the total population, around 2011

(Percentages)

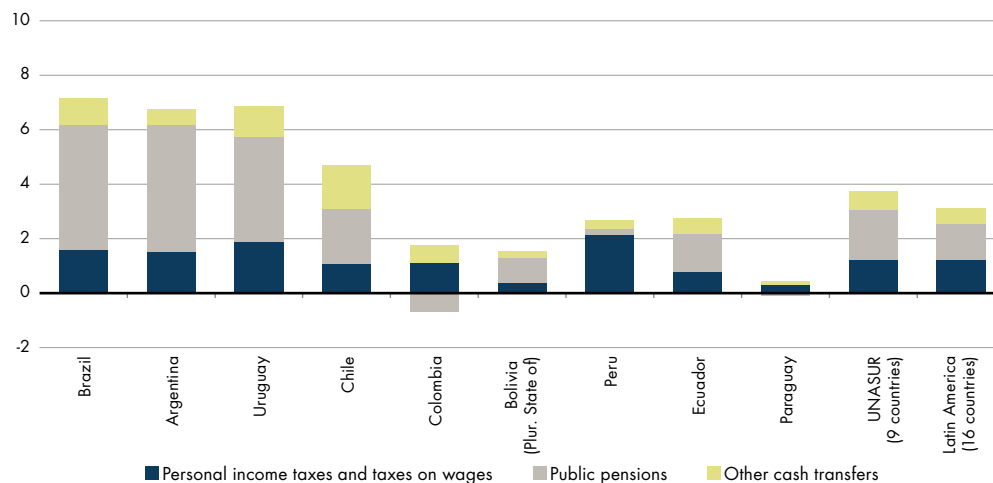


Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Fiscal Panorama of Latin America and the Caribbean 2015: Policy space and dilemmas*, (LC/L.3962), Santiago, 2015.

^a Organization for Economic Cooperation and Development.

- Monetary transfers—including public pensions and other cash transfers— have a larger impact on inequality than direct taxation in the UNASUR countries. This is particularly true in Argentina, Brazil, Chile, Ecuador and Uruguay, where public pensions reduce inequality on average by 6.3%, or 3.3 Gini points. By contrast, other monetary transfers—including conditional cash transfers— play a smaller role in reducing inequality, notwithstanding their undeniable success in reduction poverty, among other aims (see figure II.13).

Figure II.13
 Union of South American Nations (UNASUR) (9 countries): reduction in inequality by fiscal policy tool, around 2011
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Fiscal Panorama of Latin America and the Caribbean 2015: Policy space and dilemmas*, (LC/L.3962), Santiago, 2015.

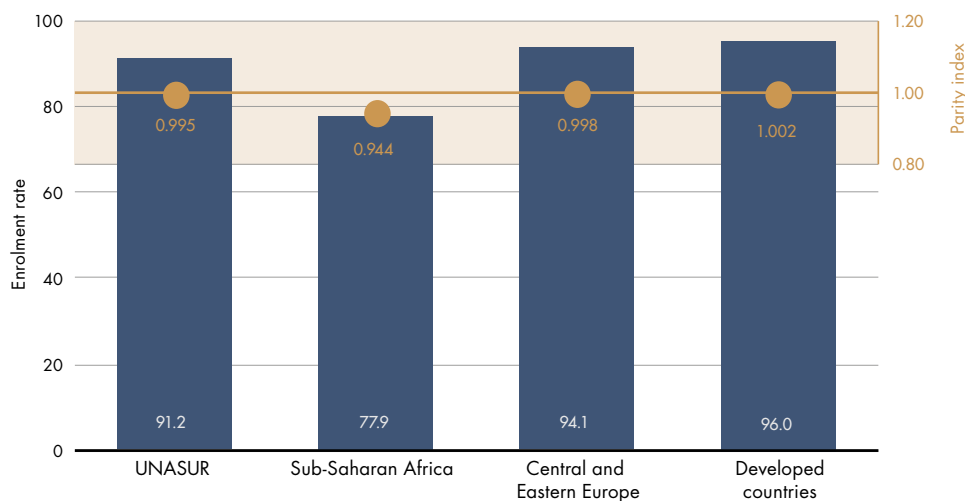
D. Education

- UNASUR countries have made progress in universalizing primary education, but still have work to do to boost access and completion rates in secondary education and to expand the coverage of preschool education. At the same time, there remain important challenges of quality and equity. In terms of learning outcomes, children in UNASUR countries are well behind their peers in developed countries and there are sharp disparities in educational achievement depending on socioeconomic situation, place of residence, and ethnic origin, among other factors.
- In 2014, the net enrolment rate in primary education in UNASUR stood at 91.2%, very close to the levels observed in developed countries and in Eastern and Central Europe, but higher than those in sub-Saharan Africa. The primary school completion rate in UNASUR countries is close to 90%, although there are persistent gaps associated with socioeconomic factors (see figure II.14).

Figure II.14

Union of South American Nations (UNASUR) (12 countries) and other world regions:^a net enrolment rate and gender parity in primary education, around 2014

(Percentages and indices)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of UNESCO Institute for Statistics (UIS).

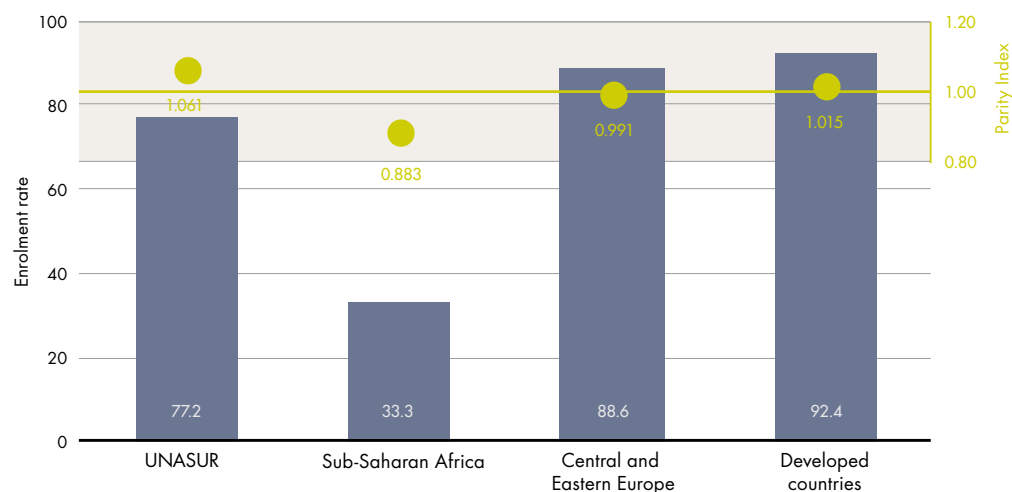
^a Simple averages of the figures for the countries.

- There are difficulties in relation to level of schooling in the secondary education system. In 2011-2014, the net enrolment rate at this level was 77,2% in UNASUR, higher than the enrolment rates recorded in sub-Saharan Africa, but well below those for the developed countries and for Central and Eastern Europe (see figure II.15).

Figure II.15

Union of South American Nations (UNASUR) (11 countries) and other world regions:^a net enrolment rate and gender parity in secondary education, around 2014

(Percentages and indices)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of UNESCO Institute for Statistics (UIS).

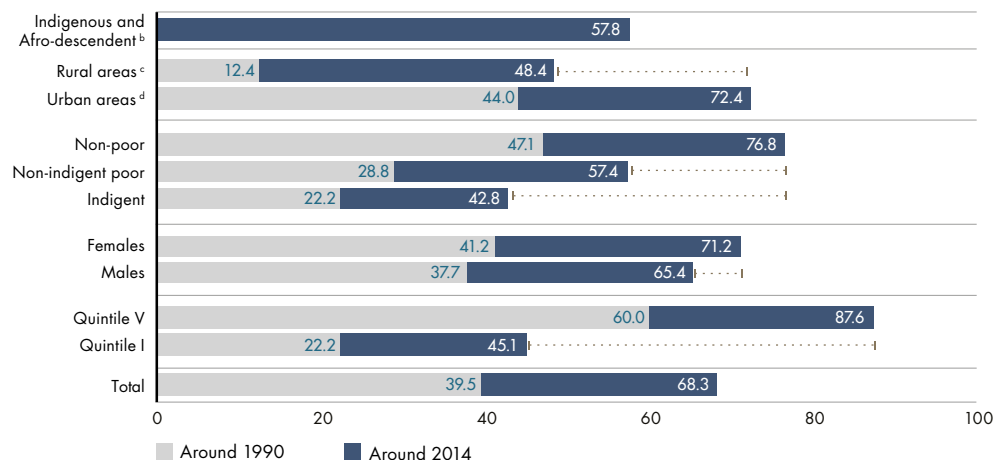
^a Simple averages of the figures for the countries. Does not include Brazil.

- While secondary school completion rates improved between 1990 and 2014, there are still sharp disparities that affect the poorest groups, indigenous peoples and rural youngsters (see figure II.16).
- Schooling challenges are not confined to secondary education. Efforts are still needed to expand access to preschool education and to tertiary education.
- Enrolment in tertiary education has expanded rapidly in UNASUR countries in the past decade: from an average gross enrolment rate of 30% (around 2004) to around 50% (around 2014). However, the percentage of students completing this cycle is very low (see figure II.17).

Figure II.16

Union of South American Nations (UNASUR) (10 countries):^a secondary education completion rates among young people aged 20 to 24, selected groups, around 1990 and 2014

(Percentages)



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

^a Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

^b Does not include Argentina, Colombia or the Bolivarian Republic of Venezuela.

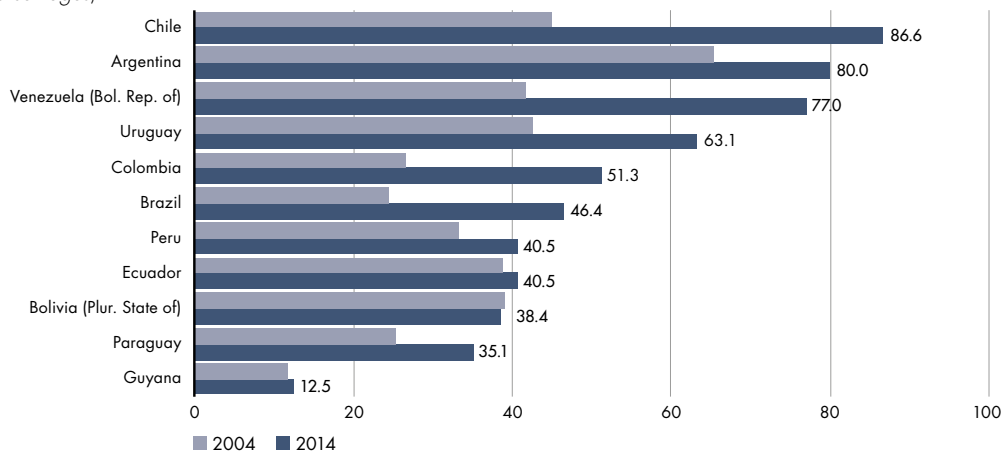
^c Does not include Argentina or the Bolivarian Republic of Venezuela.

^d Does not include the Bolivarian Republic of Venezuela.

Figure II.17

Union of South American Nations (UNASUR) (10 countries): tertiary education net enrolment rate, around 2004 and 2014

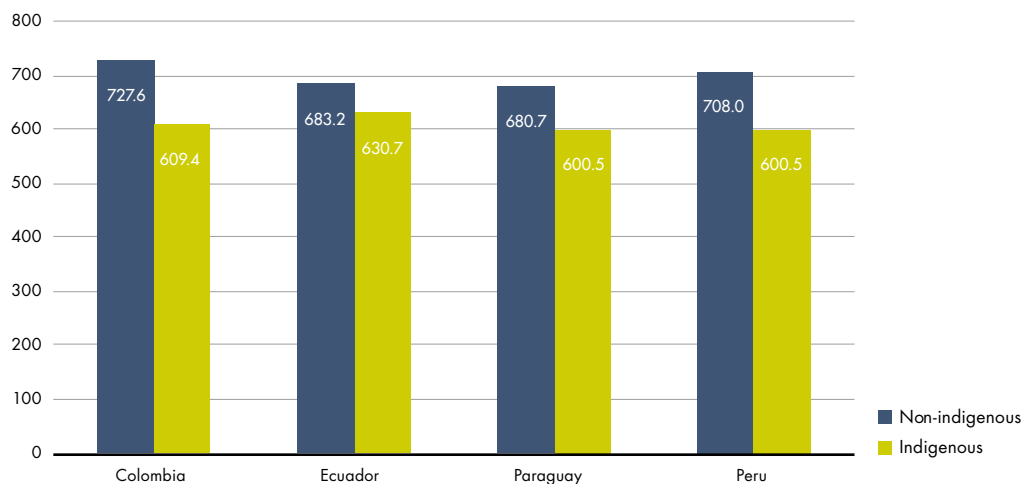
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of UNESCO Institute for Statistics (UIS).

- To improve equality of opportunities, policies are needed to offset the lack of monetary resources and time among young people who have to work to earn a living or support their families on leaving secondary school. It is also important to develop mechanisms and academic support to help those who enter tertiary education to complete the cycle.
- The greatest challenge for the UNASUR countries is to improve the quality of education. There is systematic evidence that students' learning levels in some UNASUR countries fall short of those achieved by their peers in developed countries.
- Within the UNASUR countries there are great differences in the quality of the education children receive. These differences have to do with the dynamics of school segmentation and segregation, and they are reflected in poor learning outcomes that reproduce the divides related to socioeconomic status, ethnic origin and place of residence (see figure II.18).

Figure II.18
Union of South American Nations (UNASUR) (4 countries): average score in reading by ethnic origin, 2013



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the Third Regional Comparative and Explanatory Study (TERCE) of the Latin American Laboratory for Assessment of the Quality of Education (LLECE) of UNESCO.

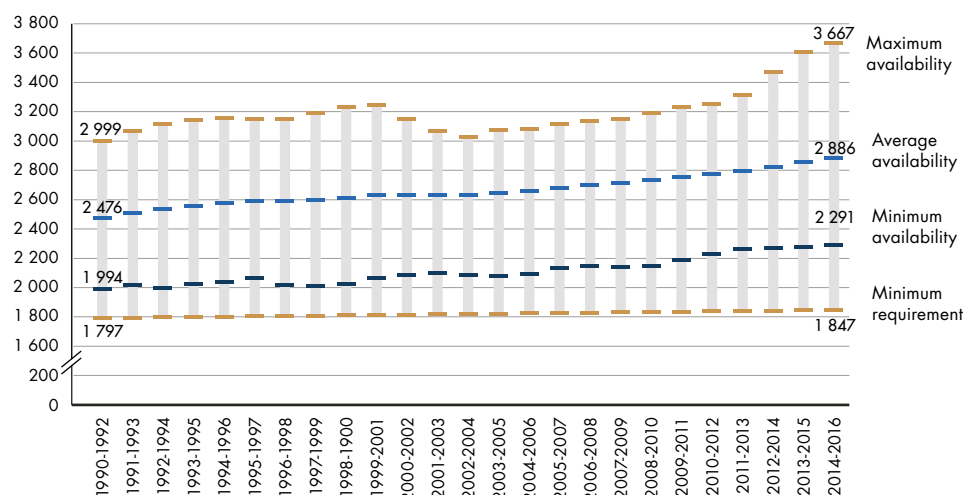
E. Food and nutrition

- The problems of malnutrition in UNASUR countries are yet another indicator of the region's persistent inequalities. Member countries have sufficient food supply to cover the needs of their people, yet barriers to access and problems of child malnutrition remain serious challenges, compounded by the growing prevalence of overweight and obesity.
- Between 2014 and 2016, food availability was on average 70% above the population's minimum nutritional requirements. However, during that time around 11 million people were not consuming the minimum caloric requirements (see figure II.19).

Figure II.19

Union of South American Nations (UNASUR):^a food availability and minimum daily kilocalorie requirement per person, 1990-1992 to 2014-2016

(Kilocalories)



Source: Food and Agriculture Organization of the United Nations (FAO), "Food security", Corporate Database for Substantive Statistical Data (FAOSTAT).

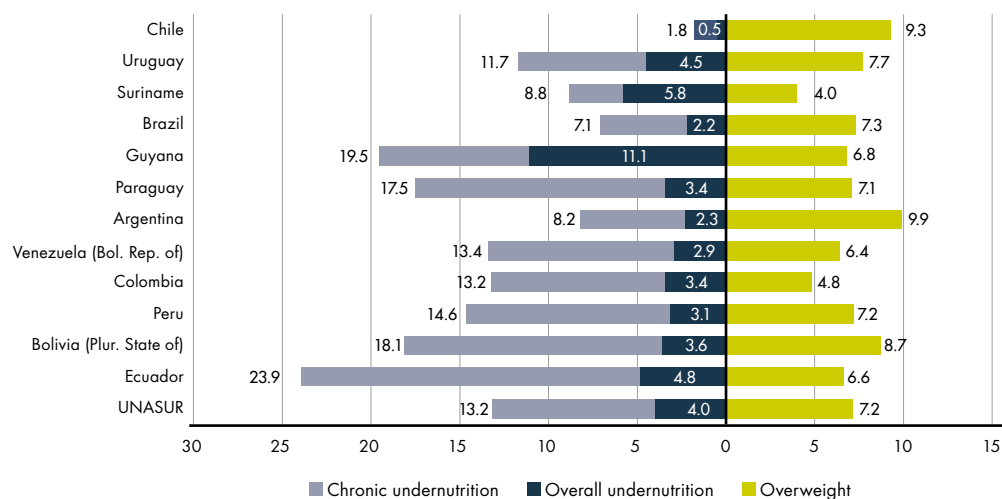
^a Simple averages of the figures for the countries.

- Recent years have seen steadily higher food prices: the food-specific CPI rose by 62.4% between 2010 and 2014, during which time the general CPI increased by 42%. This situation worsens the food and nutritional vulnerability of the population, in particular the poorest people, not only limiting access to food in general but also increasing the consumption of less healthful food products, which affects malnutrition as well as obesity.

- Malnutrition, in the form of both under- and overweight, is in evidence in Latin America and the Caribbean. According to the most recent information from nutrition surveys, 992,000 children under age 5 are underweight for their age, and 3.8 million show signs of stunting. What is more, as much as 8.4% of babies born in the region have low birthweight (see figure II.20). The latest studies available show that children who suffer from stunting have a likelihood of death 2.4 times higher than those who do not. Apart from being an ethical issue, this leads to losses in terms of productivity, education and health in the countries.

Figure II.20

Union of South American Nations (UNASUR): chronic and overall undernutrition and overweight rates among children under age 5, around 2004-2012^a and around 2014
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the United Nations Statistics Division for undernutrition and official sources.

^a Overall undernutrition is defined as low weight for age (underweight) and chronic undernutrition as low height for age (stunting). Figures estimated on the basis of World Health Organization (WHO) standards.

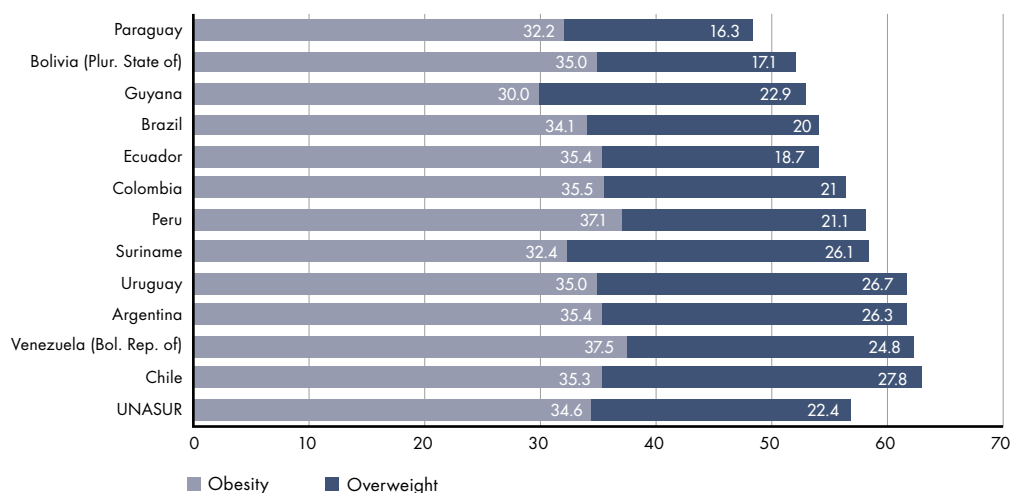
- In 2004, the costs associated with undernutrition were estimated at US\$ 10.5 billion in the Andean countries and Paraguay alone.
- The most vulnerable groups are indigenous populations living in rural mountainous and forest areas.

- Overweight and obesity are also growing problems in the region. The proportion of overweight children under age 5 in UNASUR countries is currently 7%. Among the adult population, 57% of those aged over 18 are overweight in the UNASUR countries, 59% in the case of women and 55% in the case of men. This situation has serious public health implications. There is scientific evidence linking obesity with non-communicable chronic diseases, and the attendant higher morbidity and mortality rates, greater health costs and productivity losses (see figure II.20 and II.21).

Figure II.21

Union of South American Nations (UNASUR): overweight and obesity rates among the population aged 18 and over, around 2014

(Percentages)



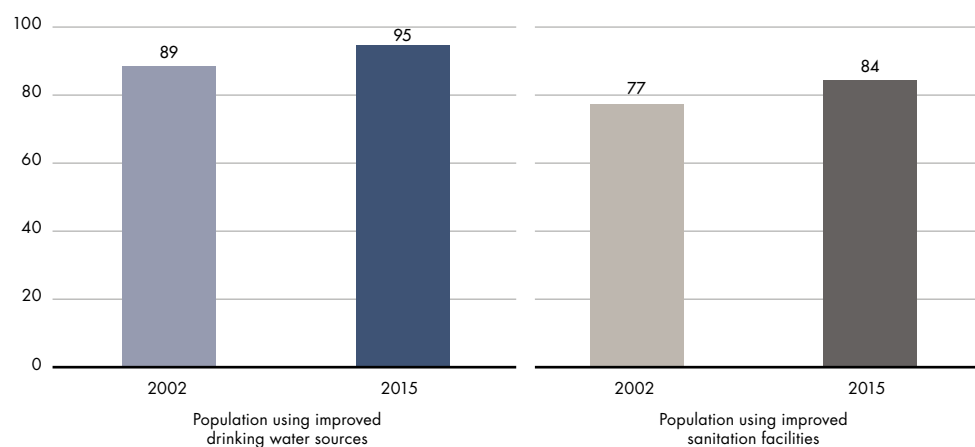
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the United Nations Statistics Division for undernutrition and official sources.

- The latest data from the World Health Organization estimate that 65.63% of diabetes cases and 35.69% of cases of cardiovascular disease in Latin America and the Caribbean are attributable to overweight. This is also associated with a 12.55% increase in adult mortality.
- Non-communicable chronic diseases are responsible for 62% of disability-adjusted life years (DALY), i.e. healthy years of life lost, in the low-income countries of Latin America and the Caribbean. Chile has the highest proportion of loss, at 80%, followed by Uruguay.
- Over the past few years it has become clear that more information is needed on micronutrient deficiencies (such as iron, vitamin A, iodine and zinc) in children in UNASUR countries, given their implications for development. The data available show that the Plurinational State of Bolivia has one of the region's highest rates of child anemia from iron deficiency (60.6%).

F. Health

- In urban areas of UNASUR countries, the expansion of sanitation facilities and maternal and child health services, as well as changes in attitudes and conduct, have helped to reduce infant mortality and to narrow the socioeconomic gaps in mortality. In poorer and slum neighbourhoods, however, the situation is different and there are wide gaps in access to basic sanitation and drinking water. The UNASUR countries must also deal with new health problems associated with shifting demographics and morbidity profiles.
- The proportion of the population with access to sanitation services in UNASUR countries rose from 77% in 2002 to 84% in 2015. Access to safe drinking water increased from 89% to 94% over the same time (see figure II.22).

Figure II.22
 Union of South American Nations (UNASUR):^a sustainable access to drinking water and basic sanitation services, 2002 and 2015
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of World Health Organization (WHO)/United Nations Children's Fund (UNICEF), WHO/UNICEF Joint Monitoring Programme for Water Supply and Sanitation.

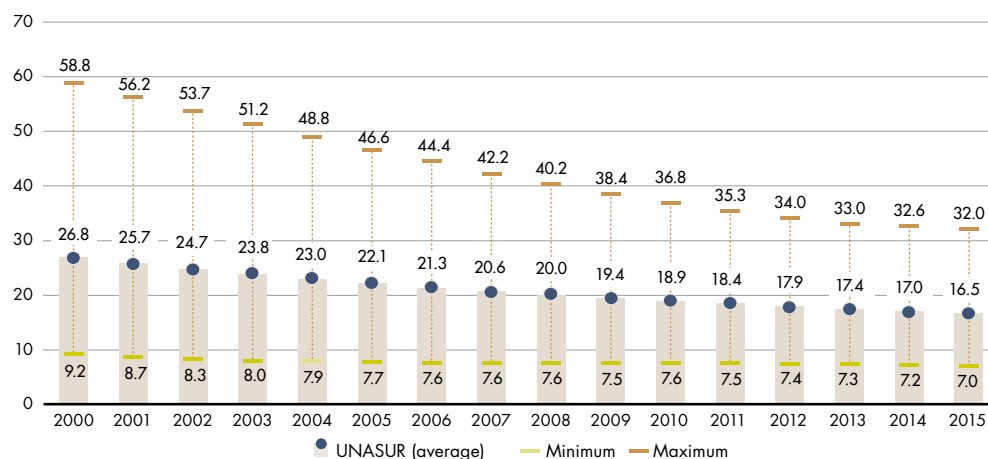
^a Simple averages of the figures for the countries.

- Between 2000 and 2015, the infant mortality rate in UNASUR dropped from 26.6 to 16.5 for every 1,000 live births. Over that time, the broad differences among member countries of UNASUR narrowed significantly, as the gap between minimum and maximum rates of infant mortality per 1,000 live births has tended to close (see figure II.23).
- The maternal mortality rate in UNASUR countries declined from 132 to 96 per 100,000 live births between 2000 and 2015, but remains above the rates in industrialized countries (see figure II.24).

Figure II.23

Union of South American Nations (UNASUR):^a mortality rate, infants under 1 year of age, 2000-2015

(Per 1,000 births)



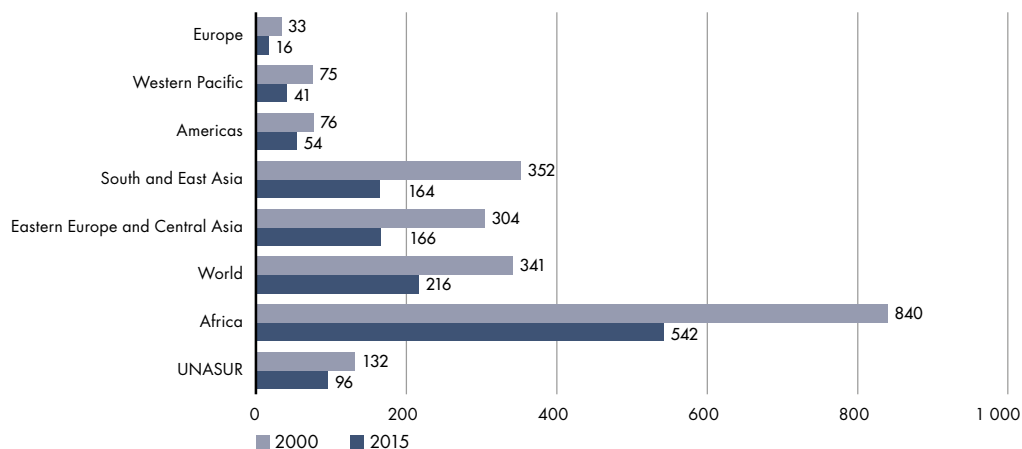
Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of Interagency Group for Child Mortality Estimation (IGME).

^a Simple averages of the figures for the countries.

Figure II.24

Union of South American Nations (UNASUR) and other world regions: maternal mortality rate,^a 2000 and 2015^b

(Per 100,000 live births)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of World Health Organization (WHO), "Global health indicators", World Health Statistics 2015.

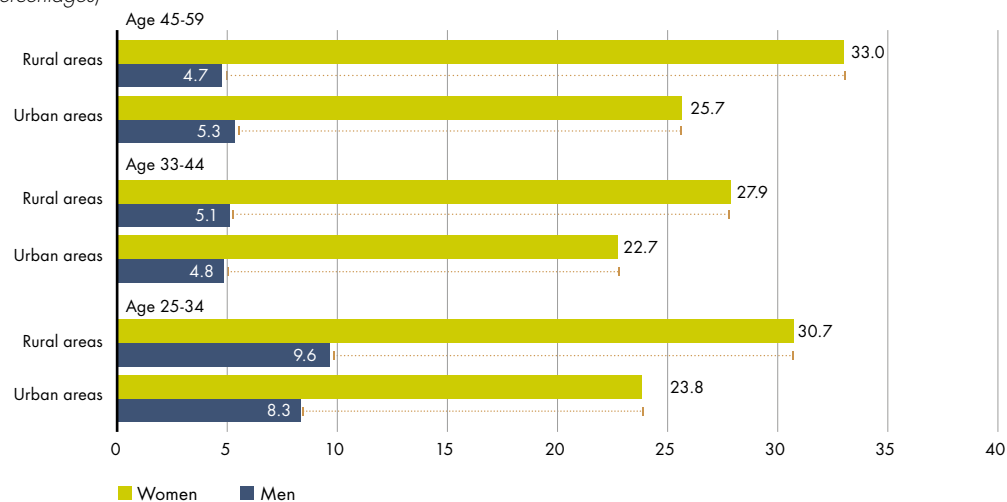
^a Maternal mortality is defined as the death of a woman during pregnancy or within 42 days after the end of pregnancy, due to complications in pregnancy, delivery or in the postnatal period, but not to accidental or incidental causes.

^b Simple averages of the figures for the countries.

G. Gender parity

- Despite progress on certain aspects of gender equality, the countries of UNASUR still betray substantial obstacles to women's full autonomy, and this prevents them from fully enjoying equal rights. The countries need to join forces to empower women in terms of their economic, physical and decision-making autonomy.
- Although women have achieved greater economic autonomy in the countries of UNASUR, there are still glaring disparities. In 2014, some 28% of urban women and 34% of rural women had no incomes of their own, while the respective figures for urban and rural men were 5% and 6%.
- The gaps are greater in rural areas, and particularly among women between 45 and 59 years of age: here, 33% of women have no incomes of their own, versus 4.7% of men in this age group (see figure II.25).

Figure II.25
 Union of South American Nations (UNASUR) (10 countries):^a population with no personal income, by sex, age group and area of residence, around 2014
 (Percentages)



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

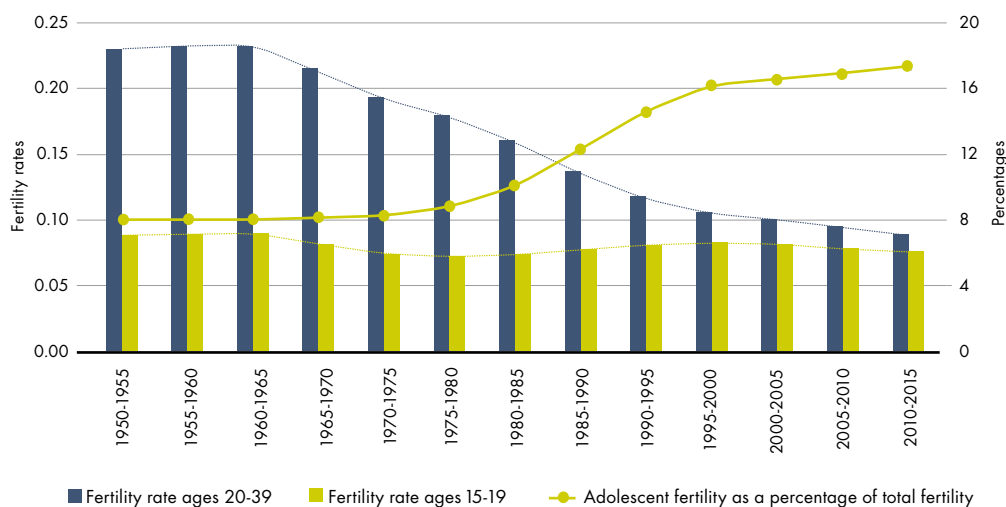
^a Simple averages of the figures for the countries.

- In terms of physical autonomy, problems persist that threaten the exercise of women's reproductive rights. For example, the decline in fertility among the population aged 20 to 39 years has not occurred among adolescents, for whom fertility rates have remained more or less flat between the periods 1950-1955 and 2010-2015. This has led to an increase in adolescent fertility as a proportion of total fertility (see figure II.26).

Figure II.26

Union of South American Nations (UNASUR) (10 countries):^a fertility rates by age, and adolescent fertility as a proportion of total fertility, 1950-1955 to 2010-2015

(Rates and percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC estimates and projections.

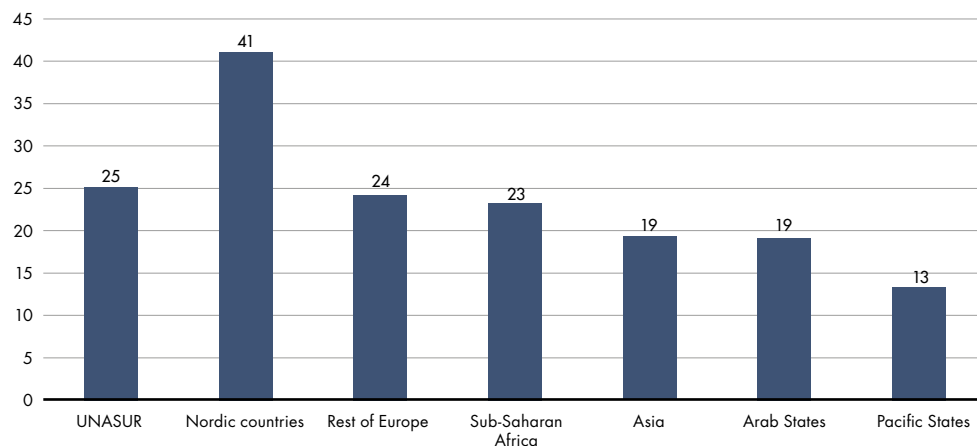
^a Simple averages of the figures for the countries.

- One indicator for estimating women's participation in decision-making is the percentage of seats in parliament occupied by women. Although the proportion of women in the lower parliamentary chambers in UNASUR countries rose from 18.2% in 2005 to 25.2% in 2016, it is still far below the figures for Nordic countries, where women hold 41% of parliamentary seats (see figures II.27 and II.28).

Figure II.27

Union of South American Nations (UNASUR) and other world regions: seats held by women in the national parliament,^a 2015^b

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of Inter-Parliamentary Union (IPU).

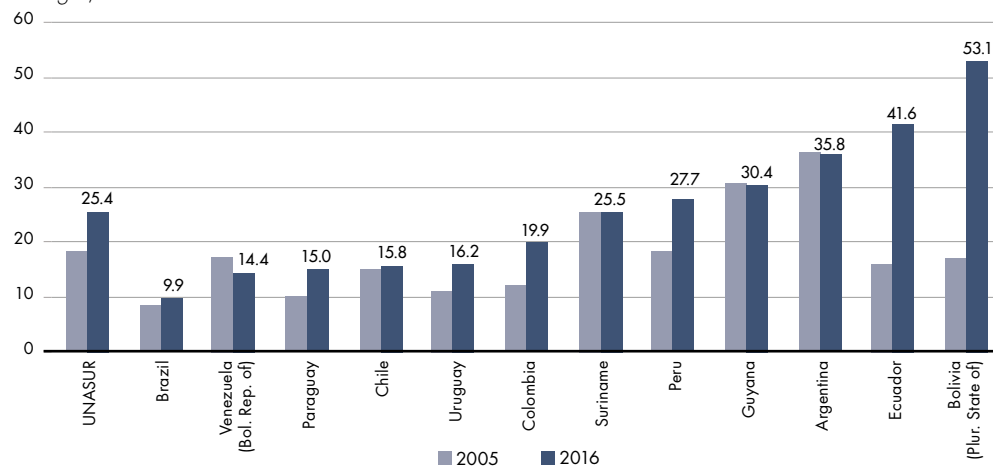
^a Refers to seats in the single chamber or the lower chamber.

^b Simple averages of the figures for the countries.

Figure II.28

Union of South American Nations (UNASUR): seats held by women in the national parliament,^a 2005 and 2016

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of Inter-Parliamentary Union (IPU).

^a Refers to seats in the single chamber or the lower chamber.

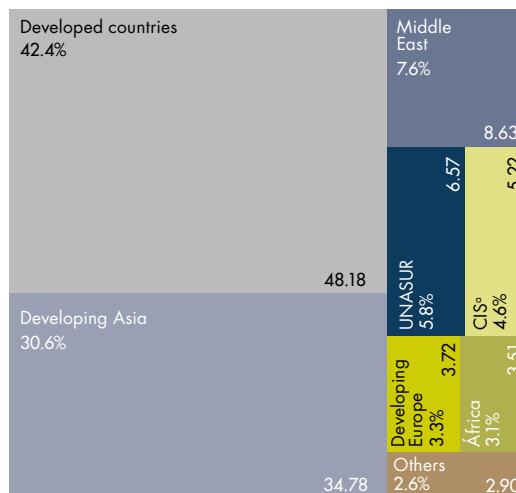
III. Economy and trade

UNASUR encompasses 12 countries that are highly specialized in the production and export of commodities (hydrocarbons, metals and minerals, and food). For this reason, the region reaped significant benefits from rising terms of trade for much of the past decade, in a context of sustained economic growth together with a trade surplus. This momentum was interrupted by the impact of the global economic and financial crisis. The economies of the region returned to growth in 2010, supported by a recovery in international commodity prices, but in subsequent years the global context has been less auspicious than in the previous decade, with commodities experiencing lower demand and falling prices (although these remained relatively high in historic terms), compounded by great financial market volatility.

A. Economy

- The combined GDP of the UNASUR members represents 5.8% of world GDP, measured in dollars at purchasing power parity (PPP) (see figure III.1).

Figure III.1
 Union of South American Nations (UNASUR) (12 countries) and other world regions:
 share in global GDP, 2015
 (Percentages and billions of dollars in purchasing power parity (PPP))



Source: International Monetary Fund (IMF), "World Economic Outlook Database" [online].

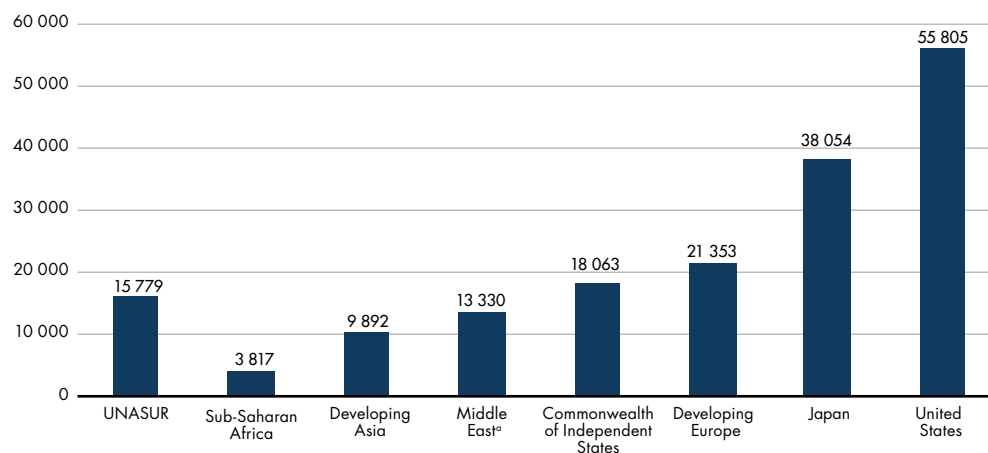
^a Commonwealth of Independent States.

- The per capita GDP of UNASUR is slightly under 16,000 PPP dollars, on average, with a range of variation between 6,400 and 22,900 PPP dollars (see figure III.2).
- Investment in the region amounted to 20.4% of GDP at current prices in 2015: this was close to the pre-crisis level, but is considered low in comparison with other developing economies (see figure III.3).

Figure III.2

Union of South American Nations (UNASUR) and other world regions:^a per capita GDP, 2015

(Dollars in purchasing power parity (PPP))



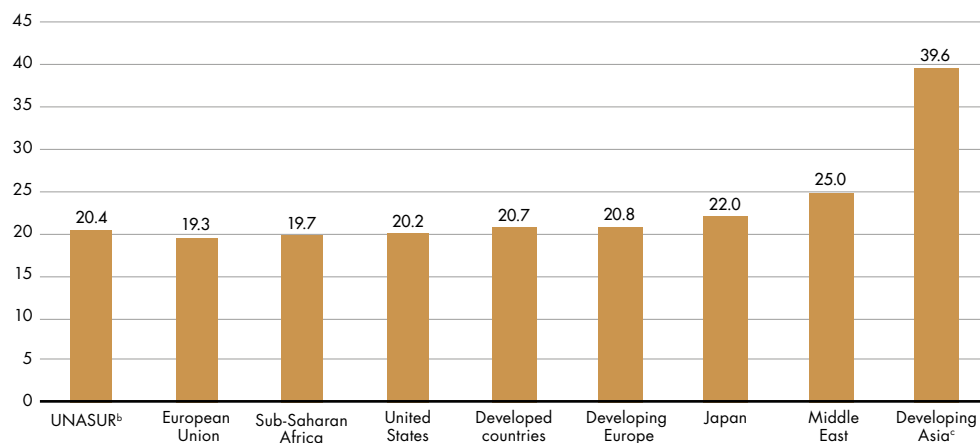
Source: International Monetary Fund (IMF), "World Economic Outlook Database" [online].

^a Simple averages of the figures for the countries.^b Includes the Middle East, North Africa, Afghanistan and Pakistan.

Figure III.3

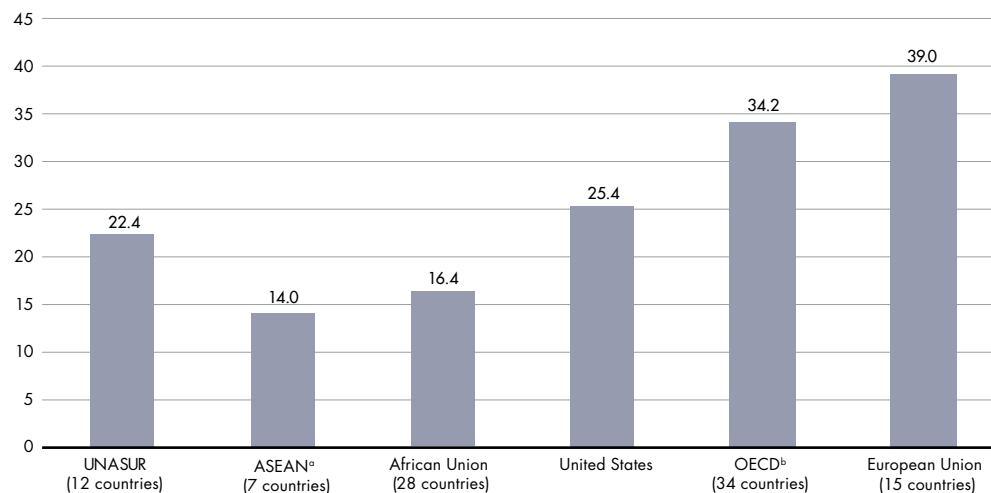
Union of South American Nations (UNASUR) (11 countries) and other world regions:^a investment rate, 2015

(Percentages of GDP at current prices)

Source: Economic Commission for Latin America and the Caribbean (ECLAC) on the basis of International Monetary Fund (IMF), "World Economic Outlook Database" [online] <http://www.imf.org/external/pubs/ft/weo/2014/02/weodata/index.aspx>.^a Simple averages of the figures for the countries.^b Suriname is excluded, as there is no information available in the database.^c Includes the Middle East, North Africa, Afghanistan and Pakistan.

- Another distinctive feature of UNASUR is the tax burden (22.4% of GDP), which may be considered low by comparison with developed countries (average 34.2% of GDP for OECD countries and 25.4% of GDP in the United States), but is higher than those found in the economies of the Association of Southeast Asian Nations (ASEAN) and the African Union (14.0% and 16.4% of GDP, respectively) (see figure III.4).

Figure III.4
 Union of South American Nations (UNASUR) and other world regions:^a tax burden by region, around 2013
 (Percentages of GDP)



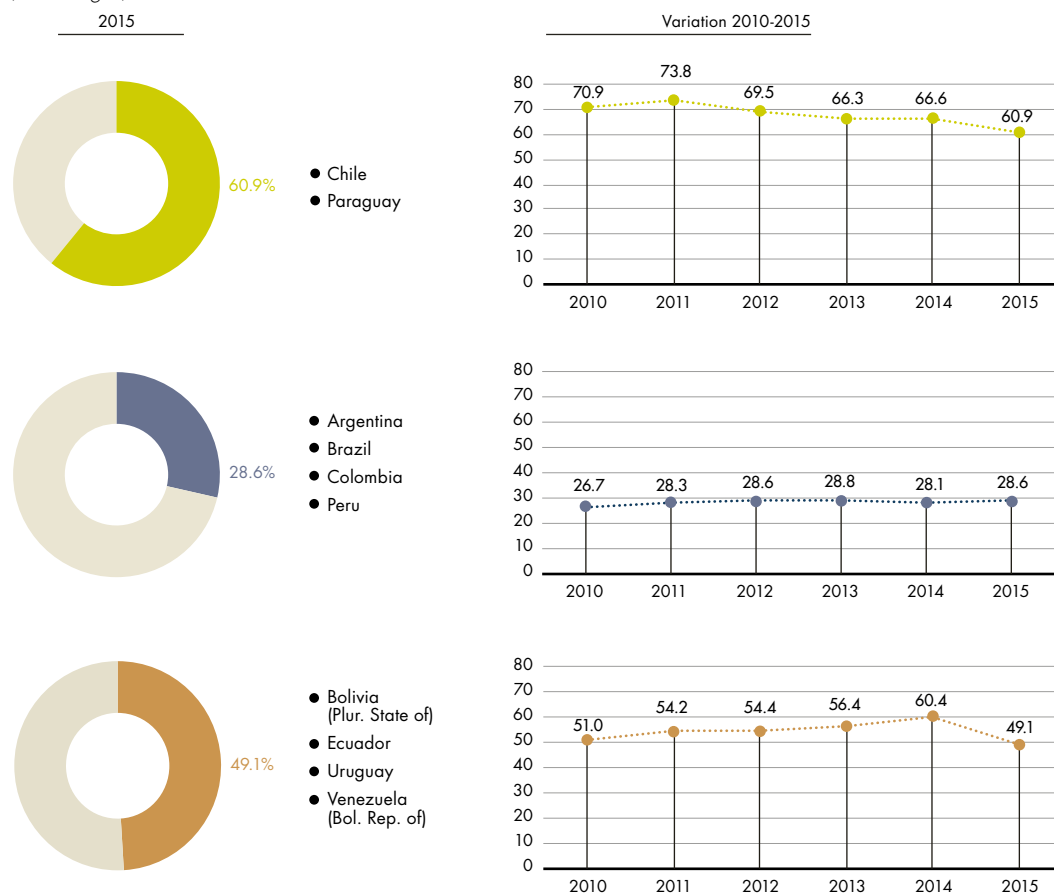
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Organization for Economic Cooperation and Development (OECD), "Revenue Statistics of OECD Member Countries", OECDStat [online] <http://stats.oecd.org> and World Bank, "World Development Indicators" [online] <http://data.worldbank.org/data>.

^a Association of Southeast Asian Nations.

^b Organization for Economic Cooperation and Development.

- The UNASUR countries have a high degree of trade openness, close to 46%, although with large disparities between the member economies. In the past few years, trade openness has decreased slightly in several countries, mainly owing to slackening international trade, which has not been offset by intraregional trade (see figure III.5).
- Investment has been the fastest-growing component of demand, rising from 18.1% of GDP in 2005 to around 20.6% in 2015, at current prices, which translates into a real average rise of 7.8% per year over this period.

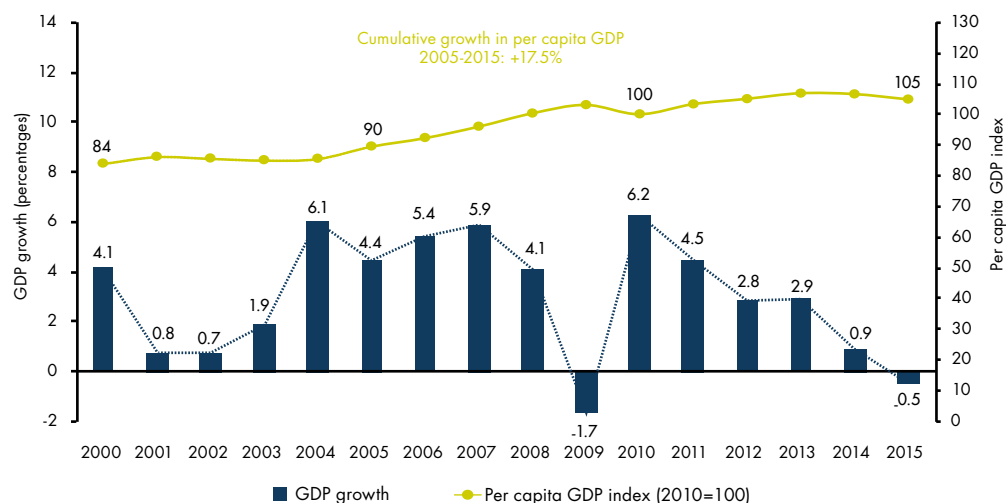
Figure III.5
 Union of South American Nations (UNASUR) (10 countries):^{a,b} degree of trade openness, 2010-2015
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of official figures from the countries.
^a Does not include Guyana or Suriname, owing to lack of data for the six years in question.
^b Values shown for 2014 and 2015 do not include information for the Bolivarian Republic of Venezuela.

- In the context of the global economic and financial crisis, Latin America and the Caribbean as a whole experienced a sharp interruption in its growth path in 2009. The rapid recovery that took place in 2010 translated into a recovery of per capita GDP, which posted cumulative growth of 17.5% over the period 2005-2015 (see figure III.6).

Figure III.6
Latin America and the Caribbean:^a GDP growth rate and per capita GDP, 2000-2015
(Percentages and per capita GDP indices: base year 2010=100)



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

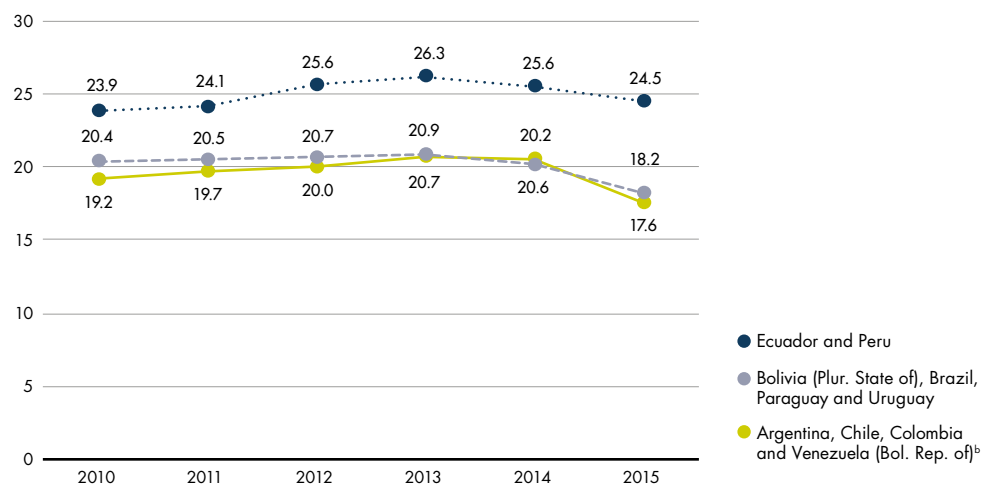
^a Simple averages of the figures for the countries.

- As well, in 2010 most UNASUR countries returned to growth rates at or above their pre-crisis levels. Nevertheless, growth rates have declined considerably since 2011.
- Gross fixed capital formation has been tending to shrink in Latin America since 2014. This poor performance reflects the contraction of the indicator both in contraction and, especially, in machinery and equipment.
- Within South America, gross fixed capital formation has contracted in Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Ecuador, Peru and Uruguay (see figure III.7).
- The performance of gross fixed capital formation is worrying, not only because of its short-run effect on aggregate demand, but also because it badly compromises the future growth capacities of the region's economies.
- During the years between 2003 and 2013, the economies of UNASUR grew at a cumulative annual rate of 3.9% (or 2.9% annually in terms of per capita GDP). More recently, countries with lower per capita GDP have grown at higher rates than the other UNASUR countries, and the intraregional gaps have accordingly narrowed slightly (see figures III.8 and III.9).

Figure III.7

Union of South American Nations (UNASUR) (10 countries):^a gross fixed capital formation, 2010-2015

(Percentages of GDP at current prices)



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

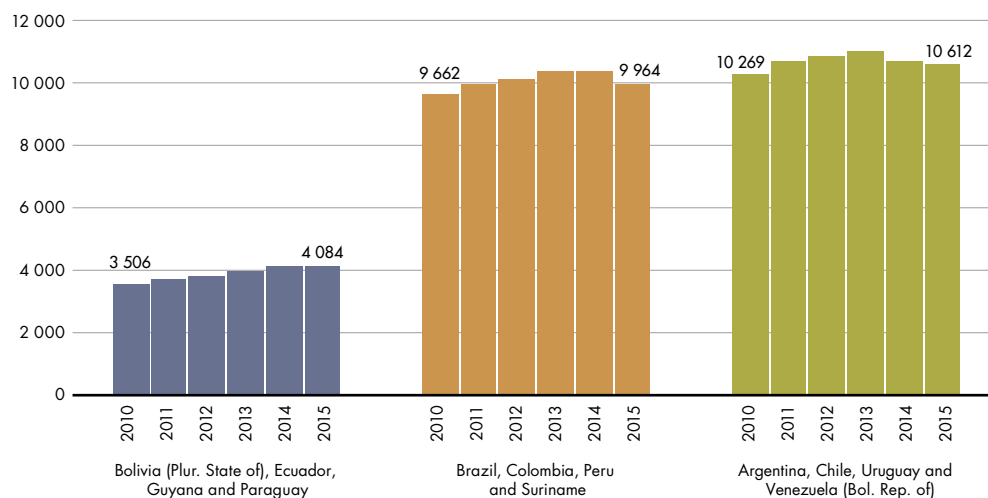
^a Does not include Guyana or Suriname, owing to lack of data for the six years in question.

^b Values shown for 2014 and 2015 do not include information for the Bolivarian Republic of Venezuela.

Figure III.8

Union of South American Nations (UNASUR):^a per capita GDP, 2010-2015

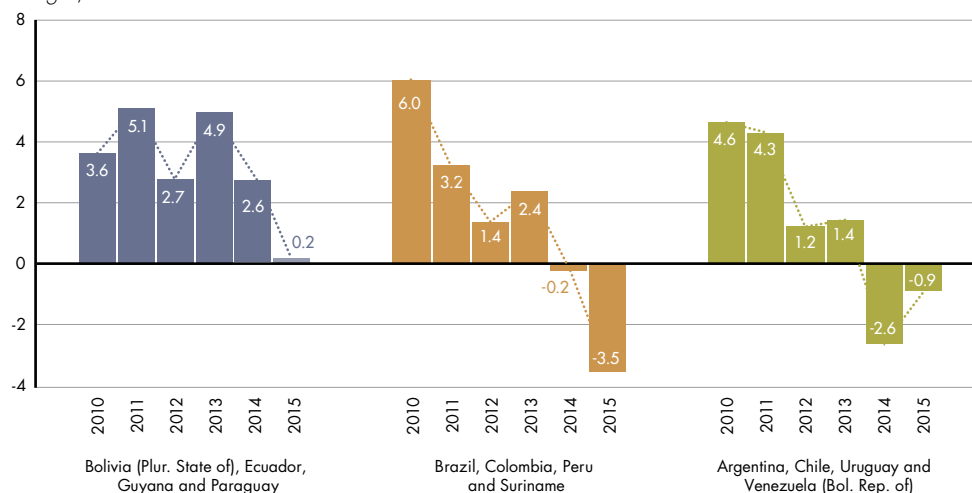
(Dollars at constant 2005 prices)



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

^a Simple averages of the figures for the countries.

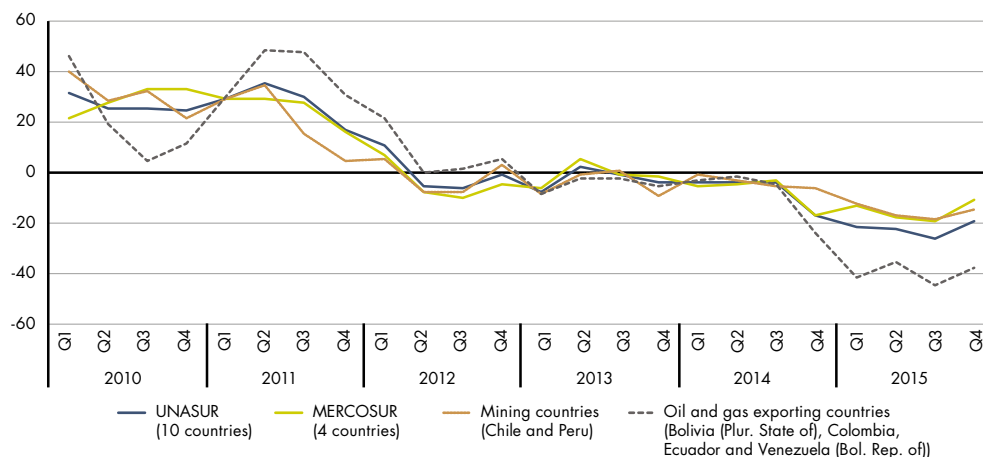
Figure III.9
Union of South American Nations (UNASUR):^a per capita GDP variation, 2010-2015
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of official figures from the countries.
^a Simple averages of the figures for the countries.

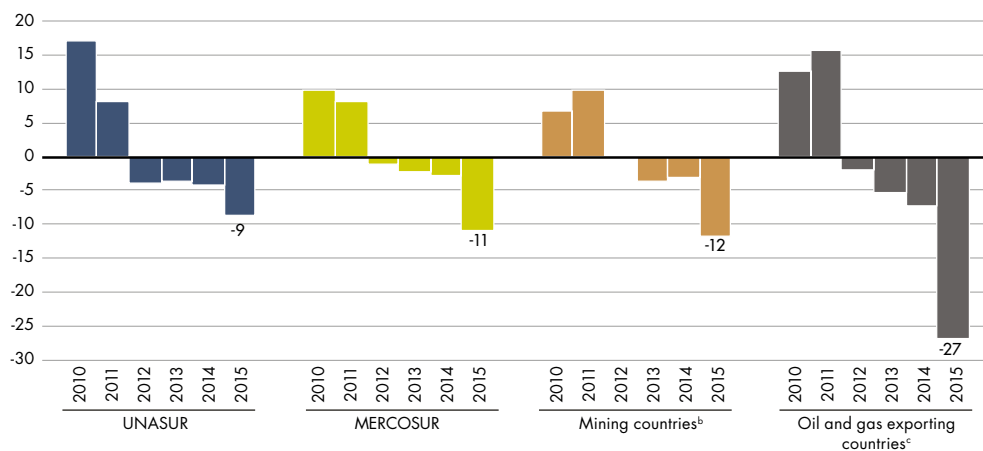
- The value of Latin America's goods exports dropped by 15% in 2015. This was the largest fall in value since 2009 and was due entirely to the price effect, since export volumes rose by almost 3% in 2015.
- The drop in export prices hit the hydrocarbons-exporting countries of South America particularly badly. Export values fell by 50% in Bolivarian Republic of Venezuela, over 30% in Colombia and the Plurinational State of Bolivia and 28% in Ecuador. The effect of the price fall was not so severe in the other South American countries, either the exporters of mining products (Chile and Peru) or the exporters of agro-industrial goods (Argentina, Brazil, Paraguay and Uruguay), whose exports values dropped by 12% and 17%, respectively (see figure III.10).
- Following the initial impact of the global economic and financial crisis of 2008-2009, the terms of trade began to recover, owing in large part to the renewed upward trend in commodity prices for countries exporting hydrocarbons and, even more importantly, mining products. Starting in 2012, however, the terms of trade for all groups of countries, and in particular for the mining countries, lost ground, and in 2015 these drops became sharper, especially for the hydrocarbon-exporting countries (see figure III.11).

Figure III.10
 Union of South American Nations (UNASUR) (10 countries):^a year-on-year quarterly variation in the value of goods exports, 2010-2015
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures from the countries.
^a Does not include Guyana or Suriname, owing to lack of data for the six years in question.

Figure III.11
 Union of South American Nations (UNASUR) (10 countries):^a estimated year-on-year variation in terms of trade, 2010-2015
 (Percentages)



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

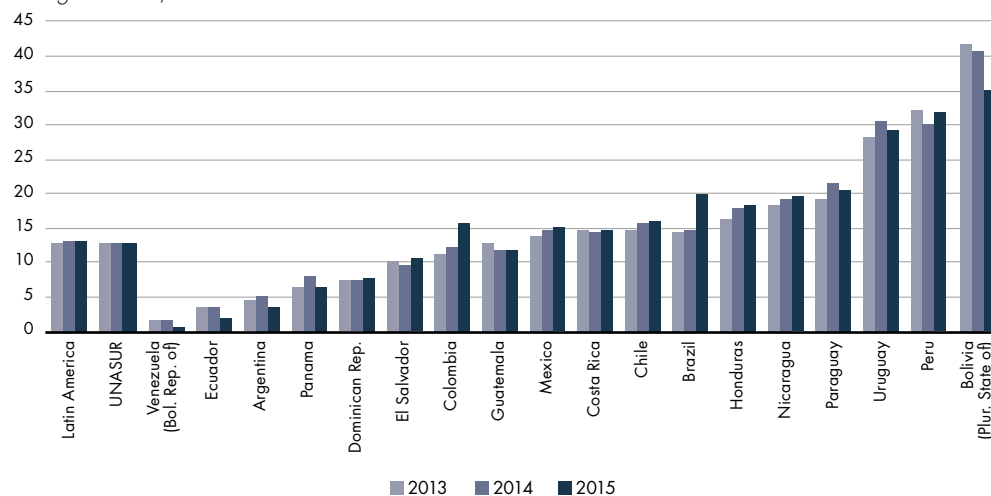
^a Does not include Guyana or Suriname, owing to lack of data for the six years in question.

^b Chile and Peru.

^c Bolivarian Republic of Venezuela, Colombia, Ecuador and Plurinational State of Bolivia.

- Despite the rise in export values, the balance-of-payments current account showed a deficit in 2010 for the second year running, due to the increase in imports and profit remittances. The weak export performance and high levels of profit remittances widened this deficit in subsequent years.
- This current account deficit was, however, financed by external capital inflows, as a result of which most countries of the region were able to build up their international reserves to above 2008 levels. In 2015, the countries of UNASUR as a whole had international reserves amounting to nearly 13.3% of GDP (see figure III.12).

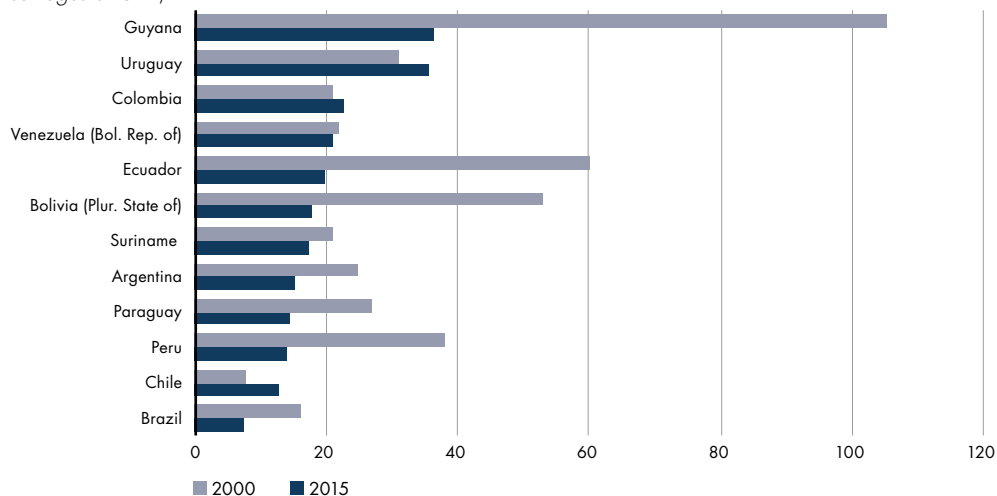
Figure III.12
 Union of South American Nations (UNASUR) (10 countries) and other Latin American countries:
 international reserves, 2013-2015
 (Percentages of GDP)



Source: International Monetary Fund (IMF), *International Financial Statistics*, and Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of official figures.

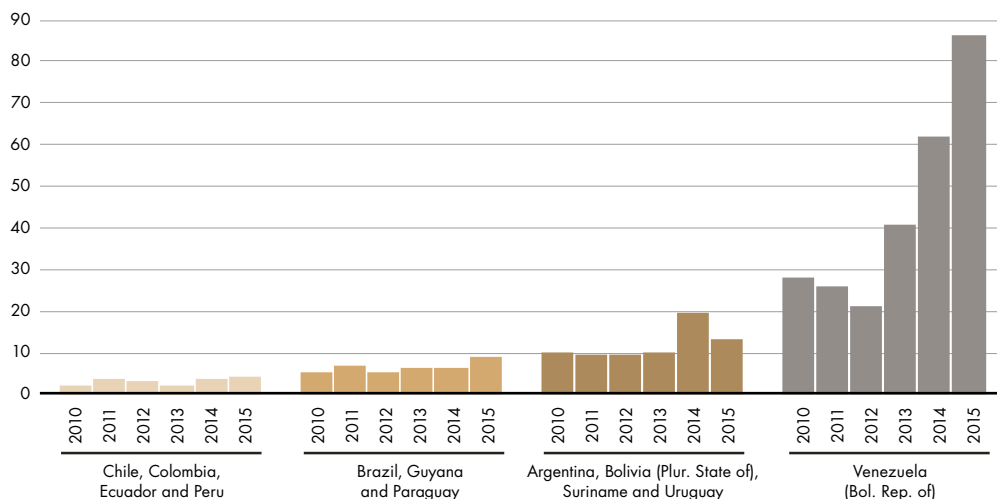
- The external public debt burden has come down significantly in relation to GDP in the UNASUR countries in the past 15 years, from an average of 36% of GDP in 2000 to 20% in 2015. Hefty reductions have been achieved, in particular, in Guyana (69 percentage points of GDP), Ecuador (40 GDP points), Plurinational State of Bolivia (35 GDP points) and Peru (24 GDP points) (see figure III.13). However, most of the UNASUR countries have seen their public debt edge slightly back up again in the past few years.
- The inflation rate took very different tacks in the countries of the region between 2010 and 2015. In the Bolivarian Republic of Venezuela inflation rose steeply, registering a rate of over 80% in 2015. Although it was more moderate in the other countries, it still breached the 10% barrier in 2011 in Argentina, Plurinational State of Bolivia, Suriname and Uruguay in 2011. The rest of the countries were able to keep the variation in inflation more controlled between 2010 and 2015 (see figure III.14).

Figure III.13
 Union of South American Nations (UNASUR): public external debt, 2000 and 2015^a
 (Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of official figures.
^a Preliminary figures for 2015.

Figure III.14
 Union of South American Nations (UNASUR):^a inflation rate, 2010-2015
 (Percentages)

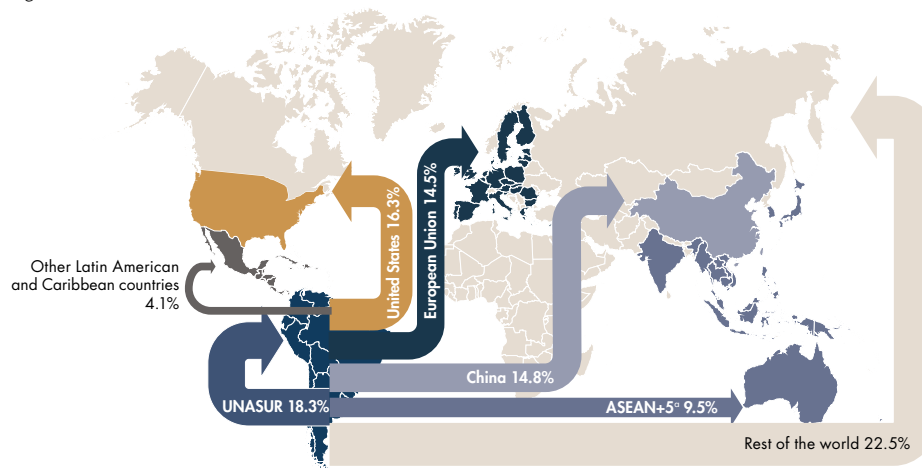


Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of official figures.
^a Simple averages of the figures for the countries.

B. Trade

- The principal destination of exports from UNASUR countries as a whole in 2015 was UNASUR itself, accounting for 18%, followed closely by the United States (16%), China (15%) and the European Union (14%). These figures bespeak the important changes of recent years in the export orientation of South American countries, and in particular the growing weight of China and the declining shares of the United States and the European Union. During the years 2007-2009, the average share of these three trading partners in total UNASUR exports was 9%, 24% and 20%, respectively (see figure III.15).

Figure III.15
Union of South American Nations (UNASUR): distribution of total exports by main destination, 2015
(Percentages)



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

* Includes the 10 members of the Association of Southeast Asian Nations (ASEAN) and Australia, India, Japan, New Zealand and the Republic of Korea.

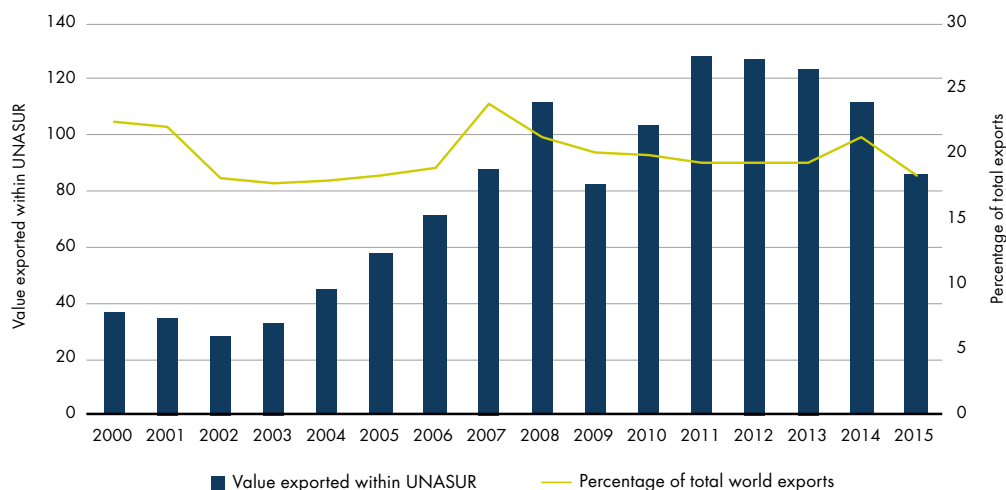
- Trade between the UNASUR countries was highly dynamic in 2003-2008, growing at an average annual rate of 28% and more than tripling in value. After a steep fall in 2009, as a result of the global economic crisis, trade among member countries of UNASUR surpassed its pre-crisis level in 2011. Since then, however, it has fallen for four straight years. In 2015, intra-UNASUR trade shrank by 23%, to US\$ 85.5 billion. In four years, it lost a third of its value at its 2011 peak (US\$ 128.4 billion).

- The plunge in intra-UNASUR trade is attributable chiefly to the heavy slowdown in economic growth in South America over the past few years, in which output has even fallen outright in some of the larger economies. The intragroup share of UNASUR worldwide exports peaked at 24% in 2007 and has declined since then, to 18% in 2015 (see figure III.16).

Figure III.16

Union of South American Nations (UNASUR): intraregional exports by value and as a proportion of total exports, 2000-2015^a

(Billions of dollars and percentages)



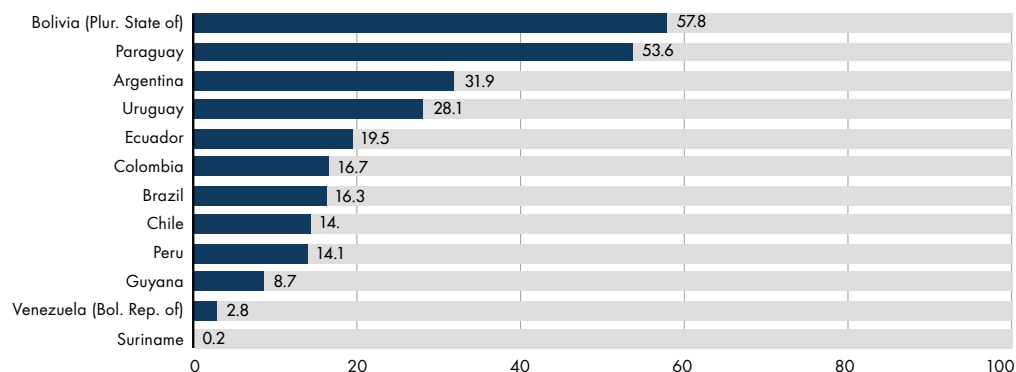
Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of United Nations Commodity Trade Database (COMTRADE).

^a Includes mirror data for 2014 and 2015 in the cases of the Bolivarian Republic of Venezuela, Guyana and Suriname.

- The importance of UNASUR as a destination for its members' exports varies widely. At one extreme are the Plurinational State of Bolivia and Paraguay, which in 2015 sent over half of their total exports to South American markets. At the other extreme are Suriname and the Bolivarian Republic of Venezuela, which send less than 5% of their exports to other South American markets (see figure III.17).
- The composition of intraregional trade (both among UNASUR members and between those countries and the rest of Latin America and the Caribbean) differs considerably from that of South American exports beyond the region. Primary products—which represent almost three quarters of the value of South American shipments to Asia and over half of those to the United States, the European Union and the world in general—account for only 30% of the value of intragroup trade, where manufactured products, especially low-tech and mid-tech goods, weigh much more heavily (see table III.1).

Figure III.17

Union of South American Nations (UNASUR): exports to UNASUR as a share of worldwide exports, 2015^a
(Percentages)



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

^a Includes mirror data for 2014 and 2015 in the cases of the Bolivarian Republic of Venezuela, Guyana and Suriname.

Table III.1

Union of South American Nations (UNASUR): structure of exports to selected destinations by technology intensity, 2015
(Percentages of total)

Main product groupings	Intraregional exports		Extraregional exports				
	UNASUR	Rest of Latin America and the Caribbean	United States	European Union	China	ASEAN+5 ^a	World
Primary products	28.6	39.6	52.5	58.2	71.9	72.0	55.4
Manufactures	71.4	60.4	47.5	41.8	28.1	28.0	44.6
Natural-resource-based	21.6	22.7	23.1	24.4	22.7	17.4	23.0
Low-tech	10.0	8.7	5.1	6.1	1.5	3.0	4.9
Mid-tech	35.1	24.1	12.7	8.8	3.3	6.5	13.7
High-tech	4.8	5.0	6.5	2.4	0.6	1.1	3.0
Total	100	100	100	100	100	100	100

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

^a Includes the 10 members of the Association of Southeast Asian Nations (ASEAN) and Australia, India, Japan, New Zealand and the Republic of Korea.

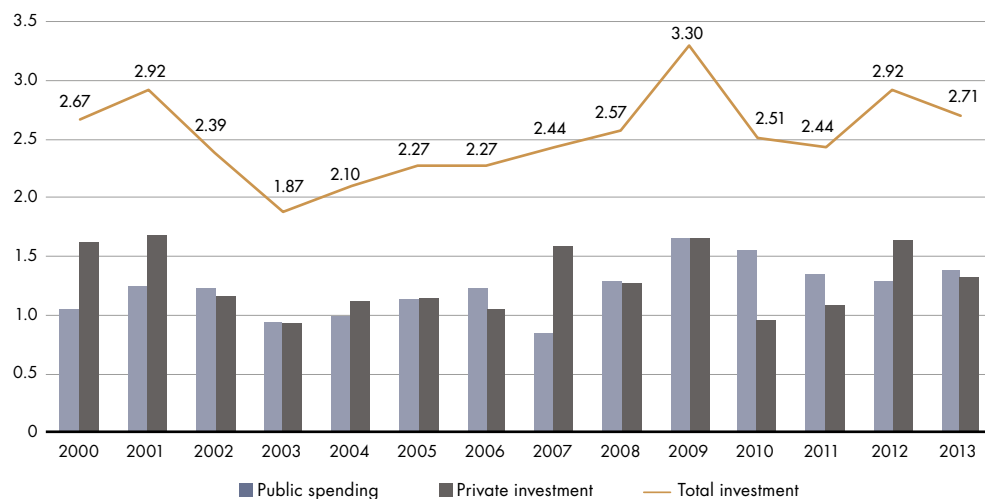
C. Infrastructure

- South American integration faces a number of challenges in relation to trade. One of them is infrastructure, which is critical for economic growth, productivity and geographically balanced development, and infrastructure expansion helps to reduce regional and local inequalities.
- While the emerging economies of Asia have been devoting great volumes of resources to infrastructure since the 1980s, the countries of UNASUR have cut their infrastructure investment from more than 4% of GDP in the late 1980s to less than 3% of GDP at the beginning of this decade, although there has been a slight increase since 2010 (see figure III.18).

Figure III.18

Union of South American Nations (UNASUR), South American Infrastructure and Planning Council (COSIPLAN) and Initiative for the Integration of Regional Infrastructure in South America (IIRSA):^a total investment in infrastructure,^b 2000-2013

(Percentages of GDP)



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

^a Includes Argentina, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru and Plurinational State of Bolivia.

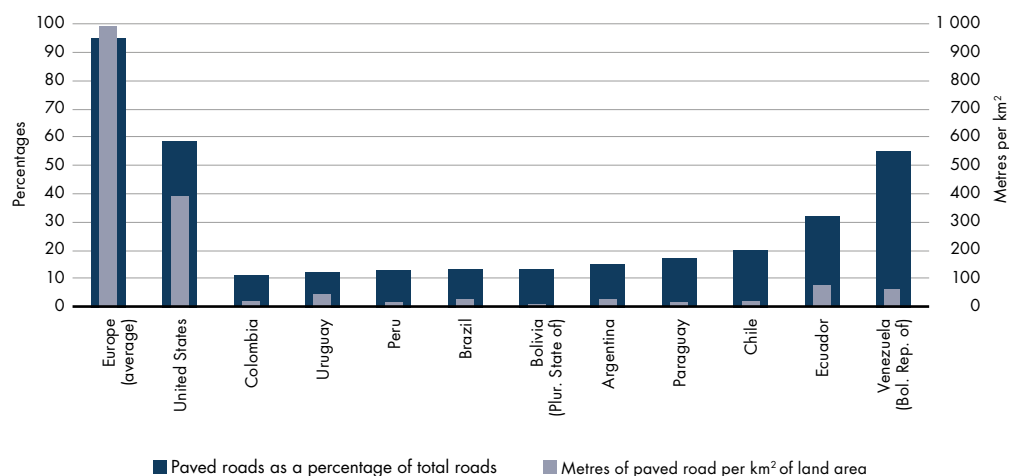
^b Includes the following sectors: transport, energy, telecommunications, and water and sanitation.

- The region now faces a series of common challenges: transportation infrastructure is outdated and not properly maintained, while the principal road corridors lack sufficient capacity, and there are no competitive rail freight services.

- The strategic development of sustainable regional transportation infrastructure in South America would not only boost competitiveness and reduce transport times and costs but would also open new opportunities for economic and social development. Thus, a strategic, integrated and sustainable approach to infrastructure development with a South American vision could play a key role in promoting and sustaining economic and social development, as it would help to promote regional balance, inclusion, territorial cohesion, and development in harmony with the environment.
- A glance at a few simple indices on highways shows the relative scarcity of infrastructure and logistics in UNASUR (see figure III.19).

Figure III.19
 Union of South American Nations (UNASUR): ratio of paved roads to total roads and paved roads to land area, 2012-2015

(Percentages and metres per square kilometre)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information over the period 2012-2015.

IV. Sustainable development

At the United Nations General Assembly in September 2015, 193 countries approved the most ambitious and wide-ranging proposal for overcoming the gigantic environmental crisis currently facing the world: the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals. Those objectives and their respective targets recognize the need to shift towards a new socio-environmental paradigm.

In South America that transition has specific characteristics. The constraints on the region's economic, institutional and social development have been extensively analysed by ECLAC in the last few years, leading to recognition of the urgent need for a leap towards sustainability. ECLAC has proposed a progressive structural change based on an environmental "big push", without which it will be impossible to attain sustainable development with equality. This requires coordinated intervention by multiple stakeholders for the conservation and sustainable use of natural resources and environmental services. In a region with a high level of biodiversity and dependent on the use of natural resources, this is a fundamental condition both for the maintenance of stability itself and for the productivity of the respective economic systems.

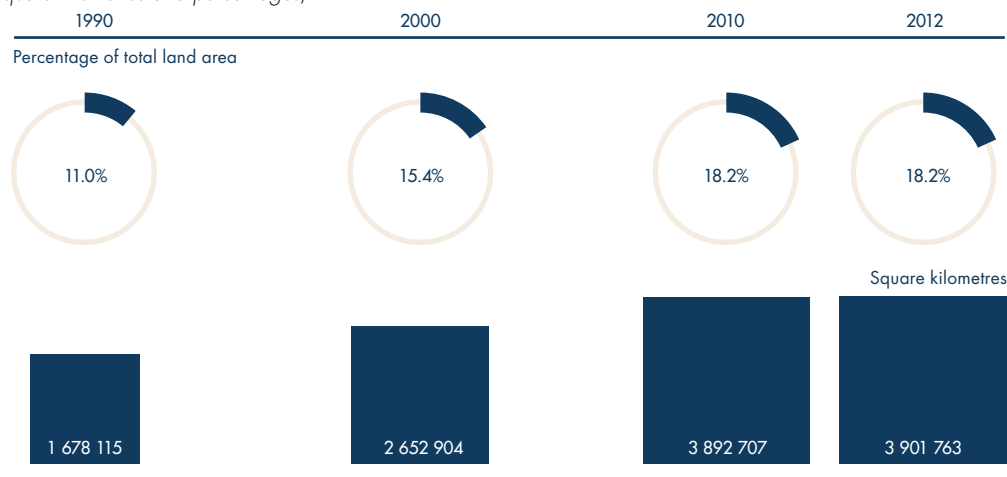
Environmental policies need to be adopted to foster investment in technologies, goods and services associated with low carbon production and consumption paths and a smaller material footprint. Nonetheless, to channel that investment in the desired direction and make it viable requires generating the correct incentives and redefining institutional and governance frameworks, regulations, and standards, at both regional and national levels, while also reconsidering the amounts and targets of public investment.

The 2030 Agenda and the Sustainable Development Goals represent an opportunity to move towards that path. The formulation of policies that facilitate the transition must be based on an objective consideration of South America’s key environmental features, which are analysed in the following paragraphs from the perspective of ecosystems and sustainable production and consumption.

A. Ecosystems

- The robust expansion of protected land areas since the 1990s is one of South America’s most positive environmental developments (see figure IV.1). Nonetheless, the geographic distribution of protected areas needs to be broadened, along with the consequent protection of ecosystems and environmental services that are crucial for the economy.

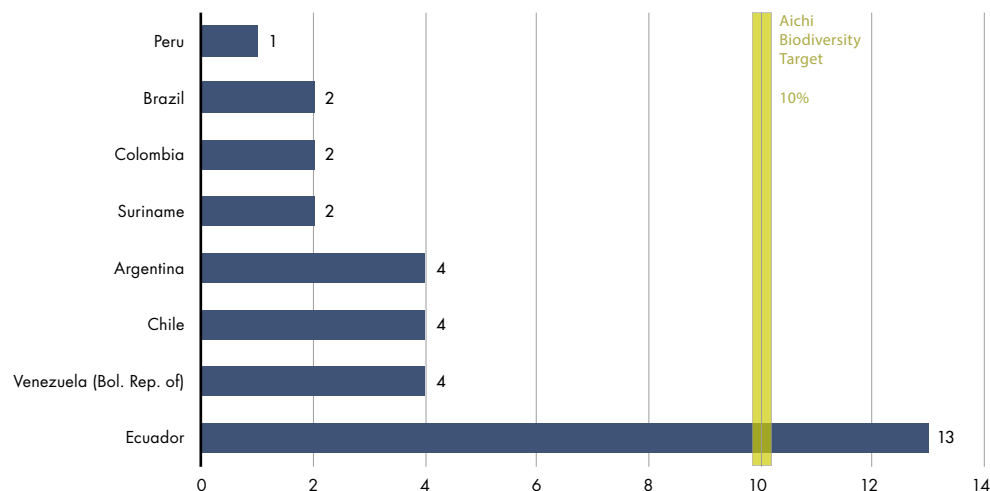
Figure IV.1
Union of South American Nations (UNASUR): change in forest cover and proportion of terrestrial protected areas, 1990-2012
(Square kilometres and percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of United Nations Environment Programme (UNEP)/World Conservation Monitoring Centre (WCMC), World Database on Protected Areas [online].

- Protected land areas play a fundamental role in the production of water for urban areas and in protecting soils and biodiversity; and they have important effects in preventing natural hazards and disasters (floods, droughts and rising sea levels). In addition, through carbon capture and storage, they promote both adaptation to climate change and mitigation of its effects. For these reasons, the positive economic contributions of protected areas need to be scaled to incorporate them into the economic analyses of the region.
- In the case of coastal-marine protected areas, which are essential for the protection of coastlines, the Convention on Biological Diversity (CBD) has set the target of safeguarding at least 10% of those areas by 2020 (target 11 of the Aichi Biodiversity Targets). Thus far, Ecuador is the only country to have exceeded this (see figure IV.2).

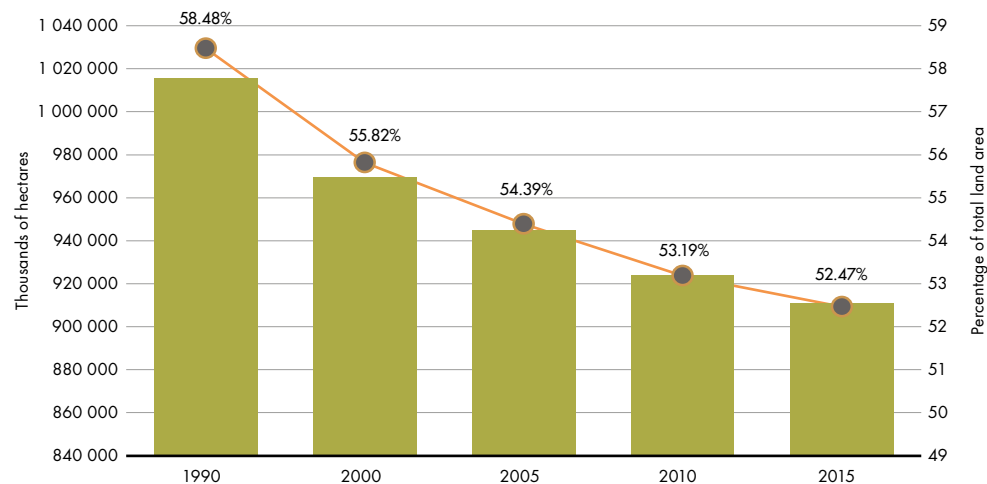
Figure IV.2
 Union of South American Nations (UNASUR) (8 countries): proportion of coastal-marine protected areas, 2016
 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of United Nations Environment Programme (UNEP)/World Conservation Monitoring Center (WCMC), World Database on Protected Areas (WDPA) [online].

- The evolution of the region's natural forest cover displays a worrying declining trend (see figure IV.3): the loss of forest cover has negative consequences for water supply, desertification and climate balance. Nonetheless, several initiatives have been implemented to reduce the pace of deforestation, as in Brazil for example, where the rate of deforestation was cut by 82% between 2004 and 2014.

Figure IV.3
 Union of South American Nations (UNASUR): change in natural forest cover extent and proportion of total land area, 1990-2015
 (Thousands of hectares and percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT, on the basis of Food and Agriculture Organization of the United Nations (FAO), Global Forest Resources Assessment, 2015.

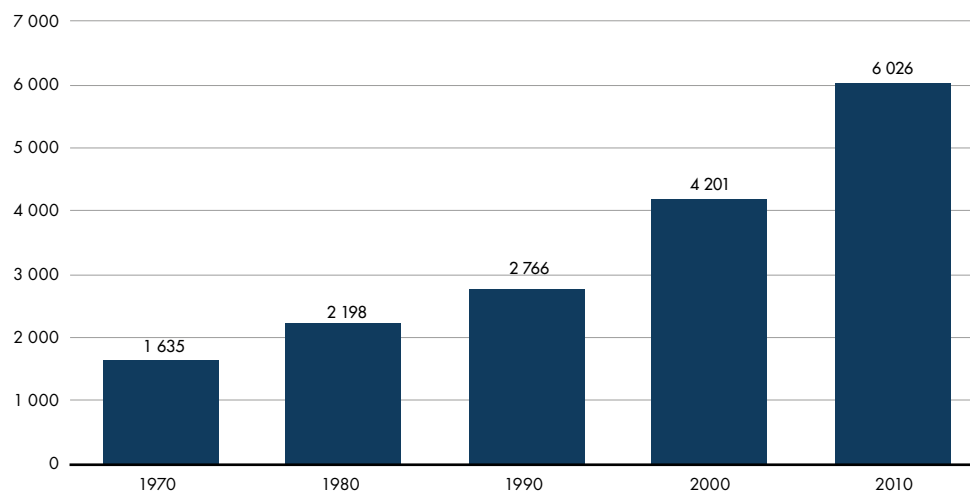
- The desertification of agricultural land is another vector of economic destructuring. Degraded and desertified areas are associated with a reduction in agricultural production and greater poverty. The United Nations Development Programme (UNDP) estimates that roughly 250 million ha of arable land in South America, or roughly 15% of the total land area, is in a state of desertification. A high percentage of national land areas display different degrees of desertification, which threatens crop production and economic growth and generates additional poverty (see table IV.1).
- As shown in figure IV.4, total material extraction (South America's material footprint) displays a persistent growth trend. The total domestic extraction of UNASUR countries represents the sum of the inputs extracted from the natural environment (not counting air and water) for economic exploitation. Increased material use—the material footprint—is associated with natural heritage loss and environmental impact. Moreover, the extraction of raw materials from nature reflects an economy that is based on exporting natural resources to other parts of the world: in 2014, natural resources represented roughly 83% of the region's exports.

Table IV.1
Latin America (selected countries): land affected by desertification as a percentage of total land area, around 2014

Argentina	81.5% of arid and semiarid land already subject to desertification. 60 million ha of crop farming land subject to moderate and serious erosion processes, with 650,000 ha being added every year.
Bolivia (Plurinational State of)	41% of total land area (45.1 million ha) already subject to desertification.
Brazil	15.7% of total land area (133.8 million ha), where 31.6 million inhabitants live, already subject to desertification.
Chile	62.6% of the total land area (47.3 million ha) already subject to desertification. 36.8 million ha of land already eroded (49% of national total land area).
Colombia	17% of total land area (19.3 million ha), including 80% of the Andean region, already subject to desertification.
Ecuador	15% of total land area already subject to desertification and 28% prone to desertification.
Peru	24% of total land area (34.3 million ha), where 8.8 million inhabitants live, already subject to desertification.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of European Commission/Food and Agriculture Organization of the United Nations (FAO), *Land Atlas of Latin America and the Caribbean*, Luxembourg, 2014, and United Nations Convention to Combat Desertification (UNCCD), *Country Profiles: Latin America and the Caribbean Region*, Bonn, 2015.

Figure IV.4
Union of South American Nations (UNASUR): total domestic extraction from the natural environment (material intensity), 1970-2010^a
(Tons)



Source: United Nations Environmental Programme (UNEP), UNEP Live Database [online] uneplive.unep.org.

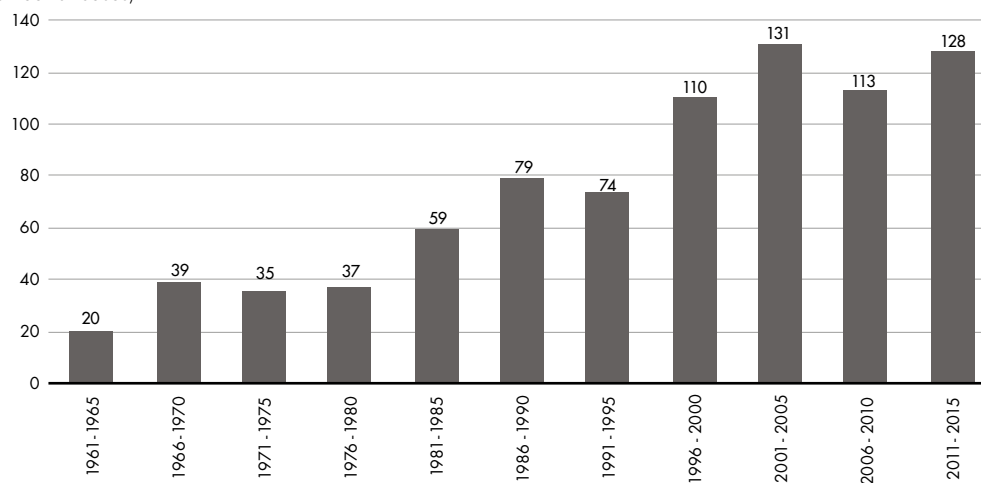
^a Refers to the sum of inputs extracted from the natural environment (excluding water and air) for economic use.

- Vulnerability to the effects of climate change, such as extreme hydro-meteorological events, poses major challenges to South America’s cities. Urbanization, characterized by inequality and segregation, compounded by a lack of planning, has heightened this vulnerability. The fact that extreme weather events have direct impacts on the economy, infrastructure and social development, raises the need for climate-change- adaptation and risk-management policies and measures. Figure IV.5 shows that climate-change-related extreme weather events have become increasingly frequent in the region since the second half of the twentieth century.

Figure IV.5

Union of South American Nations (UNASUR): number of extreme weather events related to climate change,^a 1961-1965 and 2011-2015

(Number of cases)



Source: Centre for Research on the Epidemiology of Disasters (CRED), Emergency Events Database (EM-DATA) [online] <http://www.emdat.be/Database/terms.html>.

^a Includes droughts, extreme temperatures, floods, landslides, storms and fires.



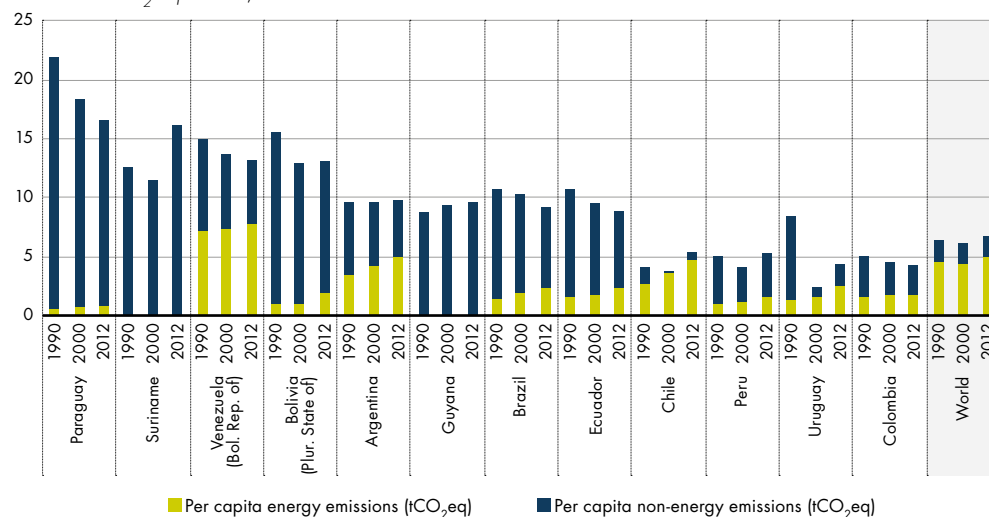
B. Energy and emissions

- Although non-energy emissions have declined in the region, CO₂ emissions from the use of fossil fuels and cement production have increased in recent decades (see figure IV.6). This indicates the need for economic growth to be decoupled from CO₂ emissions, which could be done with a larger supply of renewable energies.

Figure IV.6

Union of South American Nations (UNASUR): energy and non-energy per capita carbon dioxide equivalent emissions, 1990, 2000 and 2012

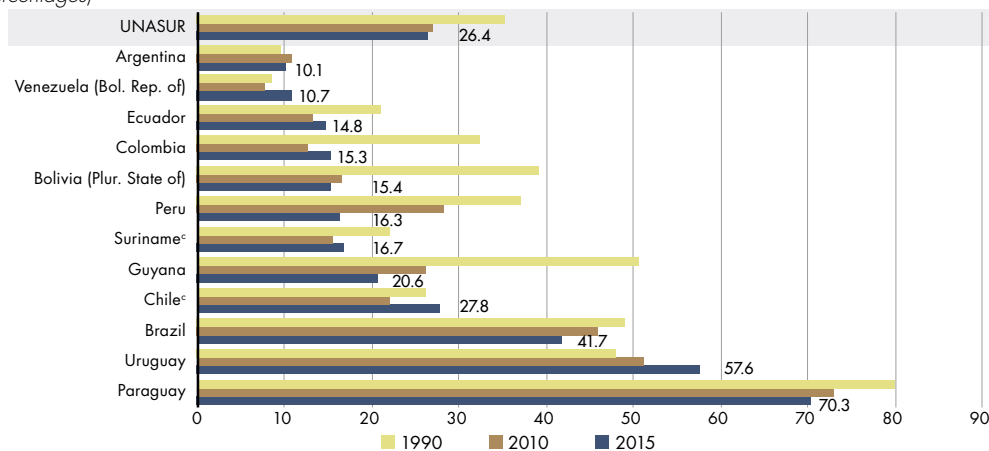
(Metric tons of CO₂ equivalent)



Source: World Resources Institute (WRI), CAIT Climate Data Explorer, 2015, Washington, D.C. [online] <http://cait.wri.org/>.

- Nonetheless, renewable energy supply has declined throughout the region (see figure IV.7). There is an urgent need for investment to reverse this regional trend, to enable sustainable production and consumption patterns to take hold more quickly.
- The general extent of air pollution in the metropolitan areas of South America is worrying: in 2015, emissions of particulate matter of diameter less than 2.5 µg/m³ (PM_{2.5}) and less than 10 µg/m³ (PM₁₀) both exceeded the maximum levels recommended by the World Health Organization (WHO), as shown in figure IV.8.

Figure IV.7
 Union of South American Nations (UNASUR): change in the renewable proportion of the energy supply,^a
 1990, 2010 and 2015^b
 (Percentages)



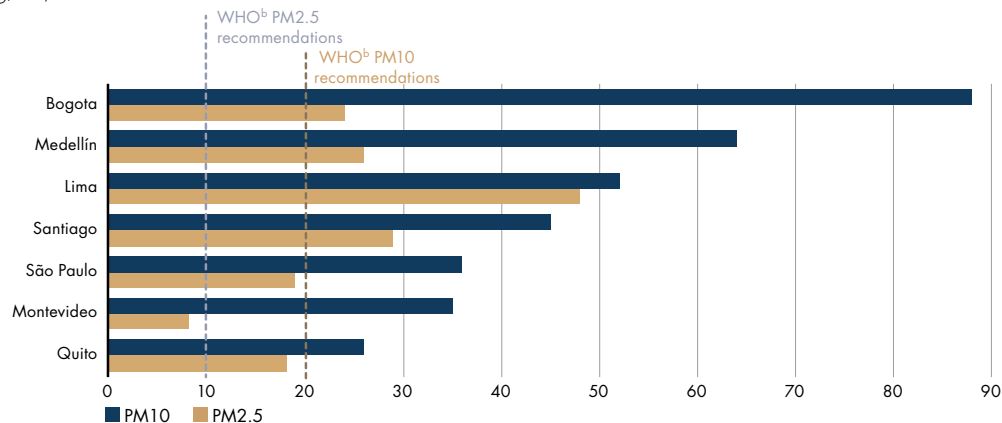
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Latin American Energy Organization (OLADE), Energy-Economic Information System (SIEE) [online]. Information referenced at 10 October 2016.

^a Includes the supply of geothermal energy, hydropower, sustainably produced wood, sugarcane and other renewable sources (such as solar and wind).

^b Preliminary figures for 2015.

^c The latest data available refer to 2014.

Figure IV.8
 Union of South American Nations (UNASUR) (selected cities from seven countries): concentration of PM_{2.5}
 and PM₁₀, 2014
 ($\mu\text{g}/\text{m}^3$)^a



Source: World Health Organization (WHO) "Global Urban Ambient Air Pollution Database" [online] http://www.who.int/phe/health_topics/outdoorair/databases/cities/en/.

^a Micrograms per cubic metre.

^b World Health Organization (WHO).

C. Infrastructure and natural resource governance

- In 2000-2013, many UNASUR countries enjoyed major economic and social progress thanks to public policies that made it possible to ride the wave of booming commodity prices. The results varied in magnitude depending on the country and the fiscal instruments deployed (see table IV.2).
- Despite the progress achieved, the export matrix of most countries remained heavily concentrated in low value-added products, lacking in major productive linkages that fostered innovation or the development of new products or services. In this context, and anticipating the end of the commodity super-cycle, ECLAC has called for a new form of natural resources governance in Latin America and the Caribbean, to foster structural change for equality.

Table IV.2

Union of South American Nations (UNASUR) (9 countries): fiscal income from mining and hydrocarbons, 2000-2014

(Percentages of GDP at current prices)

Country	2000-2003	2005-2008	2010-2014
Argentina	0.8	1.7	1.1
Bolivia (Plurinational State of)	2.8	9.8	11.6
Brazil	0.8	1.4	1.0
Chile ^a	1.0	13.8	5.6
Colombia	1.8	2.9	3.8
Ecuador	5.7	8.7	12.8
Peru	0.7	3.2	2.7
Suriname	3.6	5.2	5.8
Venezuela (Bolivarian Republic of)	10.5	13.8	9.9

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

Note: information calculated using cumulative values for each period. Fiscal income includes tax and non-tax resources from the production of hydrocarbons and minerals.

^a Refers to consolidated central government fiscal income from gross copper and includes both taxes paid by the National Copper Corporation (CODELCO) and CODELCO surpluses transferred to the government.

- The new form of governance is proposed as the set of national sovereign policies for the management of resource ownership and the appropriation and distribution of the profits reaped from their exploitation. Infrastructure and logistics services play an important role in natural resource extraction and, hence, in promoting better governance, enhancing access and territorial connection, disseminating services to excluded groups, laying the logistical foundations for greater diversification of activities and promoting closer integration between UNASUR member countries.

- Despite the strategic importance of natural resources for the region, challenges remain in relation to infrastructure services. Much of the region's mining and cereal production infrastructure is organized so as to extract resources and export them rapidly, without adding value. In many cases, infrastructure of private use is cited as a genuine entry barrier to other producers and does not enhance connectivity with the rest of the territory. This makes it difficult to create scale, network, and agglomeration economies, which could be achieved around natural resource logistics.
- Given the logistics costs in Latin America, which can be up to four times higher than in OECD countries, and the high proportion of exports that have a large logistical component or in which the time factor is important, fostering adequate logistics for natural resources is particularly important for the region's sustainable development.
- Integrated logistics are essential for the integration of production, to the extent that unless infrastructure networks and associated services are adequately and efficiently interconnected, it is impossible to generate value chains or integrate production generally. The integration of logistics infrastructures between UNASUR countries would make it possible to offer efficient and quality services to subregional logistics chains, allowing for productive linkages or re-exports with added value. It would also be an effective tool for reducing the various disparities that exist (social, productivity, gender, environment and others), which is an essential condition for achieving sustainable development aligned with the Sustainable Development Goals.





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