The Time for Equality in Latin America and the Caribbean Has Arrived: With Urgency and Without Delay

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On October 24th, we commemorated the 74th anniversary of the entry into force of the United Nations Charter. This represents the most coordinated multilateral effort the world has ever undertaken, following the horror of two world wars, in search of the peaceful resolution of conflicts, development and the well-being of all peoples.

Today, as we tread the inevitable path towards sustainable development, it is more urgent than ever to reaffirm that equality must be the motor of regional development and the strategy to close the structural gaps that have deepened in Latin America and the Caribbean.

We are living through a change of era in our region – a change that demands a transformation in our development pattern based on the strengthening of democracy, freedoms, multilateralism, peace, equality, human rights and sustainability.

Latin America and the Caribbean continues to be the world’s most unequal region. Although the first decade of this century was marked by progress on reducing poverty and income inequality, there are still many gaps to be closed to be able to address the causes of the diverse facets of inequality, such as those related to wealth, territory, gender, ethnicity and race. The figures of the Gini coefficient, which measures income concentration, are revealing in this sense.

The problem is not poverty alone. Inequality is the main cause of the disenchantment being felt by citizens throughout the region, in the face of a stunned political establishment yet to understand that the current development model is unsustainable.

In this second decade of the century, structural deficiencies have become more blatant than ever in terms of productivity, extractivism, tax evasion, abuse and corruption. Governments have opted for austerity measures with cuts to social spending and low investment, while also limiting labor rights. Abuses have become so widespread that influence peddling among economic and political actors has emerged across the ideological spectrum.

Knowledge and comprehension of inequality must be made a priority for States and international organizations. It is necessary to renew the thinking about inequalities, along with the metrics. We must leave behind conventions on the measurement of inequalities, seriously measuring wealth and extreme
wealth, not just poverty and extreme poverty. Going far beyond the Gini coefficients measured based on household surveys that do not include the biggest fortunes. Incorporating inequality with regard to property, and not just income.

In Chile, for example, with a GDP per capita of $25,000 dollars a year, half of all workers receive wages below $550 dollars a month, and practically all services – education, health, medication, transportation, electricity, water, etc. – have an impact on salaries. In terms of wealth, the richest 1% of the population possesses 26.5% of all wealth, and the richest 10% concentrates 66.5%, while the poorest 50% accesses only a meager 2.1% of the country’s wealth.

Inequality does not manifest itself in income distribution alone, but also in a multiplicity of areas such as decent work, education, health, access to quality basic services and to social protection, in the use of new technologies, in political participation and in the right to live in a clean environment, to name a few.

Eradicating the culture of privilege that characterizes Latin America and the Caribbean requires addressing inequality in income and in the distribution of wealth, along with tax evasion, which represents $340 billion dollars a year in the region (6.7% of its GDP).

It also requires thoroughly addressing gender equality, because women have fewer possibilities of participating in the labor market due to their heavy unpaid domestic workload. Their labor activity rate is 24.2 percentage points below that of men. Gaps in human capacities undermine the full development of all people, and are inefficient: 40% of young people between 20 and 24 years of age did not finish their secondary studies, and ethnic inequalities persist.

It is a source of sadness and concern that, after years of trending downwards thanks to progressive social and labor policies, there are still 184 million people living in poverty in the region, of whom 62 million live in extreme poverty.

Leaving no one behind means focusing attention on the differences among the various population groups and areas of residence: the poverty rate in rural areas is 20 percentage points higher, while that among children and adolescents up to the age of 14 is 19 percentage points higher than among the population between 35 and 44 years old.

Today this reality is erupting in the discontentment of our region’s peoples. This demands that we listen to their voices and forge development proposals that include everyone, are based on their rights, and recognize the dignity of each and every woman and man.
Let us finally acknowledge that the current dominant development pattern is inviable and also produces limited and distorted development, for three critical reasons: because it produces low growth, because it generates and deepens inequalities, and because it is environmentally destructive. This development pattern encouraged expectations of social mobility and progress, and for that reason, its failure in that regard has sparked great exasperation, impatience and disenchantment towards the entire political establishment, especially among young people.

We have said it before and we say it again: inequality is inefficient, it reproduces itself across generations and permeates the production system. By contrast, equality is not only an inescapable ethical principle but also a variable that explains the economic system’s long-term efficiency. We must recognize that inequalities are deeper and more lasting, inelastic and resilient than what we ordinarily think and embrace the urgency of a new policy course and a new institutional framework that has the core purpose of tackling and overcoming these inequalities.

A new opportunity is opening for the region to engage in a civilizing rupture, reformulating social compacts with broad citizen participation and with a medium- and long-term vision.

The time for equality and a new development pattern has arrived. It is time to reformulate social compacts and move beyond an economic model based on the culture of privilege that prioritizes private interests over public ones, capital over labor, accumulation over redistribution, growth over nature, privileges over rights, social differentiation over equalization, hierarchies over horizontal relations.

Today, both the United Nations and ECLAC must redouble their efforts to craft evidence-based proposals that allow for lifting the burden of inequality and giving our peoples the dignity they deserve.