Economic and Social Panorama of the Community of Latin American and Caribbean States, 2017

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FOR SUSTAINABLE DEVELOPMENT WITH EQUALITY

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Foreword

This issue of the *Economic and Social Panorama of the Community of Latin American and Caribbean States* is a contribution by the Economic Commission for Latin America and the Caribbean (ECLAC) to the Pro Tempore Chair of the Community of Latin American and Caribbean States (CELAC), and continues the work carried out since the first summit of CELAC held in Santiago in 2013.

This document collates information from some of the annual flagships published by the Commission in 2017: "Mortality tables" of the *Demographic Observatory, 2017* (LC/PUB.2017/20-P), *Economic Survey of Latin America and the Caribbean, 2017* (LC/PUB.2017/17-P), *Preliminary Overview of the Economies of Latin America and the Caribbean, 2017* (LC/PUB.2017/28-P), *Foreign Direct Investment in Latin America and the Caribbean, 2017* (LC/PUB.2017/18-P), *International Trade Outlook for Latin America and the Caribbean, 2017* (LC/PUB.2017/22-P), *Social Panorama of Latin America, 2017* (LC/PUB.2018/1-P) and *Gender equality plans in Latin America and the Caribbean: road maps for development* (LC/PUB.2017/1-P).

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

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

Through the continued publishing of this document, we hope to continue working with this important forum for intergovernmental dialogue and consensus-building among the 33 countries of Latin America and the Caribbean, which has such an important role to play in achieving well-being, peace and security for the inhabitants of the region.

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

I. Economic overview

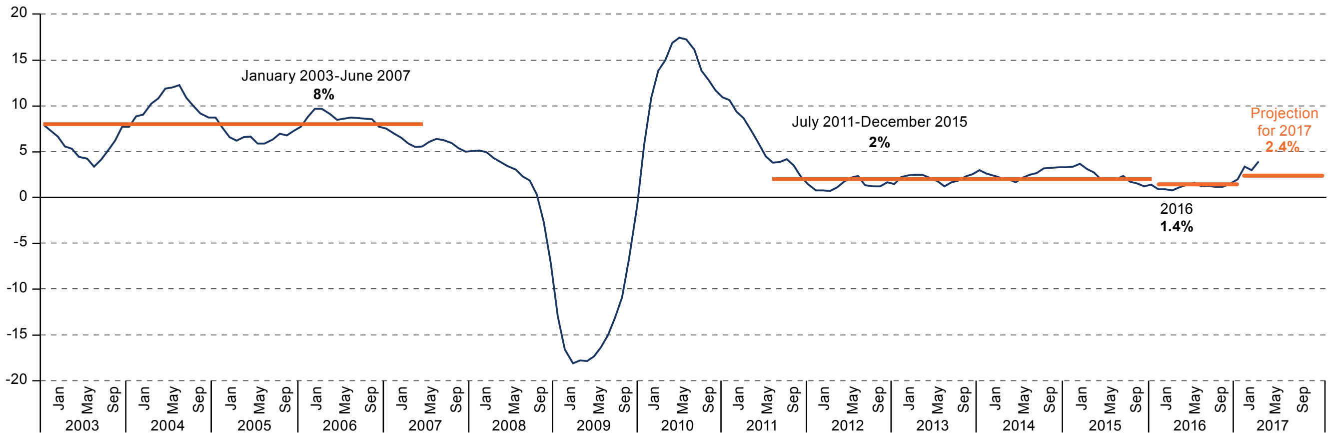
A. Global economic trends

- The global economy grew by 2.4% in 2016 and is expected to pick up to 2.7% in 2017 thanks to stronger performances by developed, emerging and transition economies. Growth in developing economies —which had weakened in recent years— is set to recover to 4.2% in 2017.
- Global trade volumes have been recovering since November 2016. As the global economy has strengthened, so too has international trade in the first quarter of 2017, although growth rates remain below the levels seen before the global financial crisis.
- According to the latest World Trade Organization (WTO) figures, global trade volumes should rise by 2.4% in 2017, although this forecast falls within a range of 1.8% to 3.6%.

■ **Figure I.1** ■

Seasonally adjusted year-on-year trade volume growth, January 2003–March 2017

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Netherlands Bureau of Economic Policy Analysis (CPB), World Trade Monitor, 2017 and World Trade Organization (WTO).

- In addition to the upturn in global growth and trade, commodity prices are expected to rise by 12% on average compared with 2016, with energy and metal and mineral prices posting the largest increases. Energy prices will post the strongest increase in 2017, with a 19% jump over average prices seen in 2016, while the prices of other commodities are set to grow by 9%.

Table I.1

Changes in global commodity prices, 2016–2017

(Percentages)

	2016	2017[a]
Agricultural products	4	3
Food, tropical beverages and oilseed crops	5	2
Food	9	4
Tropical beverages	1	2
Oils and oilseeds	1	0
Forestry and agricultural raw materials	0	5
Minerals and metals	-2	16
Energy products[b]	-13	19
Total commodities	-4	12
Total commodities excluding energy products	1	9

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

[a] Projections.

[b] Energy products include, oil, natural gas and coal.

- Metal and mineral prices are expected to rise in 2017 compared with 2016. Within this group, the prices of industrial metals, such as copper, have been boosted since the end of 2016 by expectations of an infrastructure investment package announced by the new United States administration. Although it is now certain that this package will not be implemented this year, metal and mineral prices are expected to be up by 16% on average in 2017, versus 2016. Better harvests for some agricultural products, such as grains and soybeans, are expected to result in a much more moderate increase in prices: 3% on average in 2017, compared with 2016.
- This mixed recovery in commodity prices —which is more evident in energy products, metals and minerals— will have varied impacts on the terms of trade of Latin American and Caribbean countries.

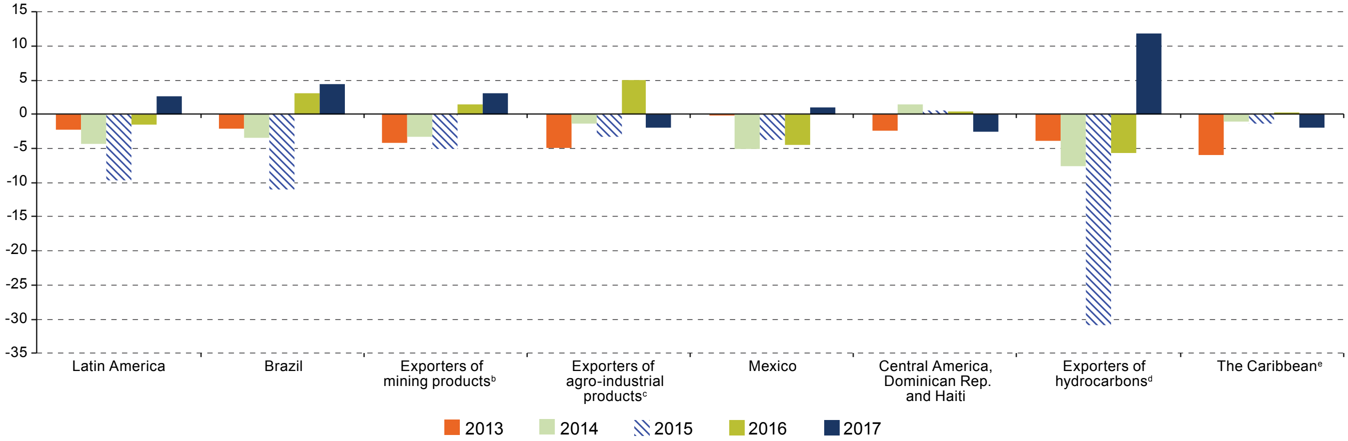
B. The external sector

- Terms of trade for Latin America fell for the fifth year in a row in 2016, but in 2017 are expected to rise by around 3% on average, on the back of an upturn in commodity prices. The evolution of commodity prices thus far in 2017 and expectations for the rest of the year suggest that the largest terms-of-trade gain will be in the hydrocarbon-exporting countries (12%), followed by the exporters of mining products (3%).
- Meanwhile, terms of trade will deteriorate in 2017 for exporters of agribusiness products (-2%), as well as for the Central American countries and the Caribbean (not including Trinidad and Tobago), which had benefited in preceding years from falls in prices for food and energy, of which they are net importers (-3% and -2%, respectively).

Figure I.2

Latin America and the Caribbean (selected countries and groupings): variation in the terms of trade, 2013–2017[a]

(Percentages)



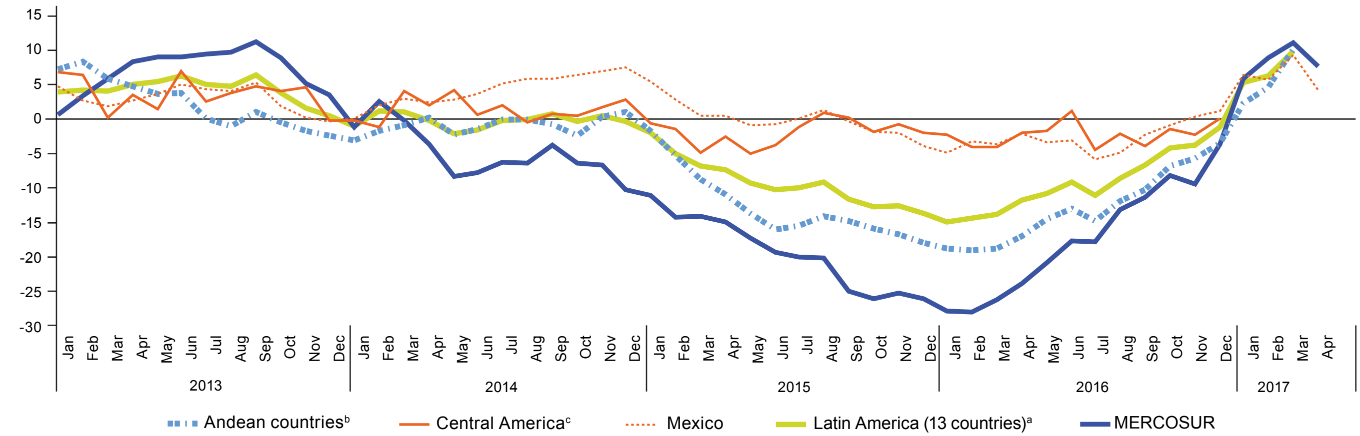
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Figures for 2017 are projections.
[b] Chile and Peru.
[c] Argentina, Paraguay and Uruguay.
[d] Bolivarian Republic of Venezuela, Colombia, Ecuador, Trinidad and Tobago, and Plurinational State of Bolivia.
[e] Excluding Trinidad and Tobago.

- The goods trade balance has improved for the second year running in 2017, this time thanks to a larger rise in exports than in imports.
- The slacker economic activity in the region in 2016 was reflected in a 6% decline in import volumes which, together with lower import prices (down 3.7%), translated into a large drop in overall value terms. With the exception of Costa Rica and Nicaragua, imports were down in all the region's countries in 2016, in some cases significantly, as in Ecuador (-23%), Brazil (-19%), Colombia (-17%), Uruguay (-14%) and the Plurinational State of Bolivia (-13%).
- In 2017 imports are being driven by a better performance in several of the region's economies. In the early months of the year imports were up by 10% year-on-year in the average for 13 countries (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay). Should this trend continue, 2017 will be the first year since 2013 in which regional imports have risen.

Figure I.3

Latin America (13 countries)[a]: year-on-year variation in goods imports, 2013-2017

(Three-month moving average, in percentages)



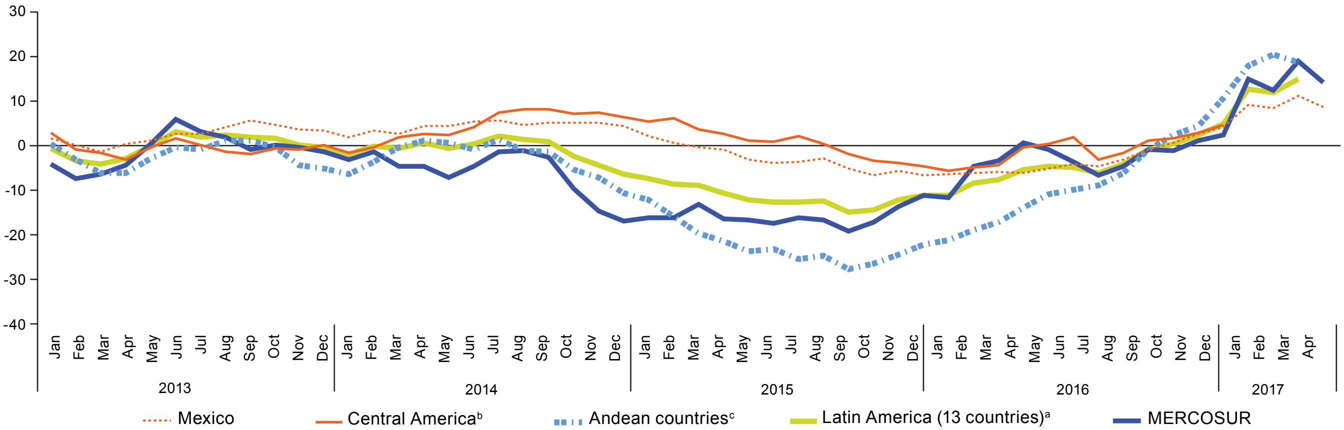
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
[a] Includes Argentina, Brazil, Chile, Colombia, Costa Rica, el Ecuador, El Salvador, Guatemala, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.
[b] Includes Chile, Colombia, Ecuador, Peru and Plurinational State of Bolivia.
[c] Excludes Dominican Republic, Honduras and Panama.

- According to estimates, a rise of 3% in volume and of just over 3% in prices with respect to 2016 will produce a rise of around 6% in value terms by the close of the year.
- In 2017, a commodity price upturn, together with an increase in the volumes exported, will have a positive impact on regional exports, which could rise for the first time after four straight years of decline. According to official figures, in March 2017 exports were up by almost 15% year-on-year in the average for 13 countries of the region (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay).
- For 2017, exports are projected to expand by 8%, reflecting a rise of 2% in volume and 6% in prices.

■ Figure I.4 ■

Latin America (13 countries)[a]: year-on-year variation in goods exports

(Three-month moving average, in percentages)



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

[a] Includes Argentina, Brazil, Chile, Colombia, Costa Rica, el Ecuador, El Salvador, Guatemala, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

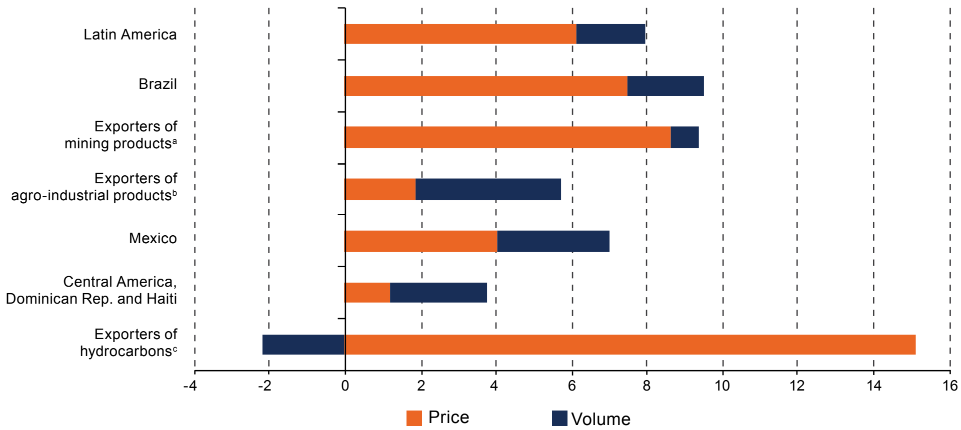
[b] Excludes Dominican Republic, Honduras and Panama.

[c] Includes Chile, Colombia, Ecuador, Peru and Plurinational State of Bolivia.

■ Figure I.5 ■

Latin America and the Caribbean (selected countries and groupings): projected variation in goods exports by volume and price, 2017

(Percentages)



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

[a] Chile and Peru.

[b] Argentina, Paraguay and Uruguay.

[c] Bolivarian Republic of Venezuela, Colombia, Ecuador, Plurinational State of Bolivia and Trinidad and Tobago.

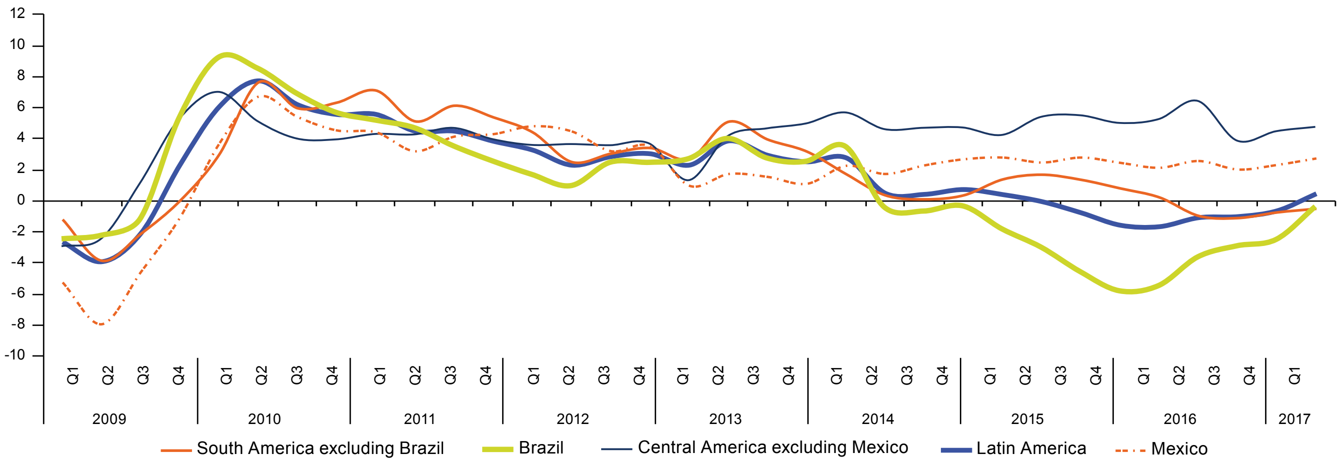
C. Economic activity

- Following the 1.1% decline in Latin America's GDP in 2016, indicators available for the first few months of 2017 suggest that the region's countries will move onto a positive growth path. The regional economy rose by 0.4% year-on-year in the first quarter of 2017, compared with average year-on-year quarterly GDP growth of -0.9% in the last three quarters of 2016.

Figure I.6

Latin America: year-on-year change in quarterly GDP, weighted averages, first quarter of 2009-first quarter of 2017[a]

(Percentages based on dollars at constant 2010 prices)



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

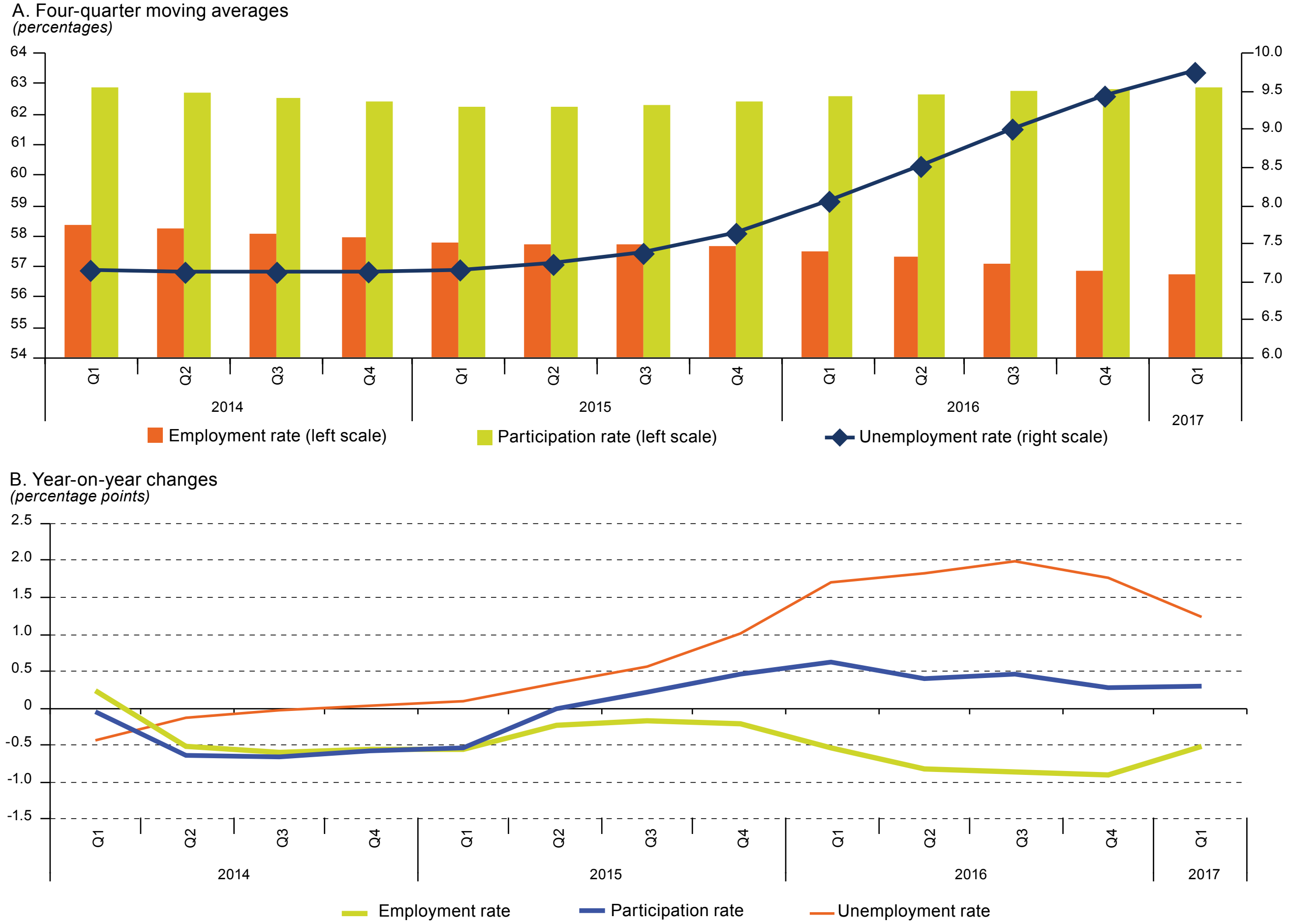
[a] Projections.

D. Employment

- The regional job market continued to worsen in the first quarter of 2017. However, with economic growth picking up modestly, the deterioration was less rapid and widespread than in 2016. Specifically, the urban unemployment rate in a group of 11 countries with quarterly information available was 1.2 percentage points higher at the start of the year than in the first quarter of 2016, a rate of increase that was well down on the average year-on-year rise of 1.8 percentage points recorded for the same group of countries in 2016. In any event, on a four-quarter moving average, the unemployment rate in this group of countries carried on climbing.

Figure I.7

Latin America and the Caribbean (11 countries): employment, participation and unemployment rates and year-on-year changes, first quarter of 2014-first quarter of 2017[a]



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

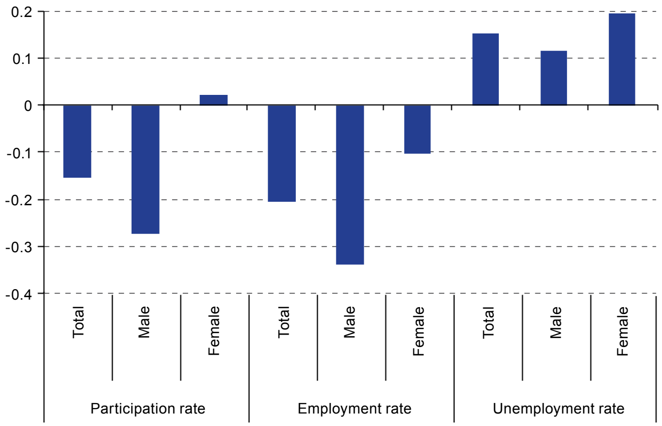
[a] The countries covered are Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Jamaica, Mexico, Paraguay, Peru and Uruguay.

- The performance of the labour market in the first quarter of 2017 contrasted with 2016, when the urban unemployment rate in Latin America and the Caribbean rose to 8.9% from the 7.3% recorded in 2015 during what was a second year of economic contraction, an increase unprecedented in 20 years. The deterioration was the result of a rapid drop in the urban employment rate, from 58.1% to 57.4%, it being the third year running in which this declined. At the same time, the urban participation rate picked up from 62.7% to 62.9% after three years of stagnation or decline, as many households had greater need of earnings.
- The unemployment rate increased by slightly more for women than for men. In the case of women, the rise was due to the employment rate falling slightly while the participation rate remained unchanged. In the case of men, although the employment rate fell even further, the simultaneous drop of the participation rate offset the impact on the unemployment rate.

Figure I.8

Latin America and the Caribbean (11 countries): simple averages of year-on-year changes in participation, employment and unemployment rates, by sex, first quarter of 2017[a]

(Percentage points)



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

[a] The countries considered are Brazil, Chile, Colombia, Costa Rica, Ecuador, Jamaica, Mexico, Panama, Paraguay, Peru and Uruguay.

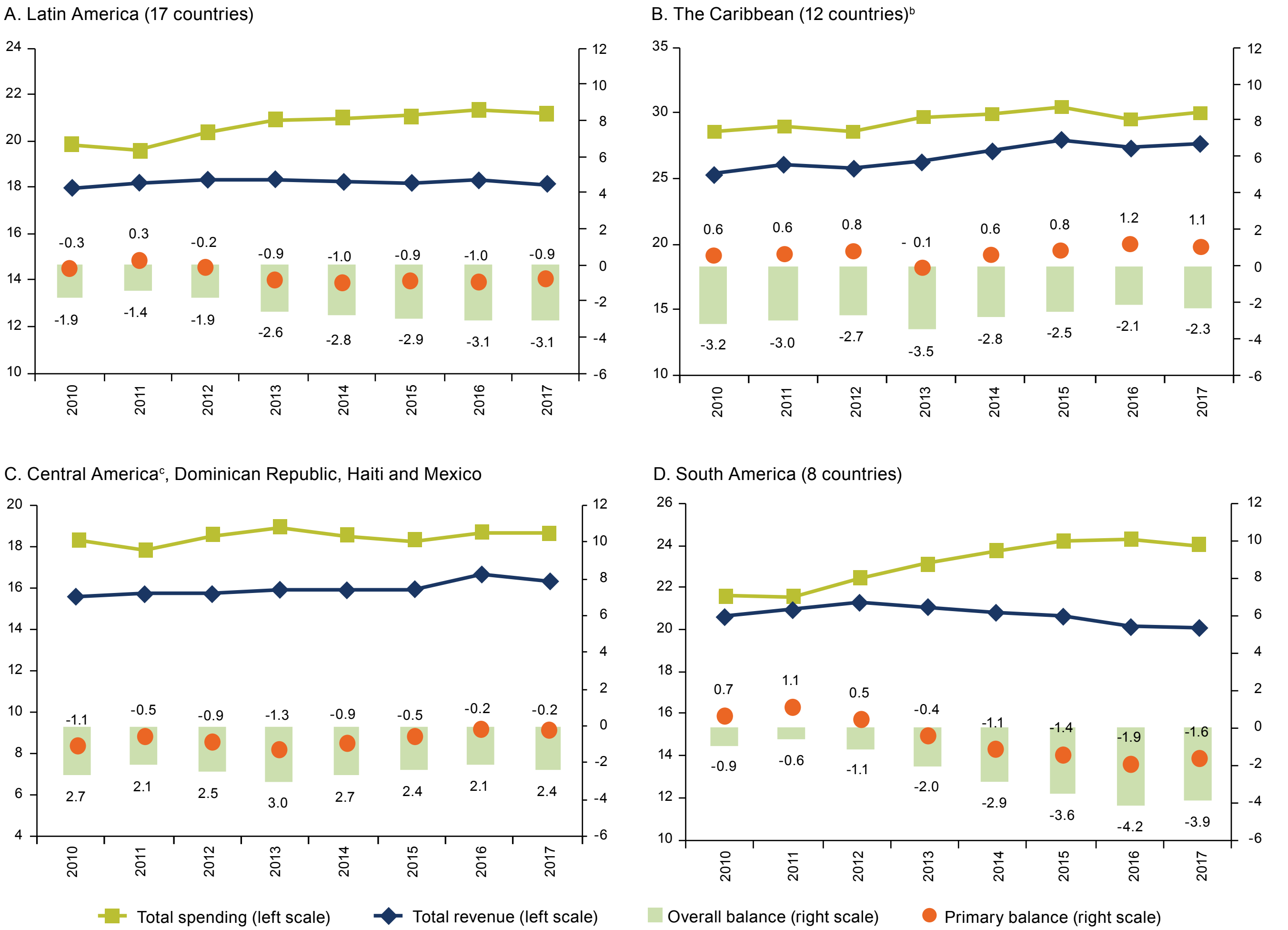
E. Macroeconomic policies

- The average fiscal deficit of the countries in Latin America held relatively steady at around 3.1% of GDP in 2016, and is expected to remain unchanged in 2017.
- Despite this relative stability, in 2017 the fiscal deficit may increase in 8 of the 17 Latin American countries included in the analysis. Overall, public spending is expected to be cut (from 21.3% of GDP in 2016 to 21.2% in 2017) in line with the anticipated decrease in public revenue (from 18.3% of GDP in 2016 to 18.1% in 2017).
- Central government debt amounted to a simple average of 37.3% of GDP in Latin America in 2016, and this was maintained in the first quarter of 2017. Although debt remains high in some countries, it grew more slowly in the subregion and borrowing levels are projected to fall, albeit moderately, in the short term, reflecting the expected improvement in South American countries' fiscal deficit, in particular).
- Caribbean countries' central government debt contracted by almost two percentage points to 72.7% of GDP in the first quarter of 2017. The cost of public debt is expected to amount to 2.2% of GDP in Latin America and 3.1% in the Caribbean in 2017.
- Fiscal revenues in Latin America are expected to contract in 2017, from 18.3% of GDP in 2016 to 18.1%.

■ **Figure I.9** ■

Latin America and the Caribbean: central government fiscal indicators, 2010–2017[a]

(Percentages of GDP)



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

[a] Simple averages. Figures for 2017 are budget projections. In Mexico and Peru, figures correspond to the federal public sector and the general government, respectively.

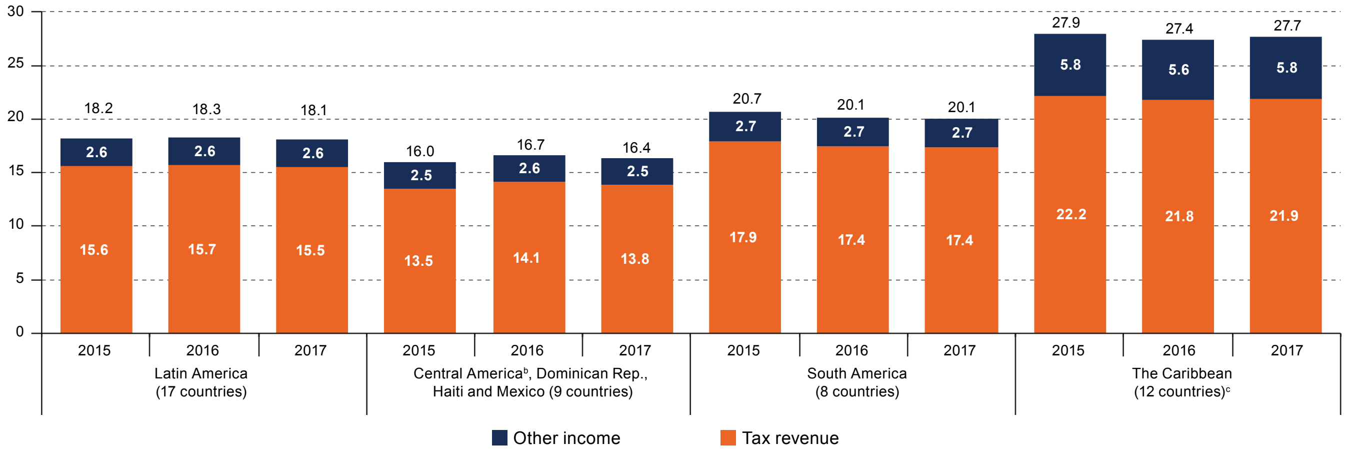
[b] The average for the Caribbean excludes Dominica.

[c] Central America includes Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

Figure I.10

Latin America and the Caribbean: composition of central government revenue, 2015–2017[a]

(Percentages of GDP)



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

[a] Simple averages. Figures for 2017 are budget projections. In Mexico and Peru, figures correspond to the federal public sector and the general government, respectively.

[b] Central America includes Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

[c] The average for the Caribbean excludes Dominica.

- In particular, central government tax revenues are projected to decline (from 15.7% of GDP in 2016 to 15.5% in 2017). The (unexpected) increase in tax revenues in 2016 derived partly from exceptional factors such as the implementation of new tax administration measures in some countries and extraordinary income from tax amnesty programmes. Other income —mainly non-tax revenue, capital income and grants— is expected to remain stable at 2.6% of GDP on average in Latin America.

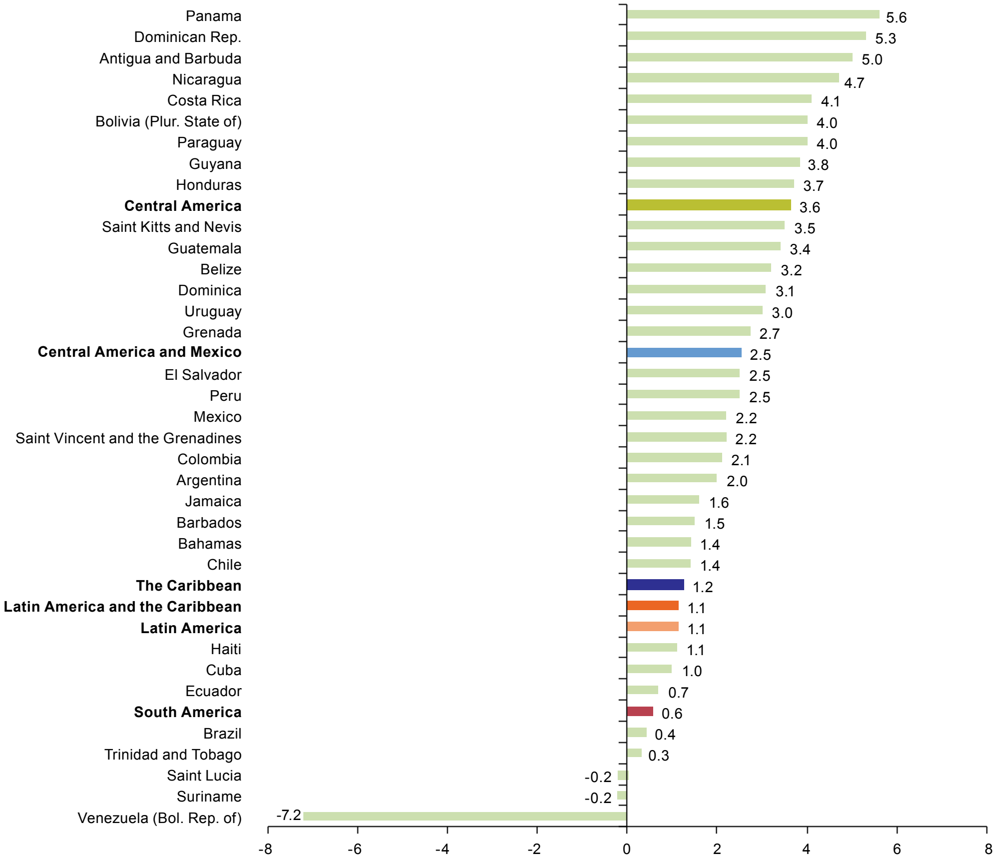
F. Economic growth projections

- GDP growth in Latin America and the Caribbean will average 1.1%, with Central America and Mexico continuing to exhibit notably stronger growth than South America.
- This projection is based on international conditions that are, generally speaking, more favourable than in the past few years. One notable difference from 2016 is that all the region's countries are expected to post positive growth in 2017, except the Bolivarian Republic of Venezuela —whose GDP will contract by 7.2%— and two Caribbean countries, Saint Lucia and Suriname, which will both see contractions of 0.2%.

Figure I.11

Latin America and the Caribbean: GDP growth projections, 2017

(Percentages, on the basis of dollars at constant 2010 prices)



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

II. Foreign direct investment (FDI)

A. 2016: a turning point in globalization

- 2016 represented a turning point in the perception of globalization and its economic and social effects. Political events, such as the referendum in the United Kingdom which resulted in the vote to leave the European Union (Brexit) and the presidential election in the United States, reflect trends that developed over time in global production and trade. The difficulties of large middle-income sectors in developed countries resulted from years of slow growth, high unemployment —particularly among young people—, wage stagnation or deterioration and pressure from migratory flows of a magnitude not seen since the end of the 1940s.
- These events were accompanied by widespread acknowledgment that the technological revolution has picked up pace and is now universal. The World Economic Forum's dissemination of the concept of the fourth industrial revolution has resulted in the technological dimension being incorporated into political concerns, or at least the political discourse. The combination of these political and economic factors has increased the pressure to relocate production to developed countries and set off a trend towards economic nationalism, which was unthinkable less than two years ago.
- Against the backdrop of a rapid technological transition and greater interest in keeping production at home, growing competitive pressure is redirecting businesses towards more technology-intensive markets. Greater competition and pressure to innovate stimulate foreign investment in quality assets (patents and highly-skilled human resources) which are more abundant in the triad comprising the United States and the advanced regions of Western Europe and East Asia where products and production processes are manufactured and where standards are set and later disseminated. This triad combines manufacturing, technological research and development, and training of highly-skilled human resources.

Figure II.1

Africa, Latin America and the Caribbean, China[a], the United States and Europe: share of FDI flows and selected indicators of strategic assets

(Percentages)

A. FDI inflows and outflows, 2012–2016 average

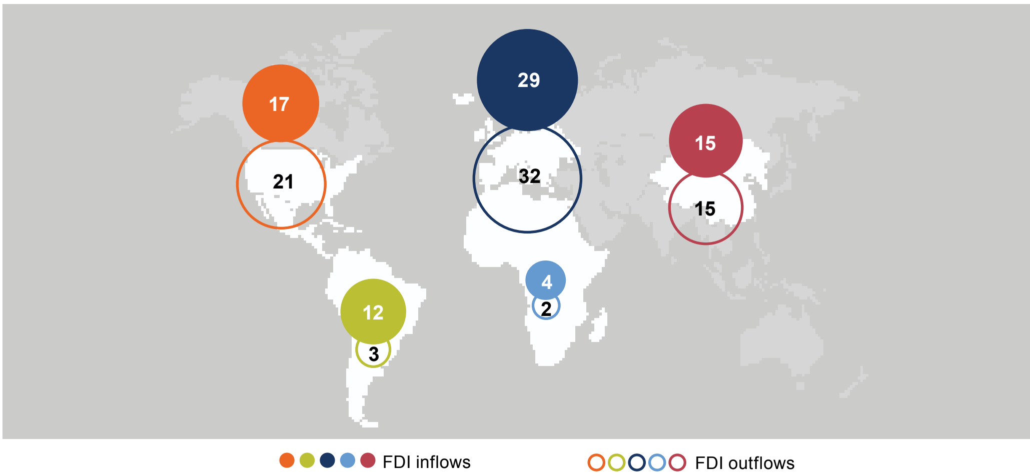
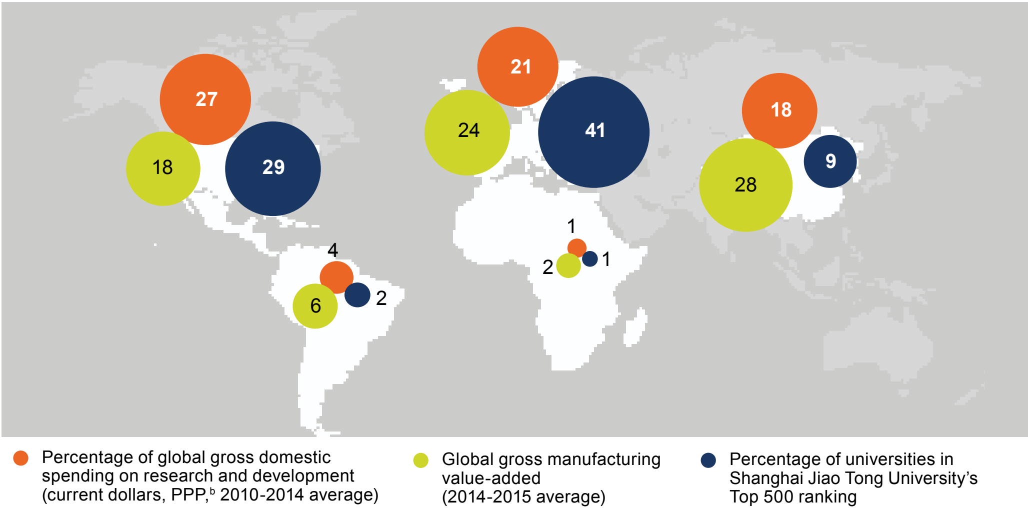


Figure II.1 (concluded)

B. Capacity and strategic assets



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations Conference on Trade and Development (UNCTAD), World Investment Report, 2017: Investment and the Digital Economy (UNCTAD/WIR/2017), Geneva; United Nations Statistics Division; UNESCO Institute for Statistics (UIS) and Shanghai Jiao Tong University, Academic Ranking of World Universities (ARWU), 2015.

[a] Data cover China and Hong Kong Special Administrative Region of China.

[b] Purchasing power parity.

B. Global FDI flows are returning to advanced economies and falling in Latin America and the Caribbean

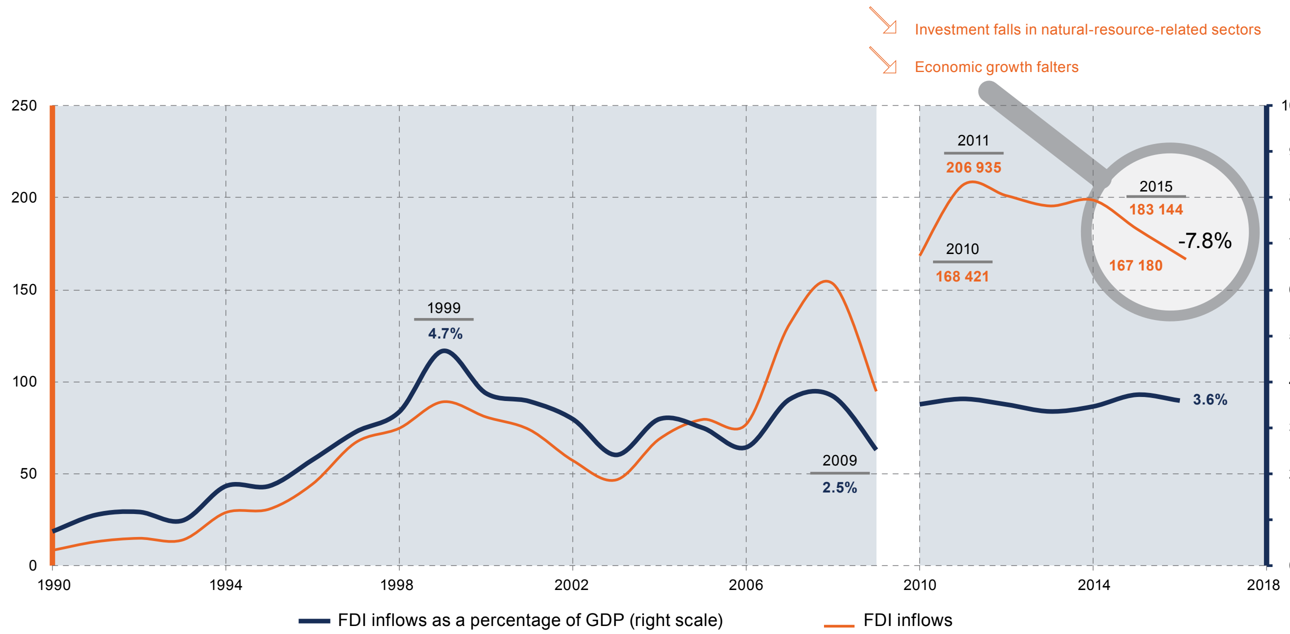
- Global FDI flows amounted to US$ 1.7 trillion in 2016, higher than any of the annual performances between 2008 and 2014. Nonetheless, this figure reflects a 2% drop compared with 2015, owing mainly to the fact that inflows into developing countries fell by 14%, returning to 2010 levels. Meanwhile, inflows into developed countries climbed by 5% and those into transition economies by 81% after two years of sharp declines.

- FDI flows into Latin America and the Caribbean declined by 7.8% to US$ 167.180 billion in 2016. This was just below the level seen in 2010 and 16.9% lower than the peak reached in 2011. This outcome derived from weaker investment in natural resources, particularly metal mining, and slow economic growth in the region.

■ **Figure II.2** ■

Latin America and the Caribbean: FDI inflows, 1990–2016

(Billions of dollars and percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and estimates as of 15 June 2017.

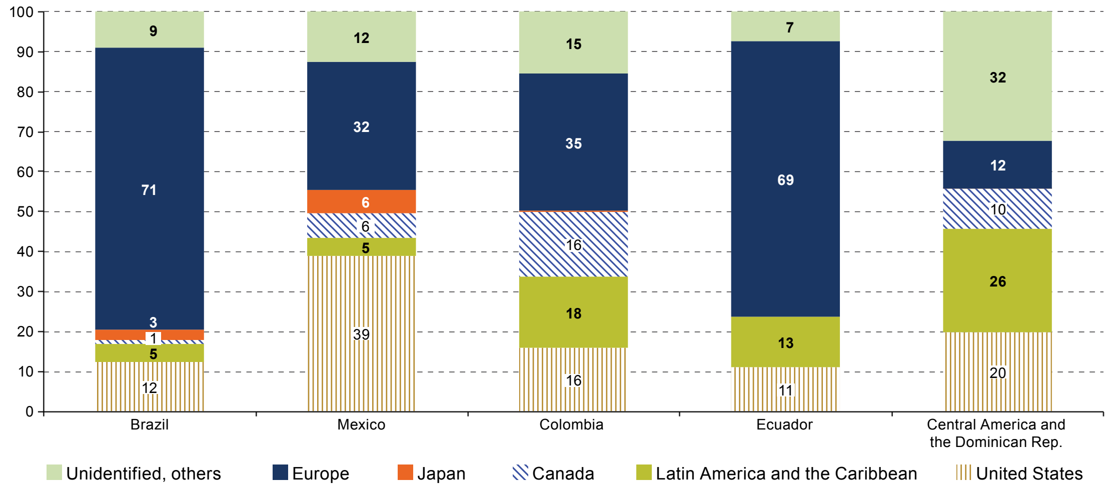
Note: FDI figures do not include flows to the main financial centres of the Caribbean. FDI figures indicate FDI inflows, minus disinvestments (repatriation of capital) by foreign investors. These figures differ from those used in the 2017 editions of the *Economic Survey of Latin America and the Caribbean and the Preliminary Overview of the Economies of Latin America and the Caribbean*, because they show the net balance of foreign investment, that is, direct investment in the reporting economy (FDI) minus outward FDI. The figure for 2016 does not include the Bolivarian Republic of Venezuela or Trinidad and Tobago as no information was available for those countries, which were therefore excluded from the calculation of the variations. Since 2010, figures for Brazil include reinvested earnings from FDI; as a result, these figures are not directly comparable with those from before 2010. This is represented by the break in the lines.

- The largest economies are the most attractive targets for transnational companies. In 2016, Brazil was still the biggest recipient of FDI in the region (47% of the total), followed by Mexico (19%), Colombia (8%) and Chile (7%). Performances were mixed from one country to the next and FDI fluctuated considerably year-on-year, as large transactions in a given year can cause flows to vary dramatically in the short-term, without this setting a trend.
- As in 2015, the United States was the leading investor in the region in 2016 (accounting for 20% of the total); nonetheless, as a block, Europe led the field in investment in Latin America and the Caribbean with 53% of the total, with the Netherlands accounting for the largest share of FDI flows (12%).
- The profile of investors differs within the region. European investors are more prevalent in South American countries, while in Mexico, Central America and the Caribbean, investment comes predominantly from United States firms. In 2016, European investors accounted for 71% of total investment in Brazil, a similar percentage to that seen in Ecuador, while in Central America and the Dominican Republic only 12% of investment came from Europe. Mexico had the highest flow of investment from the United States (39%).

Figure II.3

Latin America and the Caribbean (selected subregions and countries): origin of FDI, 2016

(Percentages)

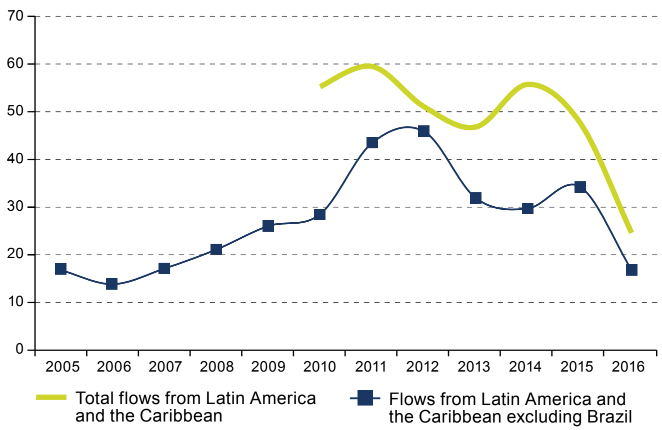


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and estimates as of 15 June 2017.

- In 2016, outward FDI flows from Latin American and Caribbean countries tumbled by 47% to US$ 25.567 billion. In 2015, Brazil had posted the sharpest fall in investment outflows, while those from the other countries had grown; in 2016, outward FDI flows from those other countries were also strongly affected and investment values returned to levels seen in the mid-2000s.
- Three countries are the main sources of external capital flows: Brazil, Chile and Mexico, accounting for 82% of FDI originating in the region, on average, between 2010 and 2016. However, FDI outflows from the three countries dropped significantly in 2016 and their combined share of the total fell to 73%. Brazil invested most abroad (31%), followed by Chile (28%), with Mexico in fourth place, with 14% of the total.

Figure II.4

Latin America and the Caribbean: outward FDI flows, 2005–2016
(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures and estimates as of 15 June 2017.

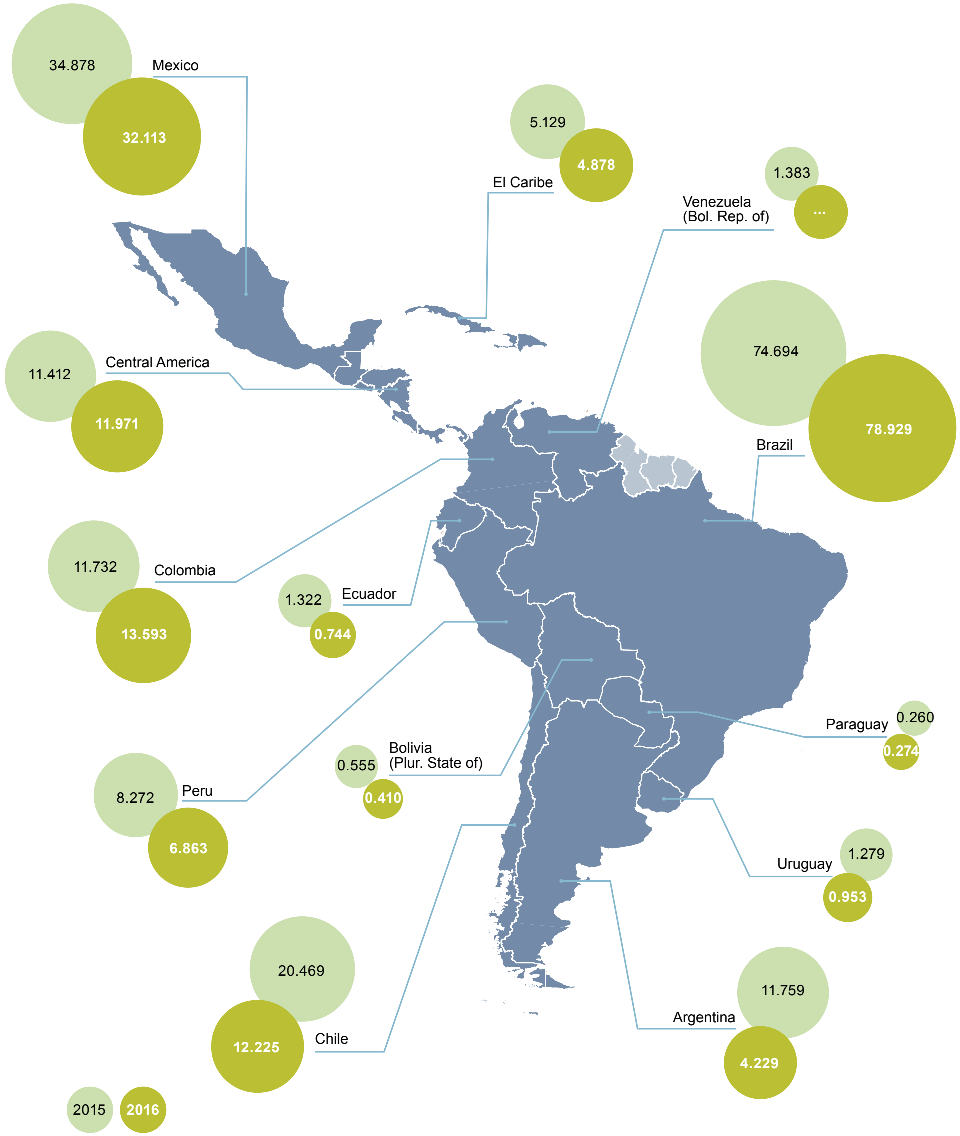
C. Country analysis: instances of FDI growth are few and far between

- FDI inflows to South America fell 9.3% to US$ 118.219 billion in 2016, with only three countries receiving greater volumes of FDI than in 2015: Colombia, which recorded the highest growth, Brazil and Paraguay. In Central America, where FDI expanded by 4.9% to US$ 11.971 billion, only Panama and Costa Rica registered higher levels of FDI. In the Caribbean, FDI reached US$ 4.878 billion, with five countries —the Bahamas, Barbados, the Dominican Republic, Grenada and Saint Lucia— recording larger inflows than in 2015.
- The region of Latin America and the Caribbean has received a larger share of FDI as a percentage of GDP than the rest of the world, underscoring the relative weight of transnational companies in the region's economies. Inward FDI was equivalent to 3.6% of GDP, while the global average stood at 2.5% (UNCTAD, 2015). In general, the region's smaller economies received larger amounts of FDI relative to their GDP; for example, in Antigua and Barbuda, Barbados or Suriname, inflows are small in absolute terms, but are significant for the economy (see figure I.23). Similarly, in economies that have promoted FDI as part of their development strategies —such as Chile and Panama— inflows as a percentage of GDP are larger (4.9% and 9.4%, respectively), while Brazil's inward FDI as a share of GDP (4.4%) was higher than that of other emerging economies which are also large recipients of this type of investment, such as China (1.2%) and India (2.0%).

Map II.1

Latin America and the Caribbean (selected subregions and countries): foreign direct investment inflows, 2015 and 2016

(Billions of dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of preliminary figures and official estimates at 15 June 2017.

Note: The subregional total for the Caribbean excludes Trinidad and Tobago in 2016, since the respective information was not available. The data for Bolivarian Republic of Venezuela refer to the first three quarters of 2015.

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

III. International integration

A. Regional trade picks up in an uncertain global context

- In 2017, world trade is expected to increase by 3.6%, driven by increased growth in output in the United States, the eurozone and China. Slightly slower growth is forecast for 2018, on account of a higher baseline than in 2017 and the tightening of monetary policy expected in the United States, the eurozone and China, exacerbated in the case of China by reduced fiscal expansion. In the medium term, the international context remains uncertain, with doubts still existing about the recovery of the global economy, the challenges posed to traditional trade by the digital revolution and, more recently, the emergence of populist political movements in some developed countries.
- Despite the recent uptick in growth, the advanced economies face considerable uncertainty regarding the long-term sustainability of economic activity.
- The digital revolution is creating new patterns of consumption, production and business in all sectors of the economy, which has the potential for a significant impact on employment. While traditional trade and investment flows slowed notably in the wake of the financial crisis, digital flows increased 45-fold between 2005 and 2014 and are expected to increase by a factor of nine over the next five years. In that context, e-commerce is of growing importance.
- Global trade in the twenty-first century covers physical goods and services that are conveyed through traditional channels, physical goods and services that are produced, consumed and delivered by means of digital platforms and goods and services that are by nature entirely digital and intangible. The digital revolution poses unprecedented challenges for the regulation of global trade. The trade agreements of the 1990s are not up to the task of governing today's exponentially expanding cross-border digital flows.
- In this context, actors such as China, the United States and the European Union are competing to influence the regulation of global digital trade, with widely divergent visions and models.
- Latin American and Caribbean trade is showing signs of recovery, leaving behind the negative performance of the 2012–2016 period.

Table III.1

Latin America and the Caribbean: variation in the value of trade in goods and services, January-June 2017 compared to January–June 2016

(Percentages)

Flow	Goods		Services	
	January to June 2016	January to June 2017	January to June 2016	January to June 2017
Exports	-9.0	12.1	-0.4	8.2
Imports	-13.1	7.3	-8.6	2.8

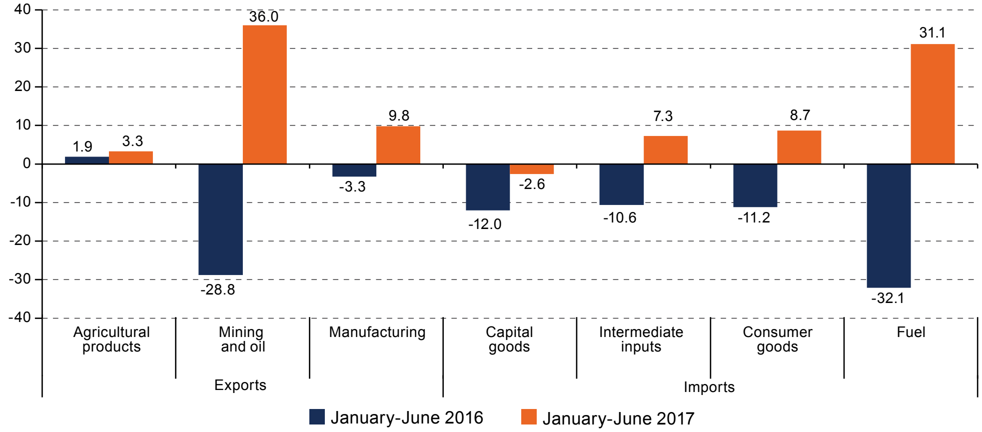
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from central banks, customs offices and national statistics institutes.

- The recovery in the value of the region's goods exports during the first half of 2017 was particularly pronounced in the mining and oil industries.

Figure III.1

Latin America and the Caribbean: year-on-year variation in the value of trade in goods and services by categories, January–June 2017

(Percentages)



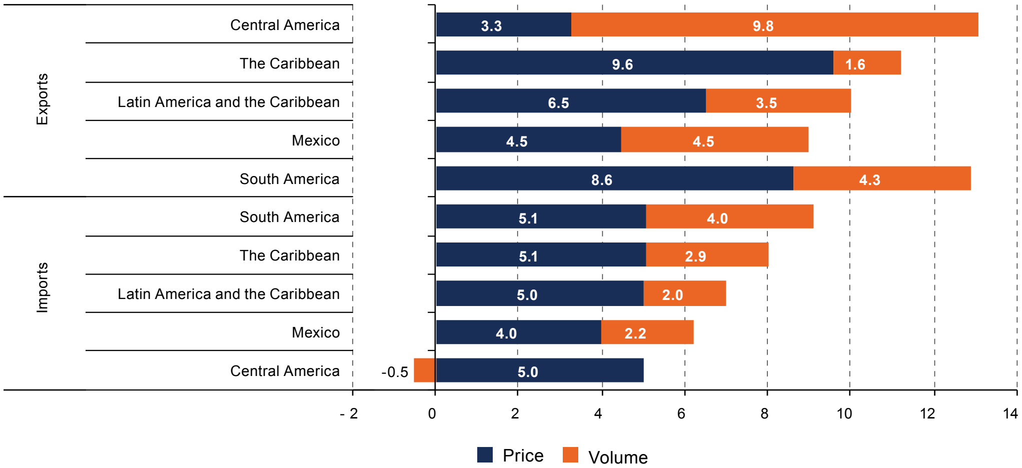
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information from central banks, customs offices and national statistics institutes.

- This was also reflected in its imports, since fuel was the category that reported the most growth. Recovery was reported in all categories with the exception of capital goods; even so, the drop there was lower than the one posted for the corresponding period in 2016.
- The value of the region's goods exports is projected to increase by 10% in 2017. That increase comprises a 6.5% rise in prices and 3.5% growth in volumes. Thus, the region leaves behind five years of falling export basket prices and weak export volume growth. The region's imports are also recovering, after four years of falling in value: they are projected to grow by 7.0% in 2017. This expansion derives mainly from a 5.0% rise in import basket prices and a slight increase (2.0%) in import volumes.
- The recovery in the region's exports is expected to be led in 2017 by shipments to China and the rest of Asia. This stronger performance in exports to Asia is strongly linked to higher metal and mineral prices, which account for a significant portion of those exports. On the import side, the greatest dynamism will be seen in purchases from the region itself and from the United States, while those from the European Union and Asia will grow more slowly than average.
- Among the various subregions and countries of Latin America and the Caribbean, the greatest increase in export values in 2017 is forecast for Central America (13.1%), mainly as a result of the significant increase in export volumes.

■ **Figure III.2** ■

Latin America and the Caribbean (selected subregions and countries): projected year-on-year variation in trade in goods, by price and volume, 2017

(Percentages)



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

- The largest increases in export product prices will be posted by the South American countries. This is on account of the greater weight of petroleum, minerals and metals in their export baskets, particularly those of the Andean countries. On the import side, the recovery will be dominated by higher import basket prices in all the subregions. The only subregion where import volumes will fall in 2017 is Central America (0.5%). This is on account of lower fuel consumption, caused by rising prices.

- Global output and trade are showing signs of a rebound in 2017, after several years of sluggish growth. In that context, the value of the region's exports has started to rise again in 2017, after falling for four years. Yet, this recovery is underpinned more by exogenous factors (the increase in the prices of several commodities) than by domestic growth.

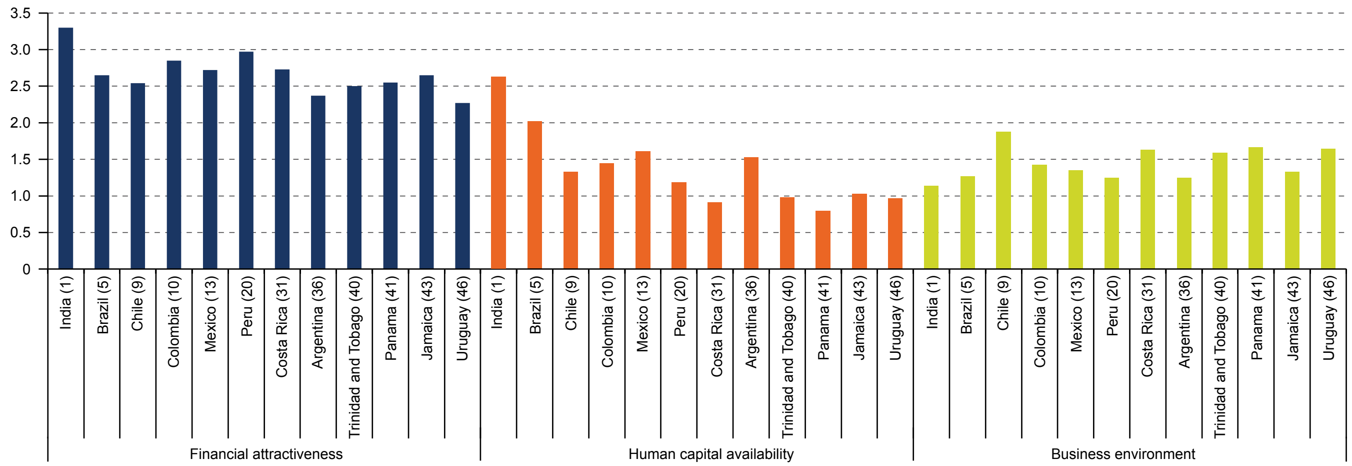
B. The region's weak performance in modern services trade

- The spread of information and communications technologies (ICTs) has driven a growing business, analytical and policy interest in trade in services. The Internet enabled the long-distance delivery of services between producer and consumer, something that was not possible before and opened up great potential for international trade in these activities.
- The traditional boundaries between goods and services are gradually blurring. A number of services are also crucial for the operation of global value chains in goods, such as research and development (R&D), logistics, financial services and marketing.
- The great business interest in services is reflected in the rapid growth in their international trade, especially in Internet-enabled modern services, compared with goods trade. From 2005 to 2016, the value of global modern services exports grew by an annual average of 6.7%, compared with 4.5% for traditional services (goods-related services, transport; travel; construction; personal, cultural and recreational services; and government services), and 3.9% for goods.
- Latin America and the Caribbean is still a marginal player in global services trade. In 2016, the region's share in total global services exports was just 3.1%, compared to almost 6% in global goods exports.
- The availability of human capital is one of the most important drivers of export success in modern services. The 2017 ranking by A.T. Kearney affords Brazil, Mexico and Argentina the highest scores in the region in this regard. To better respond to the needs of modern service exporters, some countries in the region, such as Costa Rica, have created a specific public-private-academic committee for this purpose. Other countries, such as Argentina and Chile, have set specific goals for the university training of professionals in areas where there is particular need, such as computer programmers.

Figure III.3

Latin America and the Caribbean (selected countries) and India: performance in key aspects for localization and export of modern services, 2017

(Maximum points per category).



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of A. Sethi and J. Gott, *2017 A.T. Kearney Global Services Location Index: The Widening Impact of Automation*, A.T. Kearney, 2017; A.T. Kearney, *The Shifting Geography of Offshoring: The 2009 A.T. Kearney Global Services Location Index*, 2009.

Note: The number shown alongside each country name refers to its position in the global ranking of the 55 most attractive countries for the location and export of modern services. The maximum points in each category are 4.0 for financial attractiveness and 3.0 for human capital availability and business environment.

- Tax breaks and concessions are another important instrument for attracting multinational firms and supporting the international expansion of modern services. The creation of free trade zones (FTZs) is probably the largest fiscal incentive to attract foreign investors and promote service exporters. Within the region, Costa Rica, the Dominican Republic and Uruguay have created FTZs to promote global services exports. Other countries —Argentina, Brazil, Chile and Mexico— offer partial tax exemptions. Double taxation treaties are another instrument used to avoid service exporters having to pay taxes in both the home and destination countries.
- Digital ecosystems are also increasingly important for the development and export of modern services. These systems refer to how governments, firms, consumers and things interconnect through standardized digital platforms based on common interests. The spread, use and safety of these platforms require active policies. The development of digital industries, including modern services, depends critically on the overall digitalization of production. The region is substantially behind Europe and North America in this sphere. Most of the countries examined have also adopted policies to expedite the development of a digital ecosystem. Brazil, Chile, Colombia, Costa Rica, Peru and Uruguay have introduced laws for personal data protection and to enhance cybersecurity. Moreover, Costa Rica, Peru and Uruguay have developed e-platforms in the form of a digital market-place to connect buyers with sellers, consumers with suppliers and employees with employers.
- In addition to national endeavours, a more determined effort is needed to promote regional integration in services trade. This is particularly important considering that the region is the most important destination for many services exporters.

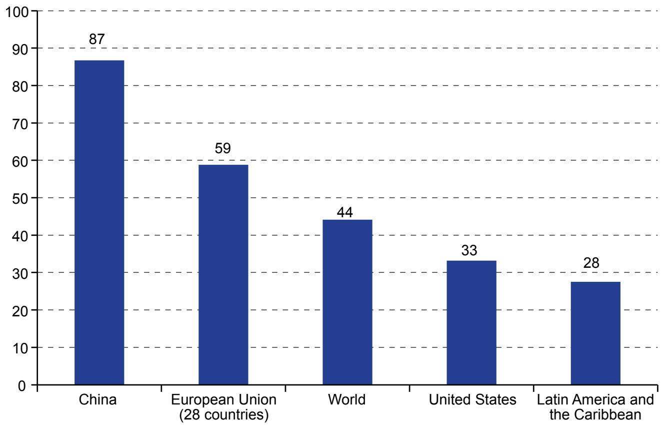
C. Latin America and the Caribbean: the challenges of global agricultural trade

- The value of world trade in agricultural products, measured by exports, stood at US$ 1.69 trillion (equivalent to 11% of world merchandise exports). As a region, Latin America and the Caribbean is a net exporter of agricultural products and consistently posts a trade surplus in that sector. During this century, the weight of the agricultural sector in the region's exports rose considerably, from 17% in 2000 to 26% in 2016. The region's share of world agricultural exports has also increased, albeit to a lesser extent, from 10% in 2000 to 13% in 2015. This last figure is more than double the regional share of world exports of all merchandise, which stood at 5.6% in 2015.
- The region runs an agricultural trade surplus with all its main partners, with particularly rapid growth in the surpluses with China and the rest of Asia. In fact, Asia is now the main destination for the region's agricultural exports, accounting for 35% by value, followed by the United States (22%), the European Union (18%) and the region itself (16%).
- Fruits and vegetables, oilseeds and meats are, in that order, the categories that contribute most to the region's trade surplus in the agriculture sector, accounting for 51% in 2015. The region has small deficits in only a few categories (the largest, in the paper and paper pulp sector, was US$ 750 million).
- The composition and the degree of concentration of the region's export basket fluctuate considerably according to the market of destination. Among the most important markets, the most concentrated is China, where a single product (soybeans) accounts for 60% of total agricultural exports by value; the next most concentrated market is the European Union. Shipments to the United States and within the region itself are much more diversified.

Figure III.4

Latin America and the Caribbean: share of the top 10 products in the value of agricultural exports destined for selected markets and the world as a whole, 2016

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the United Nations International Trade Statistics Database (UN Comtrade).

- Accordingly, the number of agricultural products exported to China is much smaller than the number sent to the European Union, the United States and intraregional market, although it has increased significantly since 2000.
- Latin America and the Caribbean, as a region, is a major supplier of several agricultural commodities, such as raw cane sugar, soybeans and soybean meal, coffee (not roasted, not decaffeinated), frozen poultry meat, maize and frozen meat from bovine animals. Meanwhile, the region has very limited weight as a supplier of processed products. For example, despite being the source of 55% of global exports of not roasted, not decaffeinated coffee, the region accounts for just 1% of global roasted coffee exports. Similarly, although the region's share of global exports of cocoa beans is close to 12%, its weight in world shipments of chocolate and other food preparations containing cocoa is just 4%.

IV. Social panorama

A. Inequality in income distribution

- In Latin America, the level of income distribution inequality in 2015 was similar to that seen in 2014. Nonetheless, taking into account the entire period since the global financial crisis, the income distribution gap narrowed between 2008 and 2015 in most of the region's countries. During this period, the income of the lowest income quintile increased more than that of the highest. This occurred generally across the various sources of household income, but mainly in labour income (both for wage jobs and self-employment), retirement and transfers.

- The Gini coefficient, which ranges from 0 (complete equality) to 1 (complete inequality), is 0.469 for Latin America, according to data available for 2015, practically unchanged from 2014, when the average stood at 0.473.2. Most countries saw a decline in the Gini coefficient, mainly between 2008 and 2012, while variations were smaller between 2012 and 2015. In the regional average, the Gini coefficient fell only half as quickly between 2012 and 2015 (-0.6% per year), as it did between 2008 and 2012 (-1.2% per year).

Figure IV.1

Latin America (17 countries): Gini coefficient, around 2008, 2012 and 2015[a b]

A. Around 2008 and 2012

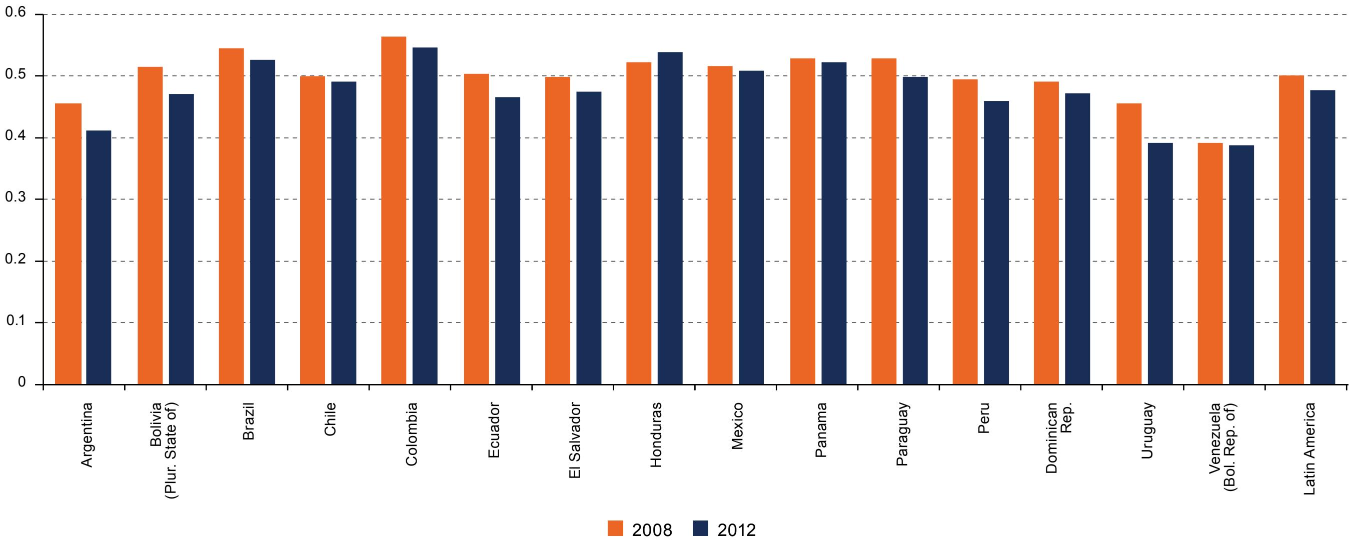
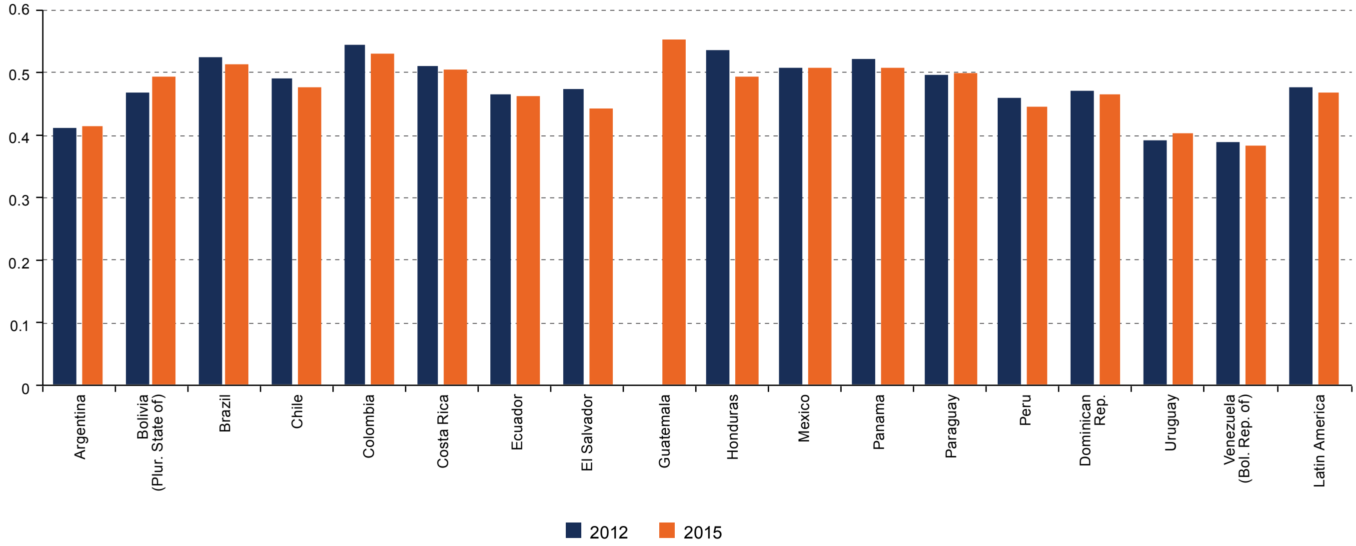


Figure IV.1 (concluded)

B. Around 2012 and 2015



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).
[a] Data refer to 2008, 2012 and 2015, except in the cases of Argentina (2009-2014), Bolivarian Republic of Venezuela (2008, 2012 and 2014), Chile (2009, 2011 and 2015), Colombia (2009, 2012 and 2015), Costa Rica (only 2012 and 2015), El Salvador (2009, 2013 and 2015), Guatemala (only 2014), Honduras (2009, 2013 and 2015), Mexico (2008, 2012 and 2014) and Plurinational State of Bolivia (2008, 2011 and 2014).
[b] The average for Latin America includes the 15 countries with information available for both subperiods. It does not include Costa Rica, Nicaragua or Guatemala.

B. Other inequalities: age, time distribution, Afrodescendent populations

- Social inequality is a fundamental challenge and obstacle to sustainable development. Inequalities over the course of the life cycle, time-use inequalities between men and women, and the situation of Afrodescendent populations as an example of ethnic and racial inequalities are discussed below.

1. Age as an axis of social inequalities

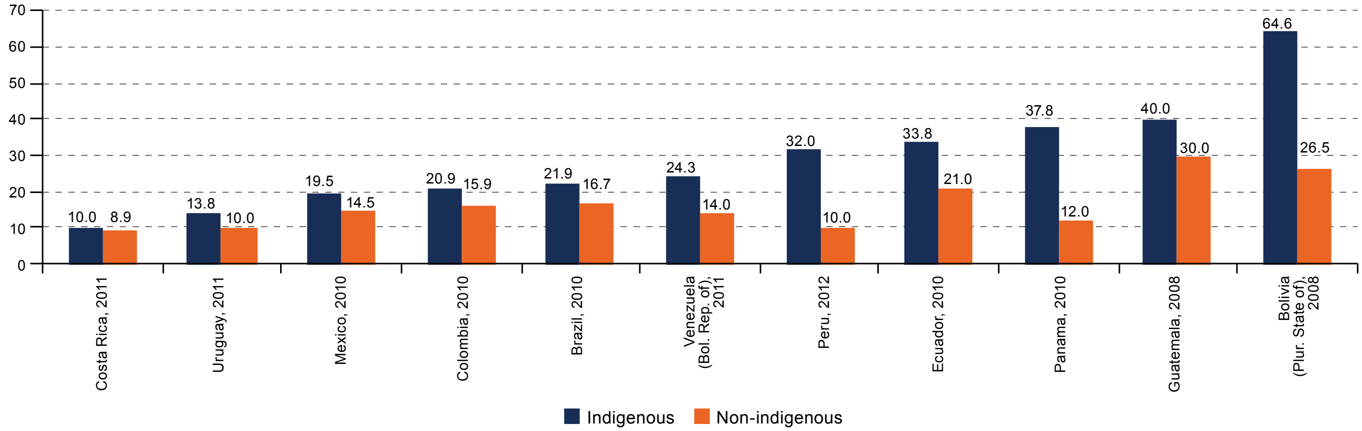
- Age is one of the axes of social inequality, an underlying determinant of the organization of social institutions such as the family and the structures that organize education and work. As such, it is also a determinant of the distribution of well-being, power and authority in the social structure and one of the foundations of social organization and its allocation of responsibilities and roles.
- In Latin America and the Caribbean, inequality is pervasive from the earliest stages of people's lives. Poverty in childhood is particularly critical because of children's greater dependence, lack of autonomy and vulnerability to the economic and social conditions of their environment and their families. Children are overrepresented in the lowest income quintiles and more likely to have multiple

unmet needs than people at other stages of the life cycle. Furthermore, there are also large inequalities within the child population itself when other axes of social inequality such as socioeconomic status, gender, territory and ethnic and racial origin are considered, which, in this last case, are evident in the gaps between the infant mortality rate of the indigenous population and that of the non-indigenous population.

■ **Figure IV.2** ■

Latin America (11 countries): infant mortality by ethnicity, around 2010

(Per 1,000 live births)



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.

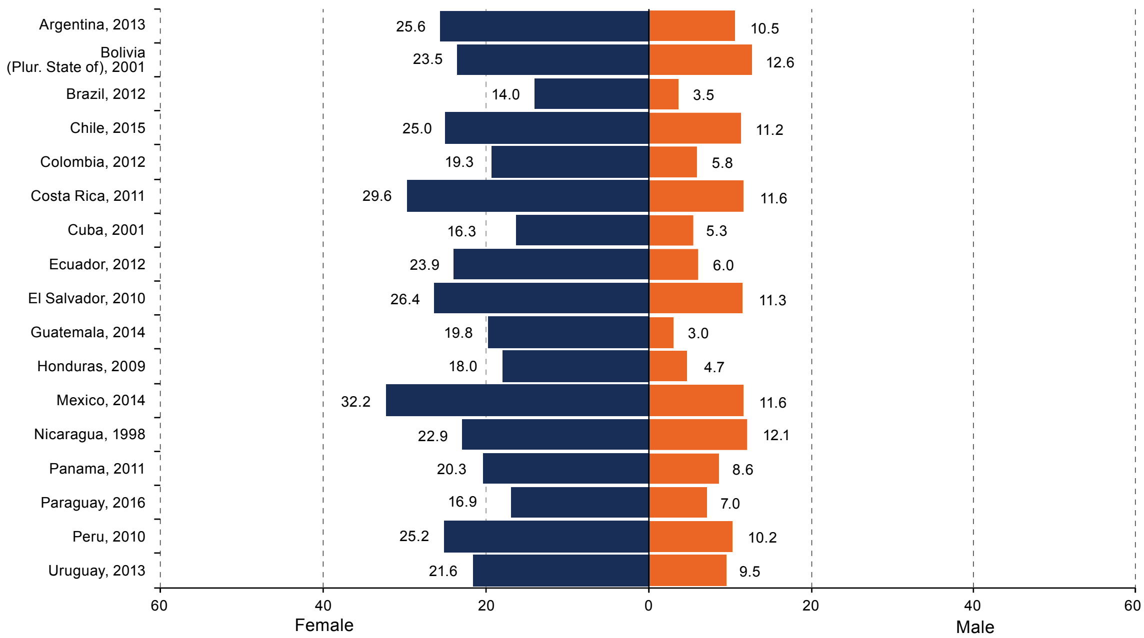
2. Time distribution

- Time is a finite resource that people use in different ways depending on a number of sociocultural factors that reflect social structure, power relationships and the prevailing gender order, among other things. The sexual division of labour in the region restricts some in using this time freely and autonomously, resulting in a lack of own time. As occurs with income, the lack of own time and of the ability to manage it freely is a significant contributor to inequality.
- Time distribution varies during a person's life cycle. However, there is a common thread which is the greater burden of unpaid domestic and care work for women, in particular during their reproductive years.
- Sustainable Development Goal indicator 5.4.1 (Proportion of time spent on unpaid domestic and care work, by sex, age and location) was proposed at the global level to monitor the achievement of gender equality and the empowerment of women and girls. According to these data, women in the region spend between one fifth and one third of their time each day or each week on unpaid domestic and care work, while men spend about 10% of their time on this work.

■ **Figure IV.3** ■

Latin America (17 countries): time spent on unpaid domestic and care work, by sex (Sustainable Development Goal indicator 5.4.1)

(Percentages)



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

Note: Figures take into account time spent on domestic and care work in one's own household, in other households, in the community and volunteer work, except in the case of Brazil, where the survey asks only one question relating to domestic work in one's own household, and of Honduras, which includes only information on care for members of one's own household. The data correspond to the national total except for Costa Rica (Greater Metropolitan Area) and Cuba (Old Havana). The population examined was 15 years and older, except in Argentina (18 years and older) and Nicaragua (6 years and older).

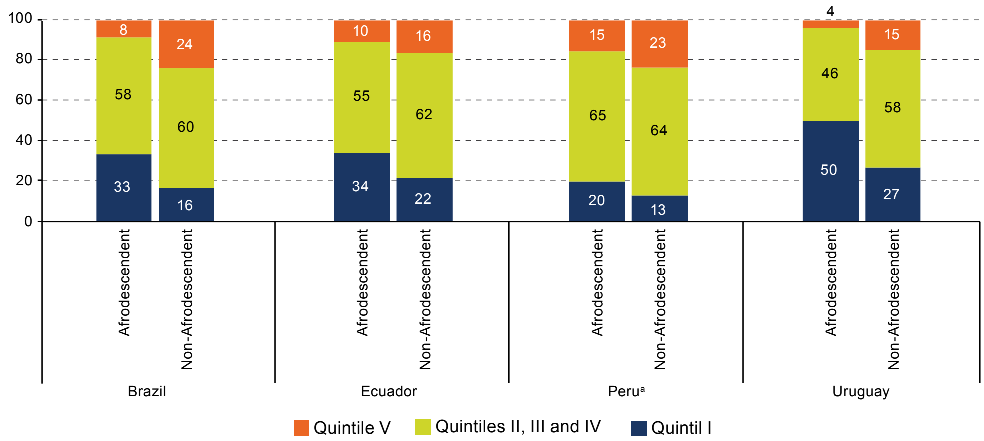
3. Afrodescendent populations

- The existence of a large Afrodescendent population in Latin America and the Caribbean has a tragic and violent origin in the transatlantic trafficking of Africans carried out by the European conquerors for almost 400 years. It constituted the largest transoceanic deportation ever perpetrated. The economic interests of colonial metropolises gave rise to a growing demand for forced labour for a range of activities, with profound effects on the distribution of the Afrodescendent population that are felt even today in the countries of the region. Nonetheless, the magnitude of the Afrodescendent population in each country also reflects the relation between their demographic dynamics and political processes as, for example, when their numbers were decimated during the wars for the independence of the current Southern Cone countries.
- In the four countries for which information is available, the Afrodescendent population is more heavily concentrated in quintile I than the non-Afrodescendent population.

■ **Figure IV.4** ■

Latin America (4 countries): distribution of the population by per capita household income (quintile), by ethno-racial status, 2014

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Household Survey Data Bank (BADEHOG).

Note: The non-Afrodescendent population does not include those who self-identify as indigenous or cases where ethno-racial status is unknown.

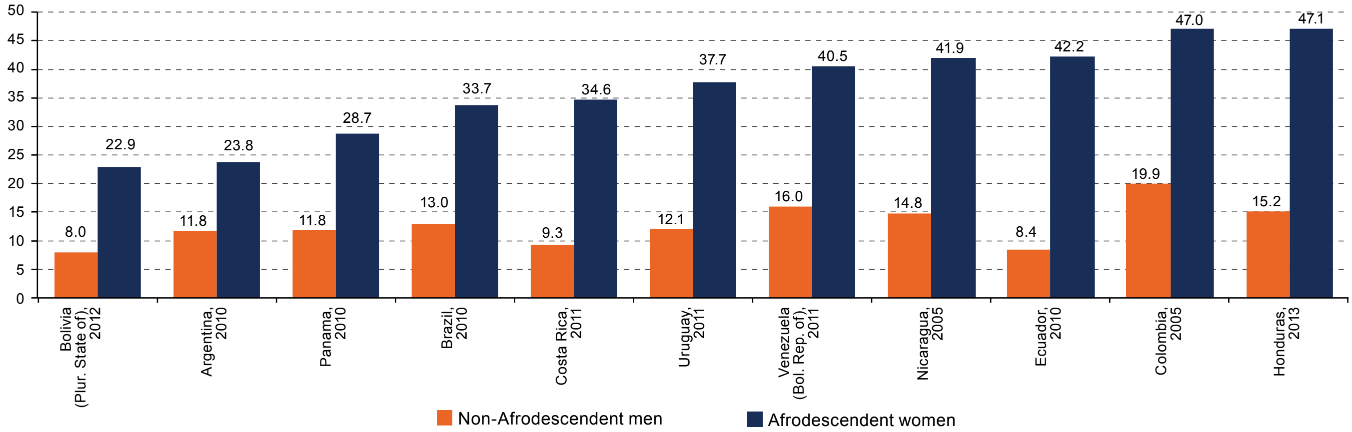
[a] In Peru, the question on ethno-racial status is asked of persons aged 13 and older.

- Gaps are evident in the sphere of education, too, in most of the countries of the region. The proportion of young people aged 18-24 who are attending an educational establishment varies from 16.9% in Uruguay to 41.4% in Argentina and is lower than for non-Afrodescendent youth in most of the countries analysed. These gaps widen in tertiary education. In most of the countries, a larger proportion of Afrodescendent than non-Afrodescendent youth is neither in education nor employed in the labour market. Taking into account the intersection of gender and ethno-racial inequalities, it becomes evident that young Afrodescendent women are subjected to at least twice the exclusion that young non-Afrodescendent men are.

■ **Figure IV.5** ■

Latin America (11 countries): proportion of Afrodescendent women and non Afrodescendent men aged between 15 and 29 not in education or employed in the labour market

(Percentages)



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

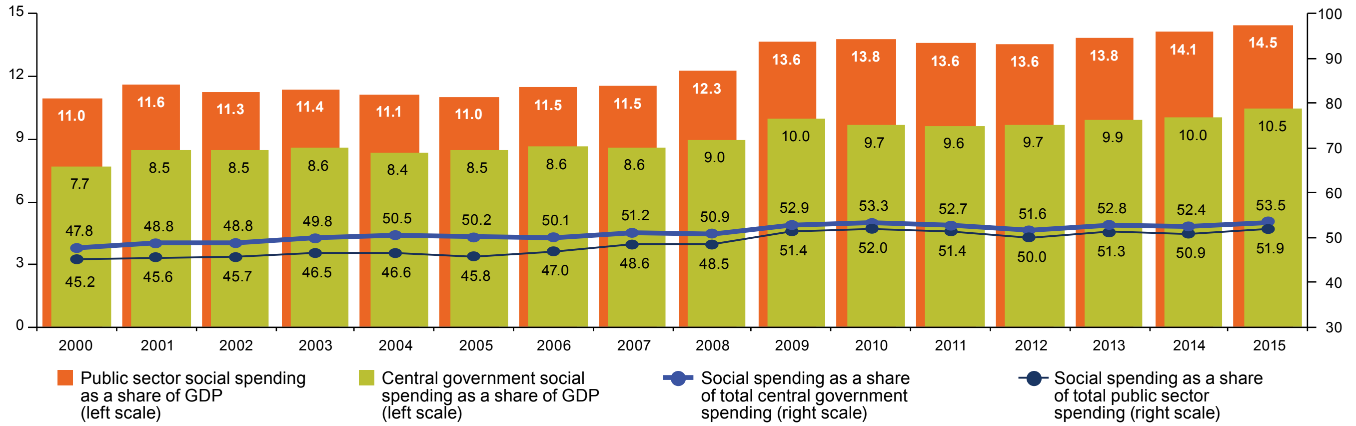
C. Public and social spending

- Central government and public sector social spending in the region's countries, calculated as a simple average, was worth 10.5% and 14.5% of GDP, respectively, in 2015, the highest levels this century. For the first time, central government spending exceeded the level of disbursement in 2009 in response to the 2008 subprime crisis. Social spending in 2015 represented just over half of total public spending that year.
- When spending by social function at the public sector level is analysed, the official institutional coverage figures published by each country indicate that social protection, education and health are the top priorities in terms of resource allocation, at 5.0%, 4.6% and 3.4% of GDP, respectively, in 2015.
- On average, the region's countries have been cautious in preparing their 2016 and 2017 budgets, in that the total and social spending budgeted for is lower than in 2015. Comparing the spending implemented in 2015 to the amount budgeted for the year shows that actual total spending was 1 percentage point of GDP lower than planned (i.e. an average of 10% of the amount budgeted); furthermore, the shortfall was greatest for social functions.

■ **Figure IV.6** ■

Latin America: (19 countries): central government and public sector social spending, 2000–2015[a b]

(Percentages of GDP and of total public spending)



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

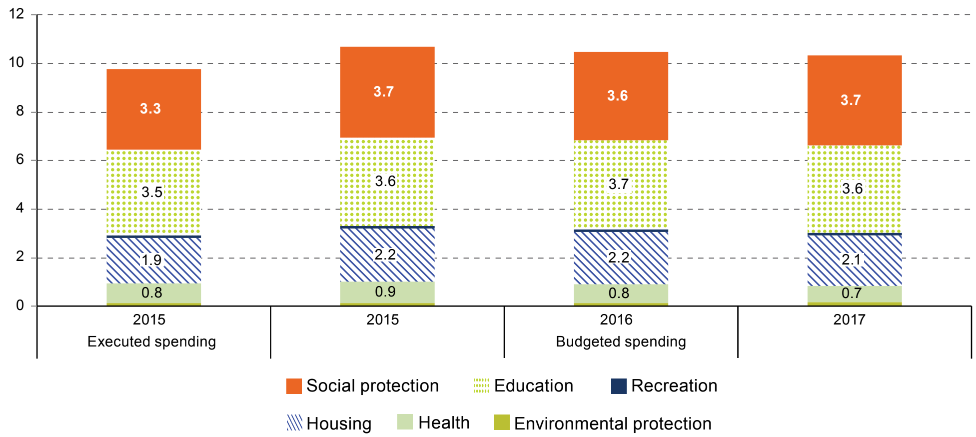
[a] Simple average for 19 countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. Information is available up to 2009 for the Bolivarian Republic of Venezuela and 2014 for Panama.

[b] The countries with coverage wider than central government are Argentina, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Peru and the Plurinational State of Bolivia.

■ **Figure IV.7** ■

Latin America (12 countries): executed and budgeted central government social spending, by function, 2015-2017[a]

(Percentages of GDP)



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

[a] Simple average for 12 countries: Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Peru.

V. Population

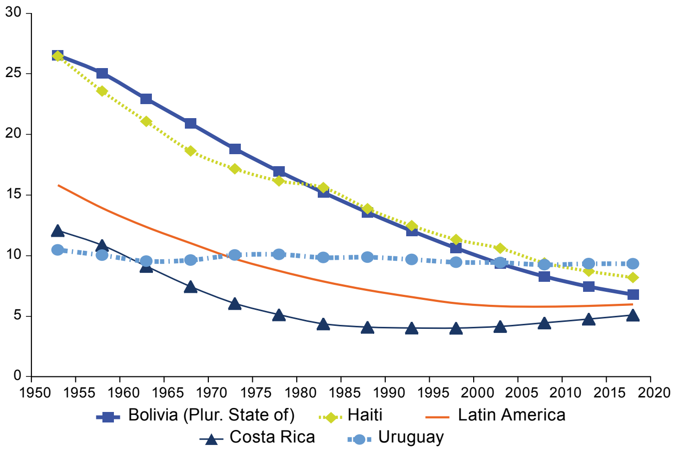
A. Mortality in Latin America: differentials by sex and age

- General mortality levels and trends in Latin America illustrate the disparities between the countries and the specificities of mortality differentials by sex and age of national populations.
- The epidemiological transition changes the profile of deaths by causes and age groups: notably, it leads to a decrease in the relative impact of deaths from early childhood infectious and parasitic diseases and to an increase in the relative weight of deaths from chronic and degenerative diseases, which are more common among older persons. Together with the demographic transition, the epidemiological transition makes it possible, in part, to understand the mixed picture presented by the countries of the region with respect to mortality levels and trends.
- One of the simplest indicators for measuring mortality is the crude death rate, which is the ratio of the mean annual number of deaths over a given period of time to the mean population for the same period, expressed per 1,000 inhabitants.

Figure V.1

Latin America and selected countries: crude death rates, 1950–2020

(Deaths per 1,000 inhabitants)



Source: Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, population estimates and projections, 2017 revision.

- Costa Rica shows a similar pattern to the average for Latin America, the difference being that its crude death rate bottomed out in the early 1990s and increased in the 2000-2005 period. The values for Uruguay show little variation between 1950 and 2020, while the Plurinational State of Bolivia and Haiti have seen steady, significant declines over the same period. At the start of the period 1950-2020, Latin America was characterized by high rates of infant mortality and predominantly young populations, which explains the crude death rates of over 25 deaths per 1,000 inhabitants in the Plurinational State of Bolivia and in Haiti. Uruguay's lower infant mortality rate and older population could account for crude death rates that were lower than those of the other countries at the start of the period and higher at the end. These countries present values that are typical of countries at different stages of epidemiological and demographic transition.
- Life expectancy at birth is a summary indicator of mortality and gives a more detailed view of the differences in mortality within the region and the progress made in reducing death rates. The average life expectancy at birth (e(0)), for both sexes, in mid-twentieth century Latin America was estimated at 50.4 years; projected figures for 2020 stand at 76.4 years, pointing to a gain of 26 years over a period of 70 years.
- The regional average masks the variances between countries. In 1950, for example, Haiti had the lowest life expectancy at birth for both sexes (36 years), while Uruguay had the highest (65.9), representing a variance of almost 30 years. It is expected that by 2020 Haiti will still be the lowest ranked, but its figure will be 15.4 years lower than that of the highest ranked country (Costa Rica), almost half the differential observed in 1950.

Table V.1

Latin America: life expectancy at birth for both sexes, estimated and projected by country, 1950–2020

(Years)

Country, by mortality projections for 2020	1950	1960	1970	1980	1990	2000	2010	2020	Gain between 1950 and 2020
Latin America	50.4	55.8	60.4	64.2	67.8	71.7	74.2	76.4	26.0
High (less than 70 years)									
Haiti	36.0	42.0	47.1	50.8	54.5	57.6	61.6	65.1	29.1
Medium (70 years - below 72 years)									
Bolivia (Plurinational State of)	39.2	42.1	45.6	50.0	55.1	60.7	66.4	71.7	32.5
Medium-to-low (72 years - below 75 years)									
Paraguay	62.4	63.9	65.6	66.8	68.1	70.1	72.3	74.1	11.7
Honduras	40.6	46.3	52.6	59.6	66.6	70.5	72.5	74.3	33.7
Dominican Republic	44.0	51.7	58.4	63.1	67.3	70.6	72.7	74.5	30.5
Guatemala	41.4	46.4	52.2	57.0	62.1	67.9	71.5	74.7	33.3
El Salvador	42.6	50.0	55.1	56.7	64.2	68.9	72.0	74.9	32.3
Low (75 years and over)									
Colombia	48.6	56.5	60.9	65.5	68.5	71.1	73.4	75.1	26.5
Venezuela (Bolivarian Republic of)	53.4	59.2	64.6	68.2	69.8	72.4	73.9	75.4	22.0
Peru	42.6	47.6	53.4	60.1	65.6	70.5	73.7	75.6	33.0
Nicaragua	40.8	47.0	53.6	58.6	64.2	69.7	73.8	76.3	35.5
Brazil	50.0	54.4	59.5	62.1	65.6	70.5	73.4	76.3	26.3
Ecuador	47.3	53.1	57.8	63.1	68.9	72.9	75.2	77.1	29.8
Argentina	61.8	65.2	66.9	69.7	71.7	73.9	75.6	77.1	15.3
Mexico	48.8	56.9	61.5	66.6	70.9	74.3	76.1	77.6	28.8
Uruguay	65.9	67.9	68.9	70.5	72.8	74.9	76.6	78.1	12.2
Panama	55.5	60.8	65.5	70.2	73.0	75.1	76.9	78.6	23.1
Cuba	58.2	63.9	69.8	73.8	74.8	76.7	78.9	79.9	21.7
Chile	52.1	57.0	62.0	68.8	73.5	76.7	78.4	80.1	28.0
Costa Rica	54.9	60.5	66.5	72.2	75.6	77.5	78.7	80.5	25.6

Source: Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, population estimates and projections, 2017 revision.

- The region has made huge strides forward in reducing mortality rates in the last 70 years. However, further work is needed to reduce the divide between countries with the lowest and highest life expectancy at birth. Of the 20 countries in the region for which information is available, 13 will have low mortality rates: that is, life expectancies at birth higher than 75 years, with Chile and Costa Rica reporting figures in excess of 80 years.

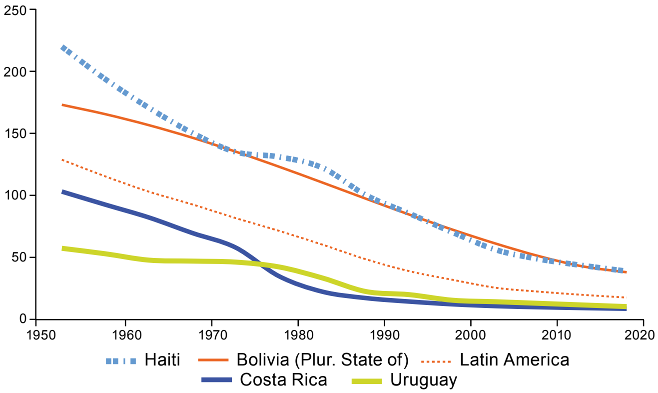
B. Infant mortality

- The increase in life expectancy at birth of both sexes has been mainly the result of the decline in early-age mortality, particularly infant mortality. This decline has been registered in all countries, particularly in those with higher mortality. Over the last 70 years, the region's infant mortality rates have plunged 86%, from 129 deaths per 1,000 live births to 18.

Figure V.2

Latin America and selected countries: infant mortality rate, 1950–2020

(Deaths of children under 1 year old per 1,000 live births)



Source: Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, population estimates and projections, 2017 revision.

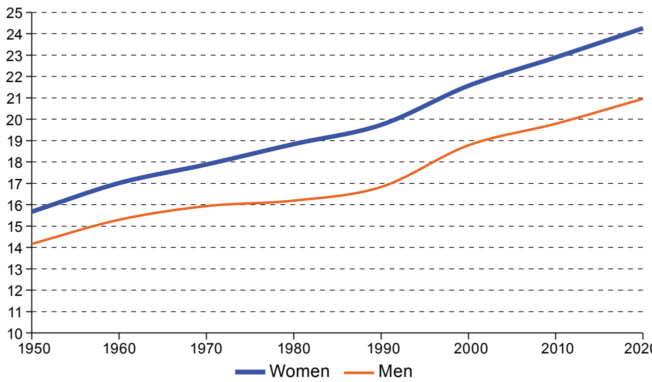
C. Life expectancy at age 60

- Breakthroughs in medical and health care have lowered mortality rates and increased life expectancy to levels unthinkable a few decades ago. Latin America saw an increase in life expectancy at age 60 (e(0)) in particular, which now equals averages observed in the developed world.
- The average number of years Latin American men and women can be expected to live beyond 60 has risen. In 1950, the gap between men and women was 1.5 years: life expectancy for a man at 60 years of age was 14.2 years, compared with 15.7 years for a woman at that age. The gap has widened over time and is projected to rise to 3.3 years by 2020, with an (e(60)) of 21.0 years for men and 24.3 years for women.
- With longer life expectancy of people 60 and over, there are new and ever-growing demands on social security, health, work, education and social and political participation. This inherently calls for a new paradigm in social organization, and even in the conception of age itself.

Figure V.3

Latin America: Life expectancy at 60, by sex, 1950–2020

(Years)



Source: Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, estimated and projected life tables, by country.

VI. Gender equality

- In Latin America and the Caribbean, various measures and concrete public policy proposals exist enshrining the will of the States in the region to overcome the obstacles that prevent women's full integration on an equal footing into all areas of social, cultural and economic life. The gender equality plans drawn up by the countries of the region are important policy and planning instruments that, driven by the machineries for the advancement of women, reflect both the current challenges and States' commitments in this field. These plans have become real road maps towards gender equality and guaranteeing the rights of women for States in the region, as well as a sign of the political will to make progress in this area.
- Women's active participation and decision-making power in all spheres of society —in other words, their full exercise of autonomy— is an essential prerequisite for development and its sustainability, and for fulfilment of the 2030 Agenda for Sustainable Development.
- Today, Latin American and Caribbean countries face numerous and complex challenges in the area of gender equality, which require the sustained and cross-cutting commitment of the State to women's human rights and autonomy. The creation and linking of synergies between equality plans and development planning instruments is both an imperative and an opportunity. An imperative, because development is not possible without gender equality. And an opportunity, because it opens the way for establishing and strengthening an institutional architecture for equality, democracy and development.
- The pro-gender-equality legal and institutional changes that have taken place in the region represent its greatest and most widespread achievement so far. Greater equality of access in the spheres of economic, physical and decision-making autonomy has occurred in parallel and hand-in-hand with the creation and implementation of plans and policies on equality of opportunities. Equality plans are tools used in most of the region's countries. Largely propelled by machineries or mechanisms for the advancement of women, they serve to direct the action of the State and plan and carry out joint work between the different sectors, thus enhancing the institutionalization and mainstreaming of gender.

■ **Table VI.1** ■

Latin America and the Caribbean: gender equality plans

Country	Year	Name of the plan	Responsible entity
Belize	2013	Revised National Gender Policy 2013	National Women's Commission Ministry of Human Development, Social Transformation and Poverty Alleviation
Bolivia (Plurinational State of)	2008	National Equal Opportunity Plan "Women building the new Bolivia in the interest of living well"	Department for Gender and Generational Affairs (VGAG) Ministry of Justice
Brazil	2013-2015	Third National Plan for Women's Policies, 2013-2015	Office of the President Special Secretariat on Policies for Women[a]
Chile	2011-2020	Gender Equality Plan 2011-2020	National Women's Service (SERNAM)
Colombia	2013-2016	Indicative Action Plan 2013-2016 of the National Policy for Gender Equality for Women	Office of the Advisory Council for Women's Equity
Costa Rica	2007-2017	National Policy on Gender Equality and Equity 2007-2017	National Women's Institute (INAMU)
Ecuador	2014-2017	National Agenda for Women and Gender Equality 2014-2017	National Council for Gender Equality[b]
El Salvador	2014	National Women's Policy 2011-2014	Salvadoran Institute for the Development of Women (ISDEMU)
Guatemala	2008-2023	National Policy for the Advancement and Comprehensive Development of Women (PNPDIM) and Equal Opportunities Plan (PEO), 2008-2023	Presidential Women's Secretariat (SEPREM)
Honduras	2010-2022	Second Honduran Gender Equality and Equity Plan, 2010-2022 (II PIEGH)	National Women's Institute (INAM)
Jamaica	2011	National Policy for Gender Equality (NPGE)	Bureau of Women's Affairs (Gender Affairs), Gender Advisory Committee
Mexico	2013-2018	National Programme for Equal Opportunities and Non-Discrimination against Women, 2013-2018 (PROIGUALDAD)	National Women's Institute (INMUJERES)
Nicaragua	2006-2010	National Gender Equality Programme 2006-2010	Nicaraguan Women's Institute (INIM)
Panama	2012	Public Policy on Equal Opportunitiesfor Women (PPIOM)	National Women's Institute (INAMU)
Paraguay	2008-2017	Third National Plan for Equal Opportunities for Women and Men, 2008-2017	Department for Women's Affairs of the Office of the President
Peru	2012-2017	National Gender Equality Plan 2012-2017 (PLANIG)	Ministry for Women's Affairs and Vulnerable Populations
Dominican Republic	2007-2017	Second National Plan on Gender Equality and Equity (PLANEG II) 2007-2017	Ministry for Women's Affairs
Suriname	2013	Gender Work Plan 2013	National Bureau for Gender Policy Ministry of Home Affairs
Trinidad and Tobago	2009	National Policy on Gender and Development of the Republic of Trinidad and Tobago. Draft Document	Ministry of Community Development, Culture and Gender Affairs
Uruguay	2007-2011	First National Plan for Equal Opportunities and Rights 2007-2011	National Women's Institute (INMUJERES)
Venezuela (Bolivarian Republic of)	2013-2019	"Mamá Rosa" Plan for Gender Equality and Equity 2013-2019	People's Ministry of Women's Affairs and Gender Equality

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

[a] In October 2015, this became the Ministry of Women, Racial Equality and Human Rights. In May 2016, the Ministry was dismantled and returned to being the Special Secretariat on Policies for Women, and was removed from the Office of the President and placed under the brief of the Ministry of Justice and Citizenship (see [online] http://www.spm.gov.br/ sobre/a-secretaria).

[b] Until 2015, this was known as the Transition Commission for the Definition of Public Institutions to Ensure Equality between Men and Women.

- Public policies on gender may be defined as policies aimed explicitly at improving the living standards of women and at guaranteeing human rights. The definition is a broad one, since the desired change may be profound or not, depending on the policy, although there is always a quest for social and political recognition that women's status in society needs to change and that the State must activate the tools available to make that happen.
- Plans express the State's commitment to gender equality and form an axis around which other public policies should function. A number of countries in the region have developed equality plans of national scope with varying form and content.
- Regulatory support for gender equality plans varies across the region, from those built as a management tool by the responsible entity, with no greater administrative action than launching them, to instruments adopted by executive decree or based on legislation.
- Most of the countries —Brazil, Costa Rica, Guatemala, Honduras, Mexico, Nicaragua, Panama, the Plurinational State of Bolivia and Uruguay— have established gender equality plans on the basis of executive decrees. Plans adopted by this measure have a specific duration. Although in this they differ little from plans established in other ways, there is one important difference insofar as the political and technical backing comes from the President, sometimes jointly with all the government ministers (Guatemala, Honduras, Mexico, the Plurinational State of Bolivia and Uruguay), which helps to elicit stronger commitment from the different sectors. Other countries —the Dominican Republic, El Salvador, Paraguay and Peru— have built their gender equality plans in the framework of mandates established by law for gender entities.
- A review of the normative status of equality plans shows that the management rationale adopted by the countries has helped to maintain this technical and political tool throughout the years, accumulating learning and new challenges, to a large extent based on an ad hoc normative framework which ensures continuity and sustainability, either by executive decree or because it is part of the mandate of machineries for the advancement of women.

Table VI.2

Latin America: normative basis for gender equality plans

Normative basis	Countries
Executive decree	Brazil, Costa Rica, Guatemala, Honduras, Mexico, Nicaragua, Panama, Plurinational State of Bolivia and Uruguay
Mandates established by gender entities	Dominican Republic, El Salvador, Paraguay and Peru
Mandate of the national development plan	Colombia
Mandate under the Constitution	Ecuador
Management tool of the entity responsible for gender affairs	Bolivarian Republic of Venezuela and Chile

Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Equality and women's autonomy in the sustainable development agenda* (LC/G.2686/Rev.1), Santiago, 2016.

A. Decision-making autonomy

- Sixteen Latin American countries have adopted quota laws of some sort, and six of these include parity. Although this has led to a significant rise in the proportion of women in parliament and in municipal councils in several countries, the process has not been entirely smooth. Actions and measures are therefore ongoing to improve efficiency in the implementation, oversight and follow-up of the laws in place. Barriers to the fulfilment of quota laws have made it necessary to target actions on electoral law and its application. In Brazil (whose law stipulates that women make up 30% of electoral lists), efforts are being focused on oversight and on the enforcement of sanctions for non-compliance. Colombia, which has a quota law (581/2000) establishing that 30% of administrative positions be filled by women, also has measures for following up on the standards established. Among the countries that have parity laws, Costa Rica, which has a law establishing the principles of parity and rotation on electoral lists (Law No. 8,765 of 2009), has taken steps to promote normative changes and develop jurisprudence and procedures to ensure the proper application of current laws on women's political participation. This is all coordinated through the electoral justice system, setting an example for the region (see Costa Rica, 2007, in annex A2). The law also promotes normative and administrative changes aimed at achieving parity in women's participation and representation in political parties, State powers, public administration and civil society organizations. Mexico's National Development Plan 2013-2018 establishes measures to promote leadership and the significant participation of women, including support for ruling 12,624 of the electoral tribunal in matters applicable to the registration of candidatures for election. Mexico enacted a parity law through a modification to the Constitution (Decree No. 135 of 2014), establishing that, among other functions, political parties must have rules to ensure gender parity in candidacies for federal and local legislators. The Honduran law, adopted two years after the preparation of the plan (Decree No. 54 of 2012), stipulates a quota of 40% for women, rising to 50% in the 2016 elections. Ecuador, where 41.6% of parliamentary seats are held by women (the third highest share in the region after the Plurinational State of Bolivia and Cuba), includes a measure in its plan to ensure participation of lesbian, gay, bisexual, transgender and intersex (LGBTI) persons, as well as by representatives of ancestral peoples and territories. Guatemala's plan focuses on measures to increase the participation of indigenous women and proposes amending the Electoral Affairs and Political Parties Act to establish parity between men and women and implement reforms that would guarantee the principle of equality between men and women, as well as the rotation of office among indigenous and mestizo women.

Table VI.3

Countries with parity laws

Country	Year adopted	Applies to	Binding	Sanction
Bolivia (Plurinational State of)	2008	Chamber of Deputies and Senate	Yes	Candidate list not registered
Costa Rica	2009	Legislative Assembly	Yes	Candidate list not registered
Ecuador	2008	National Assembly	Yes	Candidate list not registered
Honduras	2012	National Congress	Yes	Fine equivalent to 5% of total State funding
Mexico	2014	Chamber of Deputies, Senate, local congresses	Yes	Candidate list not registered
Nicaragua	2012	National Assembly	Yes	No
Panama	2012	Political parties' internal elections and primaries	No	No

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

B. Physical autonomy

- The area of physical autonomy, which includes health, reproductive and sexual health and violence against women, is widely addressed in all the region's equality plans. The predominance of measures relating to health —including sexual and reproductive health— over measures aimed at tackling violence could reflect the fact that many countries have specific plans for combating violence against women. Brazil, Colombia and Nicaragua have specific plans against gender violence that include a large number of measures. The registration of murders specifically of women is an ongoing process and reveal the sheer dimensions of this scourge. This is a concern in all the plans and calls for a stronger legal framework for protecting women against violence, including types of violence not recognized under the law, such as femicide.

Table VI.4

Latin America: laws on abortion

Grounds	No restrictions	To preserve the mental (and physical) health of the woman	In cases of rape, statutory rape or incest	To preserve the physical health (and the life) of the woman	Malformation of the foetus	To save the life of the woman	Total ban
Countries	Cuba Uruguay Mexico City	Costa Rica Ecuador Peru	Argentina Bolivia (Plurinational State of) Brazil Colombia Panama	Argentina Bolivia (Plurinational State of) Brazil Colombia Paraguay	Colombia	Guatemala Panama Venezuela (Bolivarian Republic of)	Chile Dominican Republic Honduras El Salvador Nicaragua

Source: Economic Commission for Latin America and the Caribbean (ECLAC), Gender Equality Observatory for Latin America and the Caribbean.

- As well as the right to a life free from violence, physical autonomy includes health and sexual and reproductive health. The significance of these components in the region's plans varies greatly: in some countries, such as Colombia and Mexico, measures against violence account for over 80% of physical autonomy measures, while in others, such as El Salvador, Guatemala and Panama, most measures are directed towards health and sexual and reproductive health. This varied situation is attributable in great measure to the existence of specific plans against violence.

Table VI.5

Latin America and the Caribbean: laws against violence against women

Comprehensive laws against violence	Law on domestic violence	Law on trafficking in persons	Law on sexual harassment	Femicide/feminicide
Argentina[a]	Antigua and Barbuda	Antigua	Argentina	Argentina
Colombia[a]	Bahamas[a]	Argentina	Belize	Bolivia (Plurinational State of)
Costa Rica	Barbados	Barbados	Bolivia (Plurinational State of)	Brazil
El Salvador[a]	Belize	Brazil	Chile	Chile
Guatemala	Brazil	Chile	Costa Rica	Colombia
Mexico	Chile	Colombia	Ecuador	Costa Rica
Nicaragua	Dominica	Costa Rica	El Salvador	Dominican Republic
Panama	Dominican Republic	Dominican Republic	Honduras	Ecuador
Venezuela (Bolivarian Republic of)[a]	Ecuador	Ecuador	Mexico	El Salvador
	Grenada[a]	El Salvador	Panama	Guatemala
	Guyana[a]	Guatemala	Peru	Honduras
	Haiti	Guyana	Puerto Rico	Mexico
	Honduras	Haiti	Saint Lucia	Nicaragua
	Jamaica[a]	Honduras	Uruguay	Panama
	Paraguay	Jamaica	Venezuela (Bolivarian Republic of)	Peru
	Peru	Mexico		Venezuela (Bolivarian Republic of)
	Saint Kitts and Nevis[a]	Nicaragua		
	Saint Lucia[a]	Panama		
	Saint Vincent and the Grenadines	Paraguay		
	Suriname	Peru		
	Trinidad and Tobago			
	Uruguay			

Source: Economic Commission for Latin America and the Caribbean (ECLAC), Gender Equality Observatory for Latin America and the Caribbean.
[a] Under way.

C. Economic autonomy

- The plans set forth a large and diverse number of measures in the area of economic autonomy. A first distinction may be made between poverty-reduction measures (women and poverty) and those concerning the economy in general (women and the economy). Plans in the region include measures that refer, within these two major spheres, to care, social protection, unpaid work, total work time and the interlinkages of all these issues with gender inequality.
- One of the challenges addressed is broadening women's employment opportunities, promoting and improving opportunities for poor women and strengthening entrepreneurship in this group (Belize, the Bolivarian Republic of Venezuela, Colombia, Costa Rica, the Dominican Republic, Ecuador, Mexico, Panama, Trinidad and Tobago, and Uruguay).
- Several plans address the living standards of poor women, especially those who are the main breadwinners of poor households, and propose measures to deliver housing solutions (Ecuador and Mexico), property ownership and access to credit (Belize and Ecuador), especially in the case of indigenous and rural women. The Bolivarian Republic of Venezuela, Mexico and Panama, whose plans include strategies aimed at meeting the nutritional needs of poor women, also include other measures for tackling urgent situations.
- Plans also include measures relating to women's independence and economic rights, access to employment and appropriate work conditions, and control over resources under equal conditions. They also include the availability of commercial and training services, such as access to markets and technology. Lastly, to different extents they address the harmonization of responsibilities in domestic and care work between women and men. The measures are highly heterogeneous in terms of their impact and refer, in

general, to four major issues concerning women's access to: (i) decent work, (ii) different types of resources linked to economic autonomy —financial resources, credit, natural resources, and assets (housing, land, capital); (iii) training and technology; and (iv) time.

- One particularly important point is wage equality. The countries have adopted a range of measures to tackle this issue.

Table VI.6

Wage equality in gender equality plans

Country	Measures proposed in the respective plan
Bolivia (Plur. State of)	Promote the quality of employment and wage equality between men and women, and protect the labour rights of women (economic, production and labour pillar)
Brazil	Steer the adoption of bill No. 6,653/2009 on gender equality in the workplace (equality in the world of work and economic autonomy)
Chile	Narrow the existing wage gap between men and women by at least 50% (equal access to opportunities pillar)
Dominican Republic	Develop campaigns for pay without gender discrimination; promote compliance by businesses with labour code principles VII and X on freedom from discrimination, and with article 194 establishing equal pay for equal work regardless of sex
Ecuador	Strengthen and upgrade oversight and regulation mechanisms to ensure fair wages and salaries for all working women, as well as the application of all labour benefits in contractual relationships, in order to close the gaps between men and women (production and employment pillar)
El Salvador	Reform the legislation to guarantee the principle of equality and non-discrimination, both in access to jobs at all professional levels and the corresponding hiring processes, and in pay and other benefits (economic autonomy area) Enforce compliance with the principle of equality and non-discrimination in public and private institutions as part of oversight and public auditing responsibilities (economic autonomy area)
Guatemala	Take measures to create and apply surveillance mechanisms to ensure fulfilment of the labour rightsof working Mayan, Garifuna, Xinka and mestizo women, taking into account the specificcircumstances, with regard to equality between men and women and their pay (labour equity pillar)
Honduras	Take measures to ensure that the State establishes or strengthens legal and institutional mechanisms to provide compliance with the Equal Remuneration Convention, 1951 (No. 100) and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) of the International Labour Organization (ILO) (policy 1, pillar 5, on promotion, protection and guarantee of economic rights, work, employment, and access to, use of and control over resources) Promote a reform to the Labour Code with a gender perspective, to ensure the labour rights of women (policy 2, pillar 5, on promotion, protection and guarantee of economic rights, work, employment, and access to, use of and control over resources)
Jamaica	Eliminate gender disparity in wages and in labour laws; identify, through a process of consultation,legislative provisions that need amendments (labour and economic empowerment pillar)
Mexico	Promote wage equality and the formation of female corps in the public sector, and drive the creation of a forum within the Ministry of Labour and Social Security (STPS) to incentivize compliance with the Equal Remuneration Convention, 1951 (No. 100) of ILO (cross-cutting objective 3: promote women's access to paid work, decent employment and production resources, in a framework of equality)
Panama	Promote compliance by the State with ILO conventions 100 and 111 and review legal and institutional rules to enable women's organizations to demand fulfilment of labour rights, particularly the right to equal pay for equal work (line of strategic action 1: fulfil women's labour rights with no discrimination whatsoever, ensuring their incorporation into paid employment with equal conditions and opportunities in all sectors of production)
Paraguay	Enact and/or enforce laws to guarantee women's and men's right to equal pay for equal work or work of equal value (pillar of access to economic resources and to employment)
Peru	Guarantee women's economic rights under conditions of equity and equality of opportunities with men
Trinidad and Tobago	Evaluate the existing labour laws to ensure that they promote gender equity and remove barriers to the equitable participation of men and women, giving consideration to the Caribbean Community (CARICOM) Harmonization of Labour Laws Create and revise where necessary the legislation mandating gender equity in hiring, promotion, salaries, separation and other conditions of work (labour and employment pillar)
Uruguay	Adopt and implement the Plan on Equal Opportunities and Treatment at Work, and in this framework conduct information and awareness-raising campaigns concerning labour laws, ILO conventions on equality and the Plan itself (strategic lines of equality in production)

Source: Prepared by the authors on the basis of national gender equality plans and policies.

D. Conclusions and challenges

- Gender mainstreaming at the State level has paved the way for new forms of public policy planning which, in combination with new attitudes towards gender within the framework of State affairs, have made it possible to establish gender equality as a public policy objective. While the countries of the region have pursued similar processes with respect to the paradigm of women's rights and gender equality, the advances made and the effects of gender mainstreaming have varied from one country to the next and, to this extent, they continue to figure among the objectives of national machineries for the advancement of women and the State as a whole as they strive to achieve equality and autonomy for women.
- In nearly all the countries, these plans are the outcome of participatory processes involving various sectors of civil society and different State actors in their definition, follow-up and reformulation. As a result, they reflect the actual interests and problems of the populace and their expectations in terms of what the State should deliver.
- Public administrative processes have increasingly been incorporating the views of women who had previously been silenced or ignored (such as Afrodescendent women, indigenous women and women with disabilities) and those of sexually diverse populations, among other realities. This has enriched the debate and expanded awareness of the range of urgent situations and needs, thereby laying bare the debts owed by the State to women.
- The incorporation of a gender perspective into the workings of government is a crucial element in attaining gender equality. One of the challenges facing the region relates to the need to undertake a deeper analysis of fiscal policies and revenues in order to gain a broader understanding of the implicit gender biases in the countries' budgets. Attaining a truly sustainable development process with gender equality will require the compilation of evidence of the links between macroeconomic factors and inequality-related situations, such as "time poverty" and income poverty among women and violence against women.
- In order to develop gender equality policies that will have more concrete results and a greater positive impact on women's lives, the scope of action of national machineries for the advancement of women will need to be broadened, inter-agency mechanisms for setting policy priorities need to be established at the most senior level and planning tools that are linked in with national development strategies need to be created.
- Finally, the coordination of political and technical processes that tie in national development agendas with the regional gender agenda at the national level, with the focus on the 2030 Agenda for Sustainable Development, is a development planning imperative for the short and medium terms.

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