

Guatemala

Between 1990 and 2020, Guatemala achieved progress in the fight against poverty and inequality; however, there are still important structural, wide and persistent gaps in various social, economic and territorial areas. In addition, the recent pandemic generated by the SARS-CoV-2 coronavirus (COVID-19) and its variants caused one of the deepest economic declines in the past 100 years, generating greater poverty and inequality.

Guatemala's socioeconomic context

The internal political situation prior to the 1990s and the way in which the civil conflict was resolved influenced the country's economic performance in subsequent years.

The reestablishment of democracy and the after signing of the Peace Agreements gave rise to economic stabilization.

Average annual GDP growth from 1990 to 2019 was 3.6%

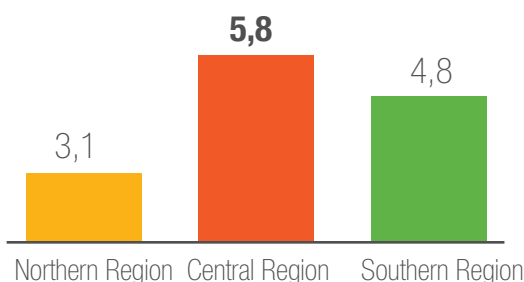
Gap approach

High inequality in Guatemala, as in the rest of the countries of Latin America and the Caribbean, is an obstacle to sustainable development. It is a structural phenomenon that manifests itself through multiple vicious circles (ECLAC, 2017). Advancing towards its reduction is one of the objectives of the 2030 Agenda for Sustainable Development, signed by all countries in the region in 2015

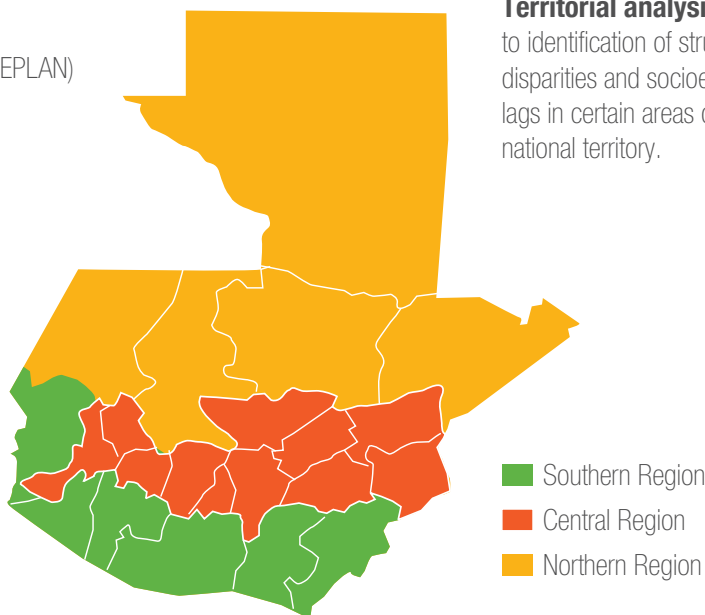
Grouping of departments into regions¹

The Secretariat of Planning and Programming of the Presidency (SEGEPLAN) identifies four regions; however, in the framework of this study, it was decided to limit the number of regions to three with the purpose of drawing clearer conclusions from the available empirical evidence.

GDP per capita as a percentage of U.S. GDP per capita, in current 2010 dollars²



Territorial analysis leads to identification of structural disparities and socioeconomic lags in certain areas of the national territory.



In the Latin America environment, the GDP per inhabitant of Guatemala in 2018 was lower than the average of the countries of Latin America and the Caribbean.

The average number of schooling years of the population over 25 years of age went from:

3.1 to 6.5
years in 1990 years in 2018

1: Prepared by the authors, based on official information. Note: The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

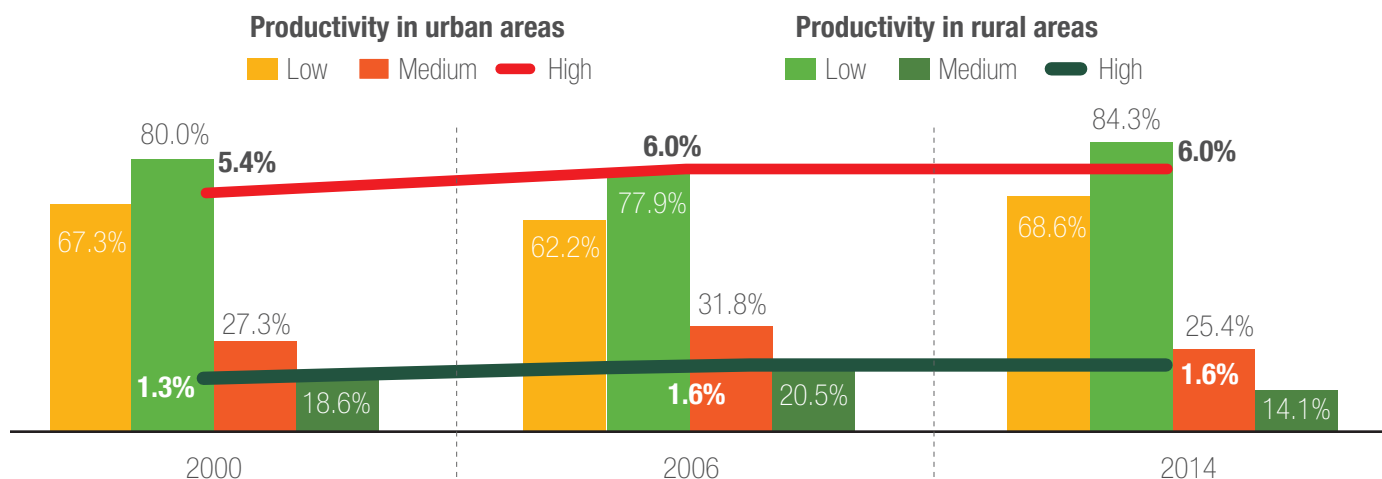
2: Prepared by the authors, based on information from Global Development Indicators and Managers Network, 2011.

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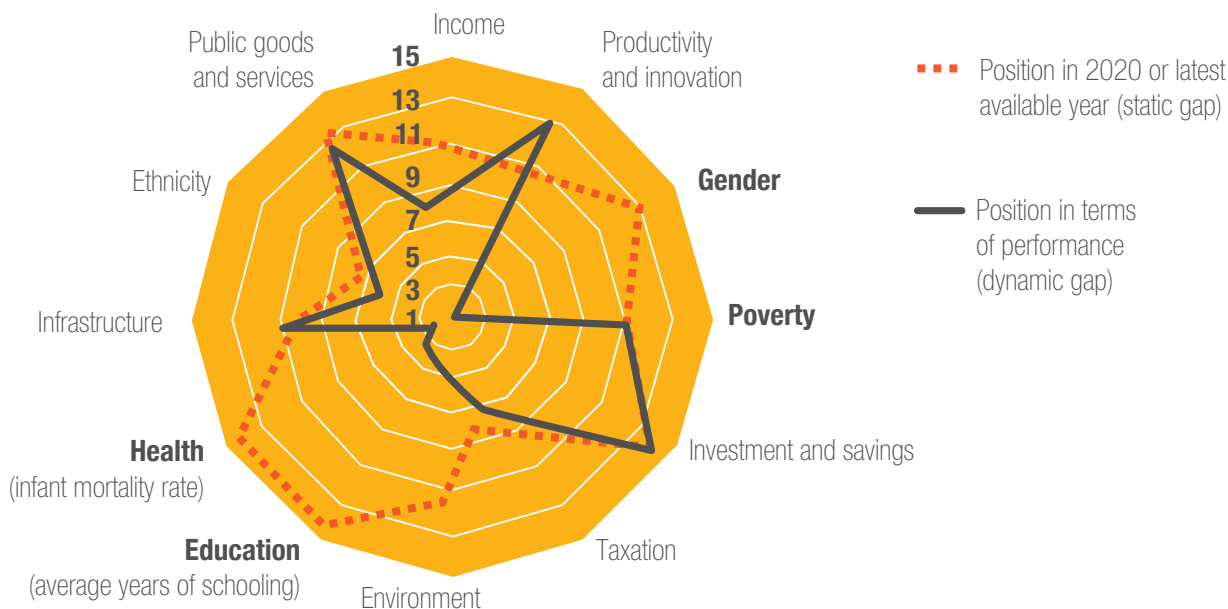
Structure of the employed population by sector of economic activity according to geographic area, 2000, 2006 and 2014.

Income inequalities between urban and rural areas are associated with productivity disparities between these areas. Urban areas concentrate the sectors of activity with the highest productivity, while low productivity activities are concentrated in rural areas.



Static and dynamic horizontal gaps compared with LAC countries

It is evident that, although Guatemala is in a lagging position among LAC countries, the evolution of its dynamic relative performance in recent years has been positive for some gaps. Its evolution has been particularly slow in terms of the productivity and innovation gap, poverty, and investment and savings. However, relative performance among the selected countries varies greatly depending on the indicator.



1 Prepared by the authors, based on data from the Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online database] <https://statistics.cepal.org/portal/cepalstat/index.html?lang=es> and the Household Survey Data Bank (BADEHOG). Note: Agriculture, commerce and services are considered as low productivity sectors; manufacturing, construction, transport and communications as medium productivity sectors; and mining, electricity, gas and water, financial activities and real estate as high productivity sectors.

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