

2014



Social Panorama of Latin America



UNITED NATIONS

ECLAC

Contents

PART I: POVERTY AND INEQUALITY

- Income poverty, income distribution and the challenge of inequality
- Social spending: trends
- Complementary measurements: multidimensional poverty

PART II: STAKEHOLDERS, GAPS AND SPACES

- Social inclusion of youth
- Women's participation in the labour market and equality
- Residential segregation: a look at territorial inequality in large cities

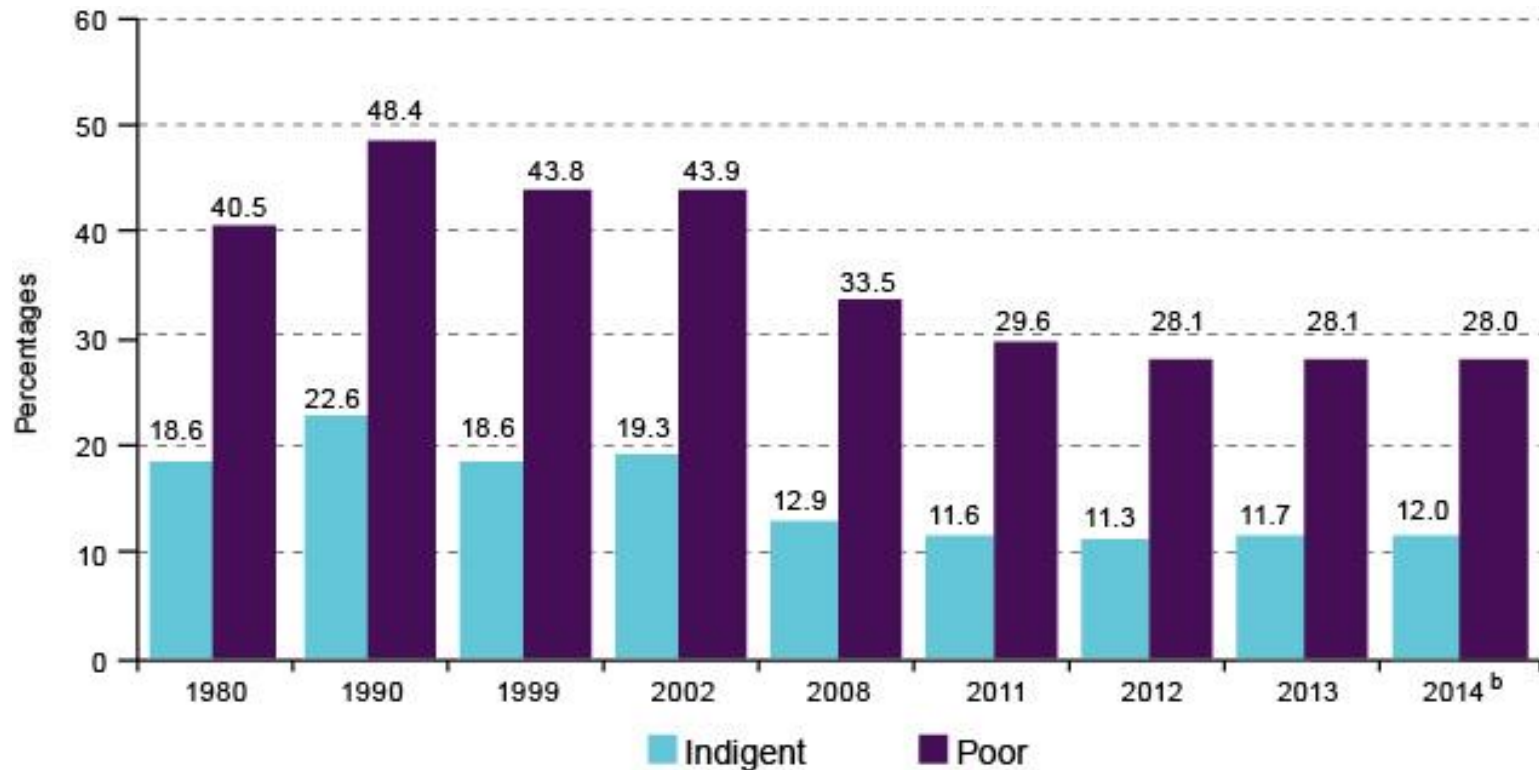




POVERTY AND INEQUALITY

Income poverty: since 2012 the decline in poverty has stalled and indigence has risen slightly

Latin America: ^a poverty and indigence, 1990 – 2014 ^b
(Percentages of the population)



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

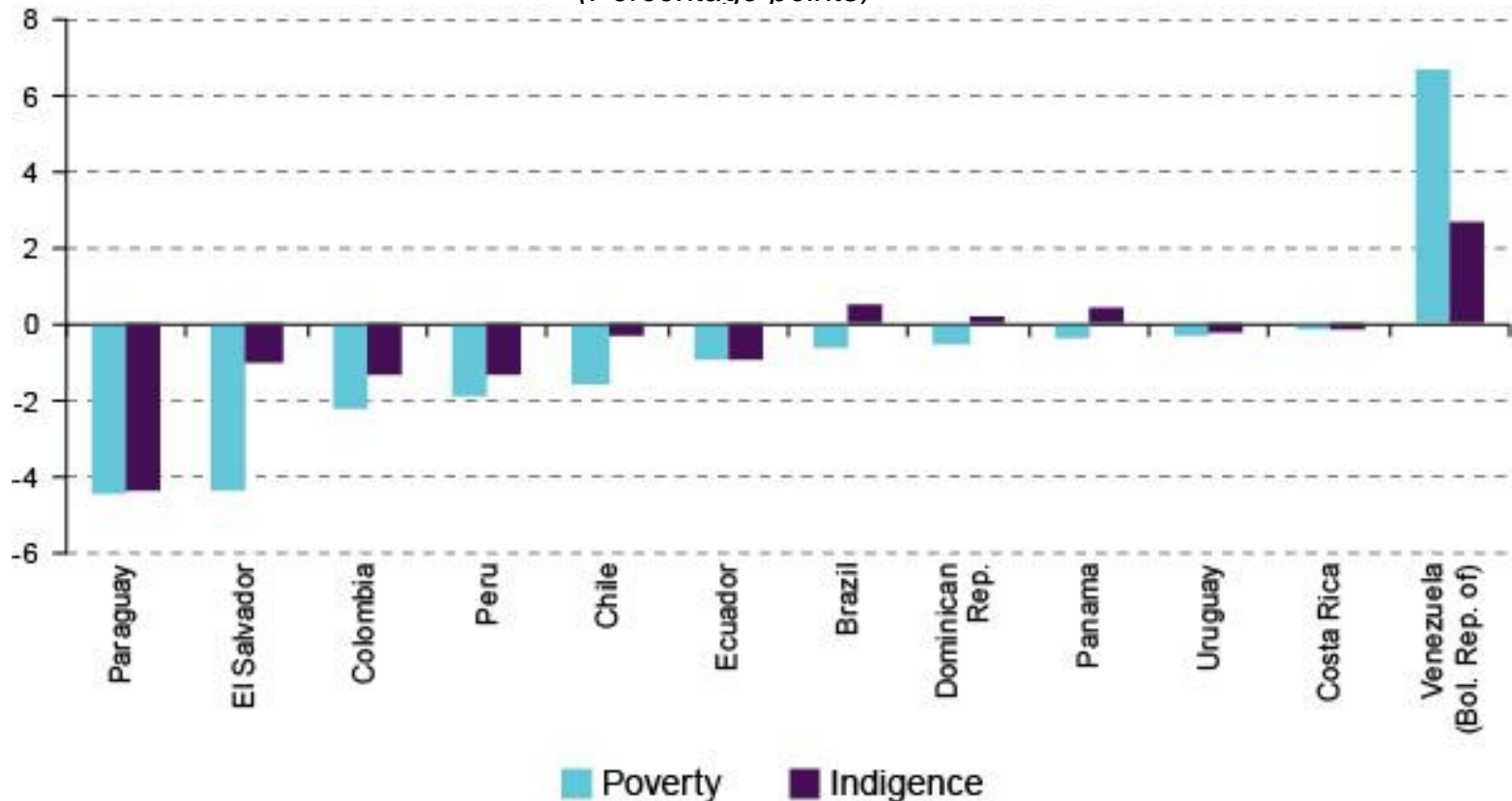
a/ Estimate for 19 countries, including Haiti.

b/ The 2014 figures are projections.



Despite the standstill at the regional level, in five countries income poverty fell by more than 1 percentage point per year in 2012 and 2013

Latin America (12 countries): variation in poverty and indigence rates, 2012-2013 ^a
(Percentage points)



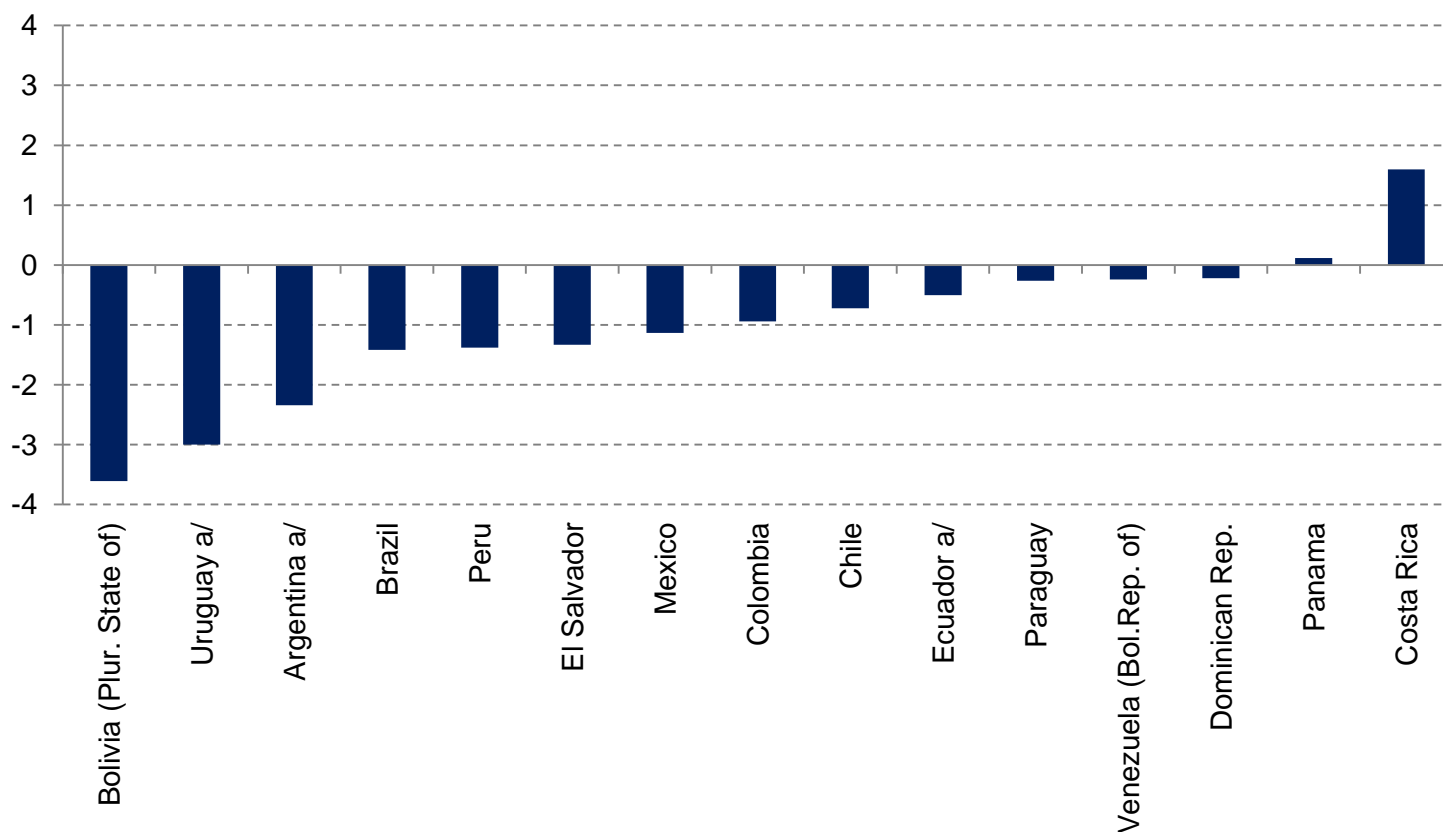
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulation of household surveys conducted in the respective countries.

^a Average annual variations between 2011 and 2013 are used for Chile, Ecuador, Panama and Paraguay.



Several countries improved income distribution between 2008 and 2013, but it will be difficult to maintain this momentum amid economic slowdown

Latin America (15 countries): annual variation in Gini indices, 2008-2013
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulation of household surveys conducted in the respective countries.
a/ Urban areas.



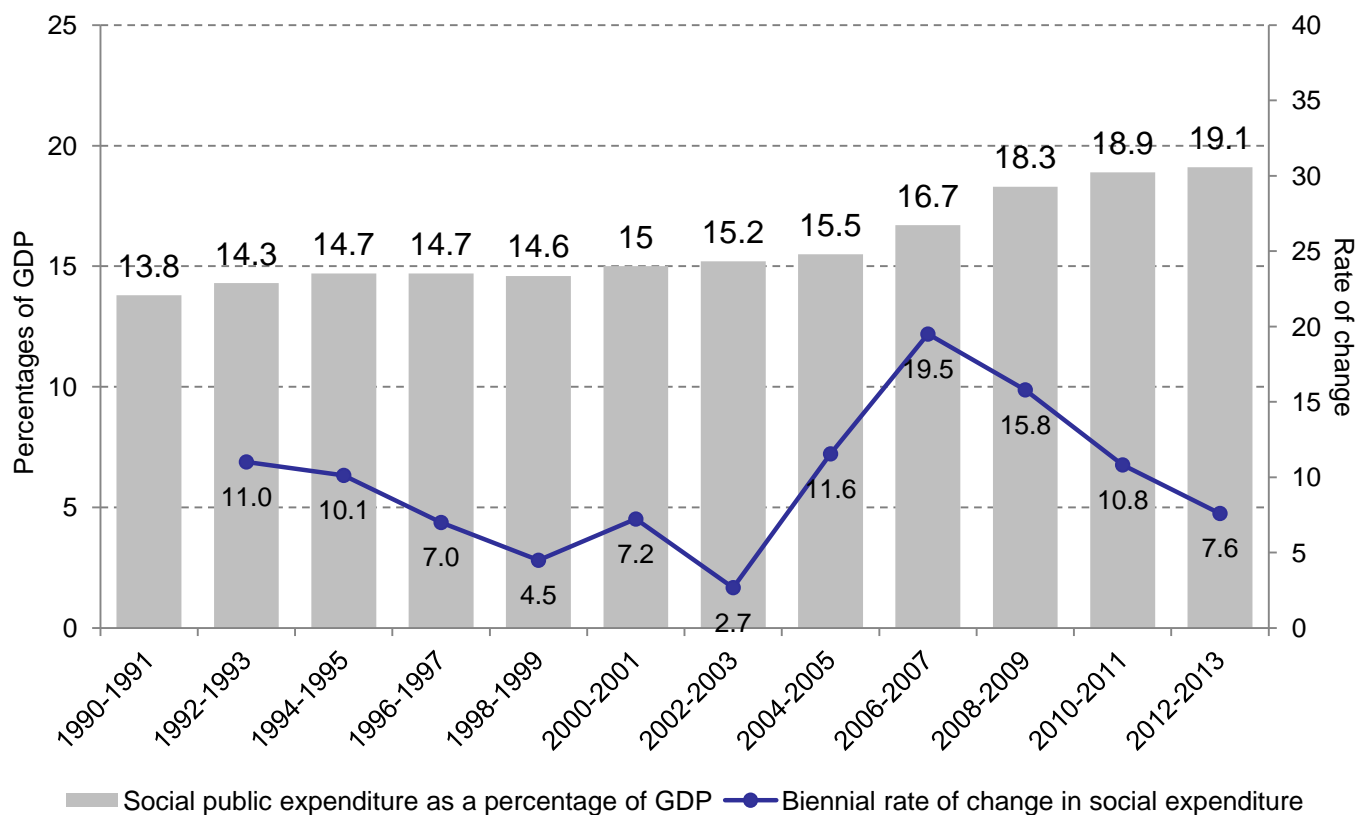


SOCIAL SPENDING TRENDS

The rise in social spending has slowed

Figure VI.3

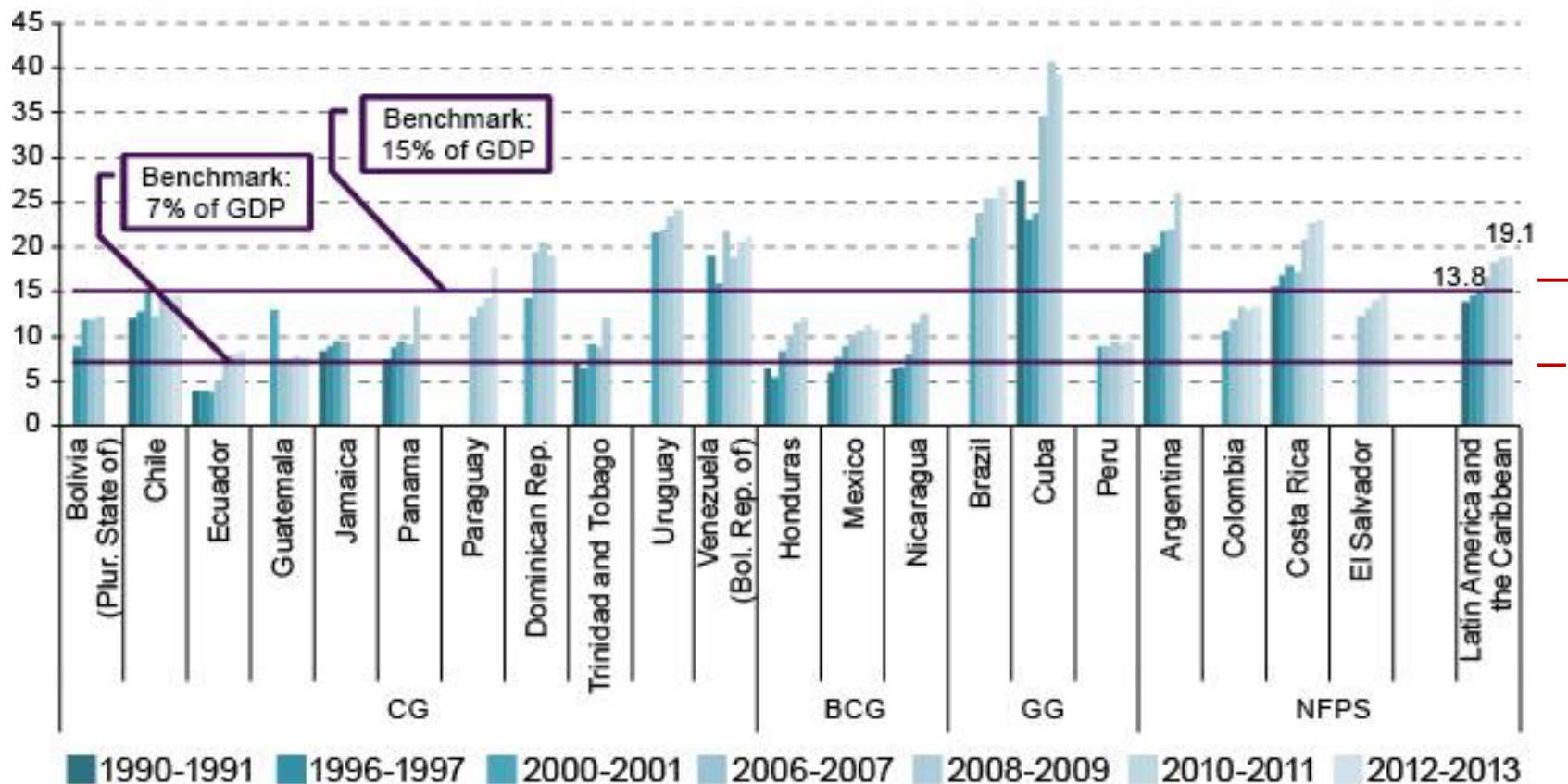
Latin America and the Caribbean (21 countries): public social spending, 1990-1991 to 2012-2013
(Percentages of GDP)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), social expenditure database.
a/ Weighted average for the countries.

Social spending levels are very varied, but since the 1990s countries have made efforts to boost social public spending in relation to GDP

Latin America and the Caribbean (21 countries): social public spending, 1990-1991 to 2012-2013
(Percentages of GDP)



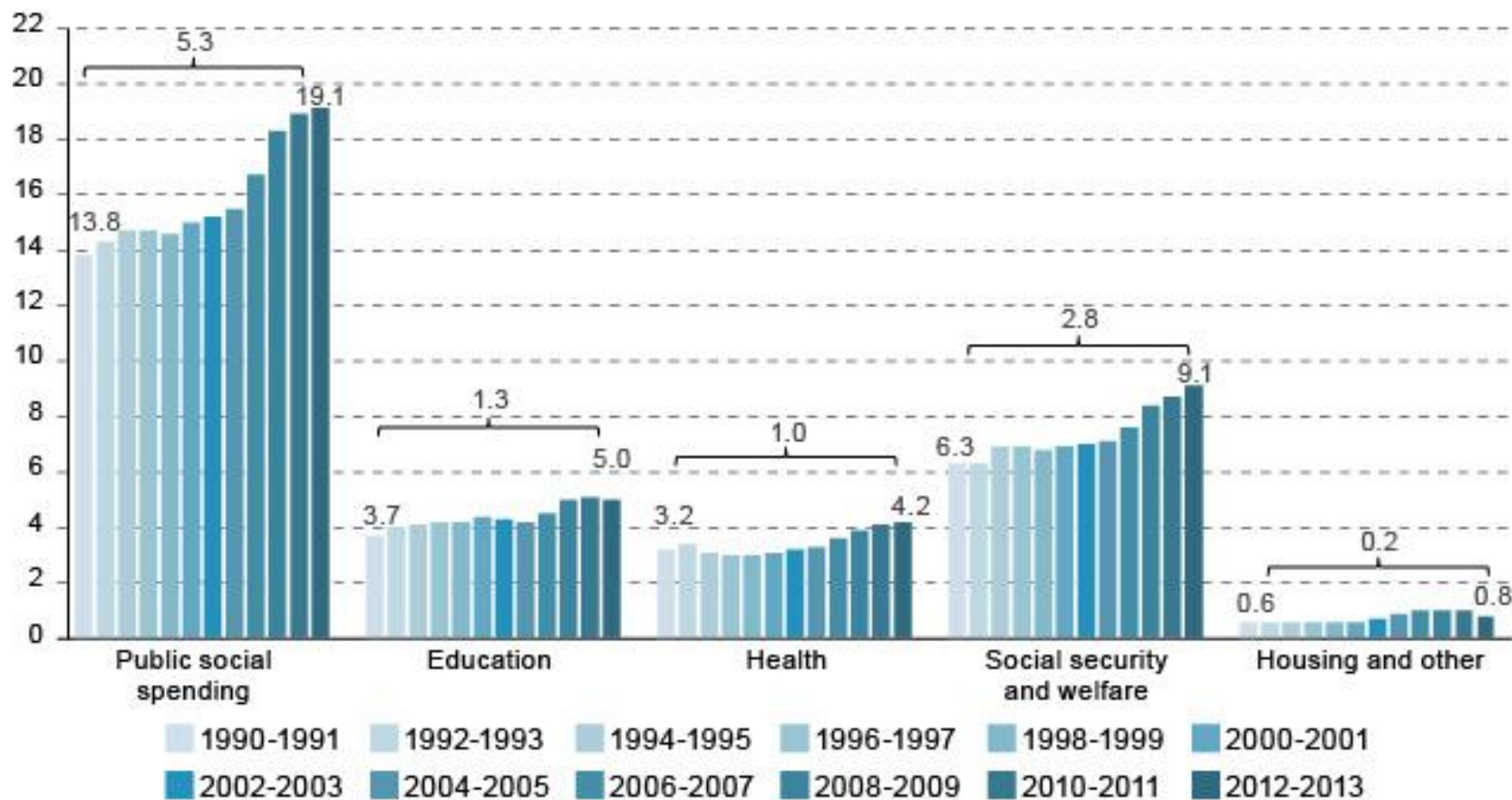
Source: Economic Commission for Latin America and the Caribbean (ECLAC), social expenditure database.

Note: CG: Central government; BCG: Budgetary central government; GG: General government; NFPS: Non-financial public sector (for Costa Rica: total public sector).



The largest rises in social public spending have taken place in social security and assistance

Latin America and the Caribbean (21 countries): social public spending by sector, 1990-1991 to 2012-2013^a



Source: Commission for Latin America and the Caribbean (ECLAC), social expenditure database.

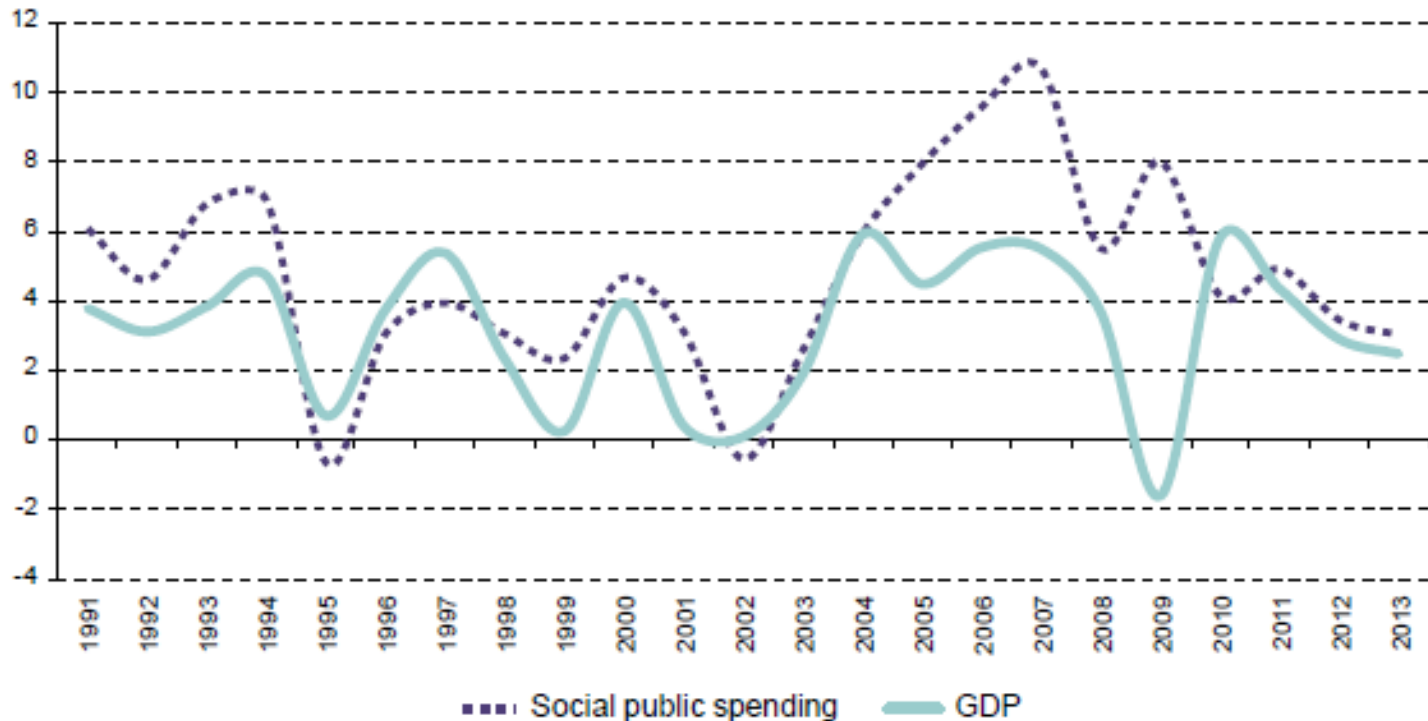
a/ Weighted average for the countries.



Risk of return to the pro-cyclical trend of social public expenditure

Latin America and the Caribbean (21 countries): ^a social public spending and GDP, 1991-2013 ^b

(Annual percentage variation)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), social expenditure database.



COMPLEMENTARY MEASUREMENT: MULTIDIMENSIONAL POVERTY



Complementary measurements: multidimensional poverty index

- The multidimensional poverty index combines monetary and non-monetary aspects of well-being.
- The index includes 5 dimensions/deprivations: employment, social protection and schooling gap, as well as housing, basic services and living standard, which includes income and durable goods.
- This complementary approach confirms that poverty is still structurally entrenched in Latin America, despite the progress made in the past decade.



Multidimensional poverty index structure

Dwelling

(22.2%)

- Makeshift building materials
- Overcrowding 7.4% e/o
- Tenure

Basic services

(22.2%)

- Improved water
- Sanitation 7.4% e/o
- Energía

Education

(22.2%)

- Low educational attainment
- Non-attendance at school 7.4% e/o
- Schooling gap

Employment and Social protection

(11.1%)

- Unemployment 7.4%
- Social protection 3.7%

Living standard

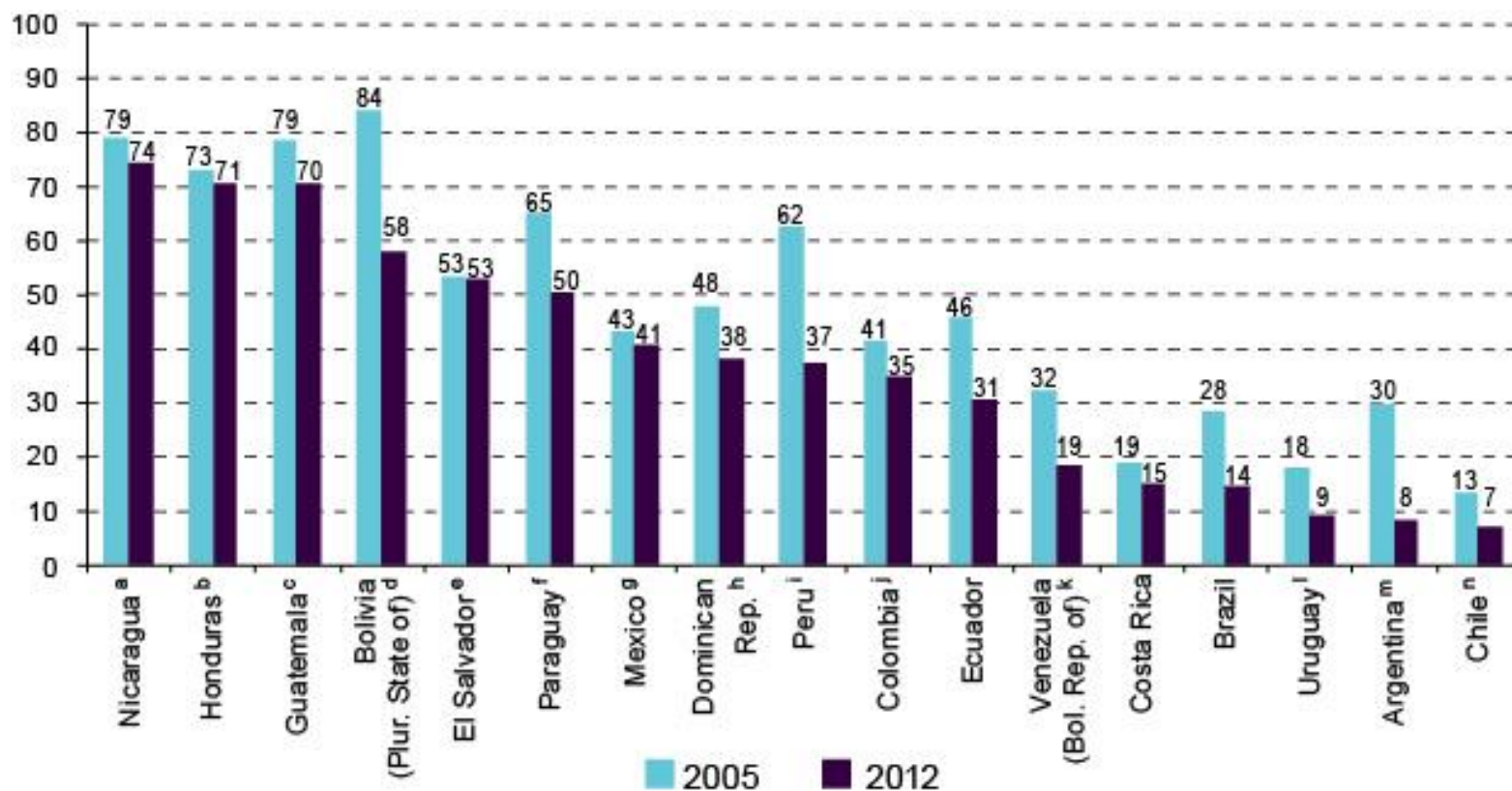
(22.2%)

- Income 14.8%
- Durable goods 7.4%



Multidimensional poverty diminished in all the countries between 2005 and 2012, but a high percentage of the region's population still suffers deprivations in multiple areas

Latin America (17 countries): multidimensional poverty around 2005 and 2012 ^a
(Percentages of the population)



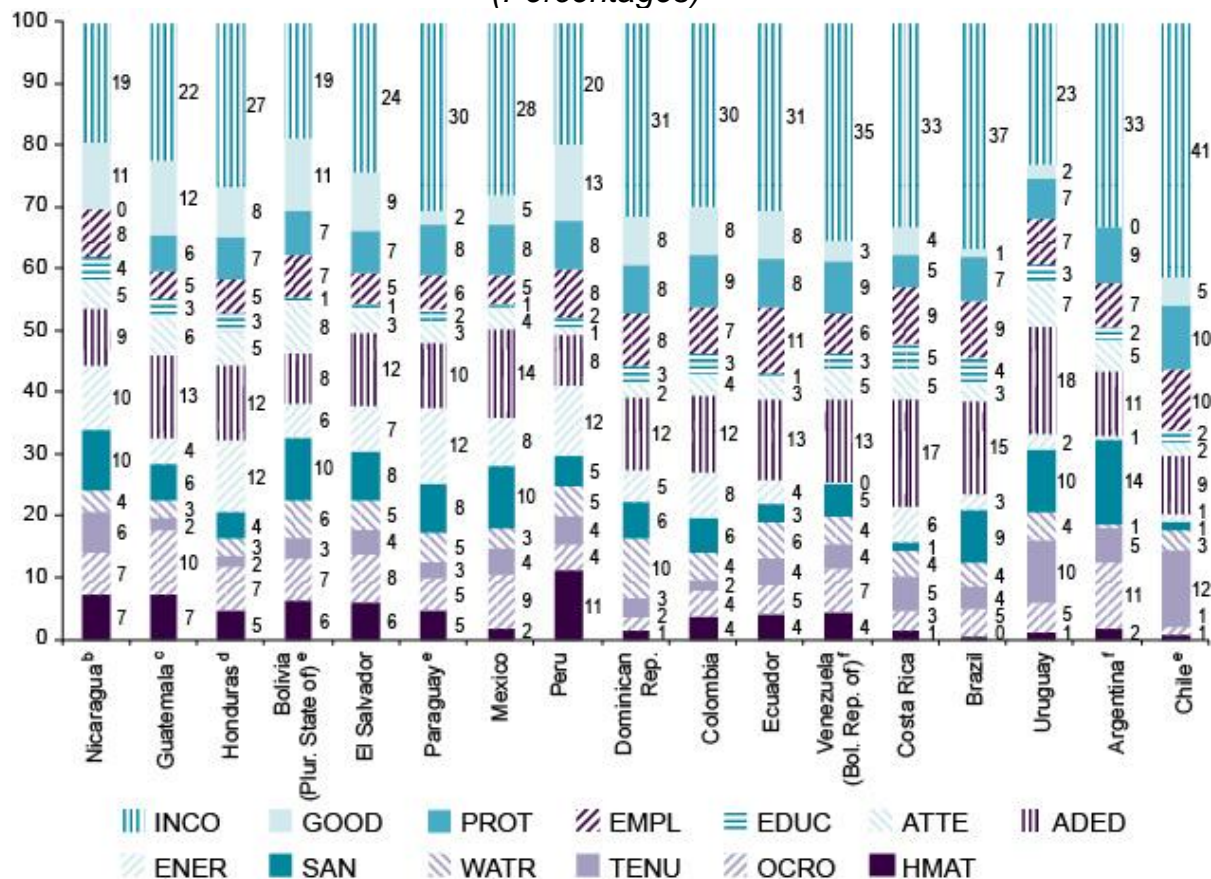
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the respective countries.

a/ Argentina, 2005 and 2012, urban areas; Bolivarian Republic of Venezuela, 2005 and 2012; Chile 2003 and 2011; Colombia, 2008 and 2012; Dominican Republic, 2006 and 2012; El Salvador, 2004 and 2012; Honduras, 2006 and 2010; Mexico, 2004 and 2012; Nicaragua, 2005 and 2009; Paraguay, 2005 and 2011; Plurinational State of Bolivia, 2003 and 2011; Peru, 2003 and 2012; Uruguay, 2005 and 2012, urban areas.



Income is the first dimension, followed by employment and social protection, but in the poorest countries deprivations in housing and basic services weigh more heavily

Latin America (17 countries): contribution of the various deprivations to overall poverty, around 2012 ^a
(Percentages)



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

Notes: a/ Nicaragua, Honduras, Plurinational State of Bolivia, El Salvador and Paraguay. b/ Mexico, Dominican Republic, Peru, Colombia and Ecuador. c/ Bolivarian Republic of Venezuela, Costa Rica, Brazil, Uruguay, Argentina and Chile. d/ Employment and social protection. e/ Educational achievement of adults, school attendance and school lag. f/ Water, sanitation and energy. g/ Housing materials, overcrowding and insecure tenure.

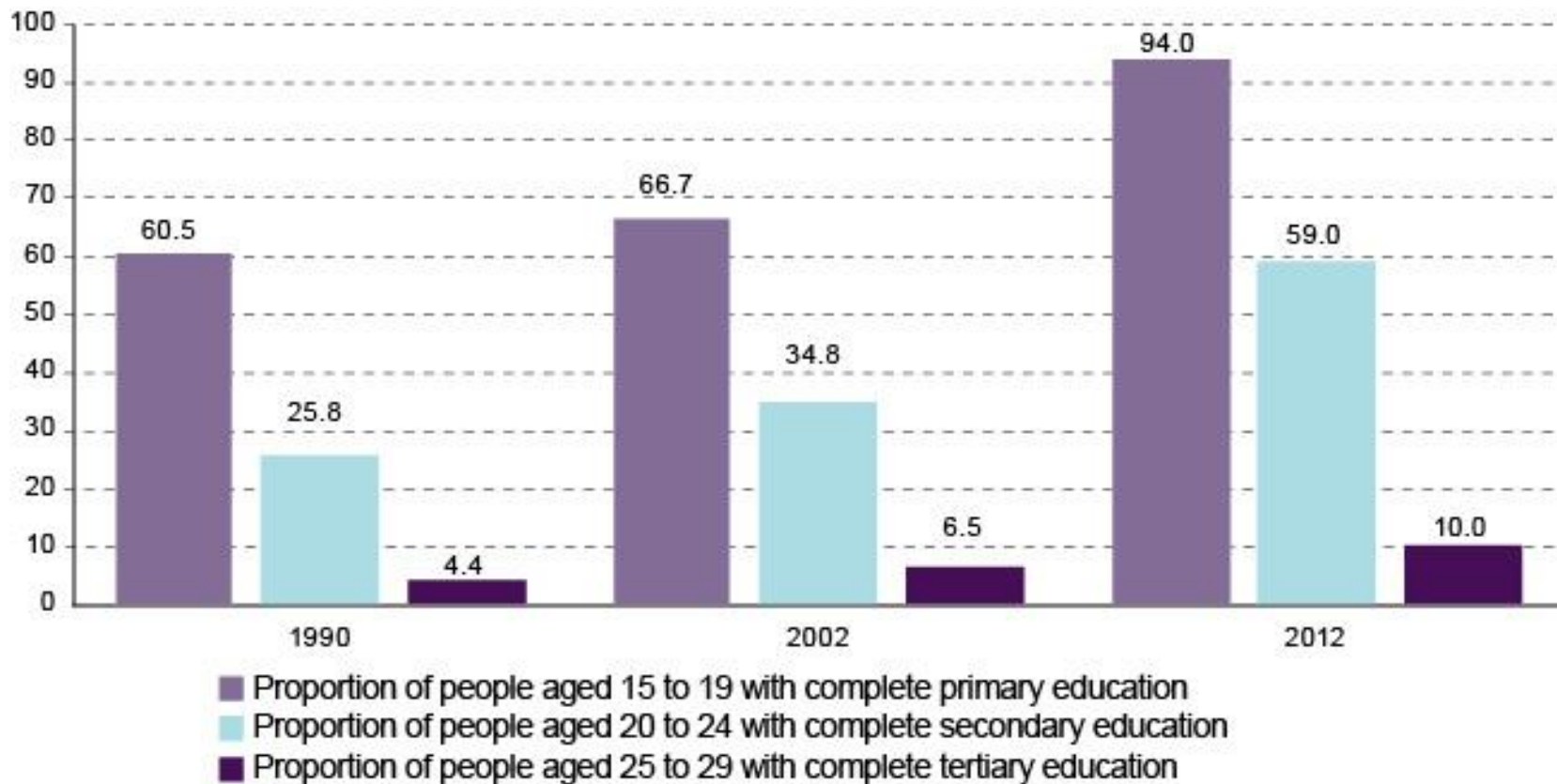


YOUTH: CRITICAL AREAS FOR SOCIAL INCLUSION



The youth population –143 million – has a higher level of schooling than before

Latin America (18 countries): proportion of people aged 15-29 with complete primary, secondary and tertiary education, by age group, 1990, 2002 and 2012
(Percentages)

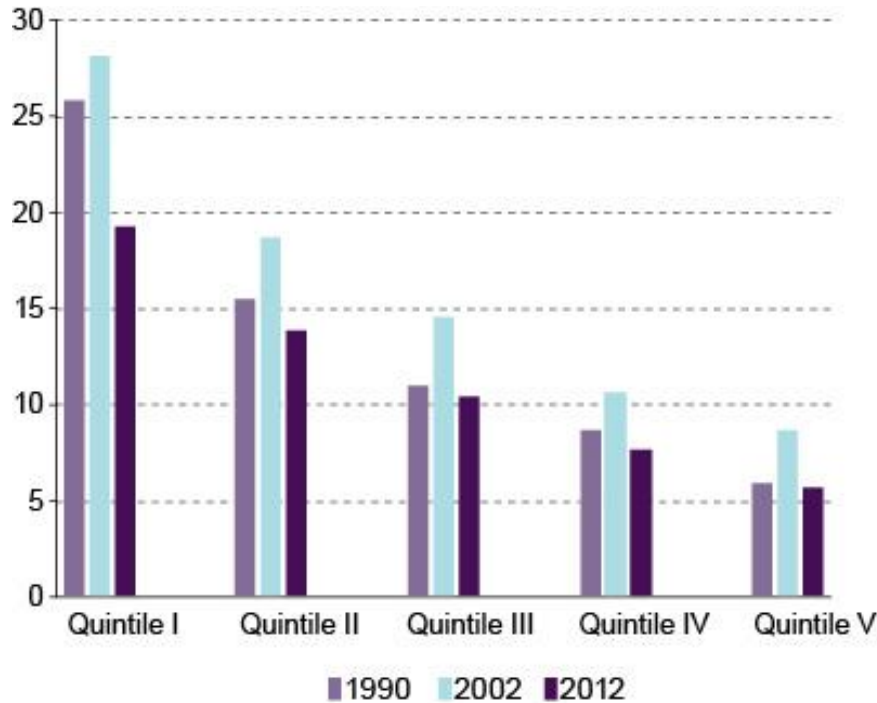


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulation of household surveys conducted in the respective countries.

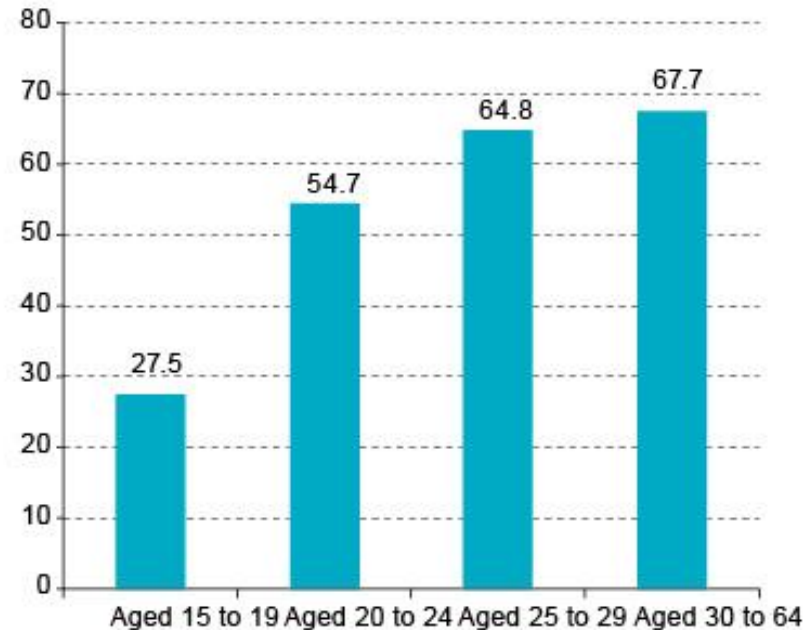


But young people face more obstacles in entering the labour market than mature adults: more unemployment, less social protection

Latin America (18 countries): unemployment rates for active persons aged 15-29, by per capita income quintile, 1990, 2002 and 2012 (Percentages)



Latin America (18 countries): wage workers enrolled in a social security system, by age group around 2012 (Percentages)

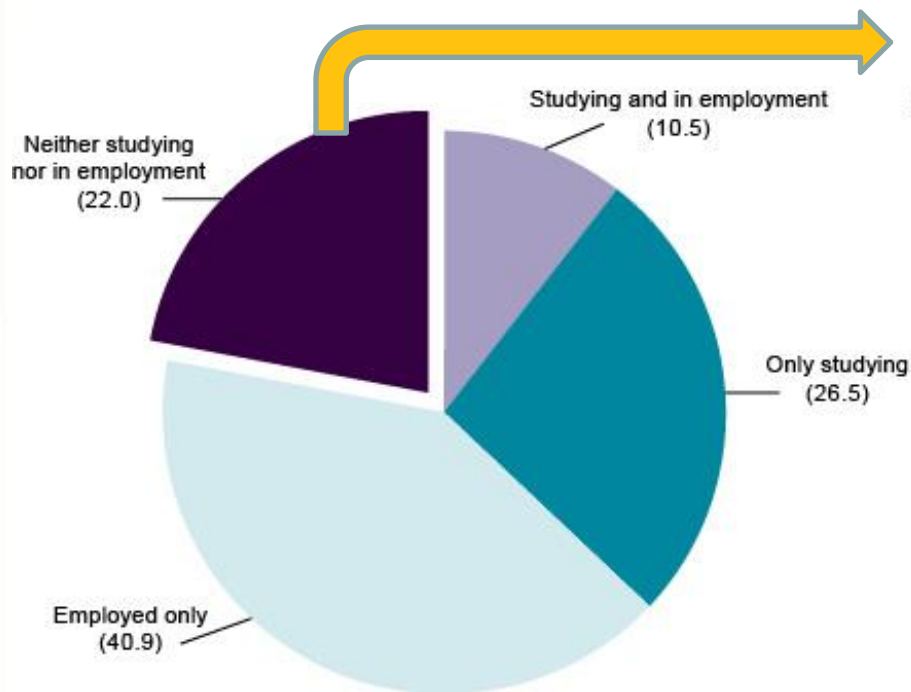


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulation of household surveys conducted in the respective countries.

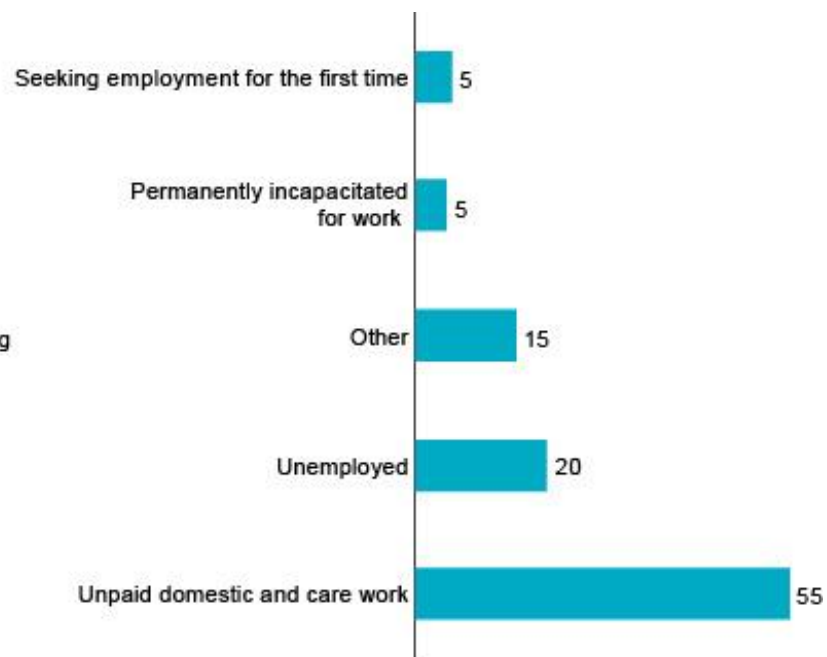


22% of young people are not in education or paid employment. This does not mean lack of interest in working: most are women devoted to unpaid domestic work.

Latin America (18 countries): activity status of young people aged 15-29, around 2012 (Percentages)



Latin America (18 countries): activity status of people aged 15-29 who are in neither education nor paid employment, around 2012 (Percentages)



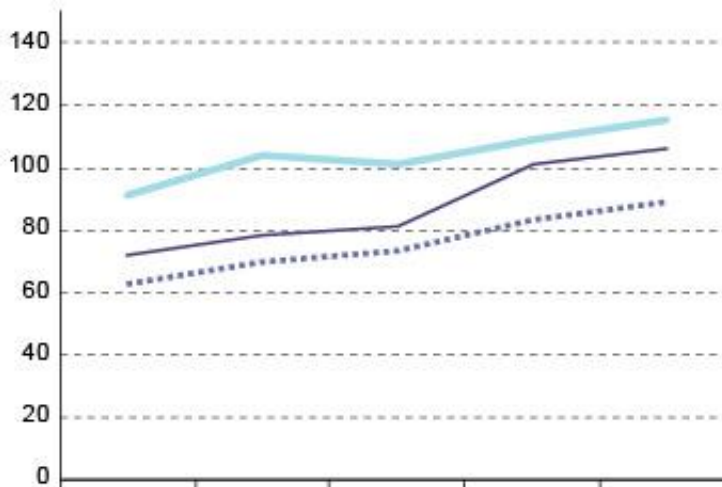
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulation of household surveys conducted in the respective countries.

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

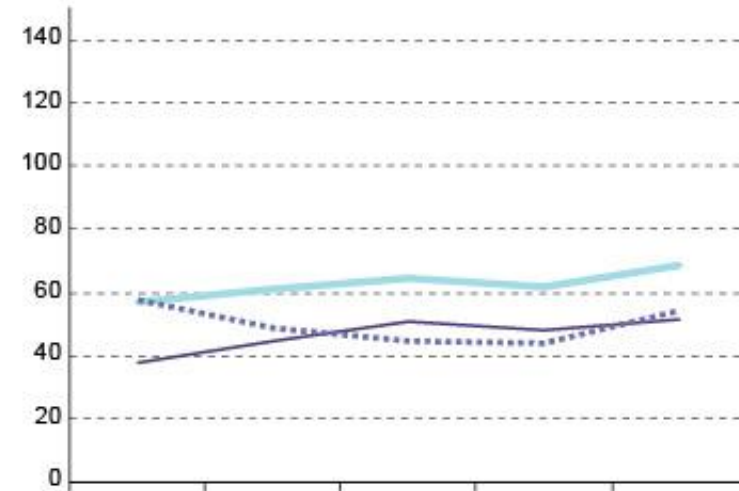
Although most victims of homicide are in the 15-44 age group, the stigma of youth violence distorts public policy choices

Rate of mortality (deaths per 100,000 inhabitants) from interpersonal violence, by age group, 1990-2010

B. Guatemala



C. Honduras



	1990	1995	2000	2005	2010
— Aged 15-29	72	78	81	101	106
— Aged 30-44	91	104	101	109	115
.... Aged 45-59	63	70	73	83	89

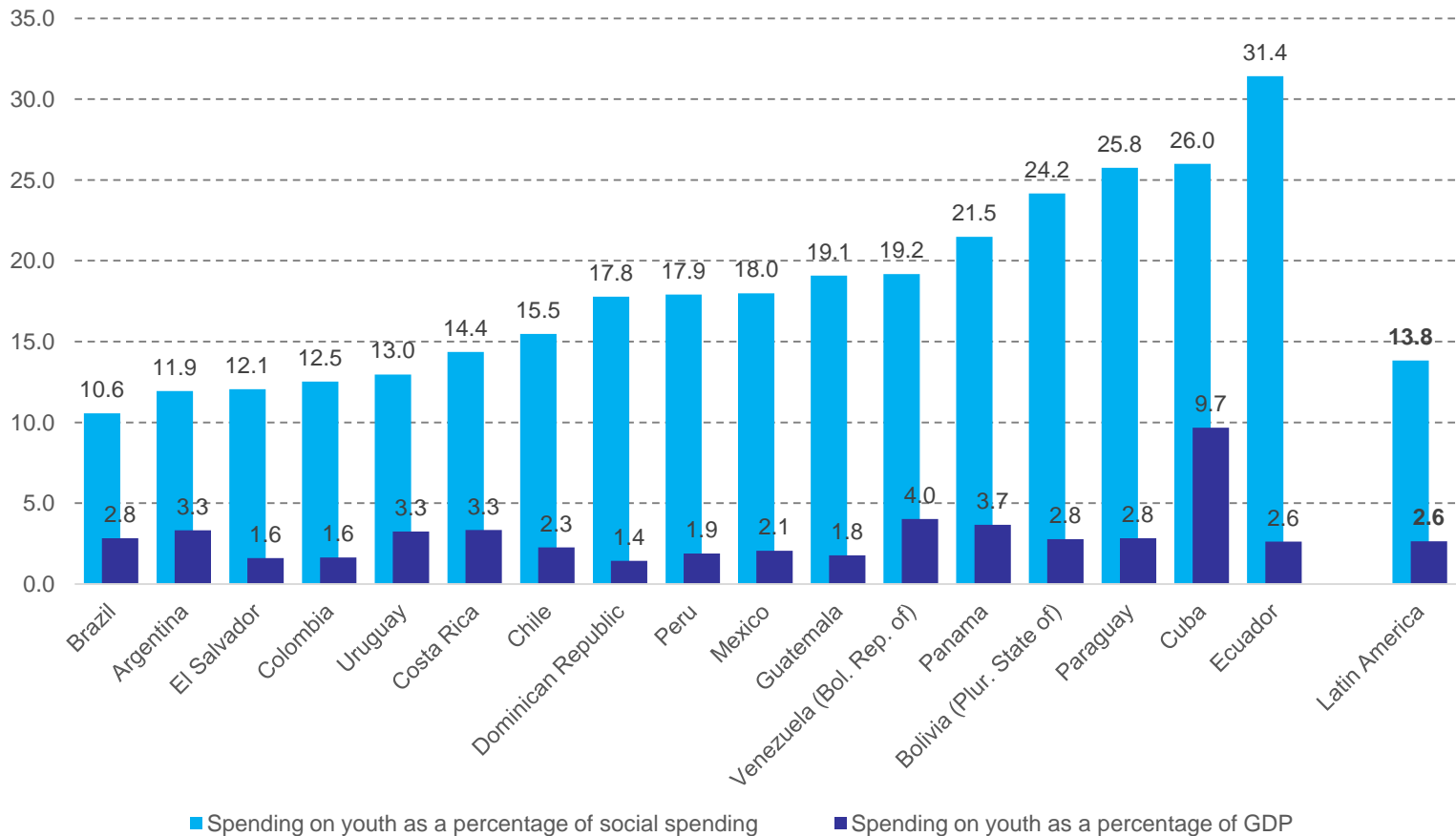
	1990	1995	2000	2005	2010
— Aged 15-29	38	45	50	48	51
— Aged 30-44	57	61	65	62	69
.... Aged 45-59	58	49	45	44	54

Fuente: Institute for Health Metrics and Evaluation [online] <http://vizhub.healthdata.org/gbd-compare/>.



More and better investment in youth is needed for structural change

Latin America (17 countries): public spending on youth in relation to GDP and in relation to social public spending



Source: Economic Commission for Latin America and the Caribbean (ECLAC), estimates on the basis of social spending data social from ECLAC, and data from UNESCO-UIS, PAHO/WHO, IDB, and official data from the countries.

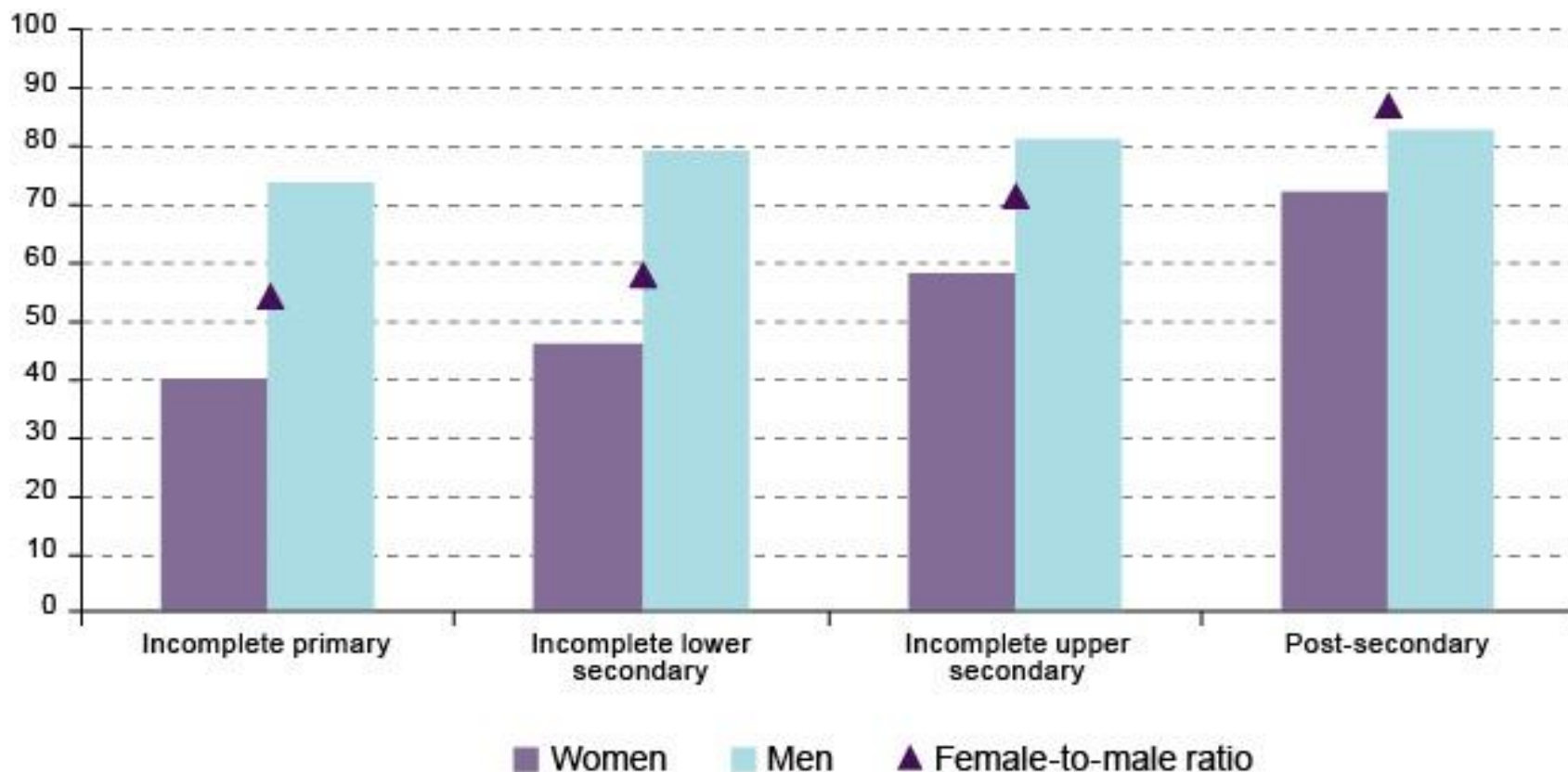


**INCREASING WOMEN'S PARTICIPATION
IN THE LABOUR MARKET –AND IN
BETTER CONDITIONS– WOULD HAVE A
MAJOR IMPACT ON INEQUALITY**



Household income inequality is associated with gender inequalities in labour market participation by education level

Latin America (18 countries): female and male participation rates by education level, around 2012



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



Household income inequality is associated with gender inequalities in labour market participation by care demands

Latin America (18 countries): participation rates for men and women by household composition, 2012
(Percentages of the population aged 15-49 years)

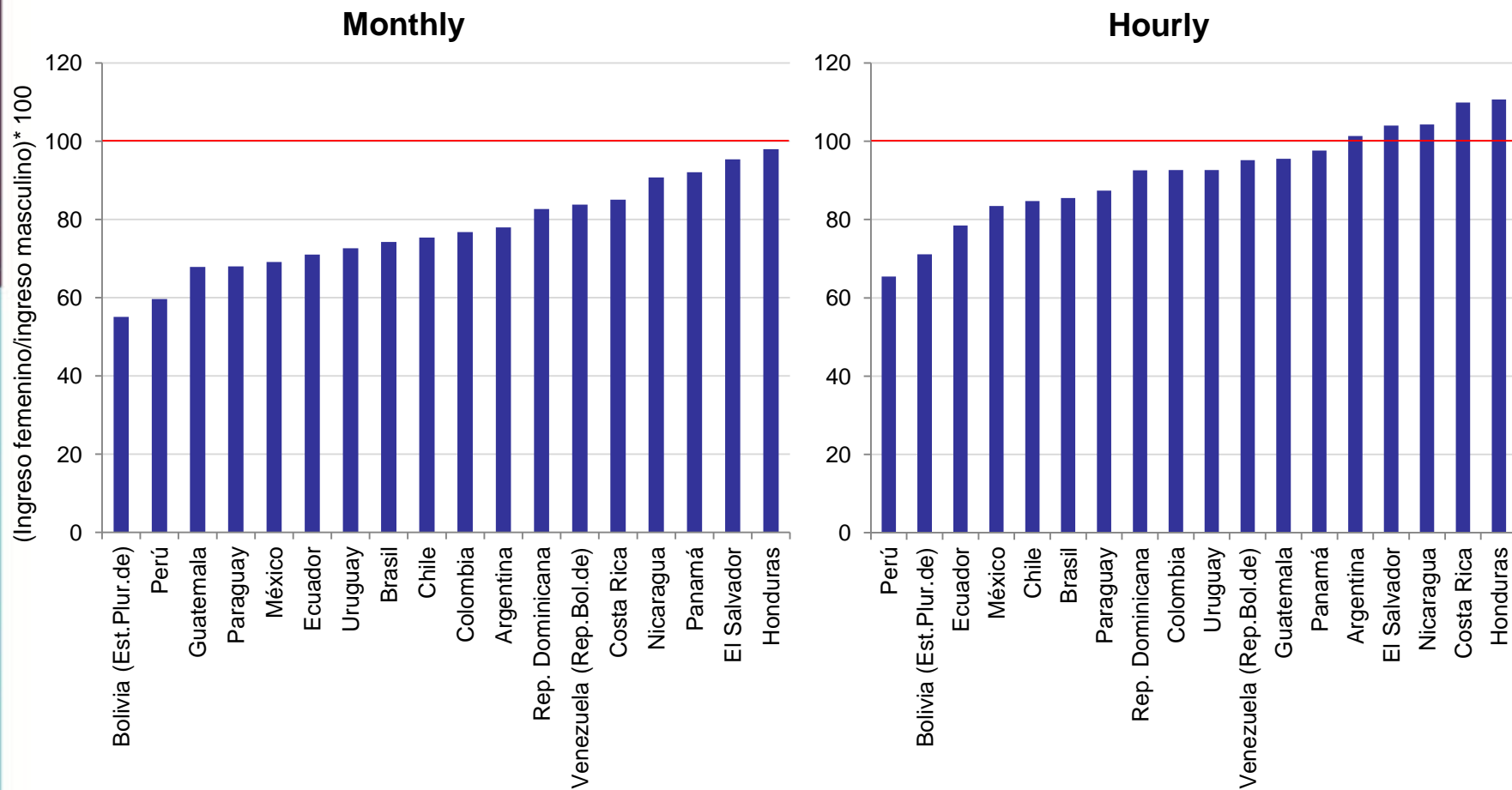
	Age of youngest child		No children in the household
	Under age 6	Aged 6-14	
Women	54.3	60.9	64.2
Men	90.0	81.3	80.0
Women/men	60.3	74.9	80.3

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



Women's average income is less than men's, in all the countries of the region

Latin America (18 countries): ratio between women's and men's average income, 2012
(Percentages)



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



Closing activity gaps between men and women would reduce poverty and lessen inequality

Latin America (18 countries): variation in poverty and inequality levels, by scenario
(Percentage points)

Country	With participation gaps closed		With income gaps closed	
	Poverty	Gini a/	Poverty	Gini a/
Argentina	-1	-2	-1	-3
Bolivia (Plur. State of)	-5	-1	-14	-8
Brazil	-3	-2	-6	-4
Chile	-3	-2	-2	-4
Colombia	-4	-2	-9	-5
Costa Rica	-4	-2	-4	-3
Dominican Republic	-6	-3	-5	-3
Ecuador	-9	-3	-8	-4
El Salvador	-12	-3	-6	-3
Guatemala	-5	-2	-4	-2
Honduras	-7	-3	-1	-2
Mexico	-4	-1	-5	-3
Nicaragua	-12	-4	-8	-4
Panama	-7	-4	-6	-4
Paraguay	-6	-3	-7	-5
Peru	-6	-1	-8	-5
Uruguay	-1	-1	-2	-3
Venezuela (Bol. Rep. of)	-4	-2	-4	-2

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulation of household surveys conducted in the respective countries.
a/ For this case, the Gini index must be considered as multiplied by one hundred.

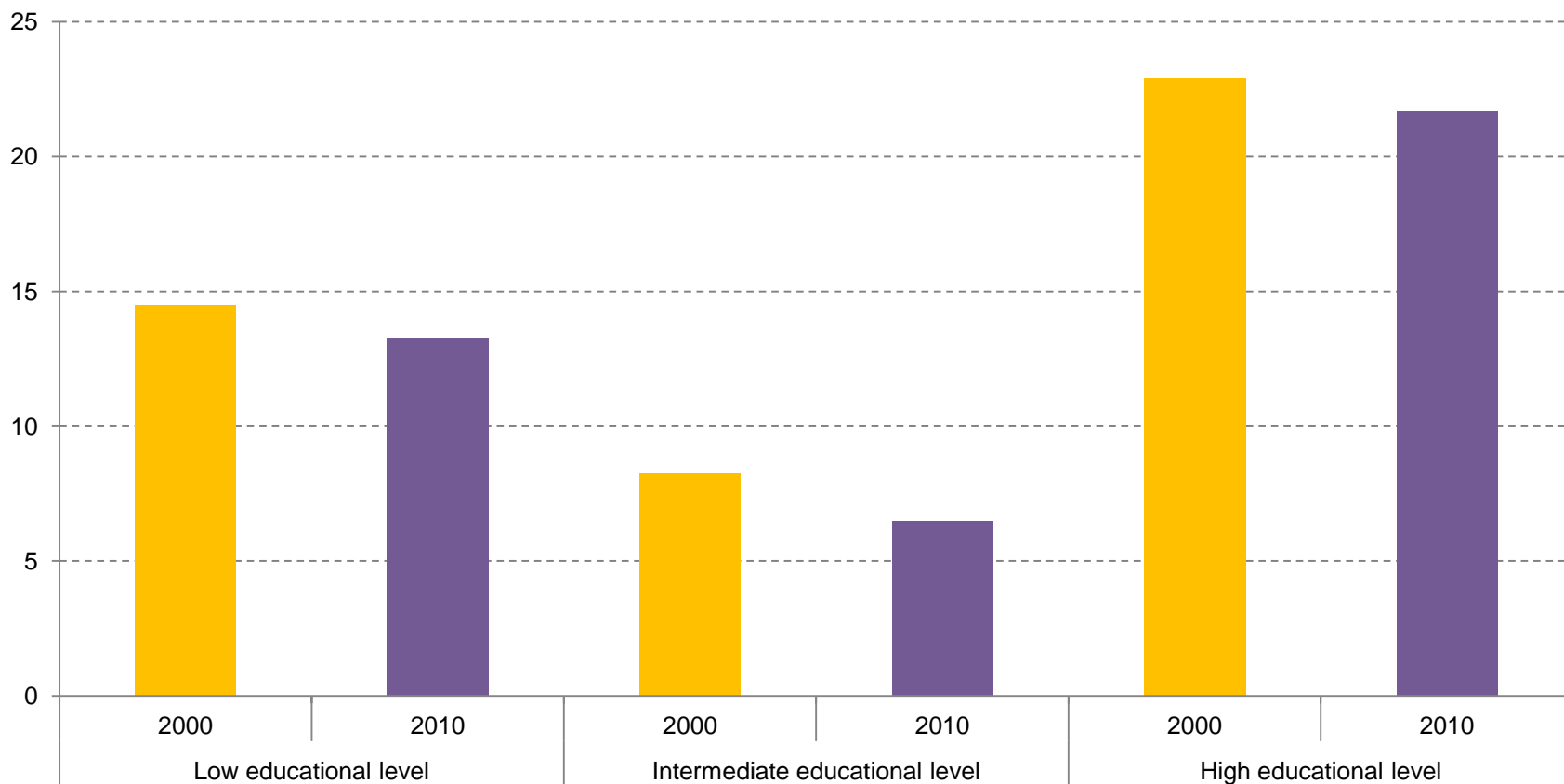




RESIDENTIAL SEGREGATION: A TERRITORIAL PERSPECTIVE ON INEQUALITY IN LARGE CITIES

In 22 cities, residential segregation between low-, intermediate- and high-education groups diminished, but the concentration and self-segregation is higher for more educated households.

Latin America (22 cities): index of dissimilarity (multiplied by 100) by education level of head of household

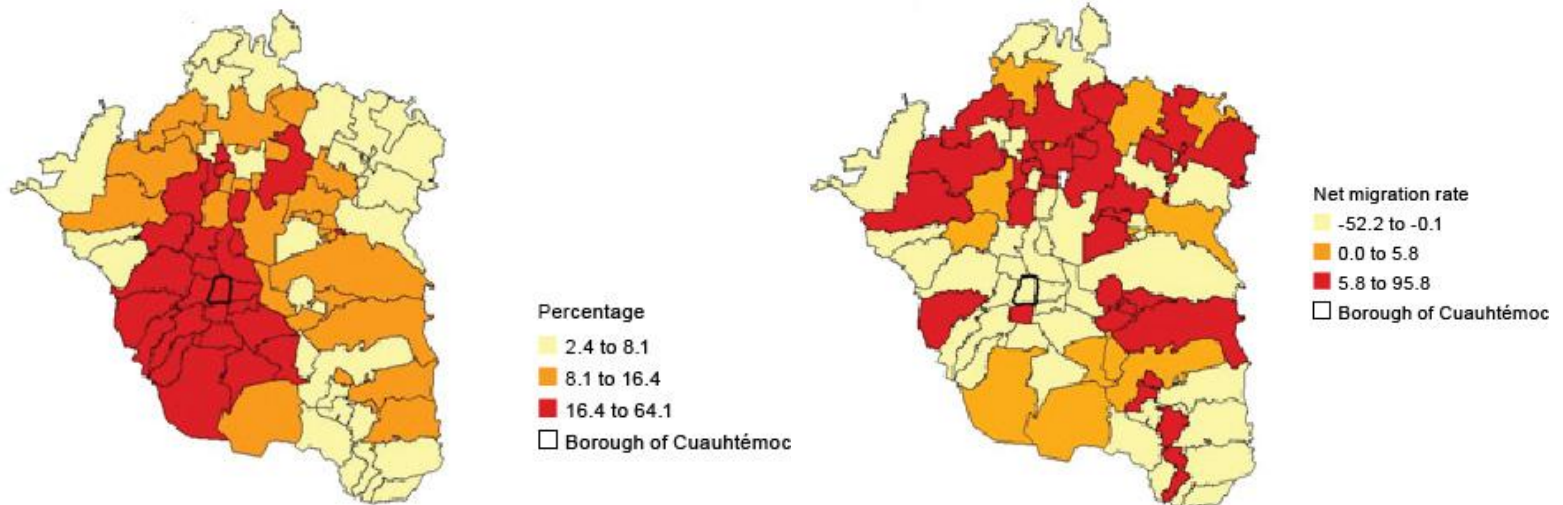


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special processing of census microdata.

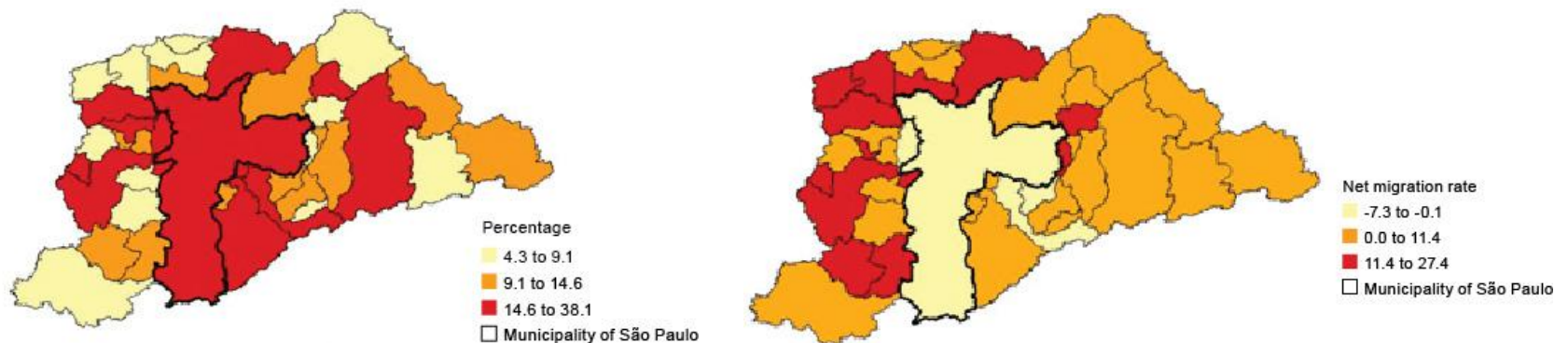


Large cities have disadvantaged peripheries, with lower levels of education and greater challenges from migration and population growth

MAP 1. MEXICO CITY METROPOLITAN AREA



MAP 2. SÃO PAULO METROPOLITAN AREA



Fuente: CEPAL, procesamiento especial microdatos censales.





CONCLUSIONS AND RECOMMENDATIONS

Poverty and income distribution

- Poverty remains a structural phenomenon and the income poverty rate has stood still since 2012.
- The level of multidimensional poverty fell between 2005 and 2012.
- The monetary dimension is the deprivation with the greatest impact on multidimensional poverty.
- There is a confirmed downtrend in monetary income concentration, and an increase in the sectors in the middle of the population distribution.



The region at a crossroads

- Slower economic growth in 2014 (1.1%) and sluggish projections for 2015 (2.2%).
- Poverty rate stagnating since 2012 and a 5-million rise in the number of indigents.
- The region did not take advantage of the price boom or the measures to counteract the financial crisis.
- Progress could be threatened as regards reducing inequality and gaps in employment.
- New public policy challenges are arising in relation to higher expectations of well-being and consumption, increased focus on rights and lobbying of the State by social stakeholders.



Recommendations

- Consolidate social public spending as a countercyclical fiscal policy tool with more efficient implementation.
- Create opportunities for financing social spending.
- Design a new generation of social policies linked with social investment, with instruments and mechanisms to increase efficiency, effectiveness, impact and sustainability.
- Investment in innovation, education and employment for youth, generating solid bases for achieving objectives of structural change for equality.
- Active policies on care and time-liberation, with a view to full incorporation of women into the labour market



2014



Social Panorama of Latin America



UNITED NATIONS

ECLAC