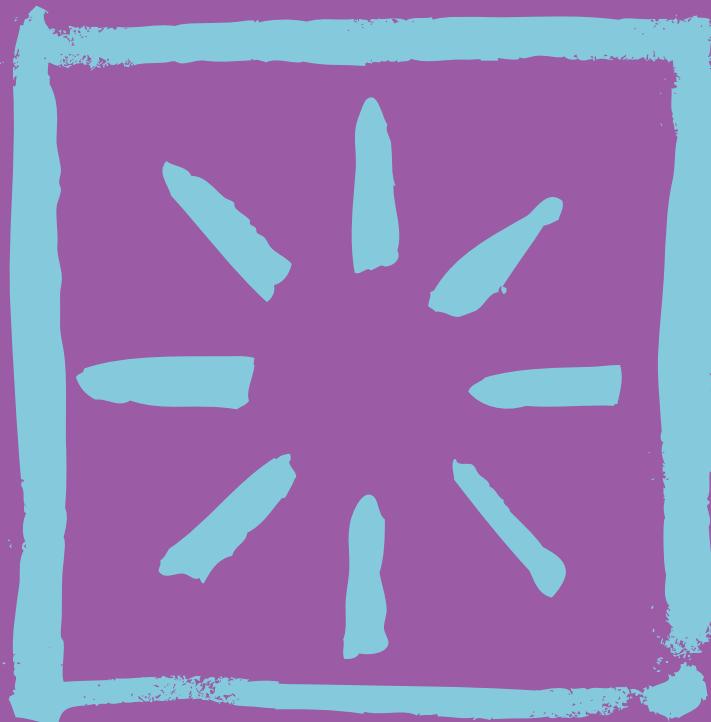


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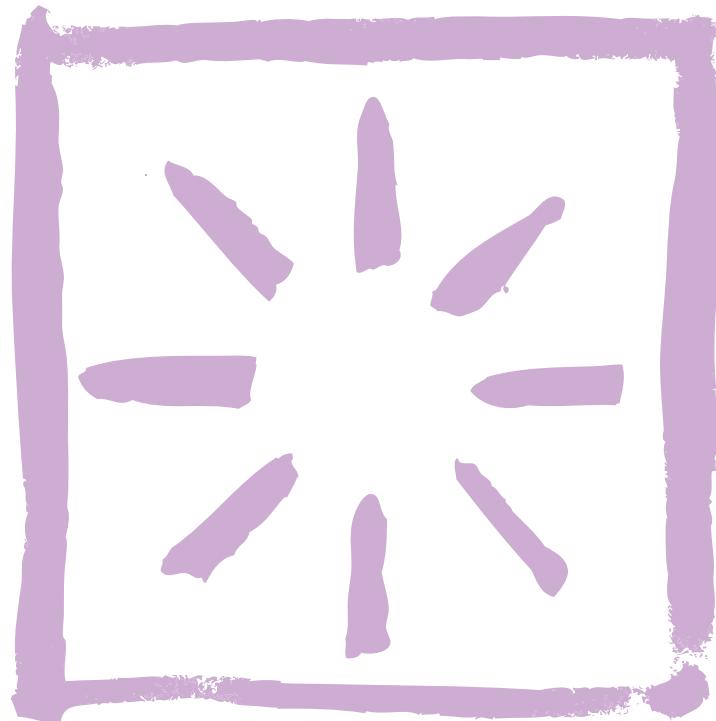
**Social panorama**  
of Latin America



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of Latin America



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The *Social Panorama of Latin America* is prepared each year by the Social Development Division and the Statistics and Economic Projections Division of the Economic Commission for Latin America and the Caribbean (ECLAC), under the supervision of Martín Hopenhayn and Luis Beccaria, respectively. The Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, directed by Dirk Jaspers\_Fajer, was also involved in the preparation of the report.

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#### Explanatory notes

Three dots (...) indicate that data are missing, are not available or are not separately reported.

Two dashes and a full stop (--) indicate that the sample size is too small to be used as a basis for estimating the corresponding values with acceptable reliability and precision.

A dash (-) indicates that the amount is nil or negligible.

A blank space in a table indicates that the concept under consideration is not applicable or not comparable.

A minus sign (-) indicates a deficit or decrease, except where otherwise specified.

The use of a hyphen (-) between years (e.g., 1990-1998) indicates reference to the complete number of calendar years involved, including the beginning and end years.

A slash (/) between years (e.g., 2003/2005) indicates that the information given corresponds to one of these two years.

The word “dollars” refers to United States dollars, unless otherwise specified.

Individual figures and percentages in tables may not always add up to the corresponding total because of rounding.

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## Summary

In 2010 the Economic Commission for Latin America and the Caribbean (ECLAC) set out the essence of its proposed development agenda for Latin America and the Caribbean in *Time for equality: closing gaps, opening trails*, the position document submitted to the Commission's thirty-third session. That document served as a basis for proposing an integrated vision of development in keeping with the times, drawing on historical lessons learned and entailing far-reaching changes. This vision is taking root in the region, and it has laid the groundwork for further discussion of policy content and proposals within ECLAC itself. For *Social Panorama of Latin America*, the main challenge is to foster a more in-depth examination of social gaps and the mechanisms that reproduce or decrease them.

The previous edition of *Social Panorama* homed in on inequality gaps and their inter-generational reproduction and paid particular attention to the formative years of individuals, their transition to adult life and the role of social expenditure and transfers in meeting the needs of new generations during their early years. It showed how the life cycle path is determined by differences in skill development and how inequality and poverty become entrenched as people move from one stage of life to the next.

The 2011 edition of *Social Panorama of Latin America* takes a more in-depth look at the chain that produces and reproduces social gaps; it addresses other spheres as well. It focuses on how structural heterogeneity (productivity gaps in the national economies), labour segmentation and gaps in social protection are linked along the chain. Demographic factors such as fertility differentiated by education and income level are discussed, as are more specific patterns of risk and exclusion like those impacting young people in the Caribbean.

These gaps make for an ambivalent scenario in the region, combining structural tendencies that reinforce them with recent, favourable developments that open new possibilities for advancing towards less unequal societies with broader access to well-being.

Poverty and inequality are decreasing in the region; the main reasons are, first, rising labour income and, second, increasing public transfers to the most vulnerable sectors. But the productive gaps are still rigid, and there is still little mobility for specific groups in low-productivity sectors (especially women in lower-income socioeconomic groups) whose income has not increased. Fertility is declining substantially and can mean greater possibilities for well-being among families with fewer dependents. However, the fertility calendar is still stratified according to socioeconomic and education levels, with a higher adolescent motherhood rate among less-educated women. It is plain to see that social expenditure is increasing, as is the response (in terms of social spending and protection) to mitigate the impacts of the 2008–2009 crisis on the most vulnerable sectors. But the social protection systems are far from inclusive, and there are gaps in them that reproduce vulnerability and stratified access to social security.

Chapter I discusses recent trends in poverty and income distribution in Latin America. It includes a subchapter on how the world of work is perceived by the actors in it. In keeping with the overall recent trend, poverty and indigence declined in the region in 2010 as economic growth resumed. Both indicators are at their lowest level in the past 20 years. While the main reason for the decrease in poverty is the increase in mean household income, the decline in inequality was also a significant factor.

The poverty rate for the region in 2010 was 31.4%, including 12.3% living in extreme poverty or indigence. In

absolute terms, these figures translate into 177 million poor people, of whom 70 million were indigent. The figures show that, in the wake of the 2009 crisis, economic recovery has been reflected (at least in part) in the poverty indicators. Indeed, the poverty rate fell by 1.6 percentage points and the indigence rate by 0.8 percentage points compared with 2009. Forecast GDP growth and inflation expectations for each country point to a slight drop in the poverty rate in 2011. But the indigence rate could increase as higher food prices would cancel out the expected rise in household income.

Positive changes towards lower income concentration have been seen in recent years, thanks above all to better distribution of labour income and the redistributive role of the State via cash transfers. While the decrease in inequality has been only slight, it does set a favourable scenario —especially given the prolonged absence of broad distributive improvements.

There are still issues regarding the way the labour market and labour institutions operate in Latin America. Perception surveys show that these dysfunctions generate feelings of uncertainty and unease among the employed population. These feelings are more prevalent among those who have precarious jobs or less human capital, those in a less favourable socioeconomic position and those who live in countries with larger productivity gaps. These groups are more likely to fear job loss or perceive a lack of job opportunities, a failure to enforce labour laws or a lack of social security guarantees. Worker-employer dialogue is hindered by low unionization rates (especially among less-skilled workers) and mistrust of labour unions (more so among business executives and managers).

Chapter II discusses the rapid decline in fertility in Latin America over the past five decades, as well as the factors contributing to this. It is still invariably the case that the lower a woman's education level, the higher her fertility. While fertility has declined recently for all education levels, in many countries the rate of decline has varied from group to group and is, as a rule, slower for less-educated women. The result is that relative differences are deepening.

Adolescent fertility has fallen at a much more moderate pace than total fertility. In many of the countries of the region it even rose during the 1990s while the total fertility rate declined significantly. The inequality in fertility between groups with different education levels is usually particularly marked in the case of adolescent mothers. Evidence of the declining percentage of planned births among adolescent mothers is encouraging, and it is a powerful argument in favour of redoubling public sexual and reproductive health policies and programmes targeting this group.

The governments of the region are facing two main challenges concerning fertility. On the one hand is the need to step up efforts to meet target 5.B of the Millennium Development Goals, to achieve, by 2015, universal access to reproductive health, thus narrowing the substantial gaps in fertility that remain among social groups —especially

adolescent fertility. On the other hand are the challenges posed by declining fertility, which call for re-thinking policies and institutions to deal with inexorable changes in the family, social and economic structure of the countries.

Chapter III shows how structural heterogeneity (caused by productivity gaps), stratification of the decline in fertility and gender inequality operate as true factories of inequality in the labour markets of Latin America.

The high structural heterogeneity that marks the region's productive structures results in striking disparities between the contribution that each productive sector makes to GDP and employment. There is still a close linkage between structural heterogeneity and income inequality as a rigid pattern that is stable over time. While employment in low-productivity sectors has fallen over the past two decades, the distance between it and employment in medium- and high-productivity sectors has grown.

The stratified incorporation of Latin American women into the labour market means that, instead of narrowing, the gap between higher- and lower-income women has grown slightly over the past two decades. Greater childcare pressure and the glaring lack of protection in this sphere for the most vulnerable sectors reflect a rigid circuit of inequality. The care burden is also a factor in the relative increase of the female unemployment rate compared with the rate for men. The youth unemployment rate is still far higher than the adult unemployment rate, and the distance between the lower and higher quintiles has not changed significantly over the past 20 years.

Against this backdrop of multiple labour market inequalities, robust State intervention is called for in the productive sphere, in labour regulations and institutions, in labour market policies and in the redistribution of childcare.

Chapter IV deals with gaps and challenges in the social protection systems of the countries of Latin America. Limited social security registration coverage and its linkage to formal employment means that larger households, those headed by women, and rural households have less access to contributory protection. And social security coverage shortfalls are reproduced in old age. Retirement and pension coverage is still quite limited, leaving women and the lower-income population more unprotected.

The non-contributory pillar of social protection covers approximately 12% of households and equates to 0.25% of GDP. But these transfers do seem to target the risks of the population and make a big difference for the poorest households, thus confirming that their distribution is highly progressive.

A combined assessment of the contributory and non-contributory pillars in Latin American households shows that a large part of the population is excluded from the classic model of protection through employment and is also not being reached by public welfare transfers. While this group does include a proportion of persons from higher-income households, just under half of the group is in the poorest 40% of the population.

Latin America's weak social protection systems are facing tremendous redistributive challenges, with limited fiscal capacity and relatively rigid—if any—architectures of well-being. Any systemic approach should also draw on the contributory pillar and on more or less targeted policies to interconnect rights and progress towards truly universal—and solidarity-based—protection systems.

Chapter V takes up the recent dynamics of social expenditure, its response to the crisis and the outlook for broadening retirement and pension coverage in the countries of the region over the medium and long term.

For the region as a whole, public expenditure (especially social expenditure) has burgeoned over the past two decades. The largest increase has been in social security and welfare (an increase equal to 3% of GDP), followed by education. But among the countries where per capita social expenditure is less than US\$ 1 000, the main item of expense is education. It is only in the relatively more developed countries that social security and welfare account for more.

The countries reacted to the global financial crisis by temporarily expanding public expenditure instead of shrinking it as in the past. But the expansion did not always have a social focus, although the social repercussions were considerable in that they helped prevent increases in unemployment and social vulnerability.

The need to develop rights-based social protection systems that are, as such, built on contributory and non-contributory funding mechanisms and on solidarity-based pillars for resource distribution clearly calls for “re-reforming” many of the social security systems for the medium haul (and especially for the long haul), both structurally and on the parametric level, and to build up social security registration in increasingly formalized

labour markets. Otherwise, the long-term effect will be to make it ever more difficult to fund universal social protection in ageing societies with a proportionally smaller labour force.

Chapter VI addresses, for the first time in *Social Panorama*, an urgent social issue in the countries of the Caribbean: the status of youth in this subregion in terms of socio-demographic dynamics, risks, skill development and the dynamics of social exclusion and inclusion.

In the Caribbean, as in Latin America, these are times of major challenges in the sphere of youth inclusion. New education and employment measures are needed in order to improve and balance education achievements with smooth passage to employment, reducing gaps in educational attainment among young people and employment gaps between young people and adults. The demographic transition holds opportunities for young people, but it must be harnessed in the short term so as to expand capacities and productivity and make this generation less vulnerable. Young people move from place to place more easily than children and older people do, especially in the Caribbean. This can be a source of both opportunities and risks. Young people in the Caribbean are very much exposed to exogenous risks, especially accidents and aggression. And exposure to sexually transmitted diseases, especially HIV/AIDS, is a warning sign that needs to be forcefully addressed.

Public and policy awareness has grown over the past few decades; government institutions charged with developing youth plans and programmes have been created. Strides need to be made on comprehensive approaches that can go beyond sector-based rationales, taking into account the very nature of the “young actor” and encompassing risks, capacities, opportunities and modalities of involvement.

## Poverty, inequality and perceptions of the world of work in Latin America

### Progress in poverty reduction

Economic activity and employment recovered quickly after the 2009 crisis. Latin America's per capita GDP grew by 4.8%, the employment rate rose by 0.6 percentage points and the labour force participation rate went up by

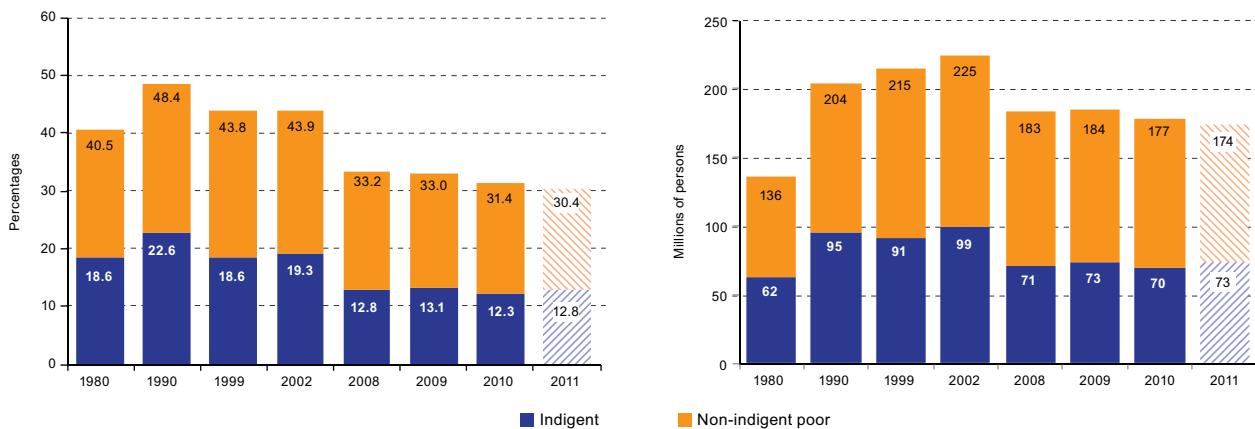
0.3 percentage points. The urban unemployment rate fell from 8.1% to 7.3%, which is not only below the average for the period 2000–2008 but is also lower than yearly figures for the past two decades. The inflation rate rose in

all of the countries of the region, with a simple average that was 2.8 percentage points above the rate posted in 2009.

In this setting, the regional poverty rate was 31.4%, including 12.3% living in extreme poverty or indigence. In absolute terms, this translates into 177 million poor

people, of which 70 million were indigent. Further strides in poverty reduction were made in 2010 as the poverty rate declined by 1.6 percentage points and the indigence rate fell by 0.8 percentage points compared with 2009 (see figure 1).

**Figure 1**  
**LATIN AMERICA: POVERTY AND INDIGENCE, 1980-2011<sup>a</sup>**  
(Percentages and millions of persons)



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.

<sup>a</sup> Estimate for 18 countries of the region plus Haiti. The figures above the bars represent the percentage and total number of poor persons (indigent plus non-indigent poor), respectively. The figures for 2011 are projections.

Compared with the late 1990s, the picture is still a favourable one. Accumulated poverty reduction since 1999 stands at 12.4 percentage points while the indigence rate has come down by 6.3 percentage points. The two indicators are down by a total of 17.0 percentage points and 10.3 percentage points, respectively, since 1990.

These outcomes mean further progress towards achievement of target 1.A of the Millennium Development Goals: to halve, between 1990 and 2015, the proportion of people living in extreme poverty. Latin America's progress towards this goal stands at 91%, calculated as the accumulated reduction of indigence between 1990 and 2010 (10.2 percentage points) divided by the decrease implicit in the target (11.3 percentage points). This percentage is higher than the time elapsed (80%) to the deadline for meeting the target.

Projected GDP growth and inflation expectations in each country point to a slight decline in the poverty rate in 2011, to 30.4% (about one percentage point below the rate for 2010). But the indigence rate could go up because any rise in food prices outstripping the other goods in the basket would cancel out the expected increase in household income (see figure 1).

As of 2010, the data available for 12 countries of the region show poverty trending in different directions and at different rates over the previous year. Five countries posted significant declines in their poverty rates; they are Peru (-3.5 points), Ecuador (-3.0 points), Argentina (-2.7 points), Uruguay (-2.0 points) and Colombia (-1.4 points). In these countries, the indigence rate trend reversed as well, with the decline ranging from 0.5 percentage points to 1.7 percentage points (see table 1).

Honduras and Mexico were the only countries that saw a significant increase in poverty and indigence rates: 1.7 percentage points and 1.0 percentage points for Honduras and 1.5 percentage points and 2.1 percentage points for Mexico. Because the comparison for Mexico is against the measure for 2008, it reflects both the substantial expansion of the Mexican economy in 2010 and the marked contraction of per capita GDP in 2009 (-7.2%). In Panama, the indigence rate rose by 1.5 percentage points; the other countries for which data are available (the Dominican Republic, El Salvador and Paraguay) posted no significant variations in their poverty or indigence rates.

**Table 1**  
**LATIN AMERICA (18 COUNTRIES): PERSONS LIVING IN POVERTY AND INDIGENCE, AROUND 2002, 2009 AND 2010**  
*(Percentages)*

Country	Around 2002			Around 2009			2010		
	Year	Poverty	Indigence	Year	Poverty	Indigence	Year	Poverty	Indigence
Argentina <sup>a</sup>	2002	45.4	20.9	2009	11.3	3.8	2010	8.6	2.8
Bolivia (Plurinational State of)	2002	62.4	37.1	2007	54.0	31.2	...	...	...
Brazil	2001	37.5	13.2	2009	24.9	7.0	...	...	...
Chile	2000	20.2	5.6	2009	11.5	3.6	...	...	...
Colombia <sup>b</sup>	2002	54.2	19.9	2009	45.7	16.5	2010	44.3	14.8
Costa Rica	2002	20.3	8.2	2009	18.9	6.9	...	...	...
Dominican Republic	2002	47.1	20.7	2009	41.1	21.0	2010	41.4	20.9
Ecuador <sup>a</sup>	2002	49.0	19.4	2009	40.2	15.5	2010	37.1	14.2
El Salvador	2001	48.9	22.1	2009	47.9	17.3	2010	46.6	16.7
Guatemala	2002	60.2	30.9	2006	54.8	29.1	...	...	...
Honduras	2002	77.3	54.4	2009	65.7	41.8	2010	67.4	42.8
Mexico	2002	39.4	12.6	2008	34.8	11.2	2010	36.3	13.3
Nicaragua	2001	69.4	42.5	2005	61.9	31.9	...	...	...
Panama	2002	36.9	18.6	2009	26.4	11.1	2010	25.8	12.6
Paraguay	2001	59.7	31.3	2009	56.0	30.4	2010	54.8	30.7
Peru <sup>c</sup>	2001	54.7	24.4	2009	34.8	11.5	2010	31.3	9.8
Uruguay <sup>a</sup>	2002	15.4	2.5	2009	10.7	2.0	2010	8.6	1.4
Venezuela (Bolivarian Republic of)	2002	48.6	22.2	2009	27.1	9.8	2010	27.8	10.7

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.

<sup>a</sup> Urban areas.

<sup>b</sup> Figures from the Misión para el empalme de las series de empleo, pobreza y desigualdad (MESEP). They do not include adjustments to the measure of poverty made in 2011 by the National Planning Department (DNP) of Colombia.

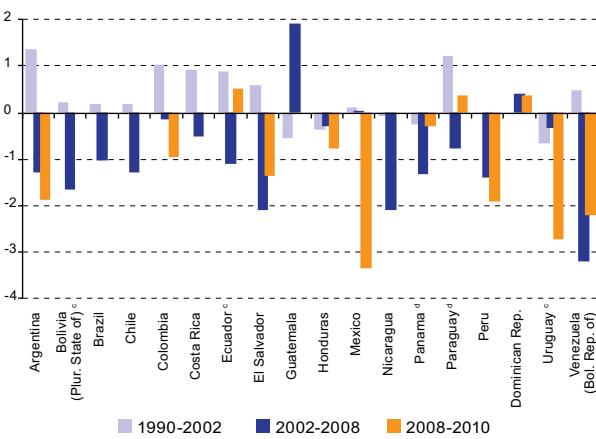
<sup>c</sup> Figures from the National Institute of Statistics and Informatics (INEI) of Peru.

## Progress in reducing distributive inequality

It is widely known that income distribution in the countries of Latin America is among the most unequal in the world. Moreover, during the 1990s and early 2000s, inequality in the region was marked by stubborn downward rigidity or a slight upward trend. There was a turning point in 2002 and 2003 when inequality began to trend down in many countries. While this decrease was slight and not enough to change Latin America's ranking as the most unequal region, it was noteworthy in view of the prolonged absence of overall distributive improvements.

The trend towards distributive improvement in the region did not change in the wake of the economic crisis. Before 2008, which basically reflects pre-crisis levels, the Gini coefficient was falling by 1% or more per year in 10 countries, with Guatemala posting the only appreciable increase (data to 2006). The figures for 2010, which reflect, approximately, the immediate post-crisis scenario, show that inequality did not increase significantly in any of the 11 countries for which there is information. Quite the opposite: in three countries (the Bolivarian Republic of Venezuela, Mexico and Uruguay) the Gini coefficient fell by more than 2% per year, and in two other countries (El Salvador and Peru) it fell by at least 1% per year (see figure 2).

**Figure 2**  
**LATIN AMERICA (18 COUNTRIES): GINI INDEX, 1990-2002,  
 2002-2008<sup>a</sup> AND 2008-2010<sup>b</sup>**



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.

<sup>a</sup> Corresponds to 2004-2006 in Argentina, 2001-2008 in Brazil, Paraguay and Peru, 2000-2006 in Chile, 2001-2004 in El Salvador and 2002-2007 in Honduras.

<sup>b</sup> Corresponds to 2006-2010 in Argentina, 2004-2010 in El Salvador and 2007-2010 in Honduras.

<sup>c</sup> Urban areas.

<sup>d</sup> Urban areas only for 1990-2002.

The decline in inequality in the region over a period of several years provides a good opportunity to examine the factors behind it. Studies of this issue have tended to agree on at least two points. First, that most of the decline in inequality can be traced to the labour market, due above all to a more equitable distribution of labour income per person employed. Second, public cash transfers have been a source of income that has helped to deconcentrate per capita income distribution.

This issue of *Social Panorama* assesses these factors in the light of available evidence for the countries of Latin America for the 2000s. The periods under review are those in which income distribution improved most significantly in 15 countries of the region. The examination focuses on comparing the gaps between the first and fifth quintiles for a group of variables, particularly the

different income streams and labour market indicators. To do so, income was broken down by pairs of factors in order to simulate what would have happened with inequality if one of the factors had not changed during the period under review.<sup>1</sup>

The first breakdown, where per capita household income is the number of adults in the household multiplied by the income received by each adult, gauges the proportion in which changes in per capita income distribution are due to distributive changes in the amount of income received or to changes in household demographic structure. The results indicate that while the demographic factor did help narrow the gaps between quintiles, especially in countries with the most distributive improvements, its impact was slight (see table 2).

**Table 2**  
**LATIN AMERICA (15 COUNTRIES): OBSERVED AND SIMULATED YEAR-ON-YEAR VARIATION IN THE INCOME GAP BETWEEN QUINTILES, BY DETERMINANTS OF INCOME**  
*(Percentages)*

Country	Period	Year-on-year variation		Percentage attributable to:		Year-on-year variation		Percentage attributable to:		Year-on-year variation		Percentage attributable to:	
		Per capita income gap	Change in income per adult	Change in percentage of adults	Income gap per adult	Change in labour income	Change in non-labour income	Labour income gap per adult	Change in income per person employed	Labour income gap per adult	Change in income per person employed	Change in employment rate	Change in employment rate
Argentina <sup>a</sup>	2002-2009	-4.4	82	18	-3.6	55	45	-2.5	150	-50			
Brazil	2001-2009	-4.9	93	7	-4.5	58	42	-3.0	120	-20			
Chile	2000-2006	-4.2	87	13	-3.6	45	55	-2.4	134	-34			
Colombia	2002-2005	-5.2	114	-14	-5.9	95	5	-6.7	79	21			
Costa Rica	2002-2005	-4.7	113	-13	-5.3	93	7	-6.2	66	34			
Dominican Republic	2004-2007	-2.1	119	-19	-2.5	-58	158	1.6	-71	171			
Ecuador <sup>a</sup>	2005-2010	-3.6	98	2	-3.5	61	39	-2.6	107	-7			
El Salvador	2001-2010	-5.8	97	3	-5.6	86	14	-6.3	103	-3			
Mexico	2000-2010	-3.1	93	7	-2.9	74	26	-3.0	120	-20			
Nicaragua	2001-2005	-7.2	90	10	-6.5	146	-46	-10.7	72	28			
Panama	2002-2009	-5.0	109	-9	-5.4	76	24	-5.4	101	-1			
Peru	2001-2010	-4.4	85	15	-3.8	70	30	-4.1	88	12			
Paraguay	2001-2009	-2.7	52	48	-1.4	-27	127	0.8	42	58			
Uruguay <sup>a</sup>	2004-2010	-3.6	101	-1	-3.6	24	76	-1.3	119	-19			
Venezuela (Bolivarian Republic of)	2002-2010	-7.8	104	-4	-8.1	88	12	-8.8	97	3			

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.

<sup>a</sup> Urban areas.

In keeping with findings in the literature, income per adult appears as the main factor behind the distributive improvement in per capita income. This variable is the sum of labour income (per adult) and non-labour income (per adult) in the household. In 10 countries, labour income was the prevailing factor in the reduction of inequality. In the Bolivarian Republic of Venezuela,

Colombia, Costa Rica, El Salvador and Nicaragua the variation in labour income accounted for 90% or more of the variation in total income per adult.

<sup>1</sup> Changes in income are broken down in accordance with the structure described in Ricardo Barros and others, “Uma análise das principais causas de queda recente na desigualdade de renda brasileira”, *Econômica*, vol. 8, No. 1, June 2006.

The distributive change in non-labour income accounted for 50% or more of the decline in adult income inequality in the Dominican Republic, Chile, Ecuador, Paraguay and Uruguay; in Argentina and Brazil it accounted for more than 40%. Non-labour income comes from several sources. In countries where such income played a more notable redistributive role, it comes from public transfers, that is, targeted government action through social policy.

Labour income per adult can, in turn, be expressed as the result of multiplying compensation per person employed by the employment rate (ratio of the number of persons employed to the number of adults). The observed decline in labour income inequality per adult is almost

exclusively due to the first of the two factors. Indeed, not only did the employment gap between quintiles remain virtually unchanged in several countries: it even increased in some of them.

The distributive improvement in income among persons employed is due to several different factors. Mentioned as explanations are a steady improvement in education distribution and the narrowing wage gaps between more highly-skilled and less-skilled workers. In some countries, this drop in labour income inequality among persons employed may be due, to a certain extent, to labour and other policies rolled out by the governments in an effort to improve distributive equality.

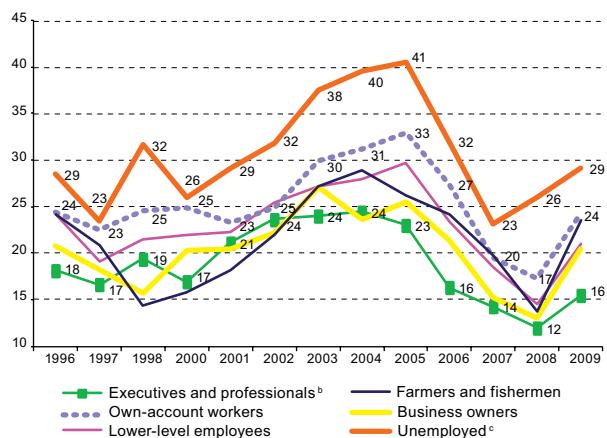
## Perceptions of the operation of the labour market and labour institutions

In Latin America the perception of unemployment as the country's main problem between 1996 and 2009 changed more or less in line with the evolution of real unemployment. The exceptions were the period 2002-2005, when the decline in real unemployment was accompanied by worsening perceptions, and the period 2005-2008, when the perception of unemployment as the country's main problem fell more than real unemployment did.<sup>2</sup>

Throughout the period from 1996 to 2009, unemployment was most frequently mentioned as the country's main problem by the unemployed and own-account workers, and least frequently mentioned by senior and mid-level executives and professionals (see figure 3). In 2007, the perceived lack of job opportunities was greater among persons in a worse socioeconomic situation, among the unemployed and among own-account workers. As for age, persons aged 46 and over were more likely than younger subjects to perceive that there were fewer job opportunities in the country.

<sup>2</sup> The information provided in this subchapter is based on special tabulations of the Latinobarómetro surveys conducted between 1996 and 2009 in 18 countries in Latin America.

Figure 3  
LATIN AMERICA (18 COUNTRIES): PERCEPTION OF UNEMPLOYMENT AS THE MAIN PROBLEM IN THE COUNTRY BY EMPLOYMENT STATUS OF INTERVIEWEE, 1996-2009<sup>a</sup>  
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from Latinobarómetro, 1996-2009.

<sup>a</sup> Between 1996 and 2003, interviewees had to select the main problem from a predefined list. Since 2004, an open question has been used. Data have been available for the Dominican Republic available from 2004 onwards.

<sup>b</sup> Includes senior management, middle management, independent professionals and salaried professionals.

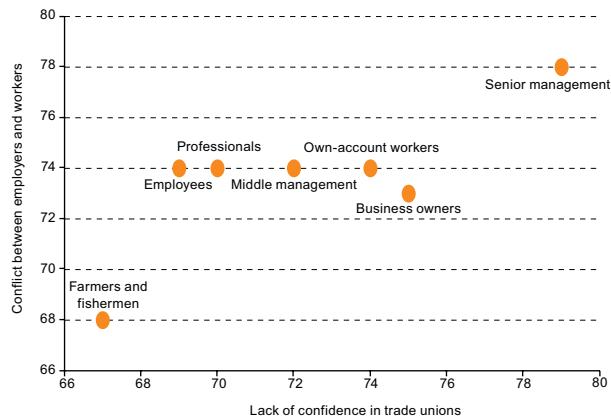
<sup>c</sup> Includes those who were temporarily out of work at the time of the interview.

The region's low unionization rate, small labour unions and infrequent collective bargaining are compounded by less experience with unionization among the less-educated employed and among wage earners in private companies. In addition, distrust of labour unions has remained very high for the past 15 years. It is more frequent among business managers and directors, an occupational group that is also more likely to perceive greater conflict between entrepreneurs and workers (see figure 4).

Perceptions concerning enforcement of labour laws (labour contracts, dismissal and severance pay, workday length, overtime pay and minimum wage) are more negative among those living in countries with severe structural heterogeneity,<sup>3</sup> among the unemployed and among own-account workers. Perceptions of the lack of social security guarantees are more prevalent among those living in countries with severe structural heterogeneity and among older persons.

The data available for 1996 and 2009 indicate that feelings of uncertainty linked to the possibility of job loss tend to be more prevalent during economic contractions and less so during expansions, and that they are more frequent among persons living in countries with greater structural heterogeneity even if the gap has been closing in recent years. And the fear of unemployment is greater among those with less schooling, among own-account workers and among low- and middle-rank employees while it is less prevalent among men and among older subjects.

**Figure 4**  
**LATIN AMERICA (18 COUNTRIES<sup>a</sup>): LACK OF CONFIDENCE IN TRADE UNIONS<sup>b</sup> AND PERCEPTION OF CONFLICT BETWEEN EMPLOYERS AND WORKERS,<sup>c</sup> BY OCCUPATIONAL CATEGORY, 1996-2009<sup>d</sup>**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from Latinobarómetro, 1996-2009.

<sup>a</sup> Data have been available for the Dominican Republic available from 2004 onwards.

<sup>b</sup> Question used in the Latinobarómetro survey: How much confidence do you have in the trade unions? A lot, some, a little or none? The values reported correspond to the percentage who answered that they had little or no confidence in the trade unions.

<sup>c</sup> Question used in the Latinobarómetro survey: In every country there are differences or even conflicts between different social groups. In your opinion, how serious is the conflict between employers and workers? Is it very serious, serious, minor, or is there no conflict? The reported values correspond to the percentage who answered that there was a very serious or serious conflict.

<sup>d</sup> For the question on confidence in the trade unions, the reported data were obtained by combining the observations available for 1996, 2003, 2004, 2005, 2008 and 2009. For the question on conflict between employers and workers, the reported data were obtained by combining the information for 2007 and 2008.

## Current status and outlook for fertility in Latin America

### Introduction

The demographic evolution of Latin America, especially the decline in fertility, provides an unprecedented opportunity for economic advancement and for improving household living standards in the region. The positive effects of this change include the relative

increase in the potentially productive population and the concomitant benefits for the economy, improved sexual and reproductive health and broader education and employment opportunities for women. But the region's stubbornly high levels of poverty and inequality and

<sup>3</sup> Structural heterogeneity refers to profound productivity gaps in the national economies, and it is characteristic of the countries of Latin America. These gaps are found between large companies, SMEs and what is usually largely associated with the informal sector (microenterprises, own-account workers and domestic workers). For the purposes of this study the countries have been grouped into

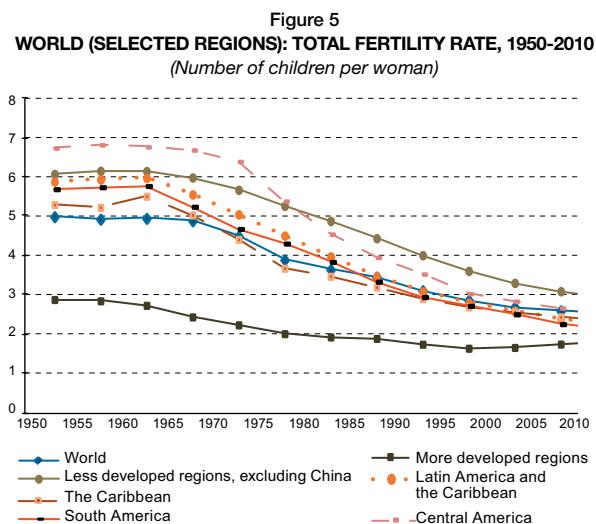
those with moderate structural heterogeneity (Argentina, Chile, Costa Rica, Mexico and Uruguay), intermediate structural heterogeneity (Bolivarian Republic of Venezuela, Brazil, Colombia and Panama) and severe structural heterogeneity (Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, Peru and the Plurinational State of Bolivia).

their close linkage to low education levels are obstacles in the path to reproductive change and the resulting decline in fertility. This situation particularly impacts adolescent Latin American girls, especially those with

less education and income. It is therefore important to review fertility trends in the region in their economic, social and demographic context, so as to spotlight the challenges the countries will face in the future.

## Fertility in Latin America

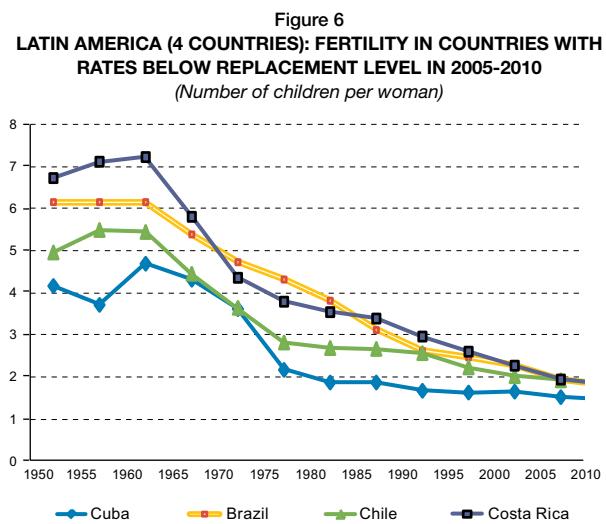
Fertility in Latin America began to plummet in the mid-twentieth century as development gained traction in the countries of this subregion and brought changes in reproductive behaviour. The total fertility rate (TFR) in Latin America gradually pulled away from the average in less-developed countries and, during the five-year period 1990-1995, dropped below the world average (figure 5).<sup>4</sup> In the mid-1960s the women of the region were reaching the end of their childbearing years with nearly six children per woman, that is to say, one child more than the world average and twice the number in the more developed countries. Since then, rapidly-falling fertility in the region has narrowed those gaps considerably: towards 2015 the TFR in Latin America and the Caribbean will be 2.1 children per woman versus 1.7 children in the developed countries.



Source: United Nations, World Population Prospects: The 2010 Revision [CD-ROM], Population Division, New York, 2011

The decline in fertility in the region always surprised researchers by repeatedly exceeding their estimates. Initial projections were for a negligible drop of 0.27 children per woman per five-year period, but the actual decline between the 1960s (the turning point for the fertility trend in Latin America) and the most recent five-year period observed was 0.41 children per woman per five-year period.

Fertility trended down in all of the countries of the region. But as is to be expected in a subregion with striking economic and social inequalities, the timing and the rate of decline differed widely among the countries. The steepest drops were in the 1960s and 1970s, and the countries with the highest initial levels saw the greatest drops in fertility, resulting in a marked convergent trend (see figure 6).



Source: Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC on the basis of the Economic Commission for Latin America and the Caribbean (ECLAC), "Proyección de población", *Demographic Observatory*, No. 7 (LC/G.2414-P), Santiago, Chile, 2009.

<sup>4</sup> The total fertility rate measures the number of children, on average, who would be born to a woman belonging to a hypothetical cohort of females who, during their childbearing years, gave birth to children in accordance with the fertility rates by age groups for the period

under study and who were not exposed to mortality risks up to the end of their child-bearing years (Carlos Welti (ed.), *Demografía II*, Mexico City, Latin American Programme of Population Activities (PROLAP)/National Autonomous University of Mexico, 1998).

The factors that have contributed the most to the drop in fertility are those associated with exposure to sexual relations, such as not entering a union or doing so late, or separating either temporarily or permanently; these account for nearly 50% of the

decline compared with natural fertility.<sup>5</sup> But the impact of contraceptive use, which accounts for almost 40% of the decline, is growing quickly as contraceptives—and the use of modern contraceptive methods—become more widespread.

## **The association between education and fertility intensity and the fertility calendar**

Although the average number of children for all of the countries is low, there are still significant differences among social groups; this reflects the sharp socioeconomic inequalities prevailing in Latin America.

Limited access to education is closely linked to socioeconomic inequalities, and it is a barrier to progress in the sphere of reproduction. So it is still always the case that the lower women's education level, the higher the total fertility rate. In absolute terms, this is most striking in Ecuador, Haiti and the Plurinational State of Bolivia, with differences of more than three children between uneducated women and those who have reached secondary education. This inequality becomes more pronounced when taking into account women who have reached higher education. While fertility has recently been falling across all education levels, different groups have seen different rates of decline; in general, the slowest decline has been among uneducated women. The result is a deepening of relative differences in half of the countries examined here.

In all of the countries considered, the contraceptive prevalence rate is lower among women with less schooling. This in turn is closely correlated with the unmet demand for family planning services. The challenge facing the countries of Latin America here is to adopt measures and step up efforts to meet target 5.B of the Millennium

Development Goals: achieve, by 2015, universal access to reproductive health.

In Latin America, changes in the age at first marriage have been slow, with little variation or a slight increase in age. In contrast, the age at which sexual activity begins is trending younger and the gap between it and age at first marriage is growing. But especially close attention should be paid to the younger age at which women are bearing their first child, which is, in principle, evidence that the Latin American model stands in contrast to the patterns for formation of unions and reproduction that emerged in the developed countries during the 1960s and are regarded as characteristic of the so-called second demographic transition.

The foregoing notwithstanding, in Latin America there are indeed different patterns for marriage (both formal and consensual) and for the initiation of motherhood, and they are strongly influenced by education. Women with a higher level of education systematically start sexual activity at a later age than less-educated women do, and they delay the formation of unions and motherhood. The fact that women in more privileged social sectors and more highly-educated women marry and bear children at a later age supports the idea that in these sectors there is more autonomy in making sexual and reproductive decisions.

## **Outlook for fertility in the light of changes in education**

Most of the countries of Latin America have made substantial progress over the past few decades in improving access to education and increasing the number of years of schooling. Because economic and demographic behavior usually differs in keeping with education levels, projected educational attainment is a key input for economic and demographic projections.

This education dynamic is expected to speed up the decline in fertility as women attain higher levels of education. In a goodly number of countries in Latin

<sup>5</sup> Natural fertility is the number of children that a fertile woman would bear, absent contraceptives or other constraints. For the region, this has been calculated at 21 children per woman.

America, the fertility gap by level of education is not only holding; it is growing. But there are reasons to think that these differences will diminish over the long run if the decline in fertility among more highly-educated women runs its course and fertility among less-educated women continues to fall.

Data from the Demographic and Health Surveys (DHS) show the direct contribution of changes in education gaps to falling fertility in four countries (Brazil, Colombia, Peru and the Plurinational State of Bolivia) over a 15-year period. While they are not yet the dominant force behind the decline in fertility,

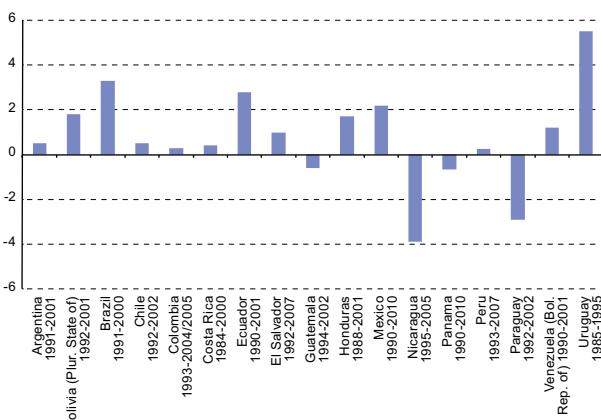
changes in the distribution of educational attainment have contributed substantially to the decrease.

Fertility projections based on this distribution corroborate the conclusions reached with other methodologies: low levels of fertility will increasingly shape the region's demographic and economic future. As a result, there will be a sustained decrease in the number of births and the age structure will gradually skew older. These changes have major implications in terms of the care economy, female labour participation and dependency relationships within families.

## Adolescent fertility: a priority for action and research

It is interesting to see that adolescent fertility is declining at a much slower pace than total fertility. A look at shorter, more recent periods reveals that adolescent fertility rose in almost all of the countries in the region during the 1990s (see figure 7) while total fertility dropped sharply.

Figure 7  
LATIN AMERICA (17 COUNTRIES): CHANGE IN ADOLESCENT MATERNITY<sup>a</sup> BETWEEN THE 1990 AND 2000 CENSUSES ROUNDS  
(Percentage points)



Source: J. Rodríguez, Latin America: high adolescent fertility amid declining overall fertility", document presented at the Expert Group Meeting on Adolescents, Youth and Development, New York, 21-22 July 2011 [online] [http://www.un.org/esa/population/meetings/egm-adolescents/p01\\_rodriguez.pdf](http://www.un.org/esa/population/meetings/egm-adolescents/p01_rodriguez.pdf).

<sup>a</sup> Percentage of women aged between 15 and 19 years who report having had one or more live births.

The most frequently used indicators show that sexual activity is starting earlier in adolescence, tending to make pregnancy during this stage more likely. This earlier sexual activity has not come with earlier unions, meaning that premarital sexual activity is on the rise.

The only way to keep these trends from translating into higher adolescent fertility is to significantly increase the effective use of modern contraceptives during adolescence. Although traditional indicators of coverage point to an increase, a detailed examination of their use leads to a much less encouraging conclusion. Part of the increased use of contraceptives is among women who start using them after having their first child; obviously, this does nothing to prevent adolescent motherhood (although it does help avoid second pregnancies). Moreover, use among adolescent girls and boys is usually less consistent and effective, thus yielding a smaller protective effect than in other age groups. Last, protected sexual initiation, which is the best predictor of childless adolescence, is still rare in a goodly proportion of the countries.

Unlike prior periods, surveys conducted during the 2000s show a systematic drop in the desirability of children conceived during adolescence, and lower levels of desirability for such births versus total births in most of the countries. Evidence of the declining percentage of planned births among adolescent mothers is encouraging, and it is a powerful argument in favour of redoubling public sexual and reproductive health policies and programmes targeting this group.

Unequal fertility levels among groups with different levels of education are especially striking in the case of adolescent motherhood. Education remains a factor that protects against adolescent motherhood, but its preventive capacity has eroded. Above all, the education threshold for minimizing the likelihood of adolescent motherhood has shifted from secondary school to the university level. In countries where only a minority has access to secondary education, reaching that level still yields a sharp drop in the likelihood of being an adolescent mother.

Because progress towards universal secondary education in Latin America has not brought labour market improvements or a decline in social inequality, a considerable portion of the adolescent population attending school has low expectations as to the returns and opportunities that this increase in the number of years of schooling will bring

later on in life. For this reason, the losses and costs of early motherhood are not fully perceived by a large proportion of Latin American adolescents. Along with progress in education, advancing towards more egalitarian societies with more opportunities for adolescents and young people would help bring down the region's high adolescent fertility.

## Final remarks

Marked inequalities in fertility according to level of education, persistently high adolescent fertility and the obvious constraints for contraceptive use among adolescent girls and boys despite their desire to limit fertility, all reveal shortfalls in prevention and barriers to accessing modern contraceptive methods. As ECLAC has repeatedly noted, this is the hard core of intergenerational reproduction of exclusion and inequality, which is perpetuated by a combination of low education levels, lack of childcare

support, the trajectory of more vulnerable families, greater difficulty in earning an income and precarious access to social protection networks. Mothers with small children and low income levels are precisely the ones who face greater difficulties in accessing employment and, when they do, end up concentrated in lower-productivity jobs. Adolescent motherhood, with low levels of education and income, is thus a monumental barrier to productive paths and access to well-being throughout life.

## Work, employment and labour markets: factories, circuits and hard cores of inequality reproduction

As explained in chapter I, the progress that the region has made since 2002 in reducing poverty and, albeit to a lesser extent, inequality—and the evidence that rising labour income has a lot to do with that progress—provide good reason for optimism.

Gauging how much space there is for Latin America to continue to make strides in reducing inequality requires

an examination of productivity gaps, their impact on labour market segmentation and how circuits of inequality operate at the intersection of the State, markets and families. This linkage shows that even though the aggregate indicators for the past few years exhibit encouraging signs, the tendency towards wider gaps between higher- and lower-income sectors is very rigid.

## Productive structure and labour markets: another side to the structural roots of inequality

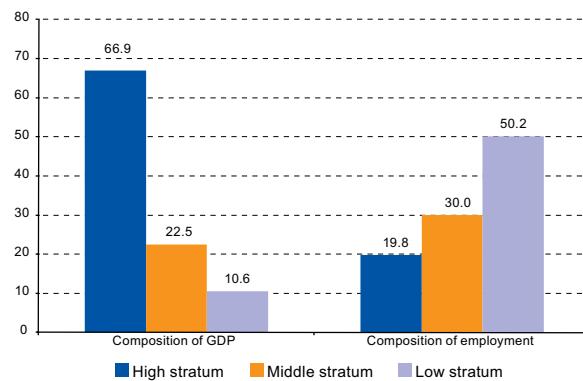
The internal markets of the economies of Latin America are structurally heterogeneous, i.e., they are extremely segmented because of wide productivity gaps. The economic structure of the region can be studied in terms of three productivity strata (high, middle and low) with

differing degrees of access to technology and markets. The *high* stratum, encompassing large-scale export activities and companies (more than 200 workers) accounts for 66.9% of GDP and only 19.8% of total employment. The *middle* stratum comprises small and medium-sized

enterprises (SMEs) and accounts for 22.5% of GDP and 30% of total employment. And the *low stratum*, closely associated with what is commonly referred to as the informal sector, accounts for one half of employment and only 10.6% of GDP (see figure 8).

The implications of this marked disparity between each sector's contribution to GDP and employment are obvious. It results in a very unequal distribution of productivity (GDP per person employed) that ultimately leaves space for extremely heterogeneous appropriation of productivity gains among workers and operates as a structural parameter for disparities and access to well-being in the region. Employment is concentrated in the low-productivity stratum but the greater appropriation of gains (participation in GDP) is in the high stratum, which absorbs just one of every five persons employed. These asymmetries are largely responsible for labour income concentration in Latin America.

Figure 8  
LATIN AMERICA (18 COUNTRIES): STRUCTURAL HETEROGENEITY INDICATORS, AROUND 2009  
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of R. Infante, "América Latina en el "umbral del desarrollo". Un ejercicio de convergencia productiva", Working document, No. 14, Inclusive development project, Santiago, Chile, ECLAC, June 2011.

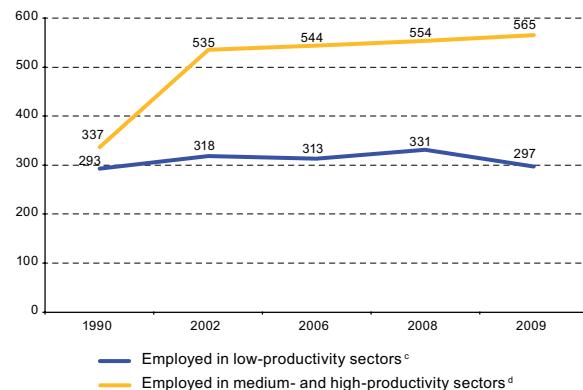
## Productivity, formality, informality and inequality: beyond the dividing lines

Income concentration is a worrisome consequence of structural heterogeneity, but it is not the only one. "Productive divergence" also leads to considerable labour market segmentation as seen in the dividing line between high- and low-productivity employment or between formal employment (closer to the technology vanguard, with a higher level of education, better labour conditions and greater protection from labour institutions) and informal employment (with less income, a lower education level, instability, limited social security coverage and the lack of labour contracts).

It is definitely good news that the dividing line between these two sectors has shifted in recent years: in 2009 workers in low-productivity sectors accounted for 42.7% of the urban employed population. This is an improvement over the figure posted around 1990, when the employed population in this sector accounted for 48.1% of the total. But over the past two decades the dividing line between formal and informal employment has become sharper. In other words, the gap between higher- and lower-productivity workers has grown (see figure 9).

Not only was the drop in informality clearly more marked among men than among women, it was also more stratified among women and was concentrated above all in higher-income women. As a result, 82% of the employed women in the poorest 20% of the population work in low-productivity sectors. The proportion falls to nearly 33% in the highest-income quintile. The gap between employed women in quintiles I and V peaked in 2009.

Figure 9  
LATIN AMERICA (18 COUNTRIES): REAL WAGES OF THE URBAN EMPLOYED POPULATION<sup>a</sup> BY SECTOR, AROUND 1990, 2002, 2008 AND 2009<sup>b</sup>  
(Dollars at constant 2005 prices)



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.

<sup>a</sup> Urban employed persons aged over 15 years who declared labour income (does not include unpaid workers).

<sup>b</sup> Weighted average of the countries on which data is available for all of the periods under review. Up to 2006, the figures for low- and high-productivity sectors do not include Colombia, which does not break down the data by company size. The data shown for 2008 might not coincide with data published by ECLAC (2010c and 2009a) because the Statistics and Economic Projections Division of ECLAC updated the values of the poverty lines and income for the database on Colombia that year.

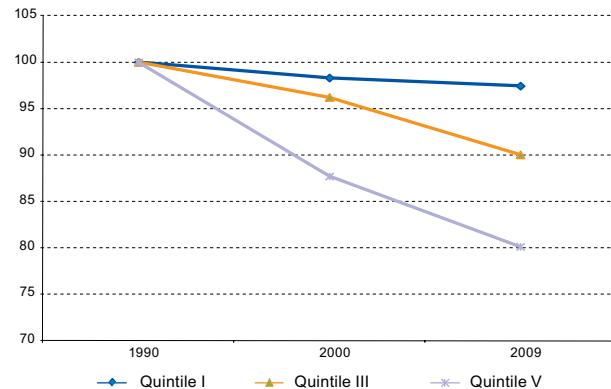
<sup>c</sup> Refers to persons employed in microenterprises (establishments employing up to five persons), domestic employees and unskilled self-employed workers, including the own-account and unpaid family members with no professional or technical skills.

<sup>d</sup> This category includes government employees, private employers and wage earners in establishments employing more than five persons and self-employed professionals and technicians. It does not include domestic employees.

These widening gaps among women are due in part to the many ways in which gender inequality intersects the connection between labour markets and families. The pattern for resolving the pressure that the care burden exerts on households is extremely regressive in that it still essentially depends on the modalities and resources (economic and family) available to them.

The presence of small children in the household pushes lower-income women into informal employment in a much larger proportion than for higher-income women. This disparity has grown more pronounced over the past 20 years: for all intents and purposes the proportion of lower-income women employed in low-productivity sectors has not decreased and stands in contrast to the marked decline in the proportion of higher-quintile women with small children working in low-productivity sectors (see figure 10).

**Figure 10**  
**LATIN AMERICA (13 COUNTRIES): VARIATION OF EMPLOYMENT IN LOW-PRODUCTIVITY SECTORS<sup>a</sup> FOR WOMEN IN HOUSEHOLDS WITH CHILDREN AGED 0 TO 5 YEARS, BY INCOME QUINTILE, WEIGHTED AVERAGES, AROUND 2009<sup>b</sup>**  
*(Percentage variation)*



**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.

<sup>a</sup> The low-productivity sector includes persons employed in microenterprises (establishments employing up to five persons), domestic employees and unskilled self-employed workers, including the own-account and unpaid family members with no professional or technical skills.

<sup>b</sup> Data for the Plurinational State of Bolivia refer to 2007; for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities, plus El Alto; for Ecuador, to urban areas; for Uruguay, to Asunción and the Central Department; for Uruguay, to urban areas; and for the Bolivarian Republic of Venezuela, they refer to the national total.

## Access to employment and inequality: the gender and generational viewpoint

Rising female labour-force participation is perhaps one of the most dramatic changes taking place in the labour markets of Latin America over the past 20 years. But here, too, the highly stratified process exposes a regressive pattern that is operating as a powerful transmitter of inequalities in the region.

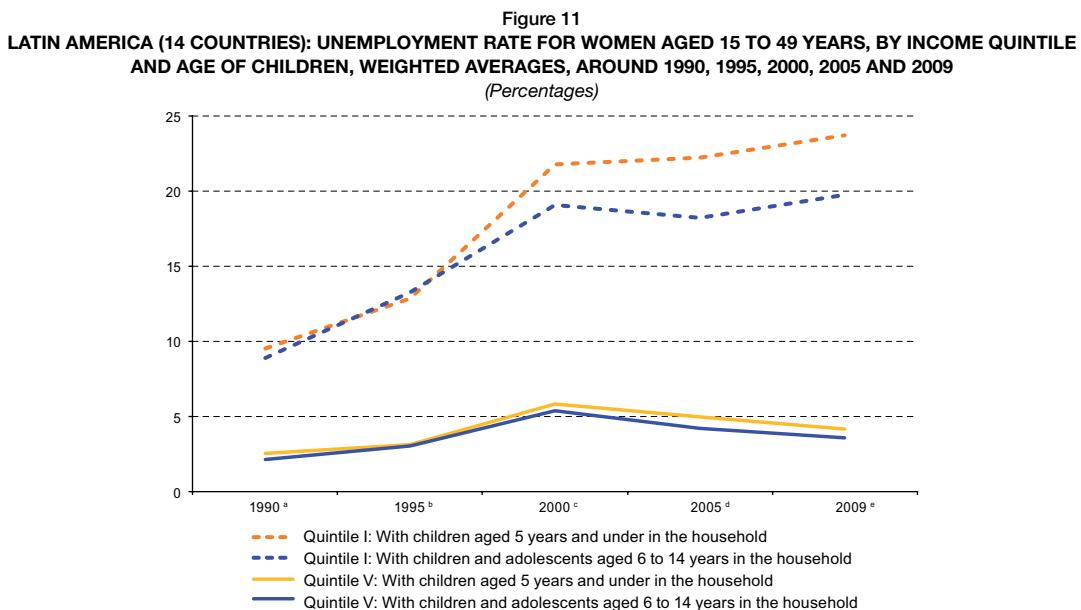
A long-term look shows that the labour participation gap between women in the poorest sectors with small children (aged 5 and under) and those with children aged 6 to 14 has been growing since 2002. This confirms that for the most vulnerable women the burden of caring for smaller children is still an obstacle in the path to labour market insertion. And the gap between women in the highest and lowest quintiles living in households where there is a childcare burden has been growing steadily since 1994—both for women with small children and for those in households with children aged 6 to 14. In both cases the disparity is now the highest it has been since 1994, pointing to a hardening of this rigid circuit of inequality.

Unlike labour-force participation, unemployment is more closely associated with economic cycles, and there is a direct linkage between fluctuations in unemployment and stages of the cycle. But perhaps most relevant here is

the fact that from cycle to cycle some sectors systematically lose out. This reflects unequal capacities for coping with the effects of unemployment; in other words, certain groups are more vulnerable to economic downturns while others are better able to weather cyclical economic contractions.

Unemployment is more concentrated among women, and, again, among lower-income women. Because of this divergence, in 2009 unemployment among lower-income women was five times higher than among women in the highest quintile.

Several developments are behind this widening inequality gap. The incorporation of women into the labour market adds pressure for female employment, and less-educated women encounter more barriers to accessing employment at a time when not enough jobs are being created. But in the most vulnerable sectors the demand for care can work against access to employment. The unemployment rate tends to be higher among women living in households with smaller children. Here, as well, the gap between them and women with children of an age for which there is a formal, more structured supply of schooling grows slightly as income levels fall. This is increasingly the case since 2000 (see figure 11).



**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.

**Note:** Does not include data for the Dominican Republic, El Salvador, Guatemala or Peru for any of the years.

<sup>a</sup> Does not include data for the Bolivarian Republic of Venezuela, El Salvador or Nicaragua. Data for Mexico and the Plurinational State of Bolivia relate to 1989; for Colombia and Panama, to 1991.

<sup>b</sup> The data for Brazil and Nicaragua relate to 1993; for the Bolivarian Republic of Venezuela and El Salvador, to 1995.

<sup>c</sup> The data for Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Plurinational State of Bolivia and Uruguay refer to 1999 and those for Nicaragua, to 2001.

<sup>d</sup> Data for Honduras relate to 2003; for El Salvador and the Plurinational State of Bolivia, to 2004; for Argentina and Chile, to 2006. The figure for 2007 does not include data for El Salvador. Data for Colombia and Nicaragua relate to 2005; for Argentina, Chile and Mexico, to 2006. Data for Argentina relate to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities, plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asunción and the Central Department; and for Uruguay to urban areas.

<sup>e</sup> Data for the Plurinational State of Bolivia relate to 2007; for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina relate to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities, plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asunción and the Central Department; and for Uruguay to urban areas.

The other group in which unemployment is at the most worrisome levels is young people. According to household survey data, in 1990 the unemployment rate among young people aged 15 to 24 was almost twice that for the population overall. Not only has this gap not

narrowed: it seems to have grown since 2005. Moreover, unemployment is much higher among young people from lower-income households than among the higher quintiles, and this gap has not changed significantly in the past 20 years.

## The State at the intersection of labour markets and families

In view of this picture, State intervention should be considered in at least four areas. The first involves advancing towards a comprehensive policy for productive development grounded in appropriate macroeconomic regimes, development policies and market-based microeconomic incentives, as well as robust intervention in industrial and technological policy and in policies for supporting SMEs.

The second area is labour market regulation and institutions. The region's "dual" regulatory model is, without question, a major obstacle to facilitating the appropriation of productivity gains by lower-income workers and to breaking down the barrier between insiders and outsiders that ends up creeping into social protection.

The third relevant axis is linked to State efforts to decouple access to well-being from labour market status,

which entails promoting greater equality across sectors. Measures such as labour intermediation, competencies certification, training initiatives (focused, in the case of young people, on the transition from the education system to the world of work), unemployment insurance and mechanisms facilitating access by the unemployed to non-contributory protection systems are some of the options for decommodifying access to employment.

Lastly, the States should play an active role geared towards distributing childcare. This would eliminate a substantial barrier to labour participation and performance among women with small children. It is up to social protection to facilitate access to a network of care services that, while still quite limited in many of the countries of the region, needs to be improved and expanded.

## Social protection and inequality: cracks, rigidities, open ground and opportunities

Public social expenditure in Latin America has grown steadily since the 1990s (see chapter V). Many countries have thus been able to enhance and stabilize social policies despite very small tax revenues for many States. But the findings set out in the previous chapter add a question mark to the capacity and leeway that social protection systems will have in the future for curtailing the structural channels of transmission of inequality. The region's social protection systems are facing an enormous, complex challenge. But, perhaps

like never before, the current situation holds a new opportunity for transforming social protection as needed to make it a more effective tool for breaking the legacy of inequality.

In order to assess the systemic performance of social protection in the face of inequality, the following pages focus on the cracks and rigidities in social protection systems in Latin America, and on the margins and opportunities for action against the many faces of inequality.

### Contributory linkages and social protection in Latin America

#### Protection for workers and their families

For some time now there has been agreement that the region's labour markets have not managed to become the grand entrance to social protection systems. The high degree of informality and weak labour regulations and institutions affect access to social security coverage through employment: at present, about half of the employed are registered with social security, and a large majority of them work in the formal sector.

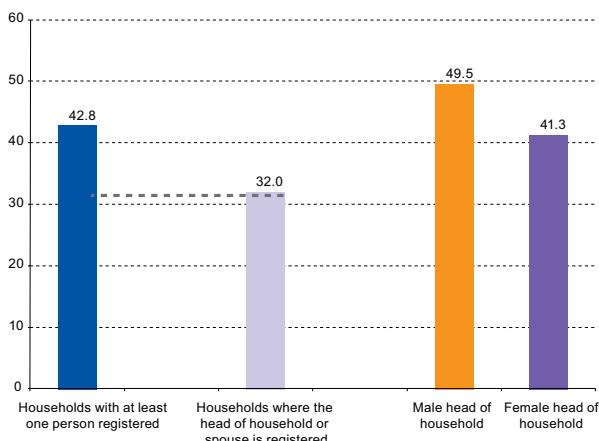
A case in point is the decline in social security registration between 1990 and 2002 (from 52.4% to 49%) and the subsequent rise (to 53.2 % in 2009, which is even slightly above the level posted in 1990). The trend was not the same across sectors, though. During the downturn, the proportion of employed persons with contributory protection in the low-productivity sector fell more than in the medium- and high-productivity sector. And when the economic cycle led to a new upturn in registration, recovery was more robust in the formal sector and far more moderate in the informal sector. This differential evolution turned access to social protection into another factor contributing to the widening gaps between the two sectors.

Beyond coverage for the employed, the contributory rationale is not only to protect workers but also to protect their families in some way, through health insurance. Indeed, it is not only the better-educated workers with higher wages who access social protection systems. Those with fewer dependents (or those in smaller households) do, as well. By contrast, those without access to social security are, predominantly, lower-income workers, employed women with small children, younger workers and workers in larger households.

A look at the data from the standpoint of households not only exposes lower levels of social security coverage (43% of the households have at least one member who is registered, and only in 32% of all households is the head of household or spouse registered); gender and generation gaps come to the fore as well. Social security coverage for households headed by men (49.5%) is significantly higher than the average, while coverage for households headed by women is lower, at 41.3% (see figure 12). Comparing the proportion of children living in households with contributory coverage with the labour force overall shows that the former are at a systematic disadvantage: half (50.2%) of the population aged 15 to 59 lives in households with at least one member registered

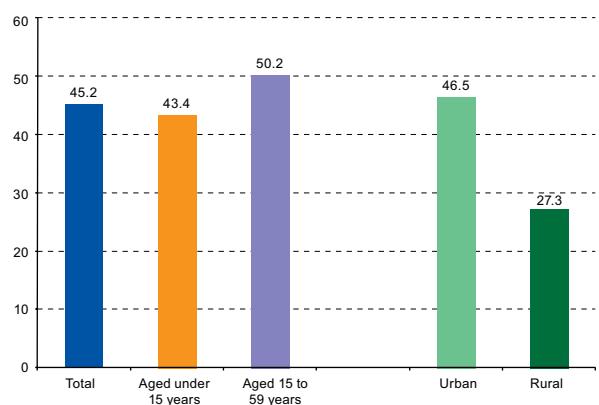
for social security. For the population under age 15 the level drops to 43.4% (see figure 13). Deeper differences surface when comparing the population living in urban and rural areas; the latter are at a disadvantage.

**Figure 12**  
**LATIN AMERICA (18 COUNTRIES): HOUSEHOLDS WITH SOME TYPE OF SOCIAL SECURITY AFFILIATION, BY SEX OF HEAD OF HOUSEHOLD, SIMPLE AVERAGE, AROUND 2009**  
*(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.

**Figure 13**  
**LATIN AMERICA (18 COUNTRIES): PERSONS IN HOUSEHOLDS WITH SOME TYPE OF SOCIAL SECURITY AFFILIATION, BY AGE AND GEOGRAPHICAL AREA, SIMPLE AVERAGE, AROUND 2009**  
*(Percentages)*



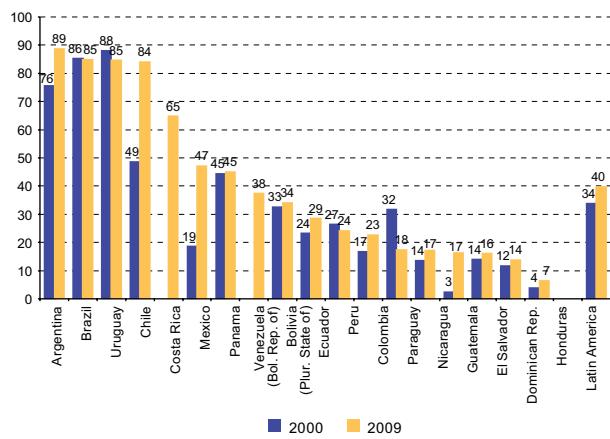
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the respective countries.

### Protecting older adults by transfers: between the contributory base and non-contributory compensation

Social security coverage limitations and shortfalls are reproduced in old age. In the simple average for the countries of the region, barely 1 in 10 Latin Americans aged 65 or older (40%) received retirement or pension benefits in 2009 despite the jump in the proportion of the population with such coverage over the past decade.

Women and men have unequal access to retirement and pension benefits, due to a combination of factors. Differential insertion in the labour force, the feminization of informality, social security registration shortfalls in some sectors with a higher proportion of women and a persistently low activity ratio among women are some of the factors that determine the chances that women will have protection when they reach old age. This is convincing proof that gender inequalities carried over from the active years transfer to old age in a relatively linear fashion.

**Figure 14**  
**LATIN AMERICA (18 COUNTRIES): POPULATION AGED 65 YEARS AND OVER RECEIVING A PENSION OR RETIREMENT BENEFITS, AROUND 2000 AND 2009<sup>a</sup>**  
*(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.

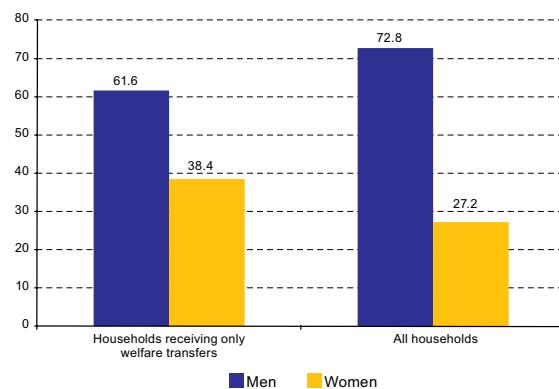
<sup>a</sup> Simple average for the countries with data for both years under consideration. The data for the Plurinational State of Bolivia refer to 2007; those for the Bolivarian Republic of Venezuela and Mexico, to 2008; the data for Argentina refer to Greater Buenos Aires; those for Bolivia (Plurinational State of) refer to eight major cities plus El Alto; those for Ecuador, to urban areas; those for Paraguay, to Asunción and the Central Department; and those for Uruguay, to urban areas.

## The non-contributory pillar: scope and adequacy of welfare transfers

High levels of poverty and inequality, plus the low fiscal capacity of the States, place the countries in a difficult position because public expenditure needs are very high and not enough real effort is being made to cover the broad sectors of the population that have no current income guarantees nor any source of insurance for the future. The non-contributory pillar (public welfare transfers) covers some 12% of households and equates to 0.25% of GDP. But these transfers do seem to target the risks of the population and make a big difference for the poorest households; this confirms the highly progressive distribution of public welfare transfers despite coverage constraints.

Narrowing the focus to lower-income households that receive public welfare transfers and have no members registered with social security shows that a higher proportion of them are headed by women. Almost 4 of every 10 households (38.4%) in the poorest quintile that receive transfers and have no access to social security are headed by women —a relatively high percentage compared with the 27% of households in this quintile that are headed by women (see figure 15).

Figure 15  
LATIN AMERICA (13 COUNTRIES): HOUSEHOLDS IN THE FIRST INCOME QUINTILE NOT COVERED BY CONTRIBUTORY PROTECTION, PENSION OR RETIREMENT SCHEMES, BUT RECEIVING PUBLIC WELFARE TRANSFERS, BY SEX OF HEAD OF HOUSEHOLD, AROUND 2009<sup>a</sup>  
(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.

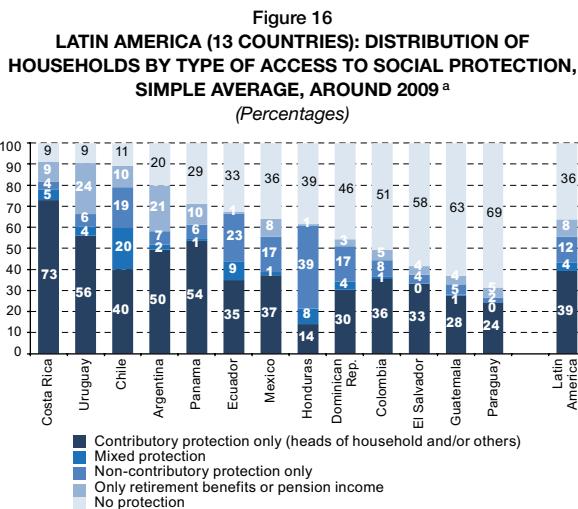
<sup>a</sup> Simple average. Data for the Bolivarian Republic of Venezuela, Brazil, Nicaragua, Peru and Plurinational State of Bolivia are not included. The data for Argentina refer to Greater Buenos Aires and those for Ecuador refer to urban areas. The data for Guatemala refer to 2006, for Honduras, to 2007 and for Mexico, to 2008.

## Cracks and omissions in social protection systems

Regionwide, an average of 43% of households are relatively integrated, employed and covered by some sort of contributory protection. A very small proportion of this sector (an average of 4% across the region) has “mixed” coverage in that they have at least one member registered with social security and receive some sort of public welfare transfer (see figure 16).

The proportion of households that only receive retirement or pension benefits (8%) is just as small and, as is to be expected, is higher in countries with more advanced retirement or pension systems (Argentina, Costa Rica, Uruguay). And, as seen above, 12% of the households in the region are protected by non-contributory welfare transfers alone.

What is perhaps most relevant here is the large proportion of households receiving no form of public protection at all: on average, 36% of the households in the 13 countries examined have no members registered with social security and are not receiving public welfare transfers or retirement or pension benefits. In the more-developed countries, households without protection range from 9% (Costa Rica and Uruguay) to 20% (Argentina). By contrast, the poorer countries, with lower per capita GDP, less fiscal capacity and worse formal dependency ratios, rank near the regional average and, in some cases, far exceed it (households without protection stand at 58% in El Salvador, 63% in Guatemala and 69% in Paraguay).



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.

<sup>a</sup> Data for the Bolivarian Republic of Venezuela, Brazil, Nicaragua, Peru and the Plurinational State of Bolivia are not included either because insufficient information is available on public welfare transfers to households to develop typologies, or because the variable show inconsistencies. Data for Argentina refer to Greater Buenos Aires and those for Ecuador refer to urban areas. The data for Guatemala refer to 2006, for Honduras, to 2007 and for Mexico, to 2008.

These households are clearly overrepresented in the lower-income quintiles. But a significant percentage of the population in the middle and high sectors is in the same situation. On average for 14 Latin American countries, 48% of the population in the first two quintiles receives no public social protection at all; the proportion for the next two quintiles is 38%, and it is 30% for the fifth quintile. So it would seem that the lack of protection has different meanings. One, for those in the middle and higher quintiles, might refer to “cream skimming” the public protection systems in combination with market-based self-insurance and out-of-pocket expenditures. But the most likely meaning is that a majority proportion of the unprotected in the middle and high segments comprises workers in medium- and high-productivity sectors (and, perhaps to a certain extent, to those in low-productivity sectors) lacking access to social security or labour contracts as discussed in previous sections.

## Social protection and its systemic role in the face of inequalities

The initial conclusion from this analysis is that reducing inequality cannot be left up to social protection alone. It is the third link in the chain that generates and reproduces inequalities. The first is structural heterogeneity as the “factory” of inequality; the second is rigid labour market segmentation. The three links are interdependent and require an integrated approach.

The second conclusion is that there is little leeway in the social protection systems because of their relative rigidity. This rigidity is determined by fiscal capacity and the space that the countries have for expanding social expenditure, and by the ability to change distributive options that were chosen in the past when the risk structures was different from those now operating in most of the countries. Within the bounds of social protection, several policy lines can help further these goals.

First, in several countries the contributory pillar is in need of reinforcement either through protection reform or through new devices, enhancing unemployment insurance regimes and making major changes to retirement and pension systems.

Second, there is a clear need to strengthen the non-contributory pillar. Direct income transfers to the poorest are effectively targeting efforts towards the most vulnerable

sectors. These transfers are an important tool for checking the decline in income and consumption capacity among the most vulnerable and for combating the juvenilization of poverty and reducing inequalities early in life. Subsidized contributions to insurance systems (essentially, social security and health and guaranteed effective access to basic services) are a critical part of this pillar.

Last, the data provided expose high levels of precariousness among the region’s older adult population. There is no getting around the importance of transferring income to vulnerable persons aged 65 and older. And there should be no giving up on the idea of moving towards a universal transfer scheme for this stage of life combined with contributory transfers based on pension systems.

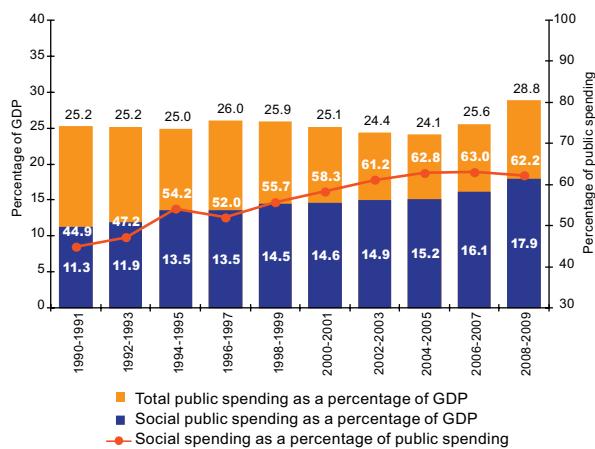
The inequalities highlighted in this chapter call for a new, rights-based approach where the challenge is to build universal social protection networks. This challenge also calls for a contributory pillar and policies that fill in the gaps and, by targeting the most vulnerable groups, put the missing pieces in the puzzle of the universal right to well-being. To put it another way, and in view of the data set out here, the effort to strengthen and reform the architectures of well-being in Latin America should be guided by the goal to achieve universal basic social protection.

## Trends in social spending, expenditure in times of crisis and prospects for universal social security floors

### Long-term trends

Public spending and especially social spending have risen sharply in Latin America in the past two decades: already figuring fairly steadily in macroeconomic priorities up to 2006-2007, public spending then surged in 2008 and 2009 as the authorities took pre-emptive action to stave off the effects of the global financial crisis. With this fresh effort to increase public spending, both the absolute amounts allocated to social spending and their weight in GDP reached a two-decade high as the first decade of the new century came to a close (see figure 17).

**Figure 17**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): TOTAL PUBLIC SPENDING<sup>a</sup> AND SOCIAL PUBLIC SPENDING, AND SOCIAL PUBLIC SPENDING AS A PROPORTION OF TOTAL PUBLIC SPENDING, 1990-1991 TO 2008-2009**  
*(Percentages of GDP and of total public spending)*



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

<sup>a</sup> Official figures using a functional classification of spending, which may not coincide with those obtained from an economic classification of spending.

With total public spending remaining relatively stable, social spending has accounted for a growing percentage of that total: from 45% in 1990-1991 to 58% by the turn of the century and 63% by 2006-2007.

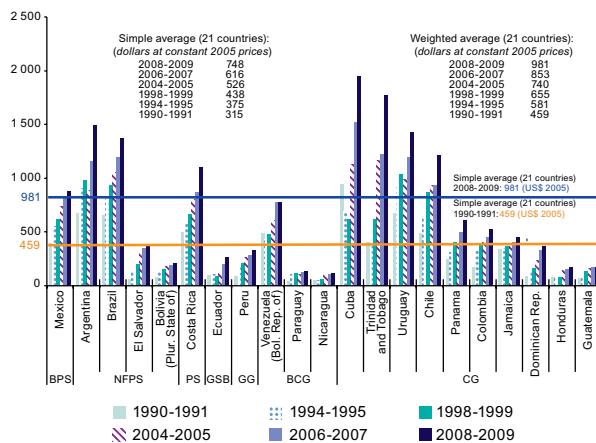
The slight decline in the percentage in the most recent biennium considered (2008-2009) chiefly reflected the relatively steeper increase in non-social spending, mainly in 2008. Public spending soared again in 2009, with a spike in social spending (9.3% over the 2008 level).

The situation varies considerably from one country to the next. In 2008-2009, the macroeconomic priority attached to social spending varied significantly with Dominican Republic, Ecuador, Guatemala, Panama, Paraguay and Peru spending less than 10% of GDP, while Argentina, Brazil, Costa Rica, Cuba and Uruguay spent twice as much. This gap exists although all countries have boosted social spending relative to GDP since the 1990s.

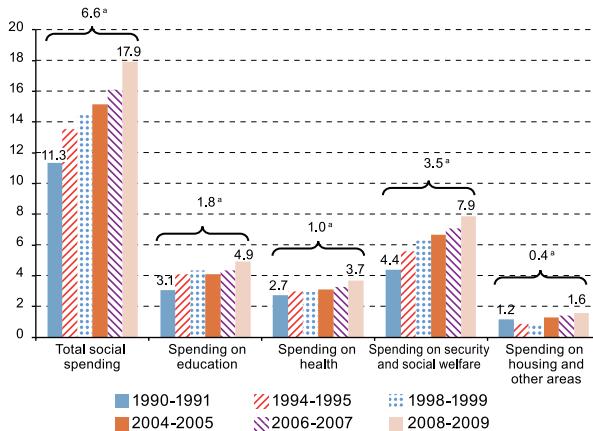
The countries' varying levels of development and tax burdens —and hence their very different general public budgets and, specifically, social budgets—lead to wide disparities in per capita allocations for social fields such as education, health, social security and welfare. At one end of the spectrum, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay and the Plurinational State of Bolivia achieve very low per capita spending (less than US\$ 300) while, at the other end, the countries with the highest per capita social spending (over US\$ 1,000) are Argentina, Brazil, Chile, Costa Rica, Cuba, Trinidad and Tobago, and Uruguay. On average, the countries with the highest social spending manage to allocate up to eight times as much as those with the tightest budgets (see figure 18).

The variation in social spending by sector shows an increase in all the major items, which have thus felt to a greater or lesser extent the procyclical variations associated with the performance of the region's economies. Even so, this growth has been uneven: social security and social welfare are the categories with the greatest increases (equivalent to as much as three percentage points of GDP), accounting for more than half of the overall rise in public social spending (see figure 19).

**Figure 18**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): PER CAPITA SOCIAL PUBLIC SPENDING, 1990-1991 TO 2008-2009<sup>a</sup>**  
(Dollars at constant 2005 prices)



**Figure 19**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): PUBLIC SOCIAL SPENDING BY SECTOR, 1990-1991 TO 2008-2009**  
(Percentages of GDP)



The second-highest spending increase was recorded in education, whose share in GDP climbed by just over 50%. But education spending has not escaped volatility either since, together with the health sector, it usually bears the brunt of fiscal adjustments, especially in the form of

capital expenditure cuts and current expenditure freezes, the latter chiefly through the public-sector wage bill.

Moreover, the public health budget had shown little growth in the past two decades. This has to do partly with the trend in several countries towards expansion of private-sector delivery of health services in the framework of reforms introduced following the structural adjustment of the 1980s. But it also reflects the fact that health spending is highly procyclical and has a significant capital expenditure component that is heavily penalized during economic downswings or periods of flat growth. Lastly, housing and other social expenditure (notably, water and sanitation) show the least public spending growth owing in part to the progressive privatization of investments in sanitation infrastructure and the tendering out of building contracts for social housing schemes in which public financing is combined with private (by households, through easier access to mortgage facilities).

Where the parameters of public spending are bound by the economic cycle, social and non-social public spending fluctuations are usually driven by the country's economic performance. Thus, the procyclicality of public spending (and much of social spending), rigidities in budget appropriations and the tendency to privatize certain items of expenditure conspire against steadier progress with social policies and social protection systems aimed at reducing inequality, all of which perpetuates the gaps and cracks identified in the preceding chapter.

Prudential fiscal management is a key element in long-term economic development, but the over-adjustments which commonly occur in public and social expenditure during economic downswings dampen those very processes that prudential fiscal management seeks to safeguard. As a rule, social public spending reductions outnumber falls in growth in the region: between 1991 and 2009, there were 48 instances of absolute reductions in social public spending in the various countries and in 88% of these cases (42), the cut exceeded the decline in GDP (even during periods when GDP continued to expand).

Yet social spending is less sensitive to the business cycle than non-social public spending and the budget overall. Thus, even with its procyclical traits, social spending has weathered economic fluctuations better than non-social public budgetary allocations. So the countercyclical impact of social public spending is materialized asymmetrically, inasmuch as spending needs to be procyclical in boom periods, expanding in schemes conducive to ensuring the universal exercise of social rights—with an eye to long-term financial sustainability—and more countercyclical in economic downturns.

## The financial crisis and social spending in the region

In an effort largely unprecedented in magnitude to counter the international financial crisis, most of the region's countries adopted measures, in most cases on a temporary basis, to increase public spending and tackle the hardships caused by the global financial crisis and its repercussions. Many of these measures sought to alleviate the impact of the crisis on the real economy, sustain activity in local and regional economies, and curb the rise in unemployment and poverty.

The most widely used fiscal measures were tax cuts, hikes in subsidies and tax benefits, and increases or early disbursement of public spending allocations. In the social and production spheres, governments also boosted resources for building housing and water and sanitation projects, promoting the SME and agricultural sectors (facilitation of loans and concessionary repayment

horizons), strengthening labour policies (unemployment insurance, hiring subsidies, employment schemes) and funding social programmes, especially conditional transfer programmes.

Not all the countries expanded their public spending in 2009: the Bolivarian Republic of Venezuela, Cuba, Dominican Republic, Jamaica and Uruguay all cut back on public spending although Dominican Republic was the only country to do so significantly (by 10.7% compared with 2008). But both this last country and Cuba had seen expenditure rise in 2008 by much more than the reduction in 2009. Several of the remaining countries, including Argentina, Chile, Colombia, El Salvador, Paraguay and Peru, stepped up their spending by over 10% in 2008 and 2009. Brazil, Ecuador and Honduras boosted their spending by over 7% (see table 3).

**Table 3**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): ANNUAL GROWTH IN GDP, TOTAL PUBLIC SPENDING, AND SOCIAL AND NON-SOCIAL SPENDING, 2009**  
*(Percentages)*

Country	GDP	Spending components		Total public spending
		Social	Non social	
Argentina	0.9	16.8	8.5	13.7
Bolivia (Plurinational State of)	3.4	...	...	2.9
Brazil	-0.6	8.3	9.7	8.7
Chile	-1.7	16.6	12.8	15.3
Colombia	1.5	16.4	16.3	16.4
Costa Rica	-1.3	14.7	-0.2	5.1
Cuba	1.4	1.5	-5.6	-1.9
Dominican Republic	3.5	-6.5	-14.0	-10.7
Ecuador	0.4	28.5	4.5	9.8
El Salvador	-3.1	2.4	37.1	20.9
Guatemala	0.5	15.9	-7.0	4.7
Honduras	-2.1	11.6	2.7	7.0
Jamaica	-3.0	-3.7	-0.3	-1.1
Mexico	-6.0	5.6	7.0	6.2
Nicaragua	-1.5	4.3	-0.7	2.0
Panama	3.2	17.1	-5.6	4.8
Paraguay	-3.8	26.0	29.6	27.8
Peru	0.9	15.9	8.8	12.1
Trinidad and Tobago <sup>a</sup>	-3.5	...	...	...
Uruguay	2.6	10.5	-32.7	-0.1
Venezuela (Bolivarian Republic of)	-3.3	8.9	-8.3	-0.8

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

<sup>a</sup> No data available for 2009.

The rise in fiscal spending occurred mainly in non-social sectors, however, except in Brazil, El Salvador Mexico and Paraguay, where social spending rose faster than non-social spending. In Bolivarian Republic of

Venezuela, Cuba and Uruguay, the spending cuts fell mainly upon non-social items, which favoured a sharp expansion in social spending. Jamaica reduced all types of spending, with the most significant cuts in social spending.

Dominican Republic also compressed its expenditures, with the sharpest cuts in non-social areas. Guatemala, Honduras, Nicaragua and Panama increased their total public spending even while cutting social spending and in the remaining countries, social expenditures grew more slowly than other spending items.

Lastly, among the 10 countries for which information is available for 2010 (Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Honduras, Mexico, Paraguay and Peru), public spending appears to have been reduced in only four (Chile, Colombia, Cuba and Honduras), but continues to expand in the others.

## Social security in the region and prospects for establishing a universal floor for pension and retirement benefits

In most countries of the region, the social contributions administered by the public sector are insufficient for the State to finance all retirement benefits and pensions. Nevertheless, upon analysis it appears that the combined collection potential of the public and private systems in

most of the countries is enough to fund more—or even much more—than the existing pension and retirement benefit commitments: at current levels of social security membership and coverage, only five countries generate or will generate an annual deficit up to 2030 (see table 4).

Table 4  
LATIN AMERICA (17 COUNTRIES): PROJECTED ANNUAL BALANCES OF SOCIAL SECURITY INCOME AND EXPENDITURE, 2012-2015-2020-2025 AND 2030<sup>a</sup>  
(Percentages of GDP)

Country	2012	2015	2020	2025	2030	Long-term situation
Argentina	4.7	4.6	4.1	3.6	3.1	Small surplus
Bolivia (Plurinational State of)	1.5	1.5	1.5	1.4	1.3	Surplus maintained
Brazil	3.6	3.2	2.3	1.4	0.3	Small surplus
Chile	0.4	0.2	-0.2	-0.7	-1.3	Progressive deficit
Colombia	1.9	1.6	1.0	0.3	-0.4	Progressive deficit
Costa Rica	0.7	0.5	0.0	-0.6	-1.3	Progressive deficit
Dominican Republic	0.8	0.7	0.7	0.6	0.5	Small surplus
Ecuador	0.4	0.4	0.1	-0.1	-0.4	Progressive deficit
El Salvador	1.0	0.9	0.9	0.9	0.9	Surplus maintained
Guatemala	0.5	0.5	0.5	0.6	0.6	Surplus maintained
Honduras	0.4	0.4	0.4	0.4	0.3	Surplus maintained
Mexico	0.0	-0.1	-0.2	-0.4	-0.6	Progressive deficit
Nicaragua	2.2	2.3	2.3	2.3	2.2	Surplus maintained
Panama	1.2	1.0	0.7	0.4	0.0	Small surplus
Paraguay	2.7	2.7	2.6	2.4	2.1	Small surplus
Peru	1.0	0.9	0.8	0.6	0.4	Small surplus
Uruguay	1.6	1.5	1.2	0.8	0.4	Small surplus
Average	1.4	1.3	1.1	0.8	0.5	--

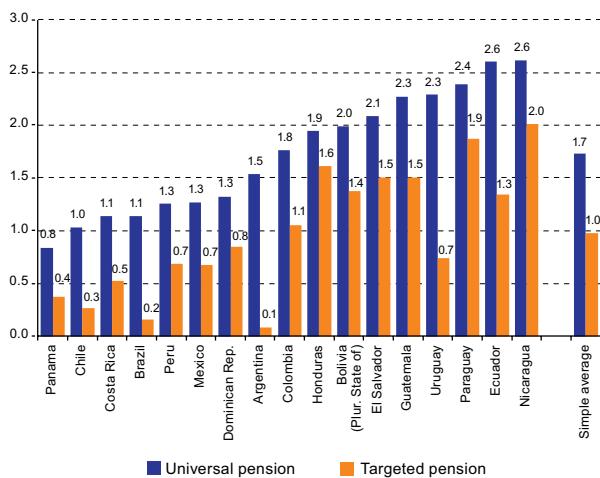
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the respective countries and Economist Intelligence Unit [online] [www.eiu.org](http://www.eiu.org), for the official GDP figures and growth projections for the countries.

<sup>a</sup> Projections are based on the assumption that levels of social security membership and coverage recorded in the surveys and the participation rates and contribution parameters remain the same, while GDP and numbers of employed and of the older population vary and wages increase in real terms by half the rate of GDP growth.

Given these estimates, the question is whether and to what extent it would be possible to use part of cumulative social security funds not just to institute a solidarity-based pillar among retirees but also to gradually establish a universal minimum pension for all older persons. As

shown in figure 20, the average cost in 2012 would be 1.7% of that year's GDP and this percentage would fall to 1% of GDP on average if it were limited to the aggregate cost of a targeted minimum pension for underprivileged older persons.

**Figure 20**  
**LATIN AMERICA (17 COUNTRIES): COST OF A UNIVERSAL PENSION AND A TARGETED PENSION FOR OLDER ADULTS, 2012<sup>a</sup>**  
*(Percentages of GDP)*



**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 and Economist Intelligence Unit [online] [www.eiu.org](http://www.eiu.org) for the official GDP figures and growth projections for the countries.

<sup>a</sup> Pension equivalent to the value of the national poverty line. The targeted pension is for older persons living in households with a per capita income equal to or below 1.8 poverty lines.

The various projections and simulations of scenarios for social security financing and expenditure indicate that, on the basis of potential levels of social contributions, the vast majority of countries are in a position to finance a targeted pension for vulnerable older persons in the short term. Some could even contemplate a universal pension, but this would call for more robust social security systems supported by stronger labour markets, greater labour force participation, a more dynamic formal sector and broader social security enrolment.

Nevertheless, in the long term, social security systems would have to be redesigned by means of a new wave of reforms, especially in those countries that implemented structural reforms based on the partial or total privatization of the social security system and on an expansion of resources through new fiscal covenants. Such a strategy would facilitate the introduction of solidarity-based pillars in the systems (redistribution among retirees, financing of non-contributory pensions, award of a basic pension). But even this might be insufficient: several countries would need to change their parameters, mainly by increasing the contributory burden (and possibly by changing the share paid by workers, employers and the State), ensuring as far as possible that this is achieved without diminishing the amount of old age, disability and death benefits.

## Caribbean youth: exclusion and vulnerability

### Demographic profile of Caribbean youth

Young people (aged from 15 to 29 years) represented a quarter of the total population of the Caribbean in 2010, just under the Latin American average, although the proportion ranges from 30% at the upper extreme (Belize and Haiti) to approximately 20% at the lower extreme (Cuba and Puerto Rico). It is projected that the region's young population as a proportion of the total will decline gradually in the years to come.

This forms part of what is known as the demographic dividend (see chapter I), a phenomenon which has begun in all Caribbean countries, but has already come to an end in the United States Virgin Islands while in Guyana it is

expected to last until 2050. The dividend offers unique opportunities, which may be exploited by promoting social investment in the youngest sectors of the population in order to emphatically strengthen their inclusion in education, health and training policies.

Migration is another phenomenon that has a significant impact on young people and on population dynamics in the Caribbean. In general, while the emigration of young people is very high in this subregion, it is lower than that of adults. According to data from 2000, people aged 15 to 24 years in Belize, Jamaica and Trinidad and Tobago make up almost a quarter of the total migrant population.

With regard to youth mortality, exogenous causes (homicides, accidents and suicides) account for just over half of deaths among young people aged between 15 and 29 in the Caribbean. The subregion has one of

the highest murder rates, comparable to Central America, South America and Southern Africa. The countries with the highest rates are the Dominican Republic, Jamaica, and Trinidad and Tobago.

**Table 5  
THE CARIBBEAN (SELECTED COUNTRIES): EMIGRATION BY AGE GROUP AND SEX, 2000-2001  
(Percentages)**

Country	Age group (male)					Age group (female)				
	Under 15 years	15-24 years	25-44 years	45-64 years	65 years and over	Under 15 years	15-24 years	25-44 years	45-64 years	65 years and over
Antigua and Barbuda	5	8	35	34	18	6	10	40	29	15
Bahamas	...	13	49	25	13	...	16	56	21	7
Barbados	...	4	20	38	38	...	4	21	41	34
Belize	...	22	46	24	8	...	25	49	19	7
Bermudas	...	7	41	38	14	...	7	40	38	15
Dominica	12	10	36	24	18	13	11	36	23	17
Grenada	4	5	32	32	27	4	8	30	31	27
Jamaica	10	25	42	10	4	10	23	38	14	5
Montserrat	...	11	25	32	32	...	15	27	24	34
Saint Kitts and Nevis	...	8	39	33	20	...	11	38	29	22
Saint Lucia	...	13	37	29	21	...	16	39	26	19
Saint Vincent and the Grenadines	...	7	38	33	22	...	11	41	28	20
Turks and Caicos Islands	...	8	42	38	12	...	12	47	29	12
Trinidad and Tobago	...	26	41	24	9	...	25	38	26	11

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of census data of the 2000-2001 round, Thomas-Hope, Elizabeth, "Regional special topic monography on international migration, based on the analysis of the 2000 round census data of eighteen Caribbean countries", Greater Georgetown, secretariat of the Caribbean Community (CARICOM), 2009.

## Youth and poverty: the risks of early emancipation

As in Latin America, poverty in the English-speaking Caribbean generally has a greater impact on the child population (under 15 years). Despite this, in Antigua and Barbuda 25.4% of people living in extreme poverty and 22.6% of all poor people are aged from 15 to 29 years. In Saint Lucia, just over a quarter of the poor are young (from 15 to 29 years). This percentage is lower in the Cayman Islands (22%) but not in Grenada or Trinidad and Tobago, where a third of those living in poverty are young (aged between 15 and 29). In Belize, 21% of all poor are aged from 15 to 24, while just over half of Belizeans aged 14 to 17 are living in poverty.

From a life-cycle perspective, there is a highly significant correlation between the increased likelihood of living in poverty and emancipation at an early age from the youth phase, when the role of head of household or spouse is assumed. Data from some countries show that in the first income quintiles the proportion of young people aged around 20 who are heads of household or spouses is much higher than the percentage of young people of the same age in the higher quintiles. This phenomenon underscores the findings presented in chapter IV: social protection excludes some particularly vulnerable segments of the population and of the life cycle, and penalizes low-income sectors.

## Sexual and reproductive health

Estimates indicate that around 30% of adolescents in the English-speaking Caribbean subregion have had sex. On average, men who have sexual relations during

adolescence do so from the age of 11, and women from the age of 14-15. Moreover, around half of sexually active adolescents report that their first sexual experience

was non-consensual, while almost a third of sexually active adolescents have multiple sexual partners. This presents policymakers with enormous challenges in terms of providing timely information and preventing sexual violence and assisting the victims.

One of the characteristics of the Latin America and the Caribbean region is a stubbornly high teenage maternity rate when compared to fertility rates for the population as a whole, as discussed in chapter II. However, the fertility rate among adolescent mothers (ratio of the number of births to total number of women in this age group) is markedly lower in the Caribbean than in Latin America: of the 19 countries in Latin America and the Caribbean whose rate is lower than 61 births per 1,000 inhabitants among women aged 15 to 19 years, 17 are located in the Caribbean and only Belize, Guyana and Saint Vincent and the Grenadines come close to the Latin American average.

HIV/AIDS is a priority for the Caribbean countries, given its high incidence. The prevalence of HIV among young people and adults (from 15 to 49 years), which equates to 1% of the total population, is the second-highest in the world, surpassed only by sub-Saharan Africa. A prevalence of 0.1 in Cuba contrasts sharply with countries in which the prevalence is over 1%, such as the Bahamas (3.1%), Barbados (1.4%), Belize (2.3%), Haiti (1.9%),

Jamaica (1.7%), and Trinidad and Tobago (1.5%). Although the number of new cases of HIV infection in the subregion has fallen slightly over the past decade, it is estimated that between 220,000 and 270,000 people are living with HIV, of whom approximately 53% are women. In Trinidad and Tobago, for example, women make up 75% of new cases among people aged 15 to 24, while in Jamaica the ratio of infected women to men in this age group is 3 to 1.

HIV is a particularly important issue for the young Caribbean population. Approximately 83% of HIV cases are diagnosed in people aged 15 to 54; a third of them are found among people aged between 25 and 34. Given that the disease has an eight-year incubation period, it may be inferred that almost a third of new HIV cases occur among 15-24-year-olds. As to condom use, recent studies indicate that 90% of sexually active adolescents in the English-speaking Caribbean region have used a condom, but only 16%-25% report doing so regularly. When the group under examination is restricted to women aged 15 to 24 in countries such as Belize, the Dominican Republic, Guyana and Trinidad and Tobago, almost 50% used condoms during their most recent sexual encounter, a relatively high percentage in comparison with some Latin American countries, but very low considering the increased risk of HIV infection.

## Youth unemployment

At the start of the previous decade, although young people (men and women) aged 15 to 24 years represented 20% to 30% of the workforce in Caribbean countries, they accounted for between 40% and 60% of the unemployed. Likewise, unemployment rates among young people (aged 15 to 24) in some countries of the subregion were two to four times those of the adult population. According to recent data, this situation has not changed significantly.

Failure to create the right conditions for young people to find decent employment reduces their opportunities, limits their present and future development and in many cases heightens existing levels of inequality and poverty. In Antigua and Barbuda, for instance, 80% of unemployed men aged between 25 and 29 live in poverty, on less than US\$ 2.51 a day (in general, 30.6% of the total unemployed population in that country live on less than that amount).

**Table 6**  
**THE CARIBBEAN (8 COUNTRIES): UNEMPLOYED YOUTH  
AGED FROM 15 TO 24 YEARS**  
*(Percentages of total unemployed)*

Country	Year	Percentage
Bahamas	2008	33.2
Barbados	2003	33.7
Cayman Islands	2008	26.9
Guadeloupe	2006	16.4
Jamaica	2008	37.2
Martinique	2008	19.0
Saint Lucia	2004	40.0
Trinidad and Tobago	2008	42.0

Source: International Labour Organization (ILO), LABORSTA database, 2011.

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## Institutional framework for youth policies

The institutional framework and public policies on youth have been strengthened over the past two decades. In some Caribbean countries, specific government departments are responsible for establishing links with government and civil society bodies involved in youth issues. Some government ministries, while not being exclusively devoted to youth issues, do include these matters among their primary objectives. For some Caribbean governments, youth issues and the institutional

response fall within the jurisdiction of different agencies. They are directed by action plans that bring together, in a single public youth policy, the different activities of the government, and the private sector in some cases. In general, however, as in Latin America, more progress is needed on comprehensive approaches that rise above sectoral perspectives, as is the nature of the young actor, in whom risks, abilities, opportunities, systems of belonging and forms of participation come together.



## Chapter I

# Poverty, inequality and perceptions of work in Latin America

## A. Poverty

In 2010, as economic growth recovered, poverty and indigence in the region fell to their lowest levels in 20 years. Although the drop in poverty has been mainly due to average household income growth, declining inequality has also been making an increasing contribution.

### 1. Economic context

Per capita GDP in Latin America grew by 4.9% in 2010. This outcome was the result of a combination of situations ranging from high growth rates in some countries to falling output in others. The highest growth rates were in Paraguay (13.1%), Argentina and Uruguay (8.1%), followed by Peru (7.5%), Brazil (6.8%) and the Dominican Republic (6.3%). Per capita output in Haiti

and the Bolivarian Republic of Venezuela fell by 6.6% and 3.0%, respectively (see table I.1).

GDP growth was driven by domestic demand, in the form of higher investment and private-sector consumption, and external demand, as manifested by substantial export growth in a number of the region's countries (ECLAC, 2011a).

**Table I.1**  
**LATIN AMERICA (20 COUNTRIES): SELECTED SOCIOECONOMIC INDICATORS, 2000-2010**  
*(Percentages)*

Country/Year	Per capita GDP	Unemployment	Average real wage <sup>c</sup>	Consumer price index <sup>d</sup>	Country/Year	Per capita GDP	Unemployment	Average real wage <sup>c</sup>	Consumer price index <sup>d</sup>
	(average annual rate of change) <sup>a</sup>	(simple average for the period) <sup>b</sup>	(average annual rate of change)	(average annual rate of change)		(average annual rate of change) <sup>a</sup>	(simple average for the period) <sup>b</sup>	(average annual rate of change)	
Argentina					Haiti				
2000-2008	2.6	13.5	3.7	9.6	2000-2008	-1.1	...	...	17.2
2009	-0.2	8.7	11.7	7.7	2009	1.2	...	...	2.1
2010	8.1	7.7	12.9	10.9	2010	-6.6	...	...	6.2
Bolivia (Plurinational State of)					Honduras				
2000-2008	1.7	7.8	-1.2	5.4	2000-2008	3.0	...	...	8.4
2009	1.6	7.9	3.8	0.3	2009	-4.1	4.9	...	3.0
2010	2.4	6.5	...	7.2	2010	0.8	6.4	...	6.5
Brazil					Mexico				
2000-2008	2.4	9.5	-1.1	6.9	2000-2008	1.6	4.4	2.3	5.1
2009	-1.1	8.1	1.3	4.3	2009	-7.2	6.6	0.6	3.6
2010	6.8	6.7	2.1	5.9	2010	4.8	6.4	...	4.4
Chile					Nicaragua				
2000-2008	3.1	9.0	1.6	3.8	2000-2008	2.0	8.8	0.0	9.2
2009	-2.6	9.7	4.8	-1.4	2009	-2.7	10.5	5.8	1.8
2010	4.2	8.2	2.3	3.0	2010	3.2	9.7	1.3	9.1
Colombia					Panama				
2000-2008	2.6	15.2	1.2	6.5	2000-2008	4.2	12.8	-1.5	2.7
2009	0.0	13.0	1.1	2.0	2009	2.2	7.9	2.7	1.9
2010	2.9	12.4	2.5	3.2	2010	5.9	7.7	1.9	4.9
Costa Rica					Paraguay				
2000-2008	2.7	6.0	0.3	11.3	2000-2008	0.9	9.8	0.2	8.8
2009	-2.6	8.5	7.7	4.0	2009	-5.5	8.2	4.5	1.9
2010	2.8	7.1	2.1	5.8	2010	13.1	7.8	0.7	7.2
Cuba					Peru				
2000-2008	5.9	2.7	5.0	2.8	2000-2008	4.2	9.0	0.7	2.7
2009	1.4	1.7	4.6	-0.1	2009	-0.3	8.4	3.1	0.2
2010	2.1	2.5	3.0	1.5	2010	7.5	7.9	2.6	2.1
Ecuador					Dominican Republic				
2000-2008	3.7	8.7	...	16.5	2000-2008	3.7	16.1	...	13.5
2009	-0.7	8.5	...	4.3	2009	2.1	14.9	...	5.7
2010	2.5	7.6	...	3.3	2010	6.3	14.3	...	6.3
El Salvador					Uruguay				
2000-2008	2.1	6.3	...	4.0	2000-2008	2.4	13.0	-1.0	9.0
2009	-3.6	7.1	3.5	-0.2	2009	2.2	7.6	7.3	5.9
2010	0.9	...	1.0	2.1	2010	8.1	7.1	3.3	6.9
Guatemala					Venezuela (Bolivarian Republic of)				
2000-2008	1.2	5.0	-0.9	7.5	2000-2008	2.6	12.7	-1.8	21.0
2009	-1.9	...	0.1	-0.3	2009	-4.8	7.8	-6.6	26.9
2010	0.3	...	2.8	5.4	2010	-3.0	8.6	-5.2	27.4
Latin America									
2000-2008	2.3	9.5	...	8.6					
2009	-3.1	8.1	...	3.7					
2010	4.9	7.3	...	6.5					

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

<sup>a</sup> Based on per capita GDP in dollars, at constant 2005 prices.

<sup>b</sup> For the 2000-2008 period, the Guatemala data only cover 2002-2004. In Honduras, the 2000-2008 data start from 2001. The Peru unemployment data are for the city of Lima.

<sup>c</sup> The coverage of this index is usually very incomplete. In most countries it covers only formal workers in the industrial sector.

<sup>d</sup> Year-on-year changes to December. The regional aggregate is the simple average of these changes.

The employment situation was better than in 2009. The employment rate (the ratio between the number of people in work and the working-age population) rose by 0.6 percentage points to 54.9%, although this trend was not seen in all the countries. Whereas this indicator rose by 0.4 percentage points in South America, it fell by 0.2 percentage points in Mexico and Central America. During 2010, furthermore, there was a rise of 0.3 percentage points in the participation rate (the ratio between the economically active population and the working-age population). The downward trend in the two variables since mid-2008 was thus reversed (ECLAC, 2011a).

The urban unemployment rate fell from 8.1% to 7.3%, leaving it below not only the 2000-2008 average but all the annual values of the past 20 years. Unemployment fell by about 1.4 percentage points in the Plurinational State of Bolivia, Brazil, Chile and Costa Rica, but rose by 0.8 percentage points or more in Cuba, Honduras and the Bolivarian Republic of Venezuela.

Average wage growth was positive in real terms in 13 of the 14 countries with information available in

2010, the one exception being the Bolivarian Republic of Venezuela. In nine of them, however, wage growth was lower than in 2009.

A feature of 2010 was a rise in inflation in all the countries of the region. The simple average of their inflation rates was 6.5%, or 2.8 percentage points more than in 2009. The Bolivarian Republic of Venezuela had the highest rate (27.4%), followed by Argentina (10.9%). Although no other country had two-digit inflation, the number of countries with inflation rates below 5% fell from 16 to 8 between 2009 and 2010. The increase in inflation was driven mainly by food and beverage prices, which on average rose 1.8 times as much as those for other products. This is a particularly important consideration when it comes to measuring indigence, as described below.

The 2011 projection is for regional GDP to grow by 4.7%, giving a 3.6% rise in per capita GDP. The recovery seen in the region since mid-2009 is thus continuing, albeit with slower growth than in 2010. The unemployment rate is expected to fall even further, and inflation to carry on trending upward.

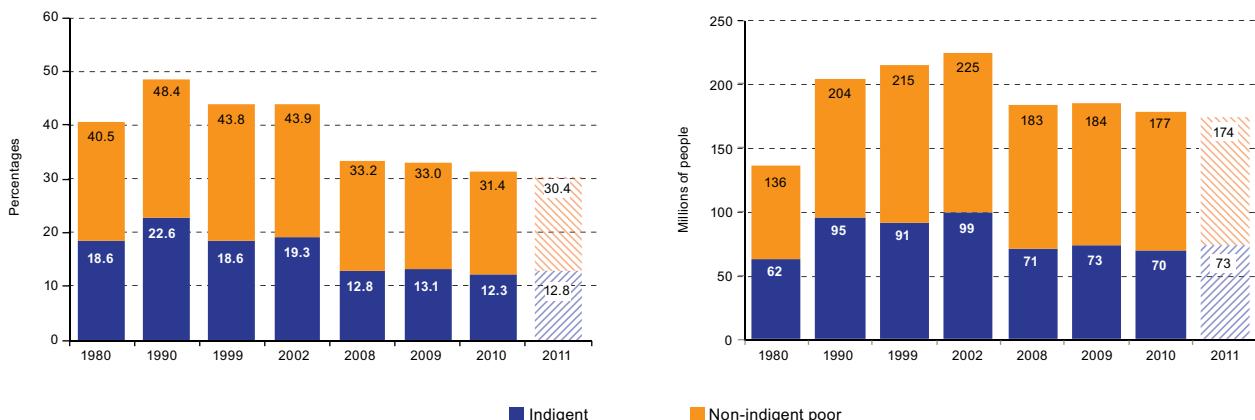
## 2.

### Recent evolution of poverty

The poverty level in the region was 31.4% in 2010, including 12.3% of the population living in extreme poverty or indigence. In absolute terms, these figures

represented 177 million people in poverty, of whom 70 million were indigent (see figure I.1).

**Figure I.1**  
**LATIN AMERICA: POVERTY AND INDIGENCE, 1980-2011<sup>a</sup>**  
(Percentages and millions of people)



**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.  
<sup>a</sup> Estimate for 18 countries of the region plus Haiti. The figures above the bars are the percentages and total numbers of poor people (indigent plus non-indigent poor). The 2011 figures are projections.

**Box I.1  
METHOD USED TO MEASURE POVERTY**

According to the approach used in this report to estimate poverty, a person is classified as “poor” when the per capita income of that person’s household is below the “poverty line” or minimum income needed to meet a person’s basic needs. Poverty lines, expressed in each country’s currency, are calculated from the cost of a basket of goods and services using the “cost of basic needs” method.

Whenever the necessary data were available, the cost of the basic food basket was estimated for each country and geographical area; this basket encompasses the goods required to cover people’s nutritional needs, taking into account consumption habits, the actual availability of foodstuffs and their relative prices, as well as price differences between metropolitan areas, other urban areas and rural areas.

To this value, the “indigence line”, was added the amount of money needed by a household to meet its basic non-food

needs in order to calculate the total value of the poverty line. This involved multiplying the indigence line by a constant factor: 2 for urban areas and 1.75 for rural areas.<sup>a</sup>

In most cases, data on the structure of household consumption of both foodstuffs and other goods and services came from household budget surveys carried out in the countries.<sup>b</sup> Because those surveys were conducted in earlier years than the poverty estimates, indigence lines and poverty lines have been updated to reflect cumulative changes in the consumer price index (CPI). Up to December 2006, the same factor was applied to both lines. Since 2007, however, the indigence line has been adjusted to reflect changes in the food CPI, whereas the part of the poverty line that corresponds to non-food spending is adjusted by the relevant CPI. Since 2007, therefore, the differential between the indigence and poverty lines has ceased to be constant.

Family income data have been taken from household surveys conducted in

each country in the years corresponding to the poverty estimates presented in this edition. In line with usual ECLAC practice, the data have been corrected to account for non-response to some income-related questions by wage earners, the self-employed and retirees, and to mitigate probable underreporting biases. This latter operation was carried out by comparing the income items in surveys with estimates based on the household income and expenditure accounts in each country’s system of national accounts, prepared for this purpose using official information.

Income here means total current income, i.e., income from wage labour (in both money and kind), self-employed work (including self-supply and the consumption value of products generated by the household), property income, retirement and other pensions and other transfers received by households. In most countries, household income also includes an imputed rental value for owner-occupied dwellings.

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

<sup>a</sup> The sole exceptions to this general rule were Brazil and Peru. For Brazil, the study used the indigence lines estimated for each area of the country as part of a joint project conducted by the Brazilian Geographical and Statistical Institute (IBGE), the Brazilian Institute of Applied Economic Research (IPEA) and ECLAC in the late 1990s. For Peru, the indigence and poverty lines used were estimates prepared by the National Institute of Statistics and Informatics (INEI) under the Programme for the Improvement of Surveys and the Measurement of Living Conditions in Latin America and the Caribbean as implemented in that country.

<sup>b</sup> When data obtained by processing a recent survey of this type were not available, other relevant information on household consumption was used.

The figures indicate that the economic recovery since the 2009 crisis has been at least partly reflected in the poverty indicators, with the poverty rate falling by 1.6 percentage points and the indigence rate by 0.8 percentage points from their 2009 levels. These declines meant that the number of people living in poverty and indigence fell by some 7 million and 3 million, respectively.

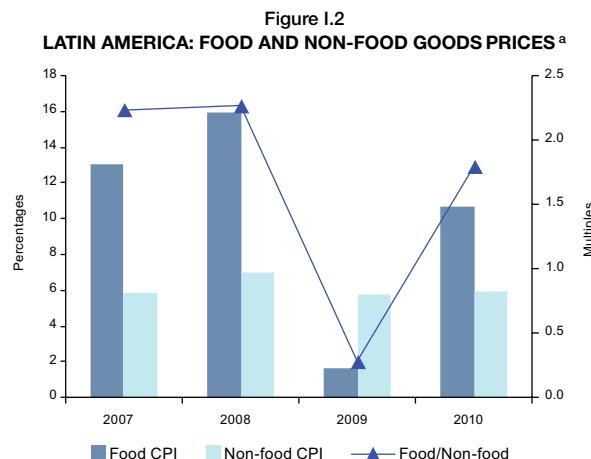
Comparisons with the late 1990s are favourable. The cumulative reduction in poverty since 1999 is 12.4 percentage points, while indigence has fallen by 6.3 percentage points. Since 1990, furthermore, the two indicators have fallen by a total of 17.0 and 10.3 percentage points, respectively.

Projections for GDP growth and the expected evolution of inflation in each country suggest that the poverty rate will fall slightly in 2011 to 30.4%, about a percentage point below the 2010 rate. Conversely, the indigence rate could actually rise, with the increase in food prices counteracting the expected growth in household incomes (see figure I.1).

The differences in the poverty and indigence dynamics are partly due to the way food prices have been changing relative to other goods and services. This is because indigence lines, which measure the cost of a basic basket of foodstuffs, are updated year by year in accordance with the change in the food CPI, while the non-food component of the poverty line is updated in accordance with the relevant CPI.<sup>1</sup> Much as happened between mid-2006 and mid-2008, food prices increased by more than those for other goods in 2010. In this case, however, the differences were slightly less marked. Whereas food prices increased by 2.3 times as much as those of non-food goods in 2007 and 2008, in 2010 the difference was 1.8 times (taking a simple average of each country’s price indices) (see figure I.2).

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<sup>1</sup> This method of updating the indigence and poverty lines has been applied since 2007. Formerly, both lines were updated using the same price deflator, so that the relationship between them stayed constant over time.

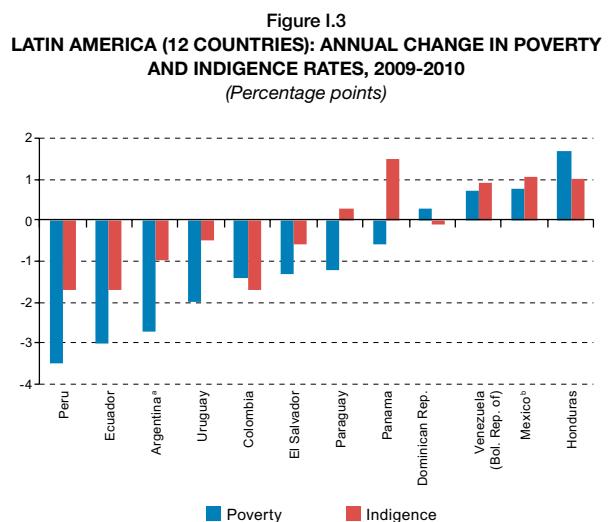


The findings described imply further progress towards attainment of the first Millennium Goal, which is to halve, between 1990 and 2015, the proportion of people in extreme poverty. Dividing the total planned reduction in indigence (11.3 percentage points) by the cumulative reduction between 1990 and 2010 (10.2 percentage points) shows that Latin America is 91% of the way towards achieving this. This is more than the elapsed percentage of the time allowed for meeting the goal, which is 80%.

Information for 2010, available in 12 countries of the region, reveals poverty rates both rising and falling in differing degrees relative to the previous year.<sup>2</sup> Five countries recorded substantial declines in their poverty rates: Peru (-3.5 points), Ecuador (-3.0 points), Argentina (-2.7 points), Uruguay (-2.0 points) and Colombia (-1.4 points). In these countries indigence rates also fell, by between 0.5 and 1.7 percentage points.

Honduras and Mexico were the only countries whose poverty and indigence rates rose substantially, by 1.7 and 1.0 percentage points in the first case and 1.5 and 2.1 percentage points in the second. In the case of Mexico, it should be noted that the comparison was with the 2008 figures. Consequently, it reflects not only the considerable expansion of the Mexican economy

in 2010, but also the sharp contraction in per capita GDP in 2009 (-7.2%). The indigence rate in Panama increased by 1.5 percentage points, while the other countries with information available (the Dominican Republic, El Salvador and Paraguay) did not register significant changes in their poverty and indigence rates (see figure I.3).



In most cases, the poverty gap and poverty gap squared indices bear out the trends described on the basis of the poverty and indigence rates, and the magnitude of the changes in these is similar. Panama is an exception, as despite the absence of significant changes in the poverty rate it registers an appreciable rise in the poverty gap squared index, revealing a worsening of the situation among the poorest. The poverty gap squared index also rose by slightly more than the poverty rate in Mexico. Conversely, the poverty gap and the poverty gap squared fell by more than the poverty rate in the countries where this last indicator declined substantially. It should be recalled that the poverty gap index is formulated to include not only the percentage of poor people but also the gap between the average income of the poor and the poverty line, while the poverty gap squared index also takes account of how this income is distributed among the poor (see box I.3 and table I.A1 in the annex to chapter I).

<sup>2</sup> Data are also available for Costa Rica. However, these are from a new household survey and are not strictly comparable with the earlier ones (see box I.2).

**Box I.2  
RECENT CHANGES IN HOUSEHOLD SURVEY SERIES**

With a view to improving the instruments available for public policy design and monitoring, institutes of statistics make changes from time to time in the household surveys they implement. Although these changes usually represent an advance, the comparability of series across time may be affected. At least three countries have made changes to their surveys in recent years.

In 2009, the National Institute of Statistics and Censuses (INDEC) in Argentina made some changes to the way information from the Permanent Household Survey (EPH) was treated for the series running from 2003 onward (the year the survey was made continuous rather than half-yearly as before). These changes include the calibration of expansion factors, the method used to correct for non-responses to the income questions, and the construction of income aggregates for items that are not of monthly recurrence. The new 2004-2010 data

series, incorporating these adjustments, is included in this edition along with data up to 2002, even though the two series are not strictly comparable.

In July 2006, the Major Integrated Household Survey (GEIH) replaced the Continuous Household Survey (ECH) in Colombia as an information source for household living conditions. The various changes, such as enlargement of the domains studied, the change in informant type and the increase in the number of questions and alterations in their wording, made it necessary to splice the employment, income and poverty figures from the two sources, a task which was carried out by the Mission for the splicing of employment, poverty and inequality series (MESEP). MESEP also carried out a review of the poverty measurement criteria, the result being a new 2002-2010 series.<sup>a</sup> Although the figures in this edition of the Social Panorama incorporate the modifications

carried out for splicing purposes, they refer to the old DNP poverty estimate and not the recent update.

In Costa Rica, the National Institute of Statistics and Censuses has been implementing the National Household Survey (ENAHO) instead of the Multipurpose Household Survey (EHPM) since 2010. The methodological changes introduced mean that the findings of the new ENAHO 2010 are not directly comparable with those published on the basis of the previous survey. The country expects to produce a spliced historical series soon. Consequently, the Costa Rica figures for 2010 are not comparable with the series up to 2009.

In Paraguay, the Department of Statistics, Surveys and Censuses (DGEEC) readjusted the expansion factors of the Permanent Household Survey (EPH) for the years from 2003 to 2008 as a way of offsetting the non-response rate observed in that period. The data included in this edition incorporate those readjustments.

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

<sup>a</sup> See [online] <http://www.dnp.gov.co/LinkClick.aspx?fileticket=DXInD1TENeU%3d&tabid=337>.

**Box I.3  
INDICATORS FOR MEASURING POVERTY**

The poverty measurements used in this document belong to the family of parametric indices proposed by Foster, Greer and Thorbecke (1984), obtained from the following expression:

$$(1) \quad FGT_\alpha = \frac{1}{n} \sum_{i=1}^q \left( \frac{z - y_i}{z} \right)^\alpha$$

where  $n$  represents population size,  $q$  denotes the number of people with income below the poverty or indigence line ( $z$ ) and the parameter  $\alpha > 0$  assigns differing levels of shortfall between the income ( $y$ ) of each

poor or indigent individual and the poverty or indigence line.

When  $\alpha$  takes the value 0, expression (1) corresponds to the headcount ratio ( $H$ ), which indicates the percentage of people with incomes below the poverty or indigence line:

$$(2) \quad H = \frac{q}{n}$$

When  $\alpha$  equals 1, the expression yields the poverty (or indigence) gap (PG), which weights the percentage of poor (or indigent) people by how far their incomes fall short of the poverty (or indigence) line:

$$(3) \quad PG = \frac{1}{n} \sum_{i=1}^q \left[ \frac{z - y_i}{z} \right]$$

Lastly, when  $\alpha$  has the value 2, a greater relative weight is assigned in the final result to those who fall furthest below the poverty (or indigence) line by the method of squaring the relative income deficit:

$$(4) \quad FGT_2 = \frac{1}{n} \sum_{i=1}^q \left( \frac{z - y_i}{z} \right)^2$$

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of James Foster, Joel Greer and Erik Thorbecke, "A class of decomposable poverty measures", *Econometrica*, vol. 52, No. 3, 1984.

Changes in the regional poverty rate are derived from the changes observed in the countries as described above and from the projections produced for countries where information is not available. On this occasion, the regional aggregate is particularly sensitive to these projections, as they had to be applied to the region's two most populous countries (Brazil in 2010 and Mexico

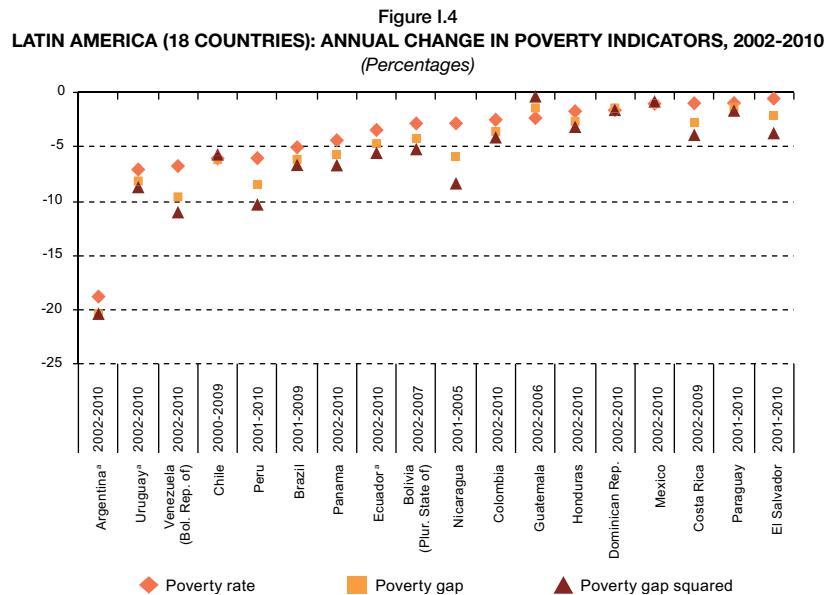
in 2009). In fact, almost half of the drop in regional poverty is the result of the projected decline in poverty in Brazil.<sup>3</sup> Again, about a third of the reduction in

<sup>3</sup> The National Household Survey (PNAD) was not carried out in Brazil in 2010 because it was a census year. The poverty projection for that year uses evidence from the 2010 Monthly Employment Survey (PME) and from per capita GDP and price indices.

regional poverty between 2009 and 2010 stems from Mexico, since the projection used to construct the regional aggregate in 2009 puts poverty in Mexico that year at a level some 2 percentage points higher than the figure observed in 2010.

The evolution of poverty over a longer period, between 2002 and the most recent available estimate,

shows a general trend towards lower poverty in the region's countries. According to the poverty gap and poverty gap squared indices, the net exit of people from poverty and indigence that took place in that period was accompanied by a rise in the average incomes of the poor and a smaller distributional disparity among them (see figure I.4).



**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.  
<sup>a</sup> Urban areas.

### 3.

### Factors underlying changes in poverty

Two different methodological approaches are used to analyse changes in poverty. The first of these disaggregates any variation in poverty and indigence rates into two components, growth in average income ("growth effect") and changes in the way this income is distributed ("distribution effect"). The latter involves assessing the role played by the different sources contributing to household income and paying special attention to the labour market factors accounting for changes in earnings. In both cases, a comparison is made between the 2002-2008 period, prior to the economic crisis, and the 2002-2010 period, encompassing the crisis.<sup>4</sup>

As indicated in earlier editions of the Social Panorama, poverty reduction has been made possible by the complementarity of the growth and distribution effects.

During the 2002-2010 period, nine countries reduced poverty mainly because of average income growth, while in six it was the distribution effect that predominated. The growth effect was particularly important in Argentina, Colombia, the Dominican Republic, Ecuador and Honduras, where it accounted for 80% or more of the decline in poverty. The contribution of the distribution effect is rarely as great. Even when it is the predominant factor, its contribution to the decline in poverty is usually under 60%. It did exceed 100% in El Salvador and Mexico, but both are countries where the total change in the poverty rate was very small (see table I.2).

A comparison of the 2002-2008 and 2002-2010 periods shows a rise in the influence of distributive changes in reducing poverty in a number of countries. In both Brazil and the Bolivarian Republic of Venezuela, the distribution effect came to outstrip the growth effect, with its contribution rising from 45% to 55%, and it increased substantially in another three countries.

<sup>4</sup> The use of long periods makes changes in the poverty rate large enough for the decomposition analyses described to be carried out.

**Table I.2**  
**LATIN AMERICA (15 COUNTRIES): CHANGES IN POVERTY AND CONTRIBUTION OF THE GROWTH  
 AND DISTRIBUTION EFFECTS, 2002-2008 AND 2002-2010**  
*(Percentages)*

	2002-2008 <sup>a</sup>			2002-2010 <sup>b</sup>		
	Change in poverty (percentage points)	Percentage contribution to total change		Change in poverty (percentage points)	Percentage contribution to total change	
		Growth	Distribution		Growth	Distribution
Argentina <sup>c</sup>	-20.6	81	19	-36.8	80	20
Brazil	-11.7	56	44	-12.7	46	54
Chile	-6.5	33	67	-8.7	44	56
Colombia	-8.0	87	13	-9.9	83	17
Costa Rica	-3.8	23	77	-1.3	...	...
Dominican Republic	-2.8	>100	<0	-5.7	>100	<0
Ecuador <sup>c</sup>	-10.1	75	25	-11.9	78	22
El Salvador	-1.4	<0	>100	-2.3	<0	>100
Honduras	-8.4	71	29	-9.9	86	14
Mexico	-4.6	90	10	-3.1	<0	>100
Panama	-9.2	48	52	-11.1	46	54
Paraguay	-2.8	73	27	-4.9	66	34
Peru	-18.6	74	26	-23.4	73	27
Uruguay <sup>c</sup>	-1.4	76	24	-6.8	56	44
Venezuela (Bolivarian Republic of)	-21.0	56	44	-20.8	45	55

**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.

<sup>a</sup> Covers the periods 2002-2006 in Argentina, 2001-2008 in Brazil, Paraguay and Peru, 2000-2006 in Chile, 2001-2004 in El Salvador and 2002-2007 in Honduras.

<sup>b</sup> Covers the periods 2001-2009 in Brazil, 2000-2009 in Chile, 2002-2009 in Costa Rica and 2001-2010 in El Salvador, Paraguay and Peru.

<sup>c</sup> Urban areas.

The findings described imply that since the economic crisis, whose greatest effects were felt in 2009, poverty reduction has not only continued but has been accompanied by greater redistribution. While the changes observed are small in size, they do indicate that countries have scope to deal with adverse economic situations by safeguarding the living conditions of the most disadvantaged in society.

Both in the period prior to the crisis (2002-2008) and in the 2008-2010 period, poverty reduction came mainly from rising earnings. Other income sources, particularly transfers, also contributed, but to a lesser degree. In the second period, however, transfers played a much more important role. In fact, they were the main source of poverty reduction in Chile and Panama and played an important role in Argentina, Colombia and the Dominican Republic (see figure I.5).

**Figure I.5**  
**LATIN AMERICA (15 COUNTRIES): ANNUAL CHANGES IN TOTAL PER CAPITA INCOME IN POOR HOUSEHOLDS,<sup>a</sup>  
 BY SOURCE, 2002-2008 AND 2008-2010**  
*(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.

<sup>a</sup> The percentage of the population analysed is the same in both periods and corresponds to the 2002 poverty rate.

<sup>b</sup> Covers the periods 2002-2006 in Argentina, 2001-2008 in Brazil, Paraguay and Peru, 2000-2006 in Chile, 2001-2004 in El Salvador and 2002-2007 in Honduras. In Honduras, the "other income" item includes all non-work income.

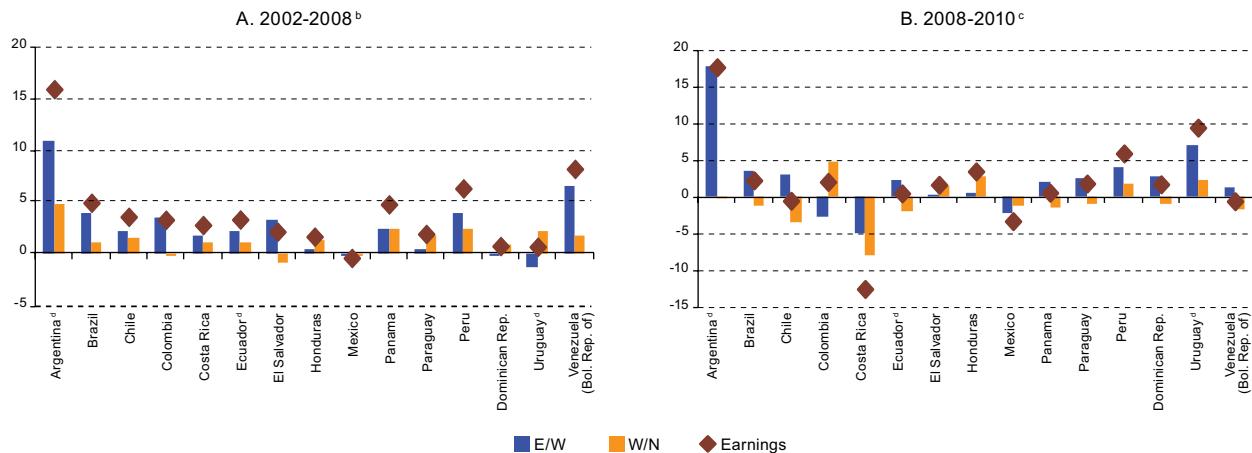
<sup>c</sup> Covers the periods 2006-2010 in Argentina, 2008-2009 in Brazil, 2006-2009 in Chile, 2008-2009 in Costa Rica, 2004-2010 in El Salvador and 2007-2010 in Honduras.

<sup>d</sup> Urban areas.

Changes in per capita earnings can be expressed as the product of changes in earnings per person employed and the percentage of people employed. In the 2002-2008 period, the rise in employment contributed to earnings growth, but less so than the change in the remuneration of those employed. In the 2008-2010 period, covering

the economic crisis, employment fell in nine of the region's countries, this being counteracted in some of them by growth in the earnings of those employed. Colombia, Honduras, Peru and Uruguay are exceptions, as employment among poor households increased in the recent period (see figure I.6).

**Figure I.6**  
**LATIN AMERICA (15 COUNTRIES): ANNUAL CHANGE IN THE COMPONENTS OF PER CAPITA EARNINGS IN POOR HOUSEHOLDS,<sup>a</sup> 2002-2008 AND 2008-2010**  
*(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.

<sup>a</sup> The percentage of the population analysed is the same in both periods and corresponds to the poverty rate in 2002. E = earnings; W = employed population; N = total population.

<sup>b</sup> Covers the periods 2002-2006 in Argentina, 2001-2008 in Brazil, Paraguay and Peru, 2000-2006 in Chile, 2001-2004 in El Salvador and 2002-2007 in Honduras. In Honduras, the "other income" item includes all non-work income.

<sup>c</sup> Covers the periods 2006-2010 in Argentina, 2008-2009 in Brazil, 2006-2009 in Chile, 2008-2009 in Costa Rica, 2004-2010 in El Salvador and 2007-2010 in Honduras.

<sup>d</sup> Urban areas.

## B. Distributive inequality

The countries of Latin America are characterized by highly inequitable income distribution. In recent years there has been a favourable shift towards a lessening of the inequality of income distribution, mainly as a result of improved distribution of earnings and the redistributive role played by the State through cash transfers.

### 1. Recent inequality trends

It is a very well-known fact that income distribution in Latin America is among the world's most unequal. Although certain methodological details limit the comparability of inequality indicators across countries and regions (see box I.4), this does not change the fact that the region's

average Gini index is higher than any other's. Although the Latin American countries display differing degrees of income concentration, their individual Gini indices are all above the average for any of the regions analysed except sub-Saharan Africa (see figure I.7).

**Box I.4  
COMPARABILITY OF INCOME MEASUREMENTS**

The measurement of income in household surveys presents a number of challenges that particularly affect the potential for making valid and significant comparisons of inequality figures between countries.

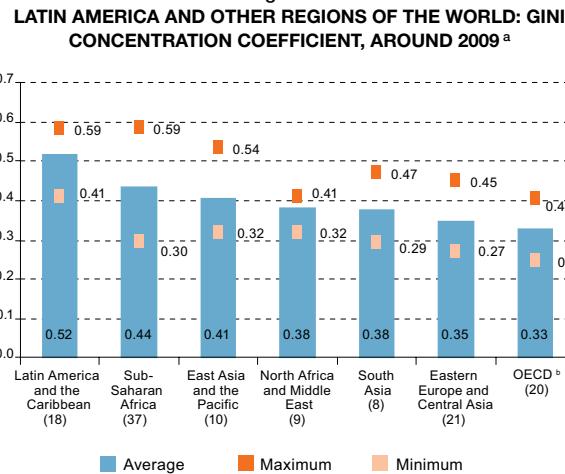
One of these difficulties, which is particularly significant when it comes to making comparisons with other regions of the world, stems from the use of spending rather than income as an indicator of well-being. This variable, which is routinely used in some developing countries, has a less unequal distribution than income.

The different characteristics of the household surveys used to measure income are also a very important factor in comparability. The type of survey used, the reference period for income and the amount and comprehensiveness of the income flows measured can have a significant effect on inequality indicators. In addition, the countries follow different imputation practices when correcting for non-response to income questions, and the characteristics of these have varying impacts on inequality measurements.

For the estimates presented here, ECLAC has carried out an adjustment procedure to diminish the effect of underreporting of income in surveys. This consists in multiplying income from each source by a factor that matches the discrepancy vis-à-vis the corresponding per capita income as reported in the national accounts. This procedure increases average incomes and generally alters their distribution too. In particular, it tends to yield higher values for inequality, chiefly owing to the fact that the capital income gap is imputed exclusively to the wealthiest quintile.

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

Figure I.7



**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; World Bank, World Development Indicators [online] <http://databank.worldbank.org/dpp/home.do>.

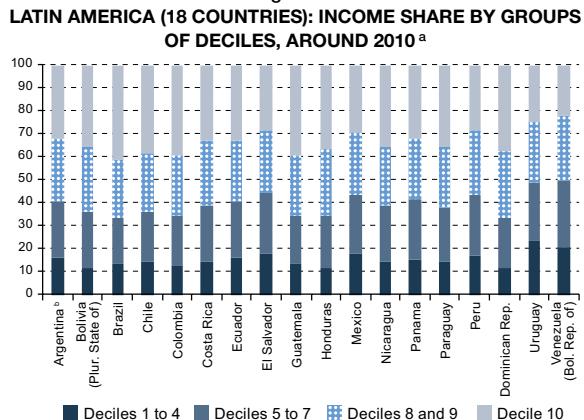
<sup>a</sup> The regional data are expressed as simple averages, calculated using the latest observation available in each country for the 2000–2009 period.

<sup>b</sup> Organisation for Economic Co-operation and Development.

According to the most recent figures, the lowest-income 40% of the population receives an average of 15% of total income, while the 10% of the population at the top of the distribution receives a third of total income. The average income of the wealthiest quintile is 18.3 times that of the poorest quintile.

Distributional inequality manifests itself heterogeneously in the region's countries. The income share of the four poorest deciles is highest in the Bolivarian Republic of Venezuela and Uruguay, at around 20% or slightly over, while this share does not exceed 12% in the Plurinational State of Bolivia, Colombia, the Dominican Republic and Honduras. In the first two countries mentioned, meanwhile, the share of the wealthiest decile does not exceed 25%, whereas in Brazil and Guatemala it is close to 40% (see figure I.8).

Figure I.8



**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.

<sup>a</sup> Figures are for 2010, except in the Plurinational State of Bolivia (2007), Brazil (2009), Chile (2009), Costa Rica (2009), Guatemala (2006) and Nicaragua (2005).

<sup>b</sup> Urban areas.

Just as the scope for comparing inequality across regions is limited, so is the scope for comparisons between countries. The differences in the characteristics of the surveys used to measure household income and the criteria used by the countries to deal with outlying values and correct for non-response to questions about income may substantially affect measurements of inequality (see box I.4). Again, conditions of strict "dominance" commonly do not obtain between different countries' income distributions; in other words, one distribution may be more equitable than another for one subset of the population and more inequitable for another, yielding different country rankings depending on the indicator used (see box I.5). Taking these caveats into account, a regional overview of inequality ranks the Bolivarian Republic of Venezuela and Uruguay as the countries with the least concentrated income, while the Plurinational State of Bolivia, Colombia and Guatemala are at the other extreme (see figure I.9).

**Box I.5  
INDICATORS FOR MEASURING DISTRIBUTIONAL INEQUALITY**

A wide range of indicators can be used to measure the degree of

concentration of a given income distribution. This chapter uses three of

the best-known inequality indicators, as detailed below.

$$\text{Gini index: } G = \frac{1}{2n^2\mu} \sum_{i=1}^n \sum_{j=1}^n |y_i - y_j|$$

$$\text{Atkinson index: } A_\varepsilon = 1 - \left[ \frac{1}{n} \sum_{i=1}^n \left( \frac{y_i}{\mu} \right)^{1-\varepsilon} \right]^{\frac{1}{1-\varepsilon}}$$

$$\text{Theil index: } T = \frac{1}{n} \sum_{i=1}^n \frac{y_i}{\mu} \log \left( \frac{y_i}{\mu} \right)$$

where  $n$  = population size,  $y_i$  = per capita income of the  $i$ th individual,  $\mu$  = mean income, and  $\log$  denotes the natural logarithm.

The Theil index can be decomposed additively for population subgroups, as follows:

$$T = \sum_{j=1}^k \frac{Y_j}{Y} T_j + \sum_{j=1}^k \frac{Y_j}{Y} \log \left( \frac{Y_j / Y}{N_j / N} \right)$$

where  $Y$  = total income of the population,  $Y_j$  = total income of group  $j$ ,  $N$  = total population and  $N_j$  = population of group  $j$ . The first component represents intra-group inequality and the second inter-group inequality.

The best-known of the indices used to analyse income distribution is the Gini. Its formulation is expressed graphically, as it corresponds to the area between the Lorenz curve and the equidistribution line. The greater the income concentration, the

larger this area will be and the higher the value of the indicator.

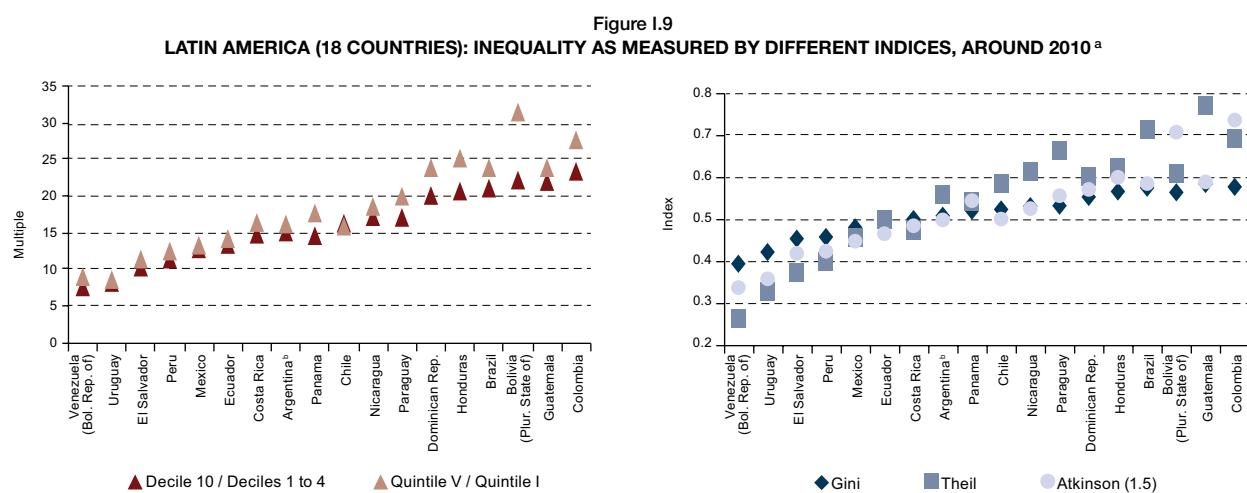
Despite its popularity, the Gini index does not satisfy the transfer sensitivity principle, a desirable property for inequality indicators. According to this principle, inequality should decrease more in response to a progressive transfer of income (i.e., from a wealthier household to a poorer one) between poor individuals than when the transfer takes place between wealthy individuals. This makes it advisable to supplement the analysis with other indicators that do conform to this principle, such as the Theil and Atkinson indices.

With all three indicators, the higher the value, the higher the inequality. However, whereas the Gini and Atkinson indices take values in the range of [0,1] (where 0 corresponds to absolute equity and 1 represents absolute inequity), the maximum

value of the Theil index is the log of population size, which exceeds 1. Furthermore, the formulation of the Atkinson index employs an additional parameter called the "inequality aversion" parameter ( $\varepsilon$ ). The higher the value used, the higher the weighting given to observations in the lower part of the distribution, with the most commonly used values being between 0.5 and 2.0.

All inequality indicators are ordinal, so their values are not comparable. Furthermore, as each of these indicators measures partial aspects of inequality, they can generate different rankings for the distributions. The ranking of a group of distributions can be considered definitive only if it does not vary when there is a change in the index used. The best procedure, therefore, is to treat inequality indices as complementary to one another and analyse their results in combination.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Frank Cowell, "Measuring Inequality", *LSE Handbooks in Economics*, Prentice Hall, 2000.

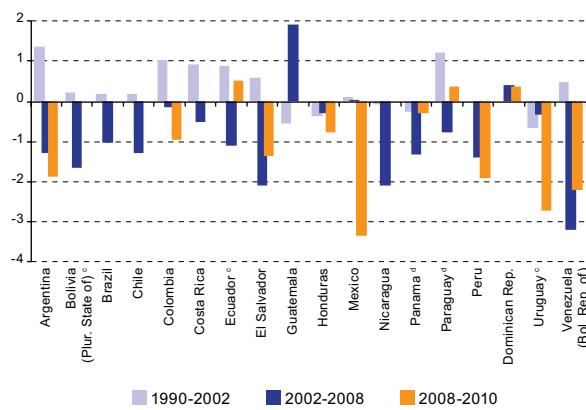


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from household surveys conducted in the respective countries.  
<sup>a</sup> Figures are for 2010, except in the Plurinational State of Bolivia (2007), Brazil (2009), Chile (2009), Costa Rica (2009), Guatemala (2006) and Nicaragua (2005).

<sup>b</sup> Urban areas.

During the 1990s and up until the early 2000s, inequality in the region was characterized either by marked downward rigidity or a slight upward trend. Over this period, the largest reduction in the Gini index was in Uruguay, but the rate of change hardly exceeded 0.5% a year. In contrast, inequality increased by half a percentage point or more annually in six countries (see figure I.10).

Figure I.10  
LATIN AMERICA (18 COUNTRIES): GINI INDEX, 1990-2002,  
2002-2008<sup>a</sup> AND 2008-2010<sup>b</sup>



**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.

<sup>a</sup> Covers the periods 2002-2006 in Argentina, 2001-2008 in Brazil, Paraguay and Peru, 2000-2006 in Chile, 2001-2004 in El Salvador and 2002-2007 in Honduras.

<sup>b</sup> Covers the periods 2006-2010 in Argentina, 2004-2010 in El Salvador and 2007-2010 in Honduras.

<sup>c</sup> Urban areas.

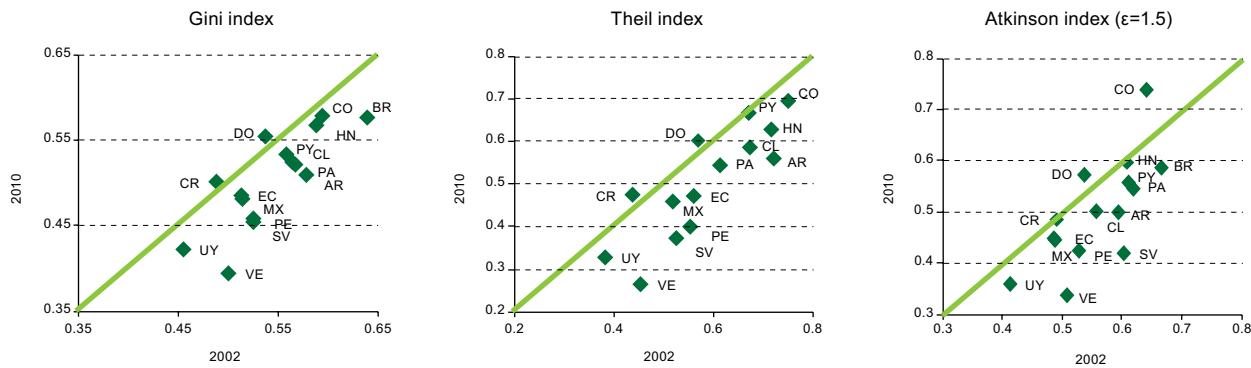
<sup>d</sup> Urban areas in the 1990-2002 period only.

The years 2002 and 2003 were a turning point when inequality began to trend downward in a large group of countries, whether measured by the income shares of the groups at the bottom and top of the distribution or by synthetic indicators of inequality. Although the decline in inequality has been small, and has not been enough to change Latin America's status as the world's most unequal region, it is nonetheless positive, especially in the wake of a prolonged period when general distributional improvements were lacking.

The trend towards better distribution in the region has not changed since the economic crisis. Up until 2008, which can be taken roughly to represent the situation prior to the start of the crisis, the Gini index fell at a rate of 1% or more a year in 10 countries and rose appreciably only in Guatemala (according to data available up to 2006). The figures for 2010, roughly reflecting the situation immediately after the crisis, indicate that inequality did not increase substantially in any of the 11 countries with information available. On the contrary, the Gini index fell at a rate of over 2% a year in three of them (Mexico, Uruguay and the Bolivarian Republic of Venezuela) and at least 1% a year in another two, El Salvador and Peru (see figure I.10).

Consequently, if we consider the cumulative changes between 2002 and 2010 (or 2009, depending on the information available), 11 countries presented distributional improvements within their inequality levels, irrespective of the indicator used to measure them: Argentina, Brazil, Chile, Colombia, Ecuador, El Salvador, Mexico, Panama, Peru, Uruguay and the Bolivarian Republic of Venezuela (see figure I.11).

Figure I.11  
LATIN AMERICA (15 COUNTRIES): INEQUALITY, 2002-2010<sup>a</sup>



**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.

<sup>a</sup> Data for urban areas in Argentina, Ecuador and Uruguay. Light blue lozenges indicate that the change between the two years is not statistically significant. The data cover the periods 2001-2009 in Brazil, 2000-2009 in Chile, 2002-2009 in Costa Rica and 2001-2010 in El Salvador, Peru and Paraguay.

## 2.

## Factors related to distributional changes

The decline in inequality in the region over a number of years represents a propitious opportunity, and one that is unprecedented in recent decades, to explore the factors underlying this trend. Studies that have addressed the issue, using different methodologies, tend to be in accord on at least two aspects. One is that the most important driver of the decline in inequality has been the labour market, essentially through more equitable distribution of earnings per person employed. Explanatory factors mentioned to account for this include the progressive improvement in the distribution of education and the reduction in pay gaps between more and less skilled workers. The second aspect highlighted is that public cash transfers have been a source of income which has helped to reduce the concentration of the per capita income distribution (Lustig, López-Calva and Ortiz-Juarez, 2011).

In Argentina the main factor behind the decline in inequality between 2002 and 2009 was indeed the lessening of inequality in earnings (because of factors such as a decline in the education “premium”, lower unemployment and a higher minimum wage), followed by the increase in non-work incomes in the poorest households (essentially because of greater access to retirement benefits, the rise in minimum retirement pensions and the extension of social programmes) (Gasparini and Cruces, 2010).

In Brazil, the decline in inequality between 2003 and 2007 derived from improved distribution of both earnings for those in work and of non-work income. Depending on the inequality indicator used, earnings accounted for some 52% of the fall in inequality, as measured by the Gini index, or 41% if the ratio between the top and bottom quintiles is used. Meanwhile, half the distributional improvement in earnings per employed person stemmed from the interaction between declining educational inequality and the narrowing of pay gaps between educational levels. The reduction in different forms of pay discrimination (by race and gender) and wage differentials between geographical areas and sectors of activity was also an important factor in explaining the decline in inequality (Barros and others, 2010a). The public transfers contributing most to the distributional improvement include social security benefits (30% of the total reduction) and non-contributory transfers, such as the Continuing Benefit and *Bolsa Família*, each of which contributed about 10% to the reduction in inequality (Barros and others, 2010b).

In the case of Mexico, the lessening in the concentration of earnings per employed person was the predominant

factor in the decline in total inequality, coming to account for 66% of the change in the Gini coefficient in the 2000-2006 period. As in the cases mentioned earlier, this improvement was associated with a narrowing of the pay gap between more and less skilled workers. Non-work incomes, meanwhile, accounted for some 15% of the reduction in the Gini coefficient between 2000 and 2006 (Esquivel, Lustig and Scott, 2010).

CEDLAS (2009) presents a decomposition analysis for eight countries of the region. According to the results, the changes that have occurred owe more on the whole to alterations in the distribution of income per adult than to demographic shifts (number of adults per household). The distribution of income per adult, meanwhile, is mainly determined by changes in the distribution of earnings. Besides the countries already mentioned, this was found to be the case in the Plurinational State of Bolivia and Chile, which improved their distributional situation between the mid- and late 2000s.

This section illustrates some of the elements identified in the literature on the basis of the evidence available for the countries of Latin America in the 2000s. The periods analysed are those when income distribution improved most significantly in 15 countries of the region. The analysis focuses on comparing the gaps between the first and fifth quintiles in respect of a group of variables, particularly different income flows and labour market indicators.<sup>5</sup>

The procedure adopted consists in decomposing income by different pairs of factors and then simulating what would have happened to inequality if one of the elements had remained unchanged during the period analysed. The factors considered in the decomposition are as follows: per capita household income is decomposed by multiplying the proportion of adults in the household by the income each adult receives;<sup>6</sup> income per adult is disaggregated as the sum of earnings (per adult) and non-work income (per adult) in the household; lastly, earnings per adult are calculated as the product of remuneration per employed person and the employment rate (ratio between the number working and the number of adults) (see box I.6).

<sup>5</sup> For simplicity's sake, the income gap is calculated by first adding up the sum total of income in each quintile and then dividing it by the number of people in the quintile, instead of the more usual method of averaging out the per capita income of people in the quintile.

<sup>6</sup> Adults are deemed to be people of working age, i.e., those aged 15 and over.

**Box I.6  
DECOMPOSITION METHODOLOGIES**

**Decomposition of changes in inequality**

According to Barros and others (2006), per capita household income can be expressed in terms of its immediate determinants as follows:

$$\text{Per capita household income } (y) = \text{Proportion of adults in household } (a) * \text{Income per adult in household } (r) \quad (1)$$

$$\text{Income per adult in household } (r) = \text{Earnings } (t) + \text{Non-work income } (o) \quad (2)$$

$$\text{Earnings } (t) = \text{Remuneration per worker } (w) * \text{Proportion of people in work } (u) \quad (3)$$

The simulation analysis centres on what would happen with the distribution of the variable on the left of the equation if one of the variables on the right had remained unaltered during the period analysed. For this, it calculates each of the variables described at the aggregate level for each quintile at two different points in time,  $t_0$  and  $t_1$ . Then it calculates the dependent variable of an equation by combining an

independent variable observed in period  $t_1$  with an independent variable observed in period  $t_0$ , for each quintile.

For example, to simulate per capita income in period  $t_1$ , assuming that income per adult in the household remained constant,  $y'_1 = a_1 * r_0$  is calculated for the first and fifth quintiles. The difference between the gap between quintiles resulting from this simulated variable and the gap actually

observed represents the contribution to inequality of the proportion of adults in the household.

**Decomposition of the Gini coefficient by source**

Lerman and Yitzhaki (1985) suggest decomposing the Gini index as the sum over different income sources ( $k$ ) of the product of three factors,  $\mathbf{G} = \sum_k \mathbf{S}_k \mathbf{R}_k \mathbf{G}_k$ , where:

$$\mathbf{S}_k = \frac{\mathbf{y}_k}{\sum_k \mathbf{y}_k} \text{ is the share of income source } k \text{ in the total;}$$

$$\mathbf{R}_k = \frac{\text{cov}[\mathbf{y}_k, F(\mathbf{y})]}{\text{cov}[\mathbf{y}_k, F(\mathbf{y}_k)]} \text{ is the Gini correlation coefficient between income source } k \text{ and total income } y;$$

$\mathbf{G}_k$  is the Gini coefficient of income source  $k$ , measured for all households and not just for recipients of income from this source.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Ricardo Barros and others, "Uma análise das principais causas de queda recente na desigualdade de renda brasileira", *Econômica*, vol. 8, No. 1, June 2006; Fernando Medina and Marco Galván, "Descomposición del coeficiente de Gini por fuentes de ingreso: Evidencia empírica para América Latina 1999-2005", *Estudios estadísticos y prospectivos series*, No. 63 (LC/L.2911/E), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2008. United Nations publication, Sales No. S.08.II.G.45.

The results of the simulation are shown in table I.3. For each of the income variables to be decomposed, it indicates the annual change observed in the gap between the top and bottom quintiles and between the start and end years, and the percentage of this change attributable to each factor analysed.

The first decomposition, considering per capita household income as the product of the proportion of adults in the household and the income received by each adult, makes it possible to evaluate the extent to which changes in per capita income distribution are the result of

distributive changes in the amount of income received or of alterations in the demographic structure of households.

The results indicate that, while the demographic factor did contribute to a narrowing of the gaps between quintiles, particularly in the countries with the greatest distributional improvements, its effect was slight. Paraguay was the only country where the change in the percentage of adults per household accounted for close to 50% of the decline in the per capita income gap. In the other countries, the contribution of this factor did not exceed 20%, and in some it actually worsened distribution.

**Table I.3**  
**LATIN AMERICA (15 COUNTRIES): OBSERVED AND SIMULATED ANNUAL CHANGE IN THE INCOME GAP BETWEEN QUINTILES,  
BY INCOME DETERMINANTS**  
(Percentages)

Country	Period	Annual change	Percentage attributable to:		Annual change	Percentage attributable to:		Annual change	Percentage attributable to:	
		Gap in per capita income	Change in income per adult	Change in percentage of adults	Gap in income per adult	Change in earnings	Change in non-work income	Gap in earnings per adult	Change in income per employed person	Change in employment rate
Argentina <sup>a</sup>	2002-2009	-4.4	82	18	-3.6	55	45	-2.5	150	-50
Brazil	2001-2009	-4.9	93	7	-4.5	58	42	-3.0	120	-20
Chile	2000-2006	-4.2	87	13	-3.6	45	55	-2.4	134	-34
Colombia	2002-2005	-5.2	114	-14	-5.9	95	5	-6.7	79	21
Costa Rica	2002-2005	-4.7	113	-13	-5.3	93	7	-6.2	66	34
Dominican Republic	2004-2007	-2.1	119	-19	-2.5	-58	158	1.6	-71	171
Ecuador <sup>a</sup>	2005-2010	-3.6	98	2	-3.5	61	39	-2.6	107	-7
El Salvador	2001-2010	-5.8	97	3	-5.6	86	14	-6.3	103	-3
Mexico	2000-2010	-3.1	93	7	-2.9	74	26	-3.0	120	-20
Nicaragua	2001-2005	-7.2	90	10	-6.5	146	-46	-10.7	72	28
Panama	2002-2009	-5.0	109	-9	-5.4	76	24	-5.4	101	-1
Peru	2001-2010	-4.4	85	15	-3.8	70	30	-4.1	88	12
Paraguay	2001-2009	-2.7	52	48	-1.4	-27	127	0.8	42	58
Uruguay <sup>a</sup>	2004-2010	-3.6	101	-1	-3.6	24	76	-1.3	119	-19
Venezuela (Bolivarian Republic of)	2002-2010	-7.8	104	-4	-8.1	88	12	-8.8	97	3

**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.

<sup>a</sup> Urban areas.

This finding might seem surprising, since demography has been singled out as one of the factors contributing most to the improvements in the poverty situation seen in the region since the 1990s (ECLAC, 2008). The percentage of adults per household has in fact risen by an average of some three percentage points in the countries and periods analysed. This increase, which is equivalent to a decline in the demographic dependency rate, translates into a rise in per capita household income that has indeed been instrumental in bringing down poverty. This change in family structures has been fairly homogeneous across all income groups, however, which explains why it has done so little to reduce the gap between the highest and lowest quintiles.

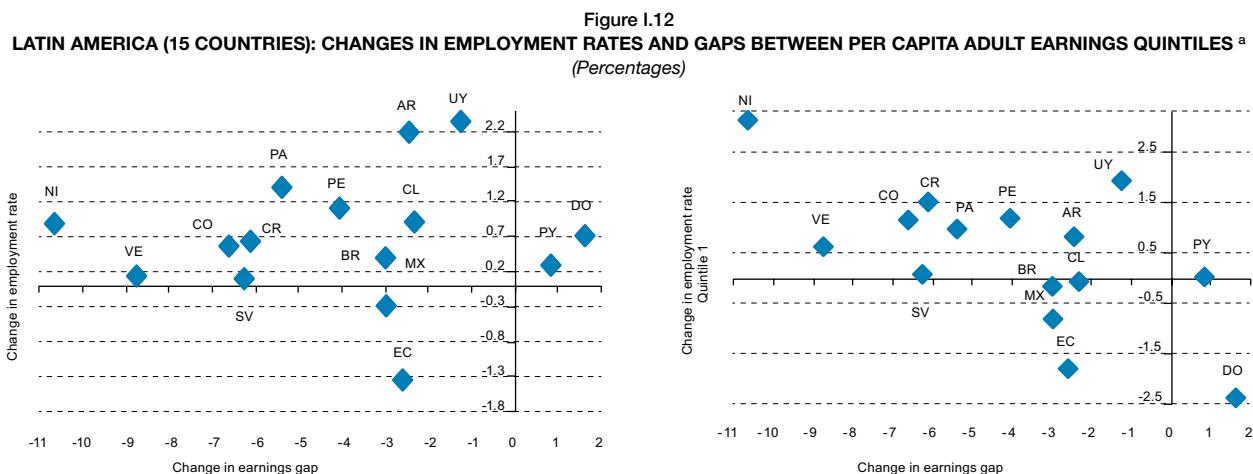
As would be expected from the findings recorded in the literature cited, income per adult emerges as the main driver of per capita income distribution improvements. This variable is the sum of earnings (per adult) and non-work income (per adult) in the household. In 10 countries, earnings played a preponderant role in reducing inequality. In Colombia, Costa Rica, El Salvador, Nicaragua and the Bolivarian Republic of Venezuela, changes in earnings accounted for 90% or more of changes in total income per adult.

Changes in the distribution of non-work income accounted for 50% or more of the reduction in adult income inequality in Chile, the Dominican Republic, Ecuador, Paraguay and Uruguay, and for over 40% in Argentina and Brazil. Non-work income comes from sources of various kinds and includes public transfers (retirement benefits and pensions, subsidies and poverty reduction programmes, among others) and private ones (such as transfers from other households and remittances), capital income (rents from property and interest received, for example) and imputed rent. A common characteristic in countries where this income played a more prominent redistributive role is that it originated in public transfers, i.e., in specific government action through social policy. In Argentina, the improvement in non-work income distribution has been due almost exclusively to an extension of the coverage and increase in the amount of non-contributory retirement benefits. In Brazil, most of the change has come from monetary transfers to households as part of the *Bolsa Família* programme, in line with the findings of other studies. In Chile, the distributive improvement has come both from retirement benefits and pensions and from government subsidies. In Ecuador, the whole of the distributional

improvement has come from the Human Development Grant, while in Panama it has come from retirement benefits and public subsidies.

Earnings per adult can be expressed as the product of remuneration per employed person and the employment rate (the ratio between the number of people in work and the number of adults). The lessening of inequality observed in earnings per adult is almost exclusively due to the first of these two factors. Indeed, the gap in the employment rate between quintiles not only remained virtually unchanged in several countries, but actually increased in some.

During periods when inequality diminished, the average employment rate rose in virtually all the countries, the exceptions being Ecuador and Mexico. Although no direct relationship is observed between the narrowing of gaps in earnings per employed person and increases in average employment, inequality did decline by more in countries with larger increases in the first quintile employment rate. Accordingly, even though remuneration may have been the main factor in the distributional improvements observed in the recent period, it is clear that job creation in the poorest strata has had a direct effect in reducing inequality (see figure I.12).



**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.  
<sup>a</sup> The periods and geographical coverage for each country are as detailed in table I.3.

The improvement in income distribution for those in work originated in factors of different types. A number of recent studies have highlighted the reduction in educational inequality and in the pay gap between education levels. The earnings differential attributable to one additional year of education has indeed been falling systematically in the region. Furthermore, the Gini coefficient for years of study was found to have fallen by an average of 1.2% in most of the countries over the periods analysed. Although this process did not occur exclusively during the period of distributional improvement, but has been going on steadily for longer, the argument has been made that, in certain countries at least, the relative supply of skilled labour has accelerated since the beginning of the century (López-Calva and Lustig, 2010). In any event, periods

of more rapidly declining inequality do not necessarily coincide with those in which the dispersion of years of education narrowed most quickly (see figure I.13).

Some countries have also deployed wage policies that may have contributed to the reduction in the inequality of earnings. In Brazil, minimum wages were increased significantly, which seems to have produced a noticeable improvement in the pay of workers most disadvantaged by the distribution. Something similar happened in Argentina, although a more important role may have been played by direct wage-setting policies, brought in at the start of the effort to improve and intensify collective bargaining. In the case of the Bolivarian Republic of Venezuela, the inclusion of public transfers in wages has played a prominent role.

**Figure I.13**  
**LATIN AMERICA (15 COUNTRIES): ANNUAL CHANGE IN THE GINI INDEX FOR YEARS OF STUDY AND  
 IN THE EARNINGS GAP BY EDUCATION LEVEL<sup>a</sup>**  
*(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.  
<sup>a</sup> The periods and geographical coverage in each country are as detailed in table I.3.

### 3.

## Characteristics of income distribution

Income distribution can be characterized from different perspectives. This section deals mainly with two: assessment of the contribution of each income source to total inequality and analysis of the relationship between particular individual characteristics and the inequality of income generated in the labour market.

### (a) Inequality by income source

Total household income is constructed as the sum of income from different sources, including earnings and income from transfers, capital and perhaps imputed rent and other items. It is possible to analyse the contribution of each income source to total inequality using the model prepared by Lerman and Yitzhaki (1985). According

to this, the contribution of a particular source to total inequality is obtained by multiplying three factors: its relative weight in total income, its Gini index and its “Gini correlation” with total income (see box I.6).

Earnings from paid work are the most important source, as they represent an average of 77% of total income. Thus, it is not surprising that the bulk of income inequality is due to earnings. Some 76% of inequality as measured by the Gini index derives from this source (see table I.4).

Transfers, both public and private, represent 13% of total household income, although their relative weight varies considerably between the region’s countries. The contribution of this source to total inequality is 12% across the region as a simple average, but also differs appreciably between countries.

**Table I.4**  
**LATIN AMERICA (18 COUNTRIES): CONTRIBUTION OF EACH INCOME SOURCE TO TOTAL INCOME**  
**AND TOTAL INEQUALITY, AROUND 2010**  
*(Percentages)*

Country	Year	Earnings		Transfers		Capital income		Other income	
		Income	Inequality	Income	Inequality	Income	Inequality	Income	Inequality
Argentina <sup>a</sup>	2010	75	74	11	5	8	15	6	6
Bolivia (Plurinational State of)	2007	78	75	14	15	3	5	5	5
Brazil	2009	60	54	22	22	9	14	10	10
Chile	2009	81	86	11	5	4	6	4	3
Colombia	2010	78	74	13	15	3	4	6	6
Costa Rica	2009	83	82	11	9	4	6	2	2
Dominican Republic	2010	83	85	7	4	3	5	7	7
Ecuador	2010	85	85	12	11	3	4	...	...
El Salvador	2010	83	87	16	13	1	1	...	...
Guatemala	2006	75	76	13	13	2	2	11	9
Honduras <sup>b</sup>	2010	76	76	...	...	...	...	24	24
Mexico	2010	63	63	10	9	5	9	22	19
Nicaragua	2005	83	79	16	20	1	2	...	...
Panama	2010	82	83	16	14	2	3	...	...
Paraguay	2010	88	88	10	9	2	3	...	...
Peru	2010	72	73	8	9	3	4	18	14
Uruguay	2010	60	61	20	20	6	5	13	14
Venezuela (Bolivarian Republic of)	2010	81	76	...	...	5	10	14	14
Simple average		77	76	13	12	4	6	6	6

**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.

<sup>a</sup> Urban areas.

<sup>b</sup> "Other income" includes all non-work income.

The case of transfers exemplifies how the factors involved in the decomposition may act in divergent directions. On the one hand, transfers are a highly concentrated income source, as there is a large percentage of households whose income is zero because they are not beneficiaries of retirement benefits, pensions, remittances or cash transfer programmes. Consequently, the effect of this factor of the decomposition is to increase overall inequality. On the other, insofar as transfers go to less well-off households, their Gini correlation with total income will be smaller than that of other sources, which will reduce the contribution of this source to overall inequality. In practice, income from this source combines flows with different redistributive implications. Whereas retirement benefits tend to be regressive, as they reproduce the inequality of earnings, cash assistance programmes are highly redistributive. Consequently, the contribution of transfers to overall inequality is not much different from their share of income, at least when the regional average is taken.

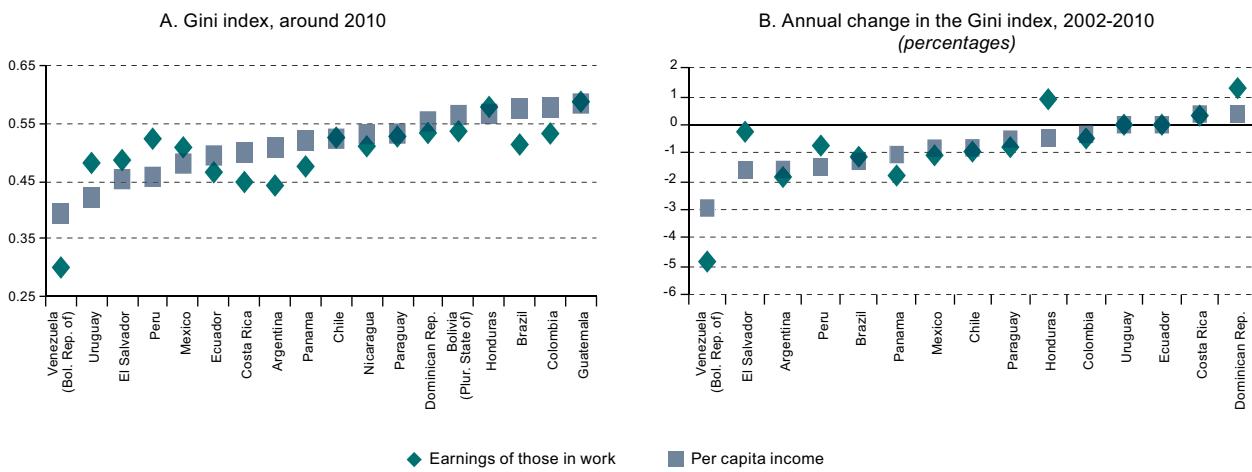
Capital income represents an average of 4% of total income and 6% of total inequality. Because it is

characterized by great concentration, the contribution of this source to total inequality is greater than its total income share in all the countries. Lastly, the shares of total income and total inequality accounted for by "other income" are similar, with both averaging some 9% across the region.

#### **(b) Inequality of earnings**

Earnings inequality, a variable whose relationship with the characteristics of people in employment is analysed in this section, may be more or less pronounced than per capita income inequality. Per capita income inequality is more pronounced in 11 countries and less in seven. In any event, both variables presented a similar trend between 2002 and 2010. Panama and the Bolivarian Republic of Venezuela stand out as countries where the distribution of earnings improved by more than that of total income, while the Dominican Republic and Honduras are examples of the opposite (see figure I.14).

Figure I.14  
LATIN AMERICA (18 COUNTRIES): LEVEL AND TREND OF THE GINI INDEX BY INCOME TYPE, 2002-2010



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.

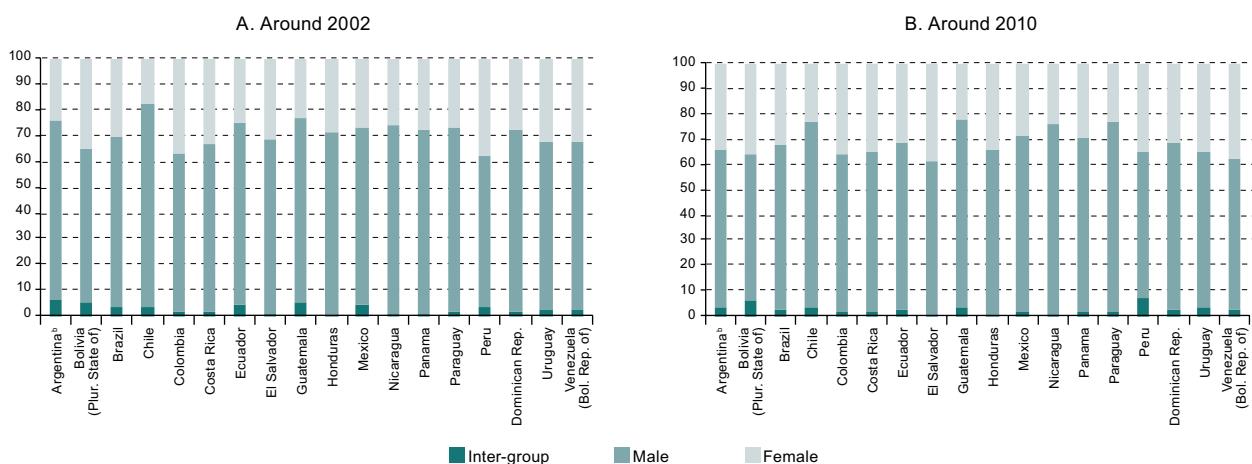
The way earnings are distributed is closely related to the characteristics of those in employment. It is thus interesting to evaluate the degree to which earnings inequality derives from differences in characteristics such as sex, age and educational level.

The analysis uses the Theil index to measure inequality, as it can be decomposed additively for different population subgroups, unlike the Gini index and other indicators. The contribution of each population group to total inequality is determined both by its level of inequality and by its share of total income. The sum of each group's contributions gives rise to the "intra-group" component of inequality, i.e., the component deriving from the dispersion of income in each group.

There is also an "inter-group" component, which shows inequality deriving from differences between groups' average incomes. The sum of the two components gives the Theil index for the whole population (see box I.5).

Decomposition by sex reveals that, on average, 66% of income inequality among those in work relates to the income received by men. Levels of inequality between men and women are not very different, although large differences favouring one or another of the two groups are observed in some countries (see figure I.15). It does seem clear that the large contribution of the male population to inequality is due to its greater share of the labour market and thence of total income. Men's share of total earnings is about 68%.

Figure I.15  
LATIN AMERICA (18 COUNTRIES): DECOMPOSITION OF EARNINGS INEQUALITY BY SEX, AROUND 2002 AND 2010<sup>a</sup>  
(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.

<sup>a</sup> Employed people aged 15 and over.

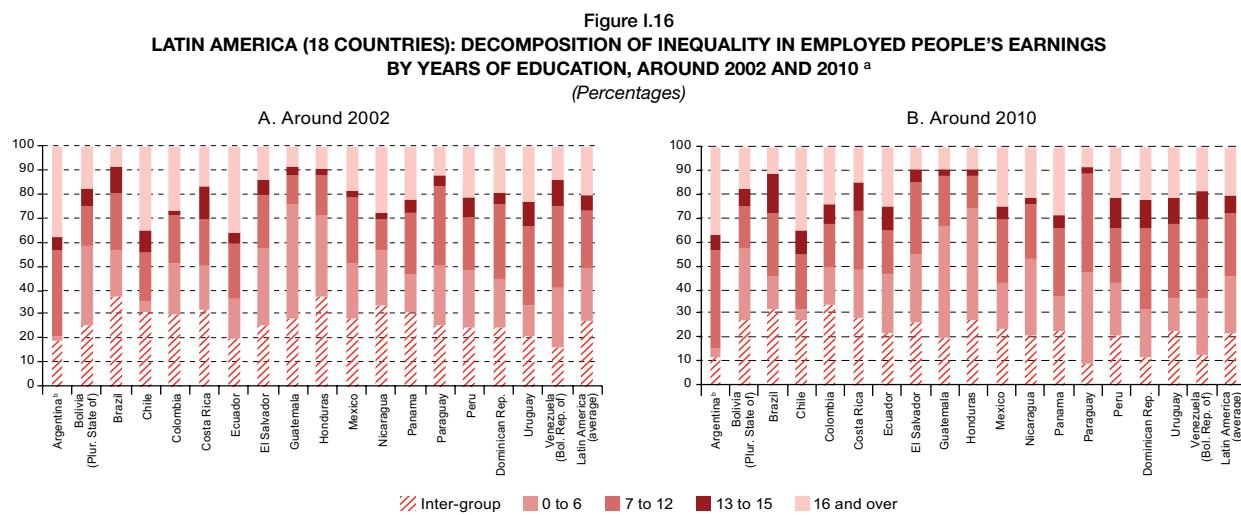
<sup>b</sup> Urban areas.

The inter-group factor, i.e., inequality arising from the difference in average incomes between men and women, accounted for an average of 3% of total inequality. Nonetheless, this small percentage is not representative of the gender earnings gap, as it does not take account of the fact that women average more years of education than men in most of the region's countries. When average incomes are compared between people of different sexes with a similar education level, the pay gap affecting women becomes plain (see table A-23 of the statistical annex).

In comparison with 2002, recent figures show a slight increase in the contribution of the female population to total earnings inequality. This is mainly because the earnings

share of women grew in the interim, by an average of 2 percentage points. Although the relationship between men's and women's inequality indicators did not change on average, appreciable changes one way or the other were recorded in 10 countries.

In the breakdown of earnings inequality by years of education, the inter-group factor presents a high level of heterogeneity between countries. Whereas in Argentina, the Dominican Republic, Paraguay and the Bolivarian Republic of Venezuela the difference in average earnings between different educational levels accounts for just 12% or less of total inequality, the proportion is in excess of 30% in Brazil, Colombia and Honduras (see figure I.16).



**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.

<sup>a</sup> Employed people aged 25 and over.

<sup>b</sup> Urban areas.

The working population was grouped into four levels by the number of years of education completed, roughly corresponding to the primary cycle (ages 0 to 6), the secondary cycle (ages 7 to 12), the technical higher education cycle (ages 13 to 15) and the university cycle (ages 16 and over). Generally speaking, the contribution of each education level to inequality is determined mainly by the educational structure of the workforce. In countries such as Argentina and Chile, where the population with six years of education or less represents a small percentage of the workforce, this group contributes less than 5% to total inequality. Conversely, the inequality share of this group exceeds 30% in the Plurinational State of Bolivia, El Salvador, Guatemala, Honduras, Nicaragua and Paraguay, countries where 50% or more of those in work (aged 25 and over) have no more than six years of schooling.<sup>7</sup>

The most important change when the findings are compared with those from around 2002 is the decline in the specific weight of the inter-group factor. That is, the difference in average incomes between educational levels represents a lesser contribution to total inequality. This is consistent with what was stated earlier regarding the narrowing of gaps associated with the education premium as one of the factors accounting for the lessening of earnings inequality.

The distributional inequality of earnings has a fairly well-defined pattern in the region's countries. The incomes of younger people are more equitably distributed than those of the rest, and inequality tends to increase with age. At the regional level, the Theil index is 6% higher for people aged 30 to 44 than for people aged 15 to 29. Inequality for people aged 45 to 59 is 42% higher than

<sup>7</sup> It should be borne in mind that the results of the decomposition by educational level depend on the number and size of the categories constructed. The fewer the categories, the broader and more diverse

the set of people in each of them will be, and this will translate into an increase in the intra-group component and a reduction in the inter-group component.

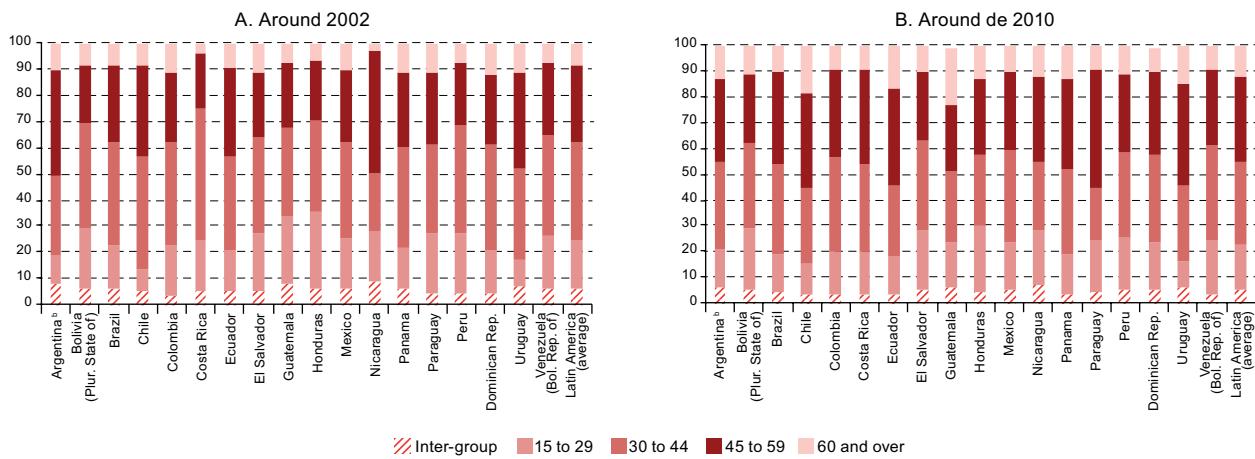
for the young, and this percentage rises to as much as 92% for people aged 60 and over whose earnings distribution is most unequal.

Furthermore, earnings rise with age, both because unemployment is lower among older workers and because average pay per worker is higher. Income peaks among 45- to 59-year-olds and then declines in age groups above that.

The conjunction of these two factors means that the contribution of the youngest to total inequality (averaging

18%) is much smaller than the percentage of working people in this age group (averaging 32%). The contribution of 30- to 44-year-olds to inequality (averaging 32%) is similar to the share of the employed population they account for (averaging 35%). This group and the 45 to 59 group contribute most to earnings inequality. Lastly, employed people aged 60 and over contribute an average of 12% of inequality, whereas they represent only 9% of those in work (see figure I.17).

Figure I.17  
LATIN AMERICA (18 COUNTRIES): DECOMPOSITION OF EARNINGS INEQUALITY BY AGE, AROUND 2002 AND 2010<sup>a</sup>



**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.

<sup>a</sup> Employed people aged 15 and over.

<sup>b</sup> Urban areas.

## C. Perceptions of how the labour market and its institutions function

Latin America continues to be affected by problems with the functioning of the labour market and its institutions. These problems create feelings of uncertainty and unease among working people, particularly those who have unstable and informal jobs, possess less human capital, are in a worse socioeconomic situation and live in countries affected by severe structural heterogeneity. These are the groups most likely to fear losing their jobs and perceive that there are few work opportunities, that employment laws are flouted and that social security guarantees are lacking. Dialogue between businesses and workers is hindered by the low rate of union membership, especially among the least skilled workers, and by mistrust of unions, which is greatest among company executives and managers.

Although the economic recovery in 2010 positively influenced the workings of the labour market, with the employment index rising and unemployment falling, the world of work continues to be one of the main factors in the reproduction of inequality in Latin America. The heterogeneity of the production structure is really a continuum whose two extremes are a small section of the population with high productivity, pay and social protection, on the one hand, and a sector dominated by poor employment conditions, lower pay and limited access to social protection, on the other. Again, both unemployment and employment in the low-productivity sector of the economy continue to affect the young and the poorest women most.

Objectively measurable segmentations and divides in Latin American labour markets have been examined in great depth. The same is not true of differences in perceptions of the labour market that might derive from the different positions and experiences of people in that market. This section will seek to provide some inputs regarding this facet of the problem, addressing: (a) perceptions of job opportunities and the severity of unemployment; (b) some perceptions of how well labour market institutions work (unionization, compliance

with employment law); and (c) feelings of uncertainty and well-being or unease associated with work. This review will concentrate on detecting subjective divides associated with subjects' position in the labour market, whether through direct measurements (employment or job type) or indirect ones (sex, age and education, among others).

It should be pointed out that the limitations of the data make this essentially an exploratory exercise. The source of subjective information is the 1996-2009 Latinobarómetro survey, which was not designed to measure perceptions of how labour markets work. The discontinuity of some important questions (which means that series are incomplete or, in the case of some variables, that information is only available for one year), alterations to the wording of some relevant questions (making comparisons difficult) and constraints on sample sizes (making disaggregation by groups within each country unadvisable) are some of the limitations on the information available. Thus, we have preferred to work with analyses aggregated at the regional level (which raises the difficulty that certain conclusions might not be valid for some countries) and with indicators that have the longest time coverage possible.

## 1.

## Perceptions of employment and unemployment

From the standpoint of economic evolution, the 1996-2009 period can be divided into three stages: one of turbulence (1996-2002), one of steady growth (2003-2008) and a more recent one in which the effects of the global financial crisis unleashed in mid-2008 made themselves felt. Within the first phase, growth slowed in 1998, and this was followed by stagnation in 1999 and recovery in 2000. After a 0.4% expansion in 2001, GDP dropped by 0.6% in 2002. The period between 2003 and 2008 was unprecedented in the region's history, with six consecutive years of steady economic growth. This period ended in 2009 when, in the context of the international crisis, the region experienced a drop of 3% in per capita GDP.

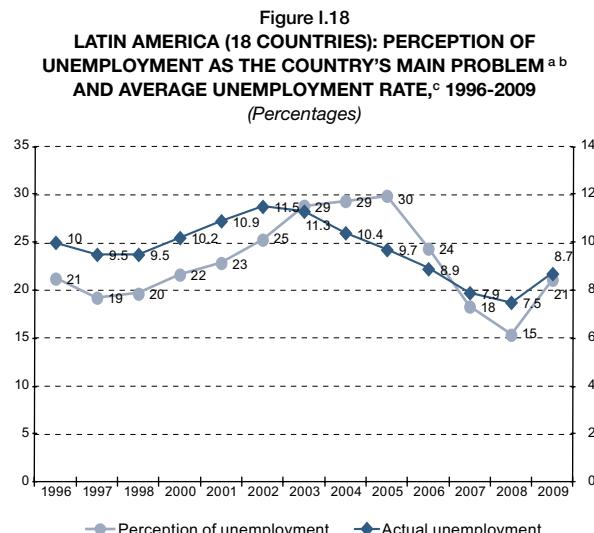
Generally speaking, unemployment and employment rates in the region have tracked the economic cycle. Unemployment rose between 1998 and 2002 before declining systematically between 2003 and 2008 (the unemployment rate in the latter year was the lowest in the whole period studied) and rising again in 2009, although the impact of the international crisis on the labour market

was less than initially expected. Other aspects that need to be taken into account are the higher unemployment rates affecting the poorest women and young people, as these gaps have persisted and even widened in recent years (see chapter III of the present document).

One of the few subjective indicators on which information does exist for almost all the years in the 1996-2009 period is the proportion of people regarding unemployment as their country's greatest problem.<sup>8</sup>

<sup>8</sup> Posing an open question about the main problem facing the country makes respondents less likely to focus on labour market problems other than unemployment (low wages, job instability) than if a closed question including these other aspects is used. Between 1996 and 2003, for example, 9% of Latinobarómetro respondents mentioned low wages as the country's main problem, whereas between 2004 and 2009 (years when the open question was used) only 1.4% on average did so. The same is true of job instability (values of 5.5% and 0.7%, respectively). Conversely, the numbers citing unemployment as the main problem do not greatly alter when the question is changed (22.7% and 23.1% in 1996-2003 and 2004-2009, respectively).

Figure I.18 shows that this perception varies roughly in line with actual unemployment in the region (simple correlation of 0.67), with the exception of the 2002-2005 period, when the proportion seeing unemployment as the main problem rose from 25.3% to 29.9% even as actual unemployment fell from 11.5% to 9.7%. In the period immediately following (from 2005 to 2008), the perception of unemployment as the main problem fell more quickly than actual unemployment. Thus, the recovery which followed the crisis of 2001 and 2002 originally took place in a context of deteriorating expectations about the capacity of the economy to generate jobs, and then in a situation of “accelerated adjustment” of perceptions regarding the behaviour of unemployment.



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of data from Latinobarómetro, 1996-2009 and CEPALSTAT database [online] <http://websei.eclac.cl/infest/ajax/cepalstat.asp?idioma=1>.

<sup>a</sup> Between 1996 and 2003, respondents had to choose the main problem from a list of predetermined questions. An open question began to be used in 2004.

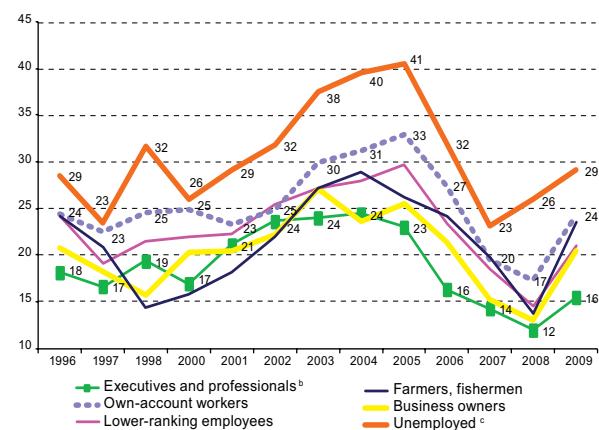
<sup>b</sup> Data for the Dominican Republic have been available since 2004.

<sup>c</sup> Simple average for 18 countries of Latin America.

In contrast with the situation depicted by the objective unemployment figures, the perception that lack of work is the main problem was not significantly greater among the poorest young people and women than among the population generally. Between 1996 and 2006, the average perception that unemployment was the country's main problem reached 25.3% among women with two or three unmet basic needs (UBNs) and 24.7% among people aged 15 to 29 with two or three UBNs,<sup>9</sup> values that are very

close to the 24.2% for the whole Latinobarómetro sample. However, there are differences by occupational situation: between 1996 and 2009, the unemployed were more likely than any of the other groups to say that unemployment was the country's main problem, followed by own-account workers. Conversely, the group composed of mid- and high-ranking executives and professionals were less likely to identify unemployment as the country's main problem than the other groups (see figure I.19).

**Figure I.19**  
**LATIN AMERICA (18 COUNTRIES): PERCEPTION THAT UNEMPLOYMENT IS THE COUNTRY'S MAIN PROBLEM, BY OCCUPATIONAL SITUATION OF RESPONDENTS,<sup>a</sup> 1996-2009**  
*(Percentages of the population)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 1996-2009.

<sup>a</sup> Between 1996 and 2003, respondents had to choose the main problem from a list of predetermined questions. An open question has been used since 2004. Data for the Dominican Republic have been available since 2004.

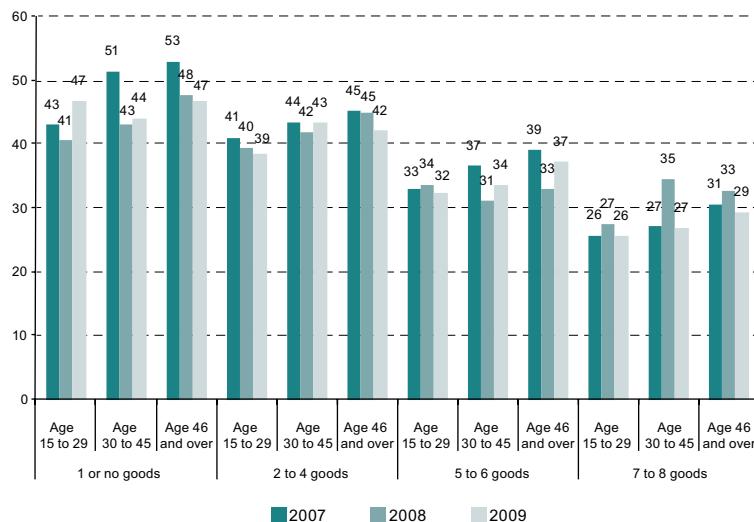
<sup>b</sup> Includes high- and mid-ranking executives and employed and self-employed professionals.

<sup>c</sup> Includes people declaring they were temporarily jobless at the time of the interview.

Another indicator is people's perceptions of job opportunities in the country. When regressions are carried out for 2007, 2008 and 2009, with sex, age, socioeconomic situation, education and employment situation being taken as predictors of perceptions of job opportunities, the finding is that the perception that job opportunities are available is correlated with household ownership of goods (see figure I.20). Perceptions of job availability are also found to be lower among the unemployed and, to a lesser extent, own-account workers. At the same time, they are greater among young people aged 15 to 29 and also among those aged between 30 and 45, as compared to people aged 46 and over. No significant statistical differences are identified by sex.

<sup>9</sup> UBNs are an education level that falls short of complete primary schooling and lack of sewage and drinking water services.

**Figure I.20**  
**LATIN AMERICA (18 COUNTRIES): PERCEPTION THAT JOB OPPORTUNITIES ARE LACKING IN THE COUNTRY,<sup>a</sup> BY AGE AND OWNERSHIP OF GOODS,<sup>b</sup> 2007, 2008 AND 2009**  
*(Percentages of the population considering that there is no guarantee of finding work)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 2007, 2008 and 2009.

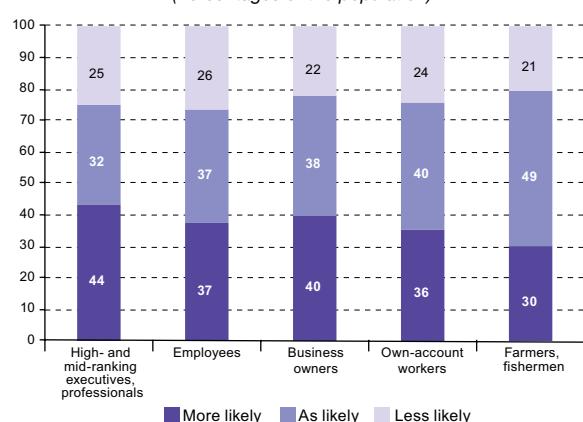
<sup>a</sup> The percentages are of people who chose the answer "not sure at all" to the question: "How sure can people be of finding work in your country?" The other possible answers were: completely, fairly or not very sure.

<sup>b</sup> The indicator of goods ownership and access to basic services in the household includes ownership of (1) refrigerator, (2) washing machine, (3) fixed-line telephone, (4) computer, (5) piped hot water, (6) car, (7) sewer system and (8) mobile telephone.

Thus, employment status and household socioeconomic situation are associated with perceptions of job availability and with the importance ascribed to unemployment as a problem in the country. It is striking that there is apparently no difference between the sexes in their perceptions of job opportunities and the seriousness of the unemployment problem, which suggests that, for a large proportion of women, labour market problems are not as troubling as the "hard data" might suggest, something that could be explained by the persistence of beliefs and stereotypes regarding traditional gender roles.<sup>10</sup> In turn, the greater pessimism about job opportunities among people aged 46 and over may be due to their finding it harder to apply for and obtain jobs than others with the same qualifications because of the age limits usually included among the specifications for job applicants. The same factor may explain the greater optimism of the young (see figure I.21).

<sup>10</sup> In traditional gender role models, it is men who are supposed to be the main (if not only) breadwinners, making it more essential for them to find work.

**Figure I.21**  
**LATIN AMERICA (18 COUNTRIES): PERCEPTIONS OF HOW LIKELY SOMEONE UNDER 30 IS TO BE ACCEPTED AND PROMOTED IN A JOB COMPARED TO SOMEONE OVER 30,<sup>a</sup> BY OCCUPATION TYPE, 2008**  
*(Percentages of the population)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 2008.

<sup>a</sup> The question used in Latinobarómetro 2008 is: "Would you say that someone under 30 is more likely, as likely or less likely to be promoted or accepted in a job than someone over 30 with the same skills or qualifications?"

## 2.

## Perceptions of the workings of labour market institutions

Perceptions of how well labour market institutions work need to be analysed in the light not only of the employment situations and trajectories defining subjects' working experiences but also of some contextual elements that are important in the region's countries, such as institutional systems in labour markets and the heterogeneity of the production structure in the countries of Latin America (see chapter III for more detailed information on the latter).

The heterogeneity of the production structure affects the workings of labour market institutions. Segmentation is manifested in productivity and pay gaps between sectors integrated into the international economy and those oriented towards the domestic market. Levels of formal working and access to social security are relatively high in the former and low in the latter. Reforms to labour market institutions, most of them implemented during the 1990s, fomented labour market deregulation and flexibility with a view to boosting efficiency and job creation (Weller,

2009), and they were associated with a trend towards more unstable and informal employment conditions and loss of access to social protection. It should be borne in mind, however, that some countries which initially brought in reforms later reversed them.

One consequence of the reforms ought to be the erosion of employee negotiating power, manifested in lower rates of union membership and a reduced capacity for collective bargaining, but the information available is not conclusive. The most that can be said about Latin America is that only a minority of wage earners are unionized, that union density is lower than in developed countries with welfare States on the social democratic model, and that unions are much smaller than in developed countries (with the exceptions of Japan and the Republic of Korea), which suggests considerable fragmentation (see table I.5). In most of the region's countries, furthermore, collective bargaining only covers between 8% and 10% of wage earners (ECLAC, 2011b).

**Table I.5**  
**LATIN AMERICA (10 COUNTRIES) AND DEVELOPED COUNTRIES: INDICATORS OF UNIONIZATION AMONG WAGE EARNERS**

Country	Union density <sup>a</sup>			Average union size <sup>b</sup>		
	Year	Percentages	Year	Percentages	Year	Average
Latin America						
Argentina	...	...	2006	37.6	...	...
Bolivia (Plurinational State of) <sup>c</sup>	...	...	2006	26.6	...	...
Brazil	1988	27.7	2007	20.9	1988 y 1992	1 677
Chile <sup>d</sup>	1990	13.4	2008	11.9	1991-2008	81
Colombia	1997	28.7	...	...	1984-1997	187
El Salvador	1992	21.7	2008	11.9	...	...
Guatemala	1991	10.4 <sup>e</sup>	2006	12.9	1980-1992	98
Mexico	...	...	2008	17.0	...	...
Nicaragua			2006	4.1	...	...
Uruguay	...	...	2006	19.0	...	...
Developed countries						
Denmark	1994	93.6	2008	99.2	1987-2004	18 942
Finland	1990	88.1	2006	68.0	1989-2004	21 473
Sweden	1991	97.6	2007	73.6	1989-2005	59 149
Norway	1996	73.3	2006	52.9	...	...
Germany	1991	34.8	2007	19.9	...	...
Spain	...	...	2007	14.5	...	...
United States	1990	16.1	2007	11.4	...	...
United Kingdom <sup>f</sup>	1992	36.2	2007	28.0	1980-1998	31 927
New Zealand	1992	28.8	2008	20.8	1985-2004	3 390
Republic of Korea	1990	18.4	2006	10.0	1980-2008	273
Japan	1990	25.2	2007	18.0	1980-2008	170

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organization (ILO), *Collective Bargaining: Negotiating for Social Justice High-level Tripartite Meeting on Collective Bargaining*, Geneva, 19-20 November 2009, Geneva, 2010 and the Dialogue Data database [online] <http://www.ilo.org/public/english/dialogue/ifpdial/info/dialdata.htm>.

<sup>a</sup> Percentage of the population in wage employment.

<sup>b</sup> Year-on-year average.

<sup>c</sup> Percentage of total employment.

<sup>d</sup> Percentage of wage earners in the private sector.

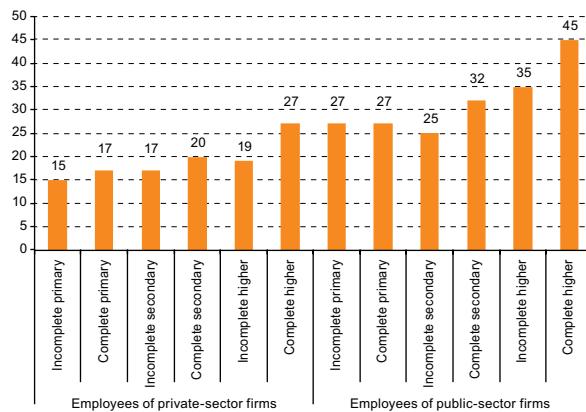
<sup>e</sup> Percentage of the wage-earning population, ECLAC estimate based on the Dialogue Data database [online] <http://www.ilo.org/public/english/dialogue/ifpdial/info/dialdata.htm>.

<sup>f</sup> Value supplied by the country.

Argentina and Brazil, with their higher levels of union density and collective bargaining, are exceptions in the region (ECLAC, 2011b). Mention should also be made of the Plurinational State of Bolivia, which has the second-highest union density of all the region's countries. The other side of the coin is Chile, which was a pioneer of labour-market reform<sup>11</sup> and, with El Salvador, had the lowest rate of union membership and smallest average union size in Latin America at the end of the last decade. In all the countries, public-sector workers are better placed as regards unionization and collective bargaining than the rest of the workforce (ECLAC, 2011b).

Combining with low union density, the small size of unions and the limited incidence of collective bargaining is the fact that unionization is more common among more highly educated workers and employees in public-sector enterprises (see figure I.22). Thus, the people most in need of union membership as a mechanism for increasing their bargaining power and gaining access to protection and rights are actually the least likely to have been unionized. Nonetheless, the indicator presented is not a measure of current union membership, but illustrates the difficulty of unionizing less highly educated workers and those employed by private-sector firms. Katzman (2010) suggests that unionization gaps associated with skill levels reflect segmentation processes in labour markets that magnify the differences in the options available for constructing collective social capital.<sup>12</sup>

**Figure I.22**  
**LATIN AMERICA (18 COUNTRIES): EXPERIENCE OF  
 PARTICIPATION IN UNIONS OR TRADE ASSOCIATIONS BY  
 EDUCATION LEVEL AND EMPLOYMENT SITUATION, 2007<sup>a</sup>**  
*(Percentages)*



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 2007.

<sup>a</sup> The figures given are the sums of the percentages of people stating they participate actively in unions, stating they are members but not active participants, and stating they participated at some time in the past.

A further factor is mistrust of unions, which has stood at a very high level for the last 15 years in Latin America (in 1996, the percentage of people saying they had little or no confidence in unions was 70%, while in 2009 it was 67%). Mistrust of unions<sup>13</sup> may not only discourage membership among workers but also create an adverse climate for the creation of unions within firms. Figure I.23 shows that high-level executives (managers and directors) are the occupational group that most distrust unions and perceive the greatest conflict between employers and workers. In practice, this must represent a serious obstacle to social dialogue, since an acceptance of unions among employers and managers is essential if these are to be created and maintained. In any event, these data should be interpreted with caution, both because sample sizes for the high-level executive group are limited and because information from a number of years is aggregated, which may conceal changes over the course of the period studied.

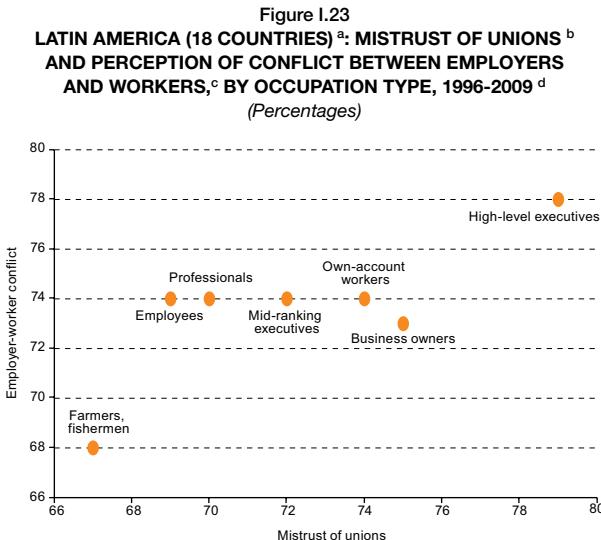
In this situation, it is unsurprising that perceptions of compliance with employment law (including provisions relating to the signing of employment contracts, dismissal and redundancy payments, length of the working day, overtime payments and the minimum wage) are more negative among people living in countries with severe structural heterogeneity and among the unemployed and own-account workers. Conversely, perceptions are more positive among those living in countries with moderate and intermediate levels of structural heterogeneity and among wage earners. In any event, the similarity of the values for wage employees in the public and private sectors contrasts with the higher incidence of unionization and collective bargaining in the public sector, something that ought to be manifested

<sup>11</sup> Chile's labour-market reforms were implemented between 1978 and 1981. They recognized the right for unions to organize only at the firm level, and they promoted voluntary membership and union pluralism, fomenting the creation of unions within firms. Anything that constrained employers' power to manage and run their firms was excluded from the purview of collective bargaining, and the right to strike was limited to 60 days; after this period, the employer's proposals would be applied. In some sectors of activity, such as health care and national security, striking was banned.

<sup>12</sup> Given that skills are positively associated with the capacity to make collective demands, greater diversity of skills in a single workplace would increase the opportunities for the unskilled to participate in organizations that would enable them to uphold their interests and rights. Conversely, working alongside peers whose levels of educational capital are uniformly low will reduce opportunities of access to organizational support in the effort to secure protections and rights (Katzman, 2010).

<sup>13</sup> A similar tendency is seen with respect to other institutions.

in better compliance with employment legislation in that sector. Perhaps what evens out perceptions is that the criteria used by wage workers in public-sector enterprises to gauge compliance with employment laws are more stringent than those applied by private-sector wage workers.



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 1996-2009.

<sup>a</sup> Data for the Dominican Republic have been available since 2004.

<sup>b</sup> Question used in the Latinobarómetro survey: "Can you tell me how much confidence you have in unions: a lot, some, not much or no confidence?" The values recorded are the percentages saying they had not much or no confidence in unions.

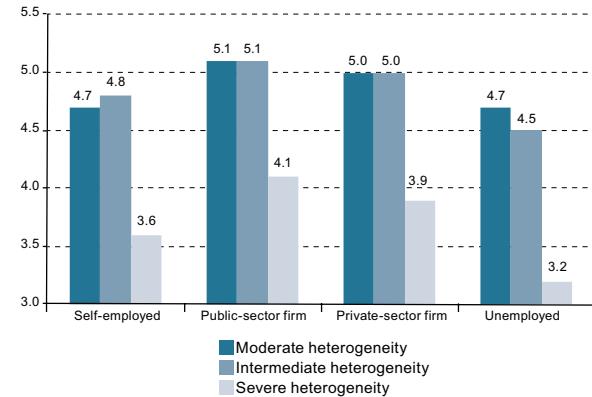
<sup>c</sup> Question used in the Latinobarómetro survey: "In all countries there are disagreements or even conflicts between different social groups. In your opinion, how severe is the conflict between employers and workers: very severe, severe, slight or non-existent?" The values recorded are the percentages saying this conflict was very severe or severe.

<sup>d</sup> For the question about confidence in unions, the data recorded were obtained by aggregating the observations available for 1996, 2003, 2004, 2005, 2008 and 2009. For the question about conflict between employers and workers, the data recorded were obtained by aggregating the information for 2007 and 2008.

Again, a recurrent element in objective assessments of contributory social protection, in contexts marked by structural heterogeneity, has been the finding that access to social security is inadequate everywhere (ECLAC, 2006, 2010). As of 2009, in fact, just 46% of working Latin Americans were affiliated to social security systems, with rates being lowest in countries with severe structural heterogeneity (ECLAC, 2011b). Figure I.25 shows a convergence between the diagnosis based on "objective" data and the one based on perceptions: social security is rated negatively more often by those living in countries with severe structural heterogeneity than by those living in countries with moderate and intermediate heterogeneity. The greater frequency of negative perceptions in older age groups should also be noted, a situation that is more pronounced in countries with severe structural heterogeneity.

**Figure I.24**  
**LATIN AMERICA (18 COUNTRIES): PERCEPTION OF COMPLIANCE WITH EMPLOYMENT LEGISLATION, BY EMPLOYMENT SITUATION OF RESPONDENTS AND THE STRUCTURAL HETEROGENEITY OF THE COUNTRY,<sup>a</sup> 2006<sup>b</sup>**

*(Simple averages, scale of 1 to 10, where 1 = total non-compliance with employment law and 10 = full compliance with employment law)<sup>b</sup>*



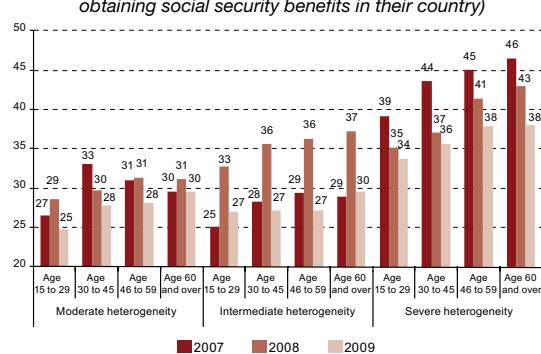
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 2006 and ECLAC, "Empleo y protección social. Borrador para comentarios", 2011, unpublished.

<sup>a</sup> The countries were classified by ECLAC (2011a) on the basis of criteria such as productivity gaps between sectors of activity, percentages of employment in these, the relative contribution of sectors to GDP and some performance indicators (per capita income, employment, inequality and poverty) related to the structure of the labour market. This exercise yielded the following groups: moderate structural heterogeneity: Argentina, Chile, Costa Rica, Mexico and Uruguay; intermediate structural heterogeneity: Brazil, Colombia, Panama and the Bolivarian Republic of Venezuela; and severe structural heterogeneity: Plurinational State of Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Peru.

<sup>b</sup> Unweighted additive scale constructed on the basis of four questions about compliance with employment law in: (1) the signing of employment contracts; (2) dismissal and redundancy payments; (3) working hours and overtime; (4) payment of the minimum wage. The internal consistency of the scale is 0.89 (alpha coefficient), the scale is one-dimensional and the questions are correlated by a factor that accounts for 76% of variability.

**Figure I.25**  
**LATIN AMERICA (18 COUNTRIES): PERCEPTION THAT SOCIAL SECURITY IS NOT GUARANTEED,<sup>a</sup> BY AGE GROUPS AND STRUCTURAL HETEROGENEITY OF THE COUNTRY,<sup>b</sup> 2007, 2008 AND 2009**

*(Percentages stating that people cannot be sure of obtaining social security benefits in their country)*



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 2007, 2008 and 2009, and ECLAC, "Empleo y protección social. Borrador para comentarios", 2011, unpublished.

<sup>a</sup> The percentages are of people answering "not sure at all" to the question: "To what extent is social security guaranteed in your country?". The other possible answers are: completely, reasonably or not sure.

<sup>b</sup> Country groups: moderate structural heterogeneity: Argentina, Chile, Costa Rica, Mexico and Uruguay; intermediate structural heterogeneity: Brazil, Colombia, Panama and the Bolivarian Republic of Venezuela; and severe structural heterogeneity: Plurinational State of Bolivia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Peru.

Although differences by age are not as great in countries with lower levels of heterogeneity, it is possible to offer some conjectures that might be helpful for future studies and that have policy implications. The fact that social security is rated more negatively by the older population does not seem hard to explain, as this population has to cope directly with the difficulties of life without a pension or with retirement benefits that are inadequate to meet basic needs or maintain their pre-retirement standard of living.<sup>14</sup> Conversely, young people might feel that problems related to social security are not very important, because at their stage in life they are very far from retirement and also because they might underestimate the future consequences of not having income when they come to leave the workforce.

In summary, problems with the workings of labour market institutions (manifested in low levels of unionization,

collective bargaining and access to social security) have their subjective correlative in strong perceptions of conflict between employers and workers, in mistrust of unions (particularly on the part of high-level executives and managers), in the perception that employment laws are widely flouted and in the belief that social security is far from guaranteed (chiefly among those living in countries with greater structural heterogeneity). These data contrast with the progress made by the region's countries in ratifying international conventions on decent work,<sup>15</sup> something that highlights a divide between the *de jure* and the *de facto* situation, and with it the need for action to improve labour market institutions and organization, worker bargaining power and access to rights, with a view to moving towards an effective social dialogue between employers and workers.

### 3.

## **Feelings of uncertainty and well-being or unease associated with work**

Attention has begun to be paid in recent years to feelings of uncertainty associated with work, which can erode people's quality of life.<sup>16</sup> The possible sources of insecurity are many, operate at different levels and can be interrelated. One is the destruction of jobs associated with the economic cycle. Another source, found especially in economies characterized by structural segmentation and heterogeneity, is employment in low-productivity jobs, where lack of protection, job instability and low incomes are the norm. A third source, which has been studied for its psychosocial effects in developed economies (Salama, 2005), are changes in models of work organization in the formal sector, involving the use of technologies that replace human labour, outsourcing of services, and increasingly flexible pay and working conditions. A final source of insecurity are the changes driven by the information society, with human capital accumulation becoming a vital asset for securing more stable and better-paid jobs.

The incidence of the first two sources of uncertainty can be visualized in figure I.26. People's fear of losing their jobs in the next 12 months tends to rise at times of

economic contraction and fall during years of expansion. Throughout the period analysed, this fear was greater among people living in countries with intermediate and severe structural heterogeneity than among those living in countries with moderate structural heterogeneity. Nonetheless, the dominant trend in both groups of countries has been towards a considerable lessening of people's fear of losing their jobs, a situation that is more marked in countries with intermediate or severe heterogeneity. This has translated into a narrowing of the divide between countries with different levels of structural heterogeneity as regards the fear of unemployment.

The effect of insecure and informal working conditions on people's fear of losing their jobs can be analysed from microdata, in conjunction with other factors, such as the respondent's education level, sex and age. To this end, a regression covering the whole Latinobarómetro sample from 1996 to 2006 was carried out. The analysis made it possible to establish that people with less education,

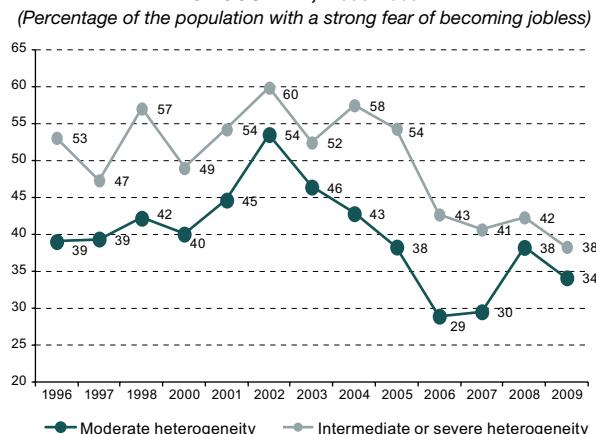
<sup>14</sup> This greater perception among older adults that social security guarantees are lacking is no small difficulty, since the capacity for organization, mobilization and negotiation has been weakened by this stage of the life cycle (we are not speaking here of the "elite" of older adults).

<sup>15</sup> If the idea of decent work is taken as a parameter, the region evinces very advanced levels of ratification of international conventions, and recent trends are positive. As of 2010, the Latin American countries had made considerable progress in this field, with ratification of the eight basic conventions increasing from 93% to 97% (ECLAC, 2011).

<sup>16</sup> There is evidence from the developed countries that greater job insecurity is associated with mental health problems and difficulties in family relationships (Burchell, 2005).

own-account workers and low- and mid-level employees were significantly more afraid of losing their jobs (see figures I.27 and I.28). Furthermore, fear of becoming unemployed was lower among men and older people (see table I.A-4 in the annex to chapter I).

**Figure I.26**  
**LATIN AMERICA (18 COUNTRIES) <sup>a</sup>: FEAR OF LOSING JOB IN THE NEXT 12 MONTHS, <sup>b</sup> BY STRUCTURAL HETEROGENEITY OF COUNTRY, <sup>c</sup> 1996-2009**



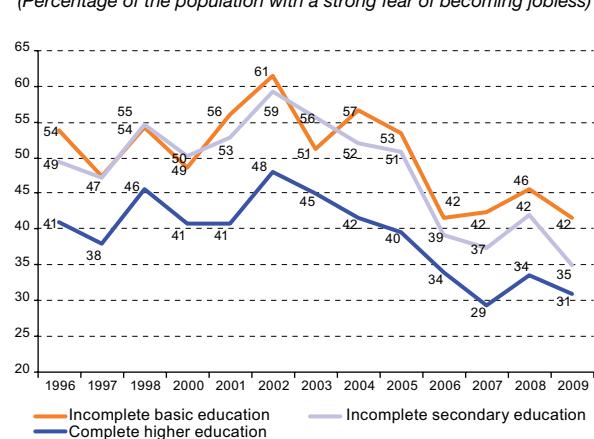
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 1996-2009 and ECLAC, "Empleo y protección social. Borrador para comentarios", 2011, unpublished.

<sup>a</sup> Data for the Dominican Republic have been available since 2004.

<sup>b</sup> The question asked in Latinobarómetro is: "How worried would you say you are about becoming jobless or unemployed over the coming months, or are you currently without work?" The calculation excludes those stating they were currently without work.

<sup>c</sup> Groups of countries: moderate structural heterogeneity: Argentina, Chile, Costa Rica, Mexico and Uruguay; intermediate structural heterogeneity: Brazil, Colombia, Panama and the Bolivarian Republic of Venezuela; severe structural heterogeneity: Plurinational State of Bolivia, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Peru.

**Figure I.27**  
**LATIN AMERICA (18 COUNTRIES) <sup>a</sup>: FEAR OF BECOMING JOBLESS IN THE NEXT 12 MONTHS, <sup>b</sup> BY EDUCATION LEVEL, 1996-2009**



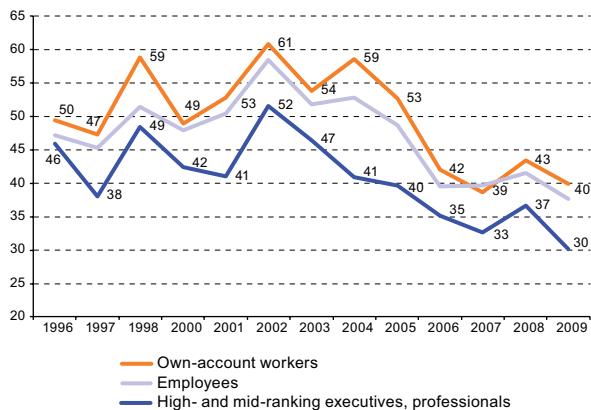
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 1996-2009.

<sup>a</sup> Data for the Dominican Republic have been available since 2004.

<sup>b</sup> The question asked in Latinobarómetro is: "How worried would you say you are about becoming jobless or unemployed over the coming months, or are you currently without work?" The calculation excludes those stating they were currently without work.

**Figure I.28**  
**LATIN AMERICA (18 COUNTRIES) <sup>a</sup>: FEAR OF BECOMING JOBLESS IN THE NEXT 12 MONTHS, <sup>b</sup> BY EMPLOYMENT SITUATION, 1996-2009**

(Percentage of the population with a strong fear of becoming jobless)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 1996-2009.

<sup>a</sup> Data for the Dominican Republic have been available since 2004.

<sup>b</sup> The question asked in Latinobarómetro is: "How worried would you say you are about becoming jobless or unemployed over the coming months, or are you currently without work?" The calculation excludes those stating they were currently without work.

In any event, the indicator for fear of becoming jobless is a proxy for the uncertainty associated with the workings of the labour market and business cycles, and is not enough to determine whether the new production structures are making it harder for people to form life plans in the expectation of being able to establish a permanent working relationship with substantial levels of social protection (Katzman, 2010). Further studies are thus needed to form a more definite idea as to whether some groups—particularly the most vulnerable—have put away the notion of "lifetime employment" when making their life plans. In any event, in those countries of the region that have been characterized for some time by severe structural heterogeneity, the guarantee of lifelong employment has been restricted to minority groups, and it is therefore possible that the hypothesis is more applicable to countries that at some point in time created the conditions in which a large segment of the population could obtain jobs that were more or less secure and stable over time.

Another matter of interest is the relationship between employment and some indicators of subjective well-being. In this case there are two elements to be considered. First, people have internalized the idea that material aspirations are met by well-paid, stable and protected jobs. On this logic, those who are unemployed or uncertainly employed face barriers to social integration and the affirmation of their identities and self-esteem (Katzman, 2010). At the same time, these people might experience a gap between aspirations and expectations, resulting in reduced subjective well-being (ECLAC, 2007). Second, work

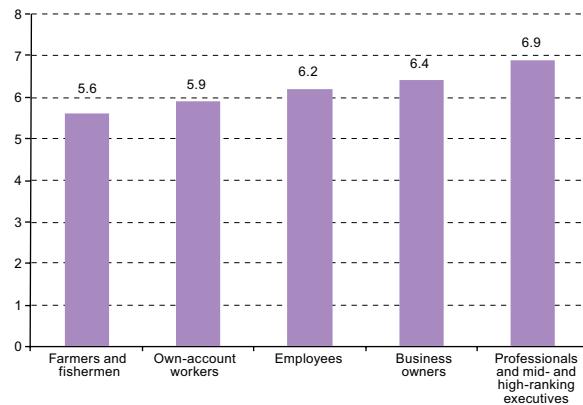
experience appears to have ceased to be the main source of autonomous improvements in well-being, owing to the devaluation of the credit given by society to skills acquired in the workplace (Katzman, 2010).

The 2007 Latinobarómetro study included for the first time a question about people's satisfaction with their work, which may serve to analyse the relationship between employment type and well-being as measured by subjective indicators. It should be pointed out that this is not the only way of exploring this relationship, but it was selected as being the only question available in the Latinobarómetro investigation that allows this association to be approached directly.<sup>17</sup> It should also be considered that, in intrinsic terms,<sup>18</sup> subjects' assessment of their own satisfaction with their work is necessarily a measure of how far they perceive it to be falling short of some threshold of comparison (which may be absolute or relative). One of the risks to the reliability of measures of this kind is that expectations may adapt (declining intensity of response to a reiterated stimulus or "treatment"). If this risk materializes, subjects with very different jobs will present similar levels of satisfaction with their work.

Figures I.29 and I.30 reveal significant differences in work satisfaction by employment type and education level, indicating that adaptation does not do away with the effects of the quality of the jobs taken or education level attained. Thus, satisfaction with work is greatest among professionals and mid- and high-ranking executives and lowest among farmers and fishermen. Again, those with incomplete or complete higher education are more satisfied than people

with incomplete basic education. Figure I.30 also shows that the satisfaction gap associated with education has the greatest incidence among women aged 15 to 29, which could be linked to the greater instability and informality of the jobs done by young women with fewer years of schooling, or to a feeling on the part of these women that they have been "forced" (by economic necessity) to enter the world of work early. This last issue requires further research.

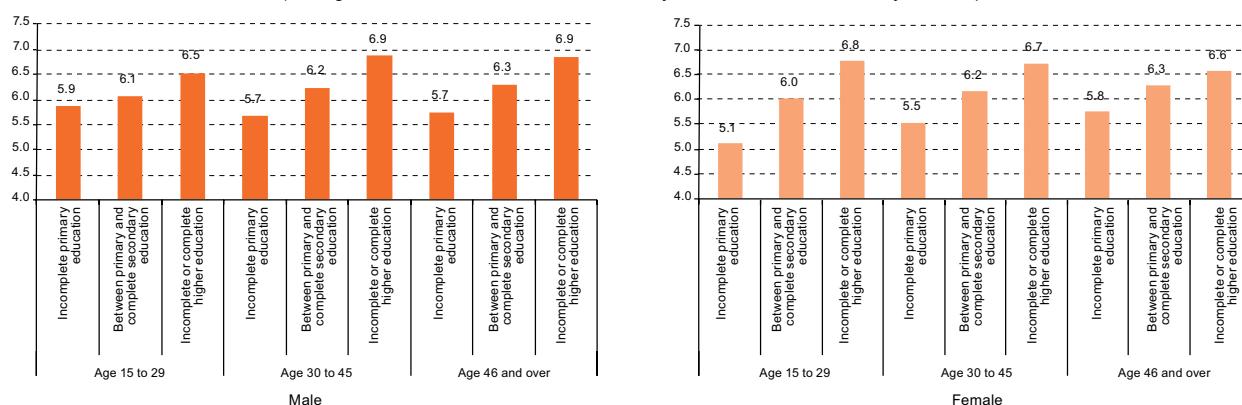
**Figure I.29**  
**LATIN AMERICA (18 COUNTRIES): SATISFACTION WITH WORK BY OCCUPATION TYPE,<sup>a</sup> 2007**  
(Averages, scale from 0 to 10, where 0 = totally dissatisfied and 10 = totally satisfied)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 2007.

<sup>a</sup> Post hoc comparison of means yields three groups that differ significantly in their levels of occupational satisfaction: (1) farmers, fishermen and own-account workers; (2) low-ranking employees and business owners; and (3) mid- and high-ranking executives and professionals.

**Figure I.30**  
**LATIN AMERICA (18 COUNTRIES): SATISFACTION WITH WORK BY SEX, AGE AND EDUCATION LEVEL, 2007**  
(Averages, scale from 0 to 10, where 0 = totally dissatisfied and 10 = totally satisfied)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 2007.

<sup>17</sup> Questions about satisfaction form part of the cognitive aspect of the tradition of subjective well-being (the other branch within this aspect analyses flows of pleasure and pain). There is also another, parallel, tradition of psychological well-being dealing with feelings of self-realization (the eudaimonic perspective). It should also be noted that satisfaction with work and with life

generally are not identical: someone may be happy with their work and dissatisfied with their life. See Villatoro (2011) for further details.

<sup>18</sup> Extrinsic satisfaction includes assessment of aspects relating to the organization of work, such as working hours, pay and physical working conditions (Moreno-Jiménez and Hidalgo, 2011).

## Annex

**Table I.A-1**  
**LATIN AMERICA (18 COUNTRIES): INDICATORS OF POVERTY AND INDIGENCE, 1990-2010<sup>a</sup>**  
*(Percentages)*

Country	Year	Poverty <sup>b</sup>				Indigence			
		Households		Population		Households		Population	
		Incidence (H)	Incidence (H)	Gap (PG)	Gap squared (FGT2)	Incidence (H)	Incidence (H)	Gap (PG)	Gap squared (FGT2)
Argentina <sup>c</sup>	1990 <sup>d</sup>	16.2	21.2	7.2	3.4	3.5	5.2	1.6	0.8
	1999	16.3	23.7	8.6	4.3	4.3	6.6	2.1	1.1
	2002	34.9	45.4	21.1	12.8	13.9	20.9	8.4	4.6
	2009	8.1	11.3	4.7	2.9	3.0	3.8	1.9	1.4
	2010	6.3	8.6	3.4	2.1	2.4	2.8	1.4	1.0
Bolivia (Plurinational State of)	1989 <sup>e</sup>	48.9	52.6	24.5	15.0	21.9	23.0	9.7	6.1
	1999	54.7	60.6	33.9	24.1	32.5	36.5	20.3	14.7
	2002	55.5	62.4	34.4	23.8	31.7	37.1	19.5	13.5
	2007	47.2	54.0	27.8	18.2	27.2	31.2	14.5	9.7
Brazil	1990	41.4	48.0	23.5	14.7	18.3	23.4	9.7	5.5
	1999	29.9	37.5	17.0	10.2	9.6	12.9	5.3	3.3
	2001	30.0	37.5	17.4	10.7	10.0	13.2	5.8	3.8
	2008	19.9	25.8	10.7	6.3	5.8	7.3	3.3	2.2
	2009	19.3	24.9	10.5	6.2	5.7	7.0	3.2	2.2
Chile	1990	33.3	38.6	14.9	8.0	10.7	13.0	4.4	2.3
	1998	17.8	21.7	7.5	3.8	4.6	5.6	2.0	1.1
	2003	15.3	18.7	6.3	3.2	3.9	4.7	1.7	1.0
	2006	11.3	13.7	4.4	2.2	2.7	3.2	1.1	0.7
	2009	9.8	11.5	4.0	2.2	3.3	3.6	1.5	1.0
Colombia	1994	47.3	52.5	26.6	17.5	25.0	28.5	13.8	9.1
	1999	48.7	54.9	25.6	15.7	23.2	26.8	11.2	6.9
	2002 <sup>f</sup>	48.2	54.2	26.3	16.5	17.6	19.9	8.8	5.6
	2009 <sup>f</sup>	39.3	45.7	20.8	12.7	14.3	16.5	7.2	4.6
	2010 <sup>f</sup>	37.8	44.3	19.7	11.8	12.8	14.8	6.4	4.0
Costa Rica	1990	23.6	26.3	10.7	6.5	10.0	10.1	4.8	3.4
	1999	18.2	20.3	8.1	4.8	7.5	7.8	3.5	2.3
	2002	18.6	20.3	8.4	5.2	7.7	8.2	3.9	2.7
	2008	14.8	16.4	5.8	3.1	5.2	5.5	2.2	1.4
	2009	16.8	18.9	6.9	3.9	6.4	6.9	3.0	2.0
Dominican Republic	2002	42.2	47.1	20.9	12.6	18.2	20.7	8.8	5.3
	2009	37.8	41.1	18.5	11.0	19.8	21.0	8.0	4.5
	2010	38.0	41.4	18.7	11.1	19.2	20.9	8.2	4.6
Ecuador <sup>c</sup>	1990	55.8	62.1	27.6	15.8	22.6	26.2	9.2	4.9
	1999	58.0	63.5	30.1	18.2	27.2	31.3	11.5	6.3
	2002	42.6	49.0	20.8	11.8	16.3	19.4	6.9	3.7
	2009	34.1	40.2	15.6	8.3	12.9	15.5	5.0	2.6
	2010	31.4	37.1	14.2	7.5	11.9	14.2	4.6	2.4
El Salvador	1995	47.6	54.2	24.0	14.3	18.2	21.7	9.1	5.6
	1999	43.5	49.8	22.9	14.0	18.3	21.9	9.4	5.8
	2001	42.9	48.9	22.7	14.0	18.3	22.1	9.5	5.7
	2009	41.8	47.9	19.4	10.5	14.1	17.3	5.7	2.7
	2010	40.2	46.6	18.8	10.0	13.3	16.7	5.2	2.3
Guatemala	1989	63.0	69.4	35.9	23.1	36.7	42.0	18.5	11.2
	1998	53.5	61.1	27.3	15.4	26.1	31.6	10.7	5.1
	2002	52.8	60.2	27.0	15.4	26.9	30.9	10.7	5.5
	2006	46.7	54.8	25.5	15.2	22.7	29.1	11.3	5.8

Table I.A-1 (concluded)

Country	Year	Poverty <sup>b</sup>				Indigence			
		Households		Population		Households		Population	
		Incidence (H)	Incidence (H)	Gap (PG)	Gap squared (FGT2)	Incidence (H)	Incidence (H)	Gap (PG)	Gap squared (FGT2)
Honduras	1990	75.2	80.8	50.2	35.9	53.9	60.9	31.5	20.2
	1999	74.3	79.7	47.4	32.9	50.6	56.8	27.9	17.5
	2002	70.9	77.3	45.3	31.2	47.1	54.4	26.6	16.2
	2009	60.0	65.7	34.7	22.7	36.2	41.8	19.5	11.8
	2010	61.2	67.4	36.6	24.2	37.0	42.8	20.1	12.1
Mexico	1989	39.0	47.7	18.7	9.9	14.0	18.7	5.9	2.7
	1998	38.0	46.9	18.4	9.4	13.2	18.5	5.3	2.2
	2002	31.8	39.4	13.9	6.7	9.1	12.6	3.5	1.4
	2008	27.9	34.8	12.0	5.7	8.2	11.2	3.2	1.3
Nicaragua	1993	68.1	73.6	41.9	29.3	43.2	48.4	24.3	16.2
	1998	65.1	69.9	39.4	27.3	40.1	44.6	22.6	15.1
	2001	63.0	69.4	37.1	24.5	36.5	42.5	19.2	12.0
	2005	54.4	61.9	29.1	17.3	26.8	31.9	12.3	6.5
Panama	1991 <sup>c</sup>	26.0	31.0	12.8	7.6	9.5	10.8	5.0	3.3
	1999 <sup>c</sup>	15.8	19.5	7.0	3.8	4.6	5.5	2.2	1.3
	2002	30.0	36.9	16.8	10.2	14.4	18.6	7.6	4.3
	2009	20.6	26.4	10.0	5.2	8.2	11.1	3.8	1.9
	2010	19.4	25.8	10.6	5.9	8.9	12.6	4.6	2.3
Paraguay	1990 <sup>g</sup>	36.8	43.2	16.1	8.0	10.4	13.1	3.6	1.5
	1999	50.3	59.0	29.1	18.4	25.0	31.8	14.1	8.6
	2001	50.7	59.7	28.7	18.0	25.2	31.3	13.7	8.2
	2009	50.1	56.0	26.0	15.8	26.7	30.4	12.7	7.4
	2010	48.0	54.8	25.4	15.5	26.0	30.7	12.9	7.6
Peru	1997	40.4	47.5	20.7	12.0	20.3	25.0	10.1	5.6
	1999	42.3	48.6	20.6	11.7	18.7	22.4	9.2	5.1
	2001 <sup>h</sup>	48.7	54.7	24.7	14.5	20.4	24.4	9.6	5.2
	2009 <sup>h</sup>	30.3	34.8	12.9	6.5	9.9	11.5	3.5	1.6
	2010 <sup>h</sup>	27.0	31.3	11.1	5.5	8.2	9.8	2.8	1.2
Uruguay <sup>c</sup>	1990	11.8	17.9	5.3	2.4	2.0	3.4	0.9	0.4
	1999	5.6	9.4	2.7	1.2	0.9	1.8	0.4	0.2
	2002	9.3	15.4	4.5	1.9	1.3	2.5	0.6	0.2
	2009	6.5	10.7	2.9	1.2	1.1	2.0	0.4	0.2
	2010	5.0	8.6	2.3	0.9	0.7	1.4	0.3	0.1
Venezuela (Bolivarian Republic of)	1990	34.2	39.8	15.7	8.5	11.8	14.4	5.0	2.4
	1999	44.0	49.4	22.6	13.7	19.4	21.7	9.0	5.5
	2002	43.3	48.6	22.1	13.4	19.7	22.2	9.3	5.7
	2009	23.3	27.1	9.9	5.4	8.8	9.8	3.8	2.4
	2010	23.7	27.8	9.9	5.3	9.3	10.7	3.9	2.4
Latin America <sup>i</sup>	1990	41.0	48.4	...	...	17.7	22.6	...	...
	1999	35.4	43.8	...	...	14.1	18.6	...	...
	2002	36.1	43.9	...	...	14.6	19.3	...	...
	2009	26.2	33.0	...	...	10.0	13.1	...	...
	2010	24.9	31.4	...	...	10.3	12.3	...	...

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.

<sup>a</sup> H = headcount index; PG = poverty gap; FGT2 = Foster, Greer and Thorbecke index.

<sup>b</sup> Includes households (individuals) in a situation of indigence or extreme poverty.

<sup>c</sup> Urban areas.

<sup>d</sup> Greater Buenos Aires.

<sup>e</sup> Eight departmental capitals plus the city of El Alto.

<sup>f</sup> Figures from the Mission for the splicing of employment, poverty and inequality series (MESEP). These figures do not include the modifications to the poverty measurement made in 2011 by (MESEP).

<sup>g</sup> Asunción metropolitan area.

<sup>h</sup> Figures from the National Institute of Statistics and Informatics (INE) of Peru. These values are not comparable with those of earlier years owing to the change in the sampling framework of the household survey.

<sup>i</sup> Estimate for 18 countries of the subregion plus Haiti.

**Table I.A-2**  
**LATIN AMERICA (18 COUNTRIES): HOUSEHOLD INCOME DISTRIBUTION, 1990-2010<sup>a</sup>**

Country	Year	Average income <sup>b</sup>	Total income share (percentages)				Ratio of average per capita income (multiples) <sup>c</sup>	
			Poorest 40%	Next 30%	20% below wealthiest 10%	Wealthiest 10%	D <sup>10</sup> / D <sup>(1 to 4)</sup>	Q <sup>5</sup> / Q <sup>1</sup>
Argentina <sup>d</sup>	1990 <sup>e</sup>	10.6	15.0	23.7	26.7	34.6	13.5	13.5
	1999	11.3	15.8	22.1	25.3	36.8	16.2	16.6
	2002	7.3	14.4	20.5	24.6	40.5	19.0	20.7
	2009	16.1	15.5	24.6	27.8	32.1	15.0	16.6
	2010	17.9	16.0	24.4	27.0	32.6	15.1	16.2
Bolivia (Plurinational State of)	1989 <sup>f</sup>	7.7	12.1	21.9	27.9	38.1	17.1	21.4
	1999	5.6	9.3	24.1	29.6	37.0	26.7	48.1
	2002	6.1	9.5	21.4	28.3	40.8	30.3	44.2
	2007	6.1	11.2	25.2	28.2	35.4	22.2	31.5
Brazil	1990	9.4	9.6	18.5	28.0	43.9	31.2	35.0
	1999	11.3	10.0	17.4	25.4	47.2	32.0	35.6
	2001	11.0	10.3	17.4	25.5	46.8	32.2	36.9
	2008	12.1	12.7	19.2	24.7	43.4	23.8	26.2
	2009	11.8	13.2	20.3	25.5	41.0	21.1	23.9
Chile	1990	9.5	13.2	20.8	25.3	40.7	18.2	18.4
	1998	13.7	13.0	20.4	26.6	40.0	19.1	19.7
	2003	13.6	13.8	20.8	25.6	39.8	18.8	18.4
	2006	14.4	14.6	21.6	26.7	37.1	15.9	15.7
	2009	14.5	14.4	21.2	26.0	38.4	16.3	15.9
Colombia	1994	7.7	9.9	21.3	27.0	41.8	26.8	35.2
	1999	6.7	12.4	21.6	26.0	40.0	22.3	25.6
	2002	6.9	10.9	21.2	27.2	40.7	27.1	32.9
	2009	7.1	11.8	22.5	26.3	39.4	23.1	28.0
	2010	7.3	12.0	22.3	26.6	39.1	23.4	27.7
Costa Rica	1990	9.5	16.7	27.4	30.2	25.7	10.1	13.1
	1999	11.4	15.3	25.7	29.7	29.3	12.6	15.3
	2002	11.7	14.4	25.6	29.7	30.3	13.7	16.9
	2008	11.1	15.4	25.2	28.4	31.0	12.5	13.5
	2009	11.5	14.3	24.3	28.5	32.9	14.8	16.4
Dominican Republic	2002	6.9	12.7	22.7	26.9	37.7	17.8	20.7
	2009	8.4	10.7	21.5	27.5	40.3	24.3	28.0
	2010	7.9	11.3	22.1	28.7	37.9	20.1	23.9
Ecuador <sup>d</sup>	1990	5.5	17.1	25.4	26.9	30.6	11.4	12.3
	1999	5.6	14.1	22.7	26.5	36.7	17.2	18.4
	2002	6.7	15.5	24.3	26.1	34.1	15.7	16.8
	2009	7.4	16.4	25.1	26.6	31.9	13.6	14.3
	2010	7.7	16.5	24.7	26.9	31.9	12.6	13.2
El Salvador	1995	6.2	15.5	24.8	27.0	32.7	14.1	16.9
	1999	6.6	13.8	25.0	29.1	32.1	15.2	19.6
	2001	6.7	13.5	24.7	28.7	33.1	16.2	20.3
	2009	5.8	16.6	25.2	26.8	31.4	12.0	13.0
	2010	5.6	17.8	26.4	27.7	28.1	10.3	11.4
Guatemala	1989	6.0	11.8	20.9	26.9	40.4	23.6	27.4
	1998	7.1	14.3	21.6	25.0	39.1	20.4	19.8
	2002	6.8	14.1	22.4	27.3	36.2	18.6	19.3
	2006	7.6	12.8	21.8	25.7	39.7	22.0	23.9

Table I.A-2 (concluded)

Country	Year	Average income <sup>b</sup>	Total income share (percentages)				Ratio of average per capita income (multiples) <sup>c</sup>	
			Poorest 40%	Next 30%	20% below wealthiest 10%	Wealthiest 10%	D <sup>10</sup> / D <sup>(1 to 4)</sup>	Q <sup>5</sup> / Q <sup>1</sup>
Honduras	1990	4.3	10.2	19.7	27.1	43.0	27.4	30.7
	1999	3.9	11.8	22.9	29.0	36.3	22.3	26.5
	2002	4.3	11.4	21.7	27.6	39.3	23.6	26.3
	2009	5.1	12.0	23.8	29.5	34.7	18.7	23.3
	2010	5.1	11.4	22.7	29.3	36.6	20.7	25.2
Mexico	1989	8.6	15.8	22.5	25.1	36.6	17.2	16.9
	1998	7.7	15.0	22.7	25.6	36.7	18.4	18.5
	2002	8.2	15.7	23.8	27.2	33.3	15.1	15.5
	2008	8.6	16.0	24.0	25.6	34.4	16.1	16.0
	2010	7.4	17.7	25.4	27.2	29.7	12.8	13.3
Nicaragua	1993	5.2	10.4	22.8	28.4	38.4	26.1	37.7
	1998	5.6	10.4	22.1	27.0	40.5	25.3	35.1
	2001	5.8	12.0	21.7	25.6	40.7	23.6	27.5
	2005	6.5	14.3	24.0	26.2	35.5	17.2	18.6
	2010	10.2	15.2	26.1	27.0	31.7	14.4	17.6
Panama	1991 <sup>d</sup>	11.1	14.1	23.9	29.3	32.7	16.8	20.1
	1999 <sup>d</sup>	12.9	15.6	25.2	27.8	31.4	14.0	15.9
	2002	9.8	12.2	23.6	28.0	36.2	20.1	25.7
	2009	10.4	14.7	25.5	28.3	31.5	15.3	18.2
	2010	10.2	15.2	26.1	27.0	31.7	14.4	17.6
Paraguay	1990 <sup>g</sup>	7.7	18.7	25.7	26.8	28.8	10.2	10.6
	1999	6.3	13.2	23.5	27.6	35.7	19.1	23.2
	2001	6.3	13.5	23.6	26.2	36.7	19.5	23.2
	2009	5.6	13.7	25.3	28.3	32.7	14.7	18.3
	2010	5.8	13.8	24.3	26.2	35.7	17.1	20.0
Peru	1997	7.5	13.3	24.7	28.7	33.3	17.9	20.8
	1999	7.5	13.3	23.1	27.1	36.5	19.5	21.7
	2001	6.4	13.4	24.6	28.5	33.5	17.4	19.3
	2009	8.0	15.9	26.5	28.4	29.2	12.4	13.7
	2010	8.1	16.6	26.5	28.1	28.8	11.4	12.5
Uruguay <sup>d</sup>	1990	9.9	18.9	23.3	22.5	35.3	11.0	10.5
	1999	11.9	21.6	25.5	25.8	27.1	8.8	9.5
	2002	9.4	21.7	25.4	25.6	27.3	9.5	10.2
	2009	9.8	21.9	26.0	26.1	26.0	8.6	9.1
	2010	10.1	22.8	26.3	26.4	24.5	8.2	8.6
Venezuela (Bolivarian Republic of)	1990	8.9	16.7	25.7	28.9	28.7	12.1	13.4
	1999	7.2	14.5	25.0	29.0	31.5	15.0	18.0
	2002	7.1	14.3	25.0	29.5	31.2	14.5	18.1
	2009	8.6	18.9	27.9	28.3	24.9	8.6	10.2
	2010	7.9	20.3	29.0	28.6	22.1	7.6	9.0

**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.

<sup>a</sup> Households throughout the country ranked by per capita income.

<sup>b</sup> Average monthly household income in multiples of the per capita poverty line.

<sup>c</sup> D<sup>(1 to 4)</sup> represents the lowest-income 40% of households, while D<sup>10</sup> represents the highest-income 10% of households. The same notation is used for quintiles (Q), representing groups of 20% of households.

<sup>d</sup> Urban total.

<sup>e</sup> Greater Buenos Aires.

<sup>f</sup> Eight principal cities and El Alto.

<sup>g</sup> Asunción metropolitan area.

**Table I.A-3**  
**LATIN AMERICA (18 COUNTRIES): INCOME CONCENTRATION INDICATORS, 1990-2010<sup>a</sup>**

Country	Year	Percentage of people with per capita incomes below 50% of median	Concentration indices			
			Gini <sup>b</sup>	Theil	(ε = 0.5)	Atkinson (ε = 1.0) (ε = 1.5)
Argentina <sup>c</sup>	1990 <sup>d</sup>	20.5	0.501	0.555	0.216	0.360 0.473
	1999	22.2	0.539	0.667	0.250	0.410 0.530
	2002	24.3	0.578	0.724	0.282	0.464 0.593
	2009	21.4	0.510	0.549	0.219	0.377 0.509
	2010	20.9	0.509	0.559	0.220	0.373 0.499
Bolivia (Plurinational State of)	1989 <sup>e</sup>	20.6	0.537	0.574	0.243	0.430 0.600
	1999	29.5	0.586	0.658	0.293	0.537 0.738
	2002	28.6	0.614	0.776	0.322	0.556 0.738
	2007	27.2	0.565	0.611	0.269	0.493 0.709
Brazil	1990	26.6	0.627	0.816	0.324	0.528 0.664
	1999	25.9	0.640	0.914	0.341	0.537 0.663
	2001	26.1	0.639	0.914	0.340	0.536 0.665
	2008	24.3	0.594	0.808	0.298	0.477 0.604
	2009	23.9	0.576	0.716	0.277	0.455 0.586
Chile	1990	20.4	0.554	0.644	0.255	0.422 0.546
	1998	21.0	0.560	0.654	0.261	0.430 0.553
	2003	19.5	0.552	0.674	0.257	0.418 0.535
	2006	18.5	0.522	0.568	0.228	0.381 0.497
	2009	17.4	0.524	0.585	0.231	0.384 0.501
Colombia	1994	26.0	0.601	0.794	0.308	0.517 0.684
	1999	21.8	0.572	0.734	0.275	0.450 0.603
	2002	24.8	0.594	0.753	0.293	0.487 0.640
	2009	24.3	0.578	0.706	0.279	0.469 0.702
	2010	23.8	0.578	0.694	0.278	0.468 0.738
Costa Rica	1990	19.4	0.438	0.328	0.152	0.286 0.412
	1999	20.7	0.473	0.395	0.179	0.328 0.457
	2002	21.2	0.488	0.440	0.193	0.349 0.491
	2008	18.5	0.473	0.427	0.183	0.323 0.439
	2009	20.3	0.501	0.474	0.204	0.358 0.485
Dominican Republic	2002	22.1	0.537	0.569	0.236	0.404 0.536
	2009	24.3	0.574	0.677	0.273	0.455 0.589
	2010	25.2	0.554	0.603	0.253	0.433 0.572
Ecuador <sup>c</sup>	1990	17.4	0.461	0.403	0.173	0.306 0.422
	1999	18.8	0.526	0.567	0.228	0.381 0.498
	2002	19.6	0.513	0.563	0.222	0.371 0.487
	2009	19.5	0.485	0.471	0.194	0.334 0.446
	2010	19.4	0.485	0.471	0.195	0.335 0.445
El Salvador	1995	22.0	0.507	0.502	0.213	0.377 0.525
	1999	24.2	0.518	0.496	0.224	0.416 0.601
	2001	24.4	0.525	0.528	0.232	0.423 0.602
	2009	20.3	0.478	0.440	0.189	0.333 0.449
	2010	20.1	0.454	0.372	0.168	0.304 0.419
Guatemala	1989	22.7	0.582	0.736	0.282	0.460 0.590
	1998	20.0	0.560	0.760	0.273	0.428 0.534
	2002	17.9	0.542	0.583	0.239	0.401 0.515
	2006	24.7	0.585	0.773	0.291	0.467 0.590

Table I.A-3 (concluded)

Country	Year	Percentage of people with per capita incomes below 50% of median	Concentration indices			
			Gini <sup>b</sup>	Theil	( $\epsilon = 0.5$ )	Atkinson ( $\epsilon = 1.0$ ) ( $\epsilon = 1.5$ )
Honduras	1990	26.1	0.615	0.817	0.317	0.515 0.649
	1999	25.7	0.564	0.636	0.263	0.451 0.603
	2002	26.5	0.588	0.719	0.288	0.476 0.608
	2009	27.7	0.548	0.581	0.249	0.437 0.584
	2010	27.7	0.567	0.625	0.265	0.458 0.601
Mexico	1989	19.7	0.536	0.680	0.248	0.400 0.509
	1998	22.9	0.539	0.634	0.245	0.403 0.515
	2002	21.2	0.514	0.521	0.218	0.372 0.485
	2008	19.9	0.515	0.599	0.227	0.375 0.485
	2010	19.2	0.481	0.458	0.192	0.335 0.448
Nicaragua	1993	27.4	0.582	0.671	0.270	0.458 0.619
	1998	26.8	0.583	0.731	0.285	0.481 0.654
	2001	23.8	0.579	0.783	0.288	0.470 0.620
	2005	22.6	0.532	0.614	0.241	0.402 0.526
Panama	1991 <sup>c</sup>	22.0	0.530	0.543	0.228	0.398 0.534
	1999 <sup>c</sup>	21.7	0.499	0.459	0.202	0.361 0.490
	2002	26.6	0.567	0.616	0.266	0.466 0.618
	2009	24.8	0.523	0.522	0.226	0.398 0.533
	2010	25.4	0.519	0.529	0.226	0.401 0.543
Paraguay	1990 <sup>f</sup>	16.4	0.447	0.365	0.161	0.287 0.386
	1999	25.4	0.558	0.659	0.264	0.452 0.601
	2001	25.3	0.558	0.673	0.265	0.450 0.610
	2009	24.5	0.512	0.527	0.220	0.388 0.529
	2010	24.4	0.533	0.666	0.248	0.416 0.557
Peru	1997	25.5	0.532	0.567	0.238	0.414 0.553
	1999	23.6	0.545	0.599	0.249	0.424 0.560
	2001	23.9	0.525	0.556	0.231	0.397 0.527
	2009	21.8	0.469	0.414	0.181	0.325 0.442
	2010	21.3	0.458	0.399	0.174	0.311 0.424
Uruguay <sup>c</sup>	1990	17.4	0.492	0.699	0.227	0.349 0.441
	1999	19.0	0.440	0.354	0.158	0.286 0.393
	2002	19.6	0.455	0.385	0.169	0.301 0.412
	2009	17.9	0.433	0.352	0.154	0.276 0.375
	2010	16.9	0.422	0.327	0.145	0.262 0.359
Venezuela (Bolivarian Republic of)	1990	20.1	0.471	0.416	0.183	0.327 0.446
	1999	21.6	0.498	0.464	0.202	0.363 0.507
	2002	22.4	0.500	0.456	0.201	0.361 0.507
	2009	18.4	0.416	0.302	0.137	0.254 0.358
	2010	17.2	0.394	0.264	0.123	0.233 0.337

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.

<sup>a</sup> Calculated from the per capita income distribution of people throughout the country.

<sup>b</sup> Includes people with zero income.

<sup>c</sup> Urban total.

<sup>d</sup> Greater Buenos Aires.

<sup>e</sup> Eight principal cities and El Alto.

<sup>f</sup> Asunción metropolitan area.

**Table I.A-4**  
**LATIN AMERICA (18 COUNTRIES): PREDICTORS OF THE FEAR OF BECOMING JOBLESS, PROBIT ORDINAL REGRESSION, 1996-2006**

Dependent variable: Fear of losing job in the next 12 months: 1 = Completely or fairly unconcerned 2 = Somewhat concerned 3 = Very concerned	Coefficient	Significance <sup>a</sup>
Sex		
Male = 1	-0.065	0.000***
Female = 2	0.000	.
Education		
Incomplete primary education = 1	0.319	0.000***
Complete primary education = 2	0.274	0.000***
Incomplete secondary education = 3	0.245	0.000***
Complete secondary education = 4	0.180	0.000***
Incomplete higher education = 5	0.088	0.000***
Complete higher education = 6	0.000	0.000***
Age		
Age 15 to 29 = 1	0.128	0.000***
Age 30 to 45 = 2	0.113	0.000***
Age 46 and over = 3	0.000	.
Occupation		
Farmer, fisherman = 1	0.020	0.302
Self-employed, own-account worker = 2	0.124	0.000***
Employee = 3	0.057	0.000***
Business owner = 4	-0.015	0.313
Mid- or high-ranking executive, professional = 5	0.000	0.302
Nagelkerke's R squared = 1.5%		
n = 100366 (valid cases)		

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the Latinobarómetro database, 1996-2006.

<sup>a</sup> Asterisks (\*\*) mean that the coefficient is significant at 99.9%.



## Chapter II

# Current situation and outlook for fertility in Latin America

### A. Introduction

The decline in fertility in Latin America provides an unprecedented opportunity for economic growth and better household living standards in the region. The positive impact of fertility decline is not limited to reducing household size; more important, it completely transforms the age structure of the population and provides countries, for a considerable period of time, with a large and growing potentially productive population combined with a shrinking economically dependent population.

Besides the fall in the number of births, lower fertility leads to improvements in mother and child health and broader education and employment opportunities for women. These advantages make households less vulnerable and provide women with more autonomy in reproductive decision-making, creating a virtuous circle linking demographic trends with socioeconomic progress.

At the same time, as will be shown in the following chapters of this edition of *Social Panorama*, emerging demographic trends, with a steadily ageing population, have significant implications in terms of the care economy and dependency ratios within families.

The high levels of poverty and inequality in the region, which are closely linked to low levels of education, mean that substantial segments of the population still

face barriers to accessing sexual and reproductive health information and services and exhibit high unwanted fertility. The situation is particularly worrying in the case of adolescent girls in Latin America. In a context of family vulnerability and limited support in raising children, high fertility at a young age makes it difficult to enter the labour market, find employment and access social protection mechanisms.

Education is a key policy variable for promoting universal access to sexual and reproductive health and can help break the vicious cycle of fertility, poverty and exclusion. Education helps change reproductive behaviour and reduces the likelihood of adolescent motherhood. Substantial efforts should be made not only to increase education coverage but also to ensure that education

effectively helps women—especially adolescent girls—make informed, independent decisions on reproductive matters.

All of the above underlines the importance of analysing fertility trends in Latin America and how they fit into

the economic, social and demographic context, in order to spotlight the achievements and, especially, pinpoint the challenges that countries will face in the short and medium term in this regard.

## B. Fertility in Latin America and the Caribbean

The decline in fertility in Latin America has repeatedly exceeded estimates. Although the main factors behind this decline relate to exposure to sexual relations, the use of contraception has had a rapidly increasing impact, partly due to growing contraceptive prevalence and partly due to the use of modern methods. Although the downward trend has been a general one, the onset and pace of the decline have varied between countries in the region.

### 1.

#### Current levels and trends in the global context

In the mid-twentieth century, fertility began to decline markedly in Latin America as development gathered steam in the region and led to changes in reproductive behaviour. The high initial fertility levels held considerable potential for decline.

As shown in figure II.1, the total fertility rate (TFR) in Latin America gradually moved away from the average for the less developed regions and, during the five year period 1990-1994, fell below the global average.<sup>1</sup> In the mid-1960s, women in the region came to the end of their childbearing years with around six children per woman, or one child more than the global average and double the figure for the more developed countries. Since then, the rapid decline in fertility in the region has narrowed the gap considerably: by 2015, the total fertility rate in Latin America and the Caribbean will be 2.1 children per

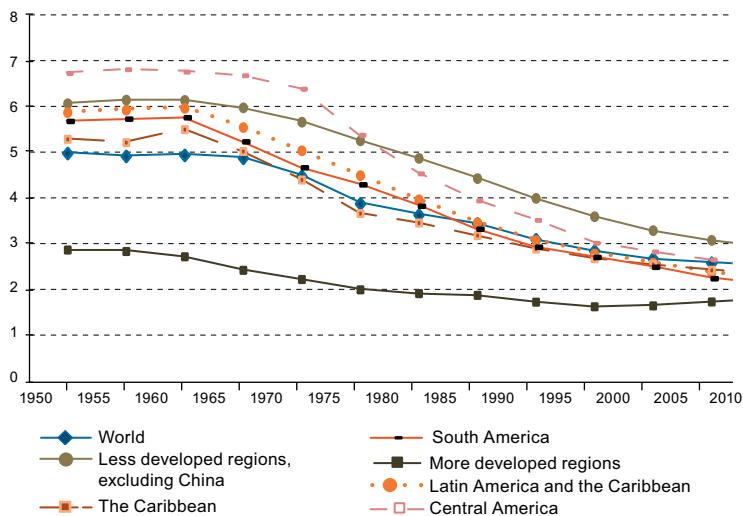
woman, compared with 1.7 in developed countries. In general, fertility levels in the major regions of the world have been converging since the 1950s. There is now a significantly narrower gap with the developed countries, which began their demographic transition in the late eighteenth century and by 1950 were already recording rates of fewer than three children per woman while the global average was around five children per woman (see figure II.1).<sup>2</sup>

The decline is widespread at the regional level, but Central America continues to record fertility rates above the regional average; they are, however, similar to the global average and lower than the average in the less developed countries.

<sup>1</sup> The total fertility rate (TFR) is the average number of children who would be born to each woman belonging to a hypothetical cohort of women who have not been exposed to mortality risks from the time of birth up until the end of their reproductive life and are subject to the age-specific fertility rates for the population concerned (Welti, 1998).

<sup>2</sup> The demographic transition theory seeks to provide a general explanation of the decline in mortality and fertility rates as a result of industrialization and modernization. Industrialization and, in particular, modernization, lead to improved living and health conditions and, therefore, lower mortality rates. This decline causes demographic pressures within families because, at the same fertility level, the number of surviving children increases. This in turn causes families to lower their fertility rates in the medium term (Welti, 1998).

**Figure II.1**  
**WORLD (SELECTED REGIONS): TOTAL FERTILITY RATE, 1950-2010**  
*(Number of children per woman)*



Source: United Nations, World Population Prospects: The 2010 revision [CD-ROM], Population Division, New York, 2011.

## 2.

### The surprisingly sharp drop in fertility in Latin America

The decline in fertility in Latin America has surprised the experts by repeatedly exceeding their estimates. Projections for the region based on the component method thus had to be revised several times because the assumptions regarding the rate of decline in fertility systematically fell short of the actual decrease (see figure II.2).<sup>3</sup> In 1973, taking into account the level and relative stability of fertility in the subregion until then, it was assumed that although fertility levels would start to fall, it would be a gradual downtrend; the total fertility rate was put at 5.9 children per woman in 1965-1970 and

projected to drop to 3.9 in 1995-2000. In 1982, the estimate for 1995-2000 was revised downwards to 3.1 (nearly one child less than projected). But even then, the subregion was not expected to reach replacement level fertility within the projection horizon (up to 2025).<sup>4</sup> When the projections were revised in 2008 it was clear that fertility levels were below all forecasts and that the region would reach the replacement level in 2005-2010.

Although initial projections pointed to a slight decline of 0.27 children every five years, in reality, from the 1960s —which marked the turning point in fertility

<sup>3</sup> The component method entails analysing the historical evolution of the determinant variables for demographic trends (fertility, mortality and migration) and developing hypotheses regarding future trends. It uses the balancing equation, which establishes the balance between the population at a given starting point plus the number of births, minus the number of deaths, plus immigrants, minus emigrants, to estimate the population at the ending point. The balancing equation is disaggregated by sex and age and enables each cohort to be tracked from a given starting point or base study year for a given period (CEPAL, 2007).

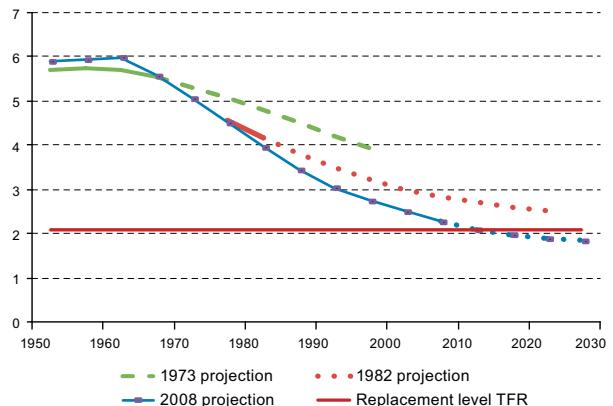
<sup>4</sup> A total fertility rate (TFR) of 2.1 children per woman corresponds to the replacement level of a population because, given that the proportion of female births is just under 0.50, this means that each woman bears a daughter who will replace her.

trends in Latin America—to the last period observed (2005-2010), fertility declined at a rate of 0.41 children per five-year period.

The positive consequences of this accelerated decline in fertility have exceeded all expectations: the rapid fall in economic dependency ratios (the portion of the population comprising economically dependent age groups, i.e., young people and older people, relative to economically active age groups) is boosting the potential for social investment.<sup>5</sup>

The proximate determinants of the drastic decline in fertility in Latin America include those relating to sexual activity and contraception. Box II.1 summarizes these factors, which will be analysed in more detail below.

**Figure II.2**  
**LATIN AMERICA: TOTAL FERTILITY RATE (TFR), BASED ON DIFFERENT PROJECTIONS, 1950-2030**  
(Number of children per woman)



**Source:** Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), *Demographic Bulletin*, No. 13, Santiago, Chile, 1974; *Demographic Bulletin*, No. 31, 1983; and *Demographic Observatory*, No. 7, 2009.

**Note:** The solid lines represent estimated data, and the dotted lines projected data.

### 3.

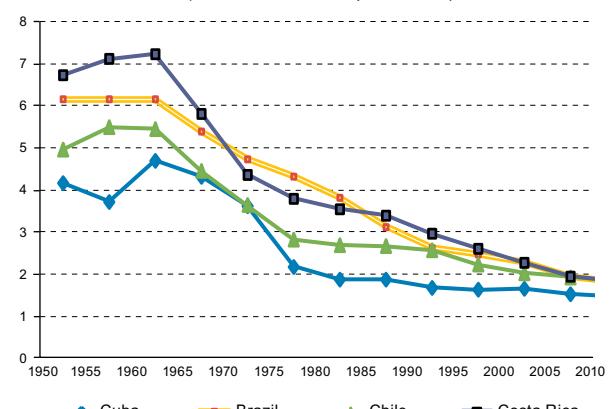
## Disparities within Latin America

Fertility rates are declining in all countries in the region, but, as is to be expected in a region with significant internal economic and social inequalities, the onset and the pace of the decline differ markedly between countries. Those with very low fertility rates that are below the replacement level (Brazil, Chile, Costa Rica and Cuba) illustrate the diverse trajectories of the decline in fertility in Latin America. In Costa Rica, for example, the fertility rate began to decline in 1965 and has plummeted from seven children per woman in 1965 to two children per woman at present. Declines of this magnitude entail not only significant changes in macroeconomic terms but also radical transformations in family life, family burdens and the organization of society itself.

By contrast, in Cuba the total fertility rate stood at around four children per woman at the start of the second half of the twentieth century and then began to drop sharply, especially between 1970 and 1980. It has been below the replacement level since the 1980s (see figure II.3). In the projections made 30 years ago, it was assumed that

fertility levels would not reach the replacement level in any country, except Cuba, before 2025. But even in the case of Cuba the projection was fairly conservative, since the total fertility rate was expected to be 2.1 children per woman in 2005-2015. The actual rate was 1.5.

**Figure II.3**  
**LATIN AMERICA (4 COUNTRIES): FERTILITY TRENDS IN COUNTRIES WITH RATES BELOW THE REPLACEMENT LEVEL IN 2005-2010**  
(Number of children per woman)



**Source:** Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), "Population projection", *Demographic Observatory*, No. 7 (LC/G.2414-P), Santiago, Chile, 2009.

<sup>5</sup> The period in which dependency rates fall—known as the demographic dividend—is a time-lag period and is followed by a period in which rates rise again as population ageing speeds up. See ECLAC (2008a, 2008b and 2010).

**Box II.1**  
**PROXIMATE DETERMINANTS OF REPRODUCTIVE CHANGE IN LATIN AMERICA**

Changes in the fertility of populations have been the subject of several studies designed to identify the underlying behaviour patterns. In the mid-twentieth century, Davis and Blake (1956) defined a series of variables referred to as intermediate fertility variables; they are related to exposure to sexual relations, the risk of conceiving, pregnancy and successful birth. Since then, several variants have emerged based on different approaches and the availability of information to measure fertility, including the framework developed by Bongaarts (1978) to analyse the proximate determinants of fertility.<sup>a</sup>

The demographic and health surveys<sup>b</sup> currently available for several countries in the region can be used to examine the

impact of the proximate determinants on the decline in fertility. In general, the main factors driving the decline in fertility are those related to exposure to sexual relations, such as not forming a union or delaying it to a later age, together with temporary or permanent separations. In simulations carried out in several countries, these factors account for around 50% of the decline compared with natural fertility.<sup>c</sup> The second most important factor (the use of contraception) accounts for around 40% of the difference, but the relative effect of contraception is increasing rapidly, as is to be expected given the widespread growth in contraceptive prevalence and the increasing use of modern contraceptive methods (see table).

Despite the marked progress in the use of contraception in the region, from the point of view of Millennium Development Goal target 5.B (universal access to reproductive health), there is still much to be done to ensure the availability of contraceptive methods and universal access to them. In fact, there is still substantial unmet demand for contraception in the region (see table).<sup>d</sup> In Haiti, for example, more than one third of sexually active women who were not using contraception had wanted to delay the birth of their last child or their last pregnancy, or did not want any more children. In the Plurinational State of Bolivia the figure is one in every five women. As shown in the table below, and as explained further in section E of this chapter, the figures are even higher among adolescents aged 15 to 19.

**LATIN AMERICA (7 COUNTRIES): CONTRACEPTIVE PREVALENCE AND UNMET DEMAND FOR CONTRACEPTIVES**

Bolivia (Plurinational State of)	Colombia	Haiti	Honduras	Nicaragua	Peru	Dominican Republic
2008	2010	2004-2005	2005-2006	2001	2004-2008	2007
Contraceptive prevalence among women living with a partner						
Not using contraception	39.4	20.9	68.3	34.8	31.4	28.0
Total use	60.6	79.1	31.7	65.2	68.6	72.0
Modern methods	33.7	72.7	23.5	56.1	64.3	47.5
Traditional methods	27.0	6.4	8.2	9.1	4.3	24.4
Unmet demand for contraception						
Aged 15-19	37.7	20.1	52.4	25.8	19.8	17.7
Total	20.2	7.0	37.5	16.9	14.6	8.1
						11.4

**Source:** Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, on the basis of special tabulations of data from the most recent Demographic and Health Surveys (DHS) available.

<sup>a</sup> See Bongaarts (1978 and 1982) and Stover (1998). For a summary of these approaches, see Ruiz and others (2005).

<sup>b</sup> The demographic and health survey programme has been conducted since 1984 as a follow-up to the World Fertility Survey (WFS) and the Contraceptive Prevalence Surveys (CPS), an important component being issues relating to maternal and child health. So far, 45 surveys have been conducted in Latin America.

<sup>c</sup> Natural fertility denotes the number of children a fertile woman would bear, absent contraceptives or any other constraints. For Latin America, the figure is 21 children per woman.

<sup>d</sup> Unmet demand refers to the use of contraceptive methods for determining the number, spacing and timing of children.

In general, there is a relationship between high initial fertility rates and rapid decline, although it has changed over time. During the 1950s, most countries recorded high fertility levels and a slow rate of change, and fertility even rose in some cases such as Costa Rica and Argentina. In others it remained stable (Uruguay) or dropped slightly, causing a slight rise in the regional average.

In the subsequent decades, the rate of decline was significant in most countries. In Costa Rica, for example, the fertility rate dropped by 40% between 1960-1964 and 1970-1974. In the 1980s and 1990s, fertility rates in

the region were low or intermediate and the decline was more moderate, at between 15% and 30%, although Cuba still saw a decline of nearly 50%. In the first decade of the twenty-first century, the large majority of countries recorded low or very low fertility levels and a low rate of decline. In short, the sharpest general decline in fertility in the region took place in the 1960s; although there are still disparities between countries, the relationship between a high initial fertility rate and a sharp rate of decline has led to a clear convergence in fertility levels in Latin America.

## C. The link between education and fertility intensity and timing

The lower a woman's level of education, the higher her fertility; this is still invariably the case.

While fertility has recently fallen among women of all levels of education, in many countries the rate of decline has differed across groups and is usually slower for less-educated women.

As a result, the relative differences are deepening. By and large, contraceptive prevalence is lower among women with lower levels of schooling, and this is closely linked to the unmet demand for family planning services.

### 1.

### Fertility and education in Latin America

As explained in the previous section, fertility has declined steadily in the countries of Latin America. Although the intensity and timing of the change have varied, there is now a trend towards convergence. Within countries, however, there are still significant disparities in the average number of children born in different social groups; this reflects the socioeconomic inequalities that continue to define Latin America as one of the most unequal regions in the world.

Numerous studies have shown the link between structural factors and fertility: on average, poor, marginalized women, whether living in rural or urban households, have a higher number of children. This is also the case with indigenous peoples, whose fertility rates are systematically higher, although in this case the figures have to be interpreted in the light of coexisting factors of inequality and cultural ideals that value high fertility.

The structure of Latin American societies and the socio-economic conditions in which couples live have an impact on the proximate variables of fertility (age at union, the use of contraception, the practice of abortion, duration of breastfeeding, and others) and without a doubt help maintain the gap in levels of this variable. However, in the past three decades socio-economic factors and demographic trends have behaved relatively independently. In the 1980s and 1990s, little progress was made in combating poverty, and income distribution indicators

remained the same or even regressed (ECLAC, 2003; ECLAC, 2005). Several countries nonetheless recorded fertility declines across social groups.

Despite persistent poverty, levels of education have risen in the subregion (see section D). This highlights once more the close link between fertility and education. Furthermore, in recent decades, the gender gap has narrowed significantly in terms of access to education and educational achievement, which is helping to empower women and enhance their access to resources and therefore improve their capacity to make individual or negotiated decisions concerning their sexual and reproductive life. Increasing education coverage is not enough in itself: the key is how education serves to enhance decision-making and disseminate information.

Given the important and well-documented role of education in promoting changes in reproductive behaviour, it is useful to examine developments over the past decade, the extent to which schooling is contributing to the decline in the number of children and how this is influencing other direct fertility factors, such as timing.<sup>6</sup>

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<sup>6</sup> The manner in which fertility is spread throughout the reproductive period is referred to as timing, i.e., the age at which motherhood begins in a cohort of women, the ages at which they have subsequent children and the age at which childbearing ends.

As shown in table II.1, it is invariably the case that the higher women's educational levels the lower the total fertility rate. In absolute terms, the sharpest contrast is seen in Ecuador, Haiti and the Plurinational State of Bolivia, where women with no education have upwards of three children more than those who have completed secondary education. Based on the most recent surveys conducted in each country, the average number of children born to women with no formal education is at least double the number born to women who have completed secondary education. The widest gaps are in Brazil, Haiti, the Plurinational State of Bolivia, Ecuador and Guatemala. The difference is even more marked if the comparison takes into account women who have completed higher education. According to the latest

surveys, such women have fewer than two children in Brazil (1 child), Colombia (1.4 children), Peru (1.9 children) and the Plurinational State of Bolivia (1.9 children), so women with no education have between three and four times as many children as those with higher education.

Nonetheless, fertility has continued to decline recently, regardless of the level of education. In Paraguay and Honduras, it has fallen by more than two children in each of the educational brackets considered. The pace of the decline has varied among groups, however, and has generally been less sharp among women with no education. Consequently, the relative disparities have not only persisted over time —in half of the countries examined, they have become more pronounced (see table II.1).

**LATIN AMERICA (12 COUNTRIES): TOTAL FERTILITY RATE BY LEVEL OF EDUCATION, MOST RECENT FIGURE AND TEN YEARS BEFORE  
(Number of children per woman)**

Country	Year	Total fertility rate (TFR)			TFR gap between women with no education and those with secondary or higher
		No education	Primary	Secondary or higher	
Bolivia (Plurinational State of)	2008	6.1	4.7	2.6	2.3
	1998	7.1	5.7	2.9	2.4
Brazil	2006	4.2	2.8	1.7	2.5
	1996	4.9	3.3	2.1	2.3
Colombia	2010	4.3	3.2	2.0	2.2
	2000	4.0	3.6	2.2	1.8
Dominican Republic	2007	3.9	3.0	2.2	1.8
	1996	5.0	3.7	2.5	2.0
Ecuador	2004	5.9	4.1	2.6	2.3
	1994	6.2	4.4	2.7	2.3
El Salvador	2008	3.7	3.0	2.0	1.9
	1998	4.8	3.6	3.0	1.6
Guatemala	2008	5.2	3.8	2.3	2.3
	1998	6.8	5.2	2.9	2.3
Haiti	2005	5.9	4.3	2.4	2.5
	1994	6.1	4.8	2.5	2.4
Honduras	2005	4.9	3.8	2.2	2.2
	1996	7.1	6.1	4.3	1.7
Nicaragua	2006	4.4	3.2	2.0	2.2
	1998	5.7	4.2	2.5	2.3
Paraguay	2008	3.9	3.1	2.1	1.9
	1998	6.2	5.8	4.5	1.4
Peru	2009	4.4	3.6	2.3	1.9
	2000	5.1	4.1	2.2	2.3

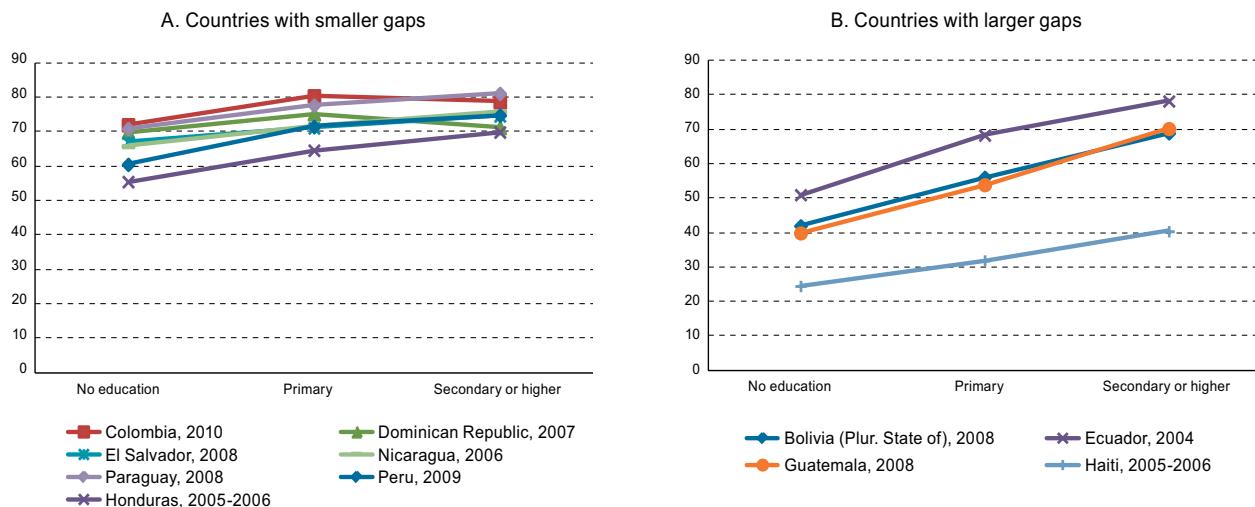
Source: Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, on the basis of Demographic and Health Surveys (DHS) and the Centers for Disease Control and Prevention (CDC).

The wealth of cultural, economic and social opportunities afforded by education is also reflected in the proximate determinants of fertility, especially the use of contraception. The link between education and the use of contraception is illustrated in figure II.4, which shows that in several countries contraceptive prevalence is significantly larger among more highly-educated women. In countries where contraceptives are more widely used (figure II.4A), contraceptive prevalence ranges from

55%-72% for uneducated women living in a union to 70%-80% for women with a higher level of education.<sup>7</sup>

<sup>7</sup> Current use of contraception according to level of education can mask another type of inequality linked to the type of contraceptive methods to which women have access (traditional methods or modern ones). Inequalities with regard to timing may also exist, such as lower contraceptive prevalence in the first sexual encounter among less-educated women compared with those with more years of schooling.

**Figure II.4**  
**LATIN AMERICA (11 COUNTRIES): CURRENT CONTRACEPTIVE PREVALENCE IN COUNTRIES WITH NARROWER  
 OR WIDER GAPS ACCORDING TO WOMEN'S EDUCATIONAL LEVEL**  
*(Percentages)*



Source: Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, on the basis of Demographic and Health Surveys (DHS) and the Centers for Disease Control and Prevention (CDC).

Moreover, in countries with significant fertility gaps according to women's educational levels, there are also marked inequalities in terms of access to family planning methods (see figure II.4B). An extreme case is Haiti, where the general prevalence is very low but the rate is as high as 40% for more-educated women versus only 25% for those with no formal schooling. This suggests that they have more limited access to family planning services. In Guatemala and the Plurinational State of Bolivia, only 40% of women with no education who live in a union use contraception, compared with 70% of educated women. In Ecuador, contraceptive prevalence ranges from 50% to 80%.

The latter three countries have a substantial indigenous population, whose women tend to be the most disadvantaged by poor access to the education system and other factors. Contrary to stereotypes, however, qualitative studies conducted in Guatemala, Ecuador and the Plurinational State of Bolivia show that indigenous women do not reject family planning (there is a branch of traditional knowledge on contraception, mainly associated with medicinal herbs) but rather reject the ideology and the manner in which it is administered under government and biomedical programmes (Oyarce, Ribotta and Pedreros, 2010; Rodríguez, 2010; Schuler, Choque and Rance, 1994; Enge, 1998). The main obstacles include poor quality services and the lack of cultural

appropriateness, as pointed out by various indigenous women's organizations, which are increasingly putting sexual and reproductive health on their agendas.

Despite the disparities, it is clear that in all countries women with less schooling have more children and are less likely to use contraception. Moreover, previous studies have demonstrated the close link between contraceptive prevalence and unmet demand for family planning services. There are numerous advantages to being able to decide the number and timing of children. Besides reducing the number of births, it improves mother and child health and expands women's education and employment opportunities, which in turn reduces poverty. Thus, the figures given here reflect the persistent gaps in ensuring the right to sexual and reproductive health; these gaps directly or indirectly restrict the exercise of other economic and social rights. In this regard, the countries of Latin America face the challenge of implementing measures and stepping up efforts to attain Millennium Development Goal target 5.B: achieve universal access to reproductive health by 2015.<sup>8</sup>

<sup>8</sup> When the Millennium Development Goal targets were expanded in 2005, a target was included on universal access to reproductive health.

## 2.

## Sexual initiation and motherhood: education as a factor in maintaining gaps

In Latin America, falling fertility rates and longer life expectancy have ushered in major changes within families, the most significant being a decrease in the average size of households, an increase in the number of childless nuclear family units and the number of one-person family units, and a rise in the number of family units made up of persons at more advanced stages of the life cycle. Conjugal union continues to be the form of adult life chosen by most women and men in the subregion, although there is a gradual tendency to continue to delay this deeply entrenched cultural option.

As mentioned earlier, exposure to sexual relations is one of the factors that have the greatest impact on fertility levels and trends. Thus, it is useful to consider patterns such as age at sexual initiation and age upon entering a union, by education level, and to see how these are linked to the beginning of motherhood.

In Latin America, the age at start of marital life has varied little or increased slightly. For example, in the Plurinational State of Bolivia the median age at first union went up from 20.3 years (in 1989) to 20.6 years (in 2008); in Colombia, it went from 20.8 years in 1986 to 20.9 years in 2010. In Peru, over a period of just over 20 years, it moved up slightly, from 20.5 years to 21.0 years.

By contrast, the general trend is for sexual activity to start at a younger age and for the gap between this initiation and the age at first marriage to widen, although these changes are, as a rule, gradual. The decline in the age of first sexual relations is more marked in some countries, such as Colombia, where the median age fell from 19.4 years in 1986 to 18.2 years in 2010, and Haiti, where it declined from 19 years in 1994 to 17.9 years in 2004-2005.

One noteworthy change, however, is the lower age at which women now tend to give birth to their first child. Surveys conducted recently in seven countries of the region (Brazil, Colombia, Dominican Republic, Haiti, Nicaragua, Peru and the Plurinational State of Bolivia) reveal that in the last few years the median age at which women give birth to their first child has fallen, with this age decrease ranging from 0.2 years in Haiti to 1.4 years in Brazil. In 1996, half of Brazilian women had had their first child before the age of 22.4; by 2006, the age had dropped to below 21 years.

The above trends indicate that the Latin American model contrasts with the patterns of formation of unions and reproduction that emerged in the developed countries in the 1960s and are considered to be typical of the second demographic transition. Among the typical features of the second transition are, precisely, postponement of unions and the tendency to initiate motherhood at an older age.<sup>9</sup>

Notwithstanding the foregoing, various types of marriage patterns—formal or consensual—exist in Latin America and these, together with the timing of starting motherhood, are strongly influenced by education. As shown in table II.2, women with a higher level of education systematically become sexually active at a later age than less-educated ones, and they delay forming unions and becoming mothers. Honduras, Peru and the Plurinational State of Bolivia are the countries with the most glaring inequalities. In these countries, more than half of the young women aged 25 to 29 with a higher education have not yet entered a union or had any children, while half of the uneducated young women have already formed a union and had their first child by the age of 18 (Peru and Honduras) or by the age of 20 (Plurinational State of Bolivia).<sup>10</sup> In Colombia, half of the young women aged 25 to 29 with higher education form a union for the first time after the age of 26 and have their first child towards the age of 29. At the other extreme, the median age of young women with no formal schooling is 17 years for the first union and around 18 years for the birth of their first child.

Table II.2 compares the median ages of the cohorts of younger women (aged 25 to 29) with respect to cohorts of older women (45 to 49) and shows that irrespective of their level of education, women now tend to have their first sexual encounter at a younger age. There is also a trend towards forming the first union and bearing the first child at a younger age, both among uneducated women and among those who have completed primary or secondary education. But among more highly-educated women

<sup>9</sup> Other features of the second demographic transition are growing rates of cohabitation and extramarital parenthood, and an increase in the dissolution of unions and in the existence of blended families. However, these elements lie beyond the scope of this chapter.

<sup>10</sup> Note that for Honduras, Peru and the Plurinational State of Bolivia, it has not been possible to determine the median age upon the first union and birth of the first child among more highly-educated young women aged 25 to 29 because half of them have not yet formed a union or had any children.

there is a clear tendency to postpone these milestones.<sup>11</sup> Population censuses provide further insight by comparing the percentage of women who have not yet had children at two different census years. As shown in box II.2, in Mexico

and Panama there is a trend towards delaying motherhood (and even an increase in lifetime nulliparity), strongly influenced by the level of education; the most significant variations are seen among the most highly-educated women.

**Table II.2  
LATIN AMERICA (6 COUNTRIES): MEDIAN AGE AT FIRST SEXUAL INTERCOURSE, FORMATION OF FIRST UNION AND FIRST CHILD,  
BY LEVEL OF EDUCATION, FOR WOMEN AGED 25 TO 29 AND 45 TO 49  
(Years)**

	First sexual intercourse		First union		Birth of first child	
	Current age		Current age		Current age	
	25-29	45-49	25-29	45-49	25-29	45-49
<b>Bolivia (Plurinational State of) 2008</b>						
Uneducated	19.0	18.5	20.4	20.1	19.7	20.9
Primary	17.6	18.1	19.0	19.9	19.4	20.5
Secondary	18.6	19.3	20.9	21.5	20.9	21.8
Higher	21.7	21.8	a	24.1	a	24.7
<b>Colombia 2010</b>						
Uneducated	14.9	16.2	17.0	18.3	17.9	19.3
Primary	16.0	18.1	17.9	20.1	18.5	20.5
Secondary	17.4	19.9	20.3	22.6	20.5	22.8
Higher	18.5	21.3	26.2	26.2	28.9	27.6
<b>Brazil 2006</b>						
Uneducated	16.0	17.0	17.0	18.0	19.0	20.0
Primary	16.0	17.5	16.5	18.5	18.0	19.5
Secondary	17.1	19.1	18.5	21.0	19.6	22.1
Higher	18.0	22.0	23.0	24.0	25.0	26.0
<b>Honduras 2005-2006</b>						
Uneducated	16.4	16.8	17.7	17.9	18.7	19.0
Primary (1-3)	16.9	17.2	17.5	17.7	18.6	18.9
Primary (4-6)	17.7	18.3	18.4	18.7	19.4	20.0
Secondary	19.7	21.0	20.5	21.4	21.6	22.6
Higher	22.7	23.1	a	24.0	a	25.3
<b>Peru 2009</b>						
Uneducated	16.1	17.1	17.8	19.4	18.5	20.1
Primary	16.7	17.6	18.4	19.3	18.7	20.1
Secondary	18.4	19.0	20.9	21.7	21.2	22.1
Higher	20.8	22.1	a	26.4	a	27.3
<b>Dominican Republic 2007</b>						
Uneducated	15.8	15.7	16.2	16.2	17.7	19.0
Primary (1-4)	15.6	16.9	15.8	17.5	17.5	19.2
Primary (5-6)	16.2	17.4	16.6	18.0	18.3	20.1
Secondary	18.0	19.9	18.8	20.7	20.7	22.8
Higher	20.1	23.6	22.9	24.5	a	26.9

**Source:** CELADE-Population Division of ECLAC, on the basis of Demographic and Health Surveys (DHS) and Centers for Disease Control and Prevention (CDC).

<sup>a</sup> The median could not be computed because half of the women aged 25 to 29 have not yet entered a union or had children.

This pattern implies a certain polarization in fertility timing depending on the level of education, with higher education marking a turning point. There is a trend

towards convergence in the beginning of sexual activity among young women of different educational levels. And there is clear divergence in the age at marriage and at birth of the first child. The divergence deepens as education levels rise. Figure II.5 illustrates this pattern for women aged 30 to 34 in four countries of the region; the largest gaps occur with respect to age at start of sexual activity compared with age at birth of first child.

<sup>11</sup> For several countries, it was not possible to compute the median age at formation of the first union or birth of the first child for highly-educated young women aged 25 to 29 because more than half of them had not yet formed a union or had any children. This means that, in these cases, the median age at which these milestones occur is higher for the 25-to-29-year age group than for the 45-to-49-year age group.

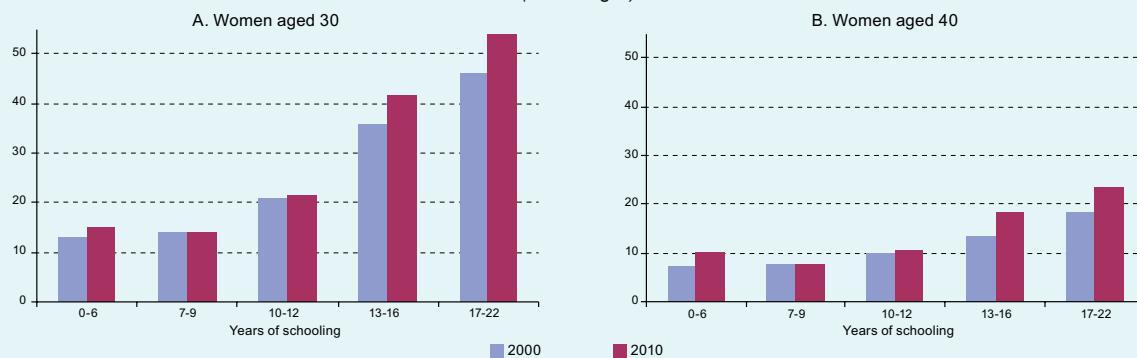
**Box II.2**  
**INCREASING NULLIPARITY (WOMEN WHO HAVE NO CHILDREN)**

An additional indicator of changes in childbearing patterns is the percentage of women who have never had children. Population censuses are an important source for this indicator as they present a broad disaggregation of other relevant variables such as women's education levels and age without being constrained by the number of cases or by sampling

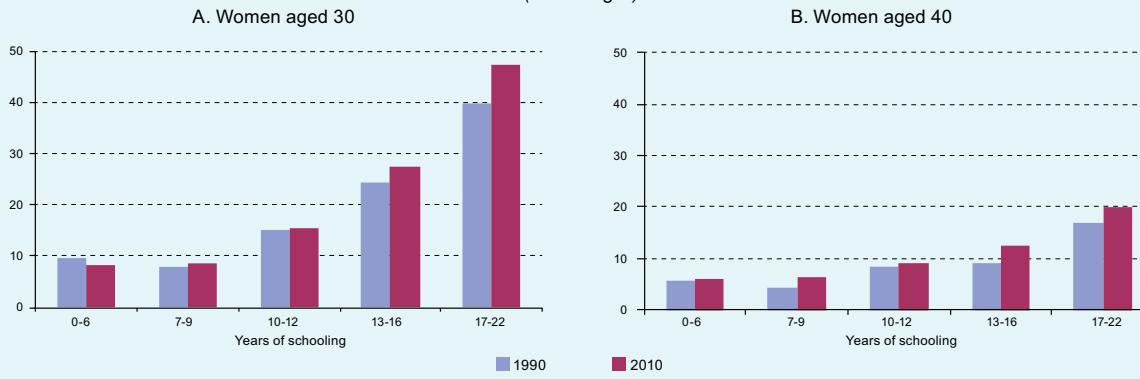
errors, as occurs with surveys. According to the two censuses conducted in Mexico and Panama, the percentage of childless women increases with their level of schooling, irrespective of age, although the increase is most obvious among young women (see figures 1 and 2). Access to higher education is the turning point. In Mexico, more than half (54%) of 30-year-

old women who have completed university studies (at least 17 years of education) still have not had children, compared with only 15% of those with less than 7 years of schooling. In Panama, 47% of more highly-educated 30-year-old women are nulliparous, compared with 8% for those who have completed a total of 6 years of schooling.

**Figure 1**  
**MEXICO: CHILDLESS WOMEN BY YEARS OF SCHOOLING, 2000 AND 2010 CENSUSES**  
(Percentages)



**Figure 2**  
**PANAMA: CHILDLESS WOMEN BY YEARS OF SCHOOLING, 1990 AND 2010 CENSUSES**  
(Percentages)



While the nulliparity rate among women with 12 years or less of schooling did not change significantly in the intercensal periods considered in figures 1 and 2, there is clearly a period effect among women with

more education (13 years or over). In other words, for both younger and older women of childbearing age, the percentage of women with higher education who have still not had children was higher in the most recent census

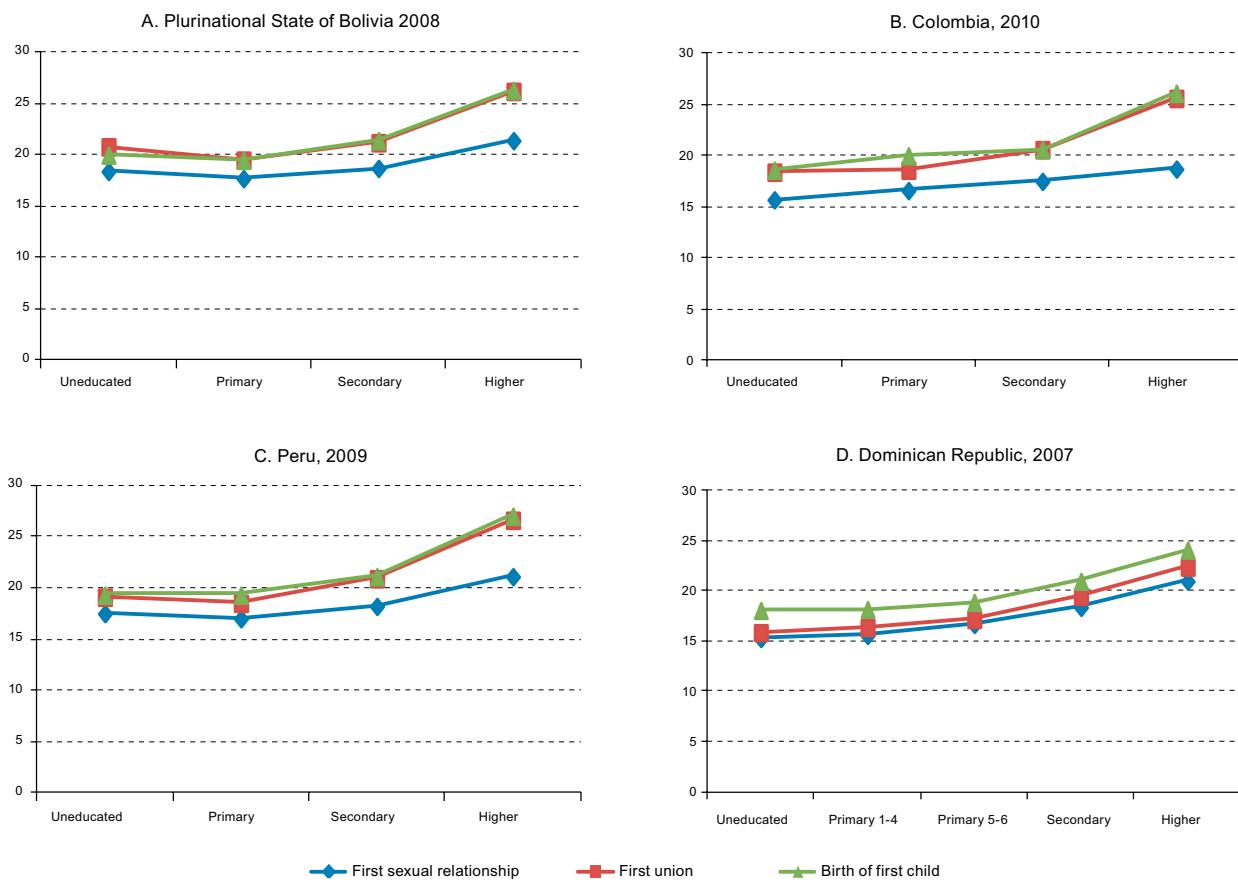
than in the previous one. These changes over time indicate that these women have been delaying childbearing. In the future, this postponement will probably lead to an increase in lifetime nulliparity.

**Source:** Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC.

The fact that women from more privileged social sectors and those with higher levels of education tend to delay the age at which they marry and become mothers suggests that women in these sectors have greater autonomy in making sexual and reproductive decisions. Moreover, national averages suggest that

changes in the age at which women first marry and become mothers have been slight. As more and more women pursue higher studies, however, it is highly likely that changes will intensify in the next few years and that this will have a greater impact on fertility levels in the region.

**Figure II.5**  
**LATIN AMERICA (4 COUNTRIES): MEDIAN AGE AT FIRST SEXUAL INTERCOURSE, AT FIRST UNION AND AT BIRTH OF FIRST CHILD,  
 WOMEN AGED 30 TO 34, BY LEVEL OF EDUCATION**  
 (Years)



Source: CELADE-Population Division of ECLAC, on the basis of Demographic and Health Surveys (DHS) and Centers for Disease Control and Prevention (CDC).

## D. Future outlook for fertility based on changes in education levels

Over the past decades, educational distribution has evolved rapidly in most Latin American countries. At the same time, the difference in fertility by level of education has not just persisted but has actually deepened in some countries. Sharper declines in fertility rates may therefore be expected as a larger proportion of women attain higher levels of education. Fertility forecasts based on educational distribution within the population confirm the conclusion that the demographic and economic future of the region will increasingly be shaped by low fertility levels, with all that this implies in terms of the care economy, female labour-force participation and dependency ratios within families.

## 1.

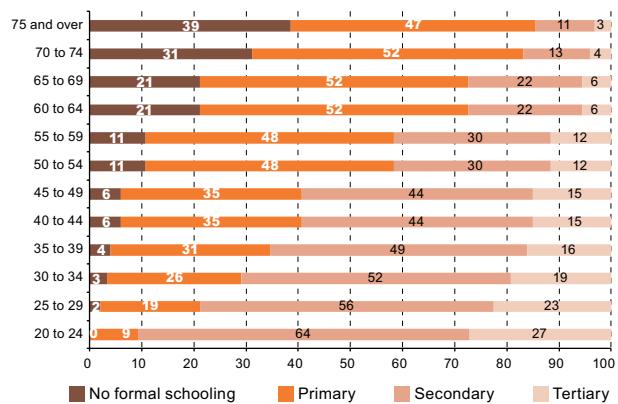
## Changes in educational distribution among women in Latin America

Over the past decades, educational distribution has evolved rapidly in most Latin American countries. Various data sources and studies confirm this trend (UNESCO, 2011; Barro and Lee, 2010; Lutz and Samir, 2011). The changes in the level of education are evident in the national population censuses, which are the principal source of information for the estimates prepared by the International Institute for Applied Systems Analysis (IIASA) and by Barro and Lee (2010).<sup>12</sup> Data from a single census reveal differences in the level of education by age, attributable to earlier expansions in the education system. These data serve not only as a record of past changes but also as inputs for projecting future changes (see Miller, 2006).

Figure II.6 shows the distribution of educational levels by five-year age groups for Mexican women in 2010, based on estimates from Barro and Lee (2010). Educational distribution by age has changed significantly. Among older women, the percentage who never attended school is significant: 39% in the case of the group aged 75 and over. This proportion has diminished progressively in younger cohorts to stand at zero for the youngest (aged 20 to 24). The opposite trend is observed for the proportion of women attending university. Among older women, the proportion is very small (less than 3% among those aged 75 and over), but it has increased steadily among the youngest cohorts to peak in the 20-to-24-year-old cohort, in which over one in four women have some level of post-secondary education. These differences by age are mainly the reflection of the expansion of the education system over time, although the higher survival rates among more-educated persons and differences in migration patterns also have a bearing.

The rapid transition in education observed in Mexico is also seen in several countries in the region. The experience of the countries in Latin America has been varied in the past 30 years. Some countries at the forefront of educational attainment in 1980 showed little subsequent progress, while others that started with low levels of education progressed rapidly in the past three decades. Thus, the development of national education systems since 1980 has varied considerably across the region.

Figure II.6  
MEXICO: WOMEN BY AGE GROUP AND EDUCATIONAL LEVEL, 2010  
(Percentages)



Source: R. Barro and J.W. Lee, "A new data set of educational attainment in the world, 1950–2010", *NBER Working Paper*, No. 15902, 2010.

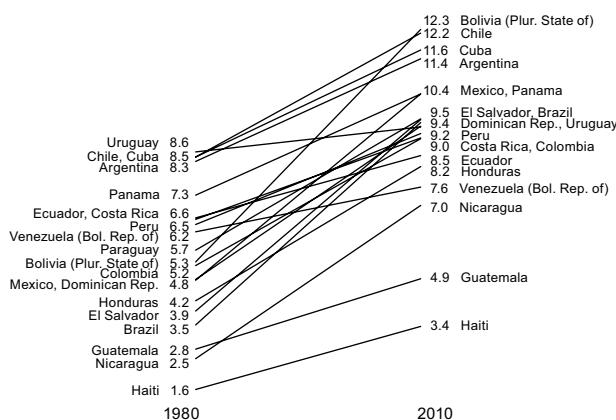
Figure II.7 reveals this heterogeneity by showing for various countries in the region the average number of years of education of women aged 25 to 29 (the peak childbearing age group in these countries) in 1980 and, one generation later, in 2010, on the basis of data from Barro and Lee (2010). The education systems expanded rapidly, which was reflected in the average increase of 3.5 years of schooling among women aged 25 to 29. The sources of data for these estimates usually vary from one country to another and, as indicated earlier, Barro and Lee's estimates of the levels of education and changes over time normally differ from those produced by IIASA.<sup>13</sup> However, both sources noted the general pattern of rapid change in education in Latin America and, in particular, its remarkable expansion in some countries. The Plurinational State of Bolivia is a case in point: since 1980, the average number of years of schooling among women aged 25 to 29 has increased by 7 years. Brazil and Mexico, for their part, have shown gains of 6 years and 5.5 years, respectively, since that year.

<sup>12</sup> Barro and Lee's studies present estimates of the levels of education by age and sex in 146 countries, between 1950 and 2010.

<sup>13</sup> The IIASA studies provide estimates of the levels of education by age and sex for 120 countries between 1970 and 2000, as well as projection scenarios between 2005 and 2050.

**Figure II.7**

**LATIN AMERICA (20 COUNTRIES): AVERAGE NUMBER OF YEARS OF SCHOOLING AMONG WOMEN AGED 25 TO 29, 1980 AND 2010**  
(Number of years)



Source: R. Barro and J.W. Lee, "A new data set of educational attainment in the world, 1950–2010", NBER Working Paper, No. 15902, 2010.

To the extent that economic and demographic trends usually vary with the level of education, projections of educational distribution are important inputs for economic and demographic projections. For example, changes in the educational distribution of the labour force generate conditions that favour more accelerated economic growth, insofar as a more educated labour force is usually more productive. In the same way, changes in educational distribution will probably bring about a faster decline in fertility because more highly-educated women tend to have lower fertility.

The following section considers the extent to which changes in educational distribution have helped to speed up the decline in fertility.

## 2.

### How changes in educational distribution contribute to the decline in fertility

As the level of education of women in the region has been rising, fertility has been declining rapidly, as indicated in the previous sections. It has also been shown that levels of education correlate inversely with fertility, since fertility is lower among women who are more highly educated.

One theory is that disparities in fertility according to level of education are linked to modernization. The idea is that the disparities noted are temporary and reflect differences in access to and participation in modern life. Modernization is initially concentrated in urban areas among people with a higher level of education, but then extends to the whole of society. Thus, low fertility rates are recorded first among the most educated strata of society, but over time they spread to all other groups. Consequently, a look at the current reproductive behaviour of women with a university education shows the future course of fertility for all women. Based on this theory, the disparities that exist today will eventually disappear as modernization spreads throughout society.

An alternative theory is that education acts as a stratification mechanism and an institution that ultimately groups the population by types of employment. Employment opportunities for women with a low level of education tend to revolve around occupations that do not compete directly with motherhood, whereas women with a high

level of education tend to focus on professions that do. According to this theory, disparities in fertility levels according to level of education will persist over time.

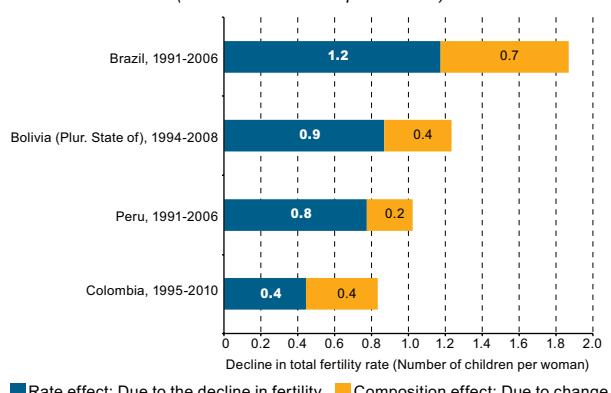
In reality, both mechanisms tend to operate at the same time. In fact, as seen in table II.1, in many countries in Latin America, the disparities in fertility rates according to level of education are not only still present but are becoming sharper. Nonetheless, there are grounds to think that the disparities could lessen in the long term: the decline in fertility among more educated women could eventually stop, whereas fertility among less-educated women could continue to decline.

Data from demographic and health surveys were used to determine the direct contribution of changes in educational distribution to the decline in fertility in four countries (Brazil, Colombia, Peru and the Plurinational State of Bolivia) over a period of 15 years. Two hypothetical fertility levels were calculated for each country. The first was the fertility level that the country would reach if the fertility patterns in each education group remained the same but educational distribution changed. The second was the fertility level that the country would reach if educational distribution remained the same but the fertility patterns in each education group changed. This made it possible to assess the magnitude of the rate effect (the impact of

the decline in fertility in each education group) and the composition effect (the impact of changes in educational distribution) on the variations in fertility levels.

Figure II.8 shows the findings for the four countries. The decline in the total fertility rate was sharpest in Brazil, where the rate dropped by 1.9 children per woman, but was still significant in the other countries, which showed declines of 1.3 children in the Plurinational State of Bolivia, 1.0 children in Peru and 0.8 children in Colombia. In Brazil, Peru and the Plurinational State of Bolivia, the decline in fertility was mainly due to changes in fertility rates within the education groups (rate effect), whereas in Colombia the magnitude of the rate and composition effects was the same. Although not the dominant driver of the decline in fertility, changes in educational distribution (composition effect) contributed substantially to the decline: 0.7 births in Brazil, 0.4 births in the Plurinational State of Bolivia and Colombia, and 0.2 births in Peru.

**Figure II.8**  
LATIN AMERICA (4 COUNTRIES): TOTAL FERTILITY RATE DECLINE, BROKEN DOWN INTO THE RATE EFFECT AND THE COMPOSITION EFFECT OVER A PERIOD OF 15 YEARS  
(Number of children per woman)



■ Rate effect: Due to the decline in fertility ■ Composition effect: Due to change in educational distribution

Source: Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, on the basis of data from Demographic and Health Surveys (DHS).

### 3.

## Future trends in education and impact on fertility

The projections made by the United Nations Population Division show the possible course of fertility in the future. These projections are based on the general decline in fertility noted in all countries, weighted for specific patterns in the country concerned. Specifically, they use a Bayesian hierarchical model to determine the rate of change in the total fertility rate from its current level. The projections for Latin America indicate that fertility levels will soon drop below the replacement level<sup>14</sup> in a growing number of countries.

Another approach to studying future fertility trends in Latin America is to project fertility based on educational distribution within the population. By way of example, projections based on this method are set out below for Brazil, Colombia, Peru and the Plurinational State of Bolivia. The forecasts are based on both future changes in educational distribution across the population and changes in fertility rates within each education group. Changes in the educational composition of the female population of childbearing age were based on projections made by IIASA. It was assumed that fertility rates will continue declining in each education group at the pace seen over

the past 15 years and will converge towards the lowest fertility rates recorded among the most highly educated.

In Brazil, fertility among women with a university education in the 40-to-49 age bracket stood at 1.5 children per woman in 2006, compared with a current rate of only 1.0 child per woman.

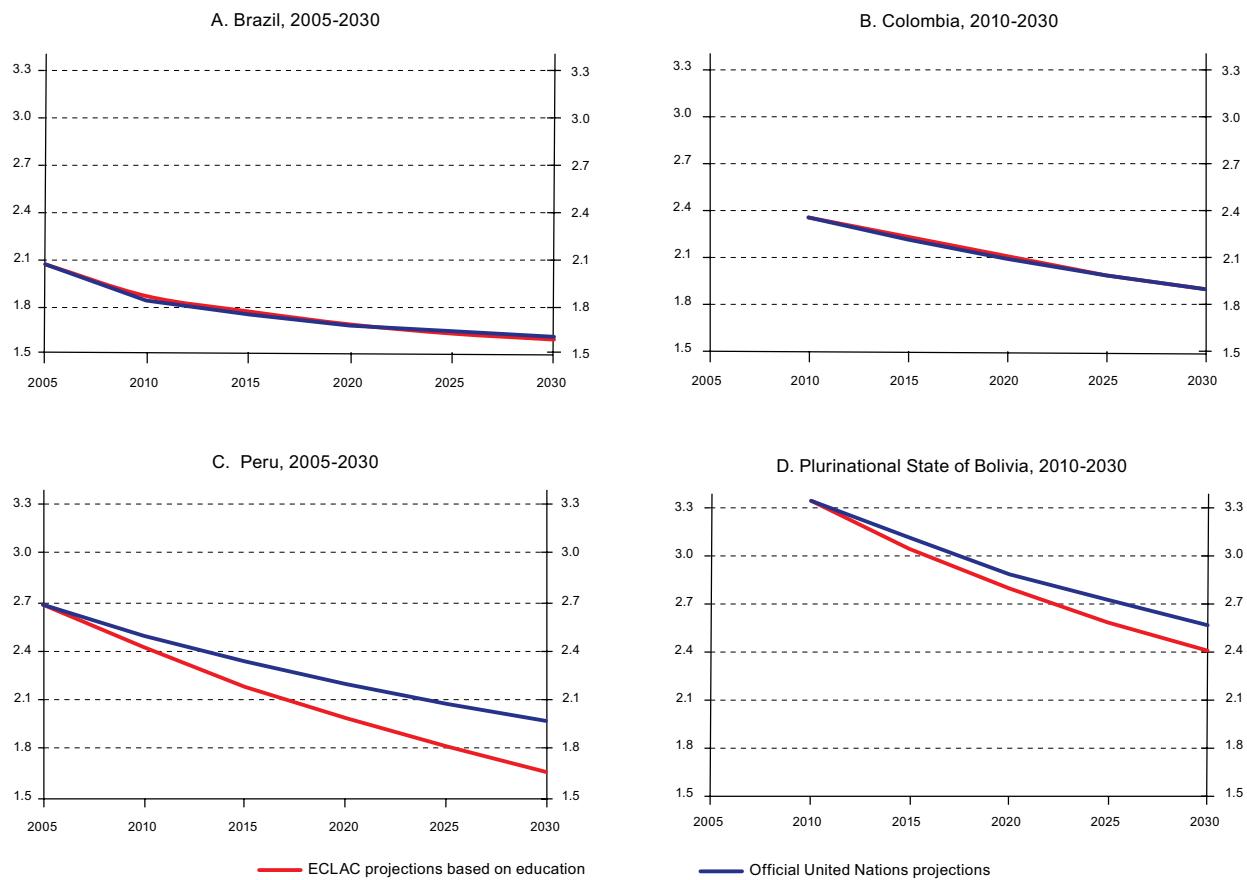
The rate of 1.0 child per woman is likely to be temporary, owing to the delay in motherhood, and could rise to 1.5 children per woman for this cohort. Fertility in the other education groups is assumed to drop to 1.5 children per woman, at the rate historically observed in Brazil.

In fact, for the four countries covered by this exercise, the rate of 1.5 children per woman was established as the minimum admissible rate for the group with a university education. In the four countries, fertility among women with a university education is currently below the replacement level: 1.5 children per woman in Colombia, 1.6 children in Peru and 1.9 children in the Plurinational State of Bolivia.

Figure II.9 shows the findings of these projections (blue lines), together with the official United Nations projections (red lines). In general, the findings based on the two methodologies are similar in predicting a sharp decline in fertility in the future. In both cases, fertility is expected to drop to 1.6 births in Brazil and 1.9 births in Colombia over the next 20 years.

<sup>14</sup> The level at which a generation will be unable to replace itself. See footnote No. 4.

**Figure II.9**  
**LATIN AMERICA (4 COUNTRIES): FUTURE SCENARIOS FOR DECLINING FERTILITY**  
*(Number of children per woman)*



**Source:** United Nations, "World Population Prospects: The 2010 Revision" [CD-ROM], Population Division, 2011; Projections based on education: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, model for projecting fertility based on the educational distribution of the population.

In the Plurinational State of Bolivia and Peru, it was found that, taking into account the rapid changes in educational distribution, fertility will decline even more quickly to reach 2.4 children per woman in the Plurinational State of Bolivia by 2030 (around 0.2 births below the United Nations projection) and 1.65 children per woman in Peru by 2030 (around 0.3 births below the United Nations projection). But the main conclusion drawn from this analysis is that the findings support the prediction that low fertility levels will increasingly shape the demographic and economic future of the region.

Table II.3 outlines several key characteristics of this low-fertility future. At present, fertility levels are below the replacement level in five countries in Latin America: Brazil, Chile, Costa Rica, Cuba and Uruguay. Within the next 15 years, eight more are expected to cross that threshold:

Argentina, the Bolivarian Republic of Venezuela, Colombia, Ecuador, El Salvador, Mexico, Nicaragua and Peru. Within one generation, fertility rates will drop below the replacement level in virtually every country in Latin America.

The emergence of low fertility levels in the region will have several consequences. In demographic terms, the number of births is steadily falling. In most countries in the region, the birth rate has already peaked and is now declining. For example, the highest number of births recorded in Cuba was in 1965, while in Brazil it was in 1983 and in Peru it was in 1991 (see table II.3). These large cohorts are being replaced by cohorts with successively fewer births, and this is causing gradual population ageing. As will be explained in the following chapters, these changes entail major implications in terms of the care economy, female labour-force participation and family dependency ratios.

**Table II.3**  
**LATIN AMERICA (20 COUNTRIES): MAIN FEATURES OF LOW FERTILITY**

Country	Year in which births peaked	Year in which fertility fell below the replacement level <sup>a</sup>	Year in which the country became an aged economy <sup>b</sup>
Cuba	1965	1979	2005
Chile	1962	2000	2022
Brazil	1983	2005	2026
Costa Rica	1989	2005	2026
Uruguay	1974	2009	2019
El Salvador	1979	2016	2041
Mexico	1991	2017	2033
Argentina	1993	2018	2025
Colombia	2007	2021	2031
Ecuador	2000	2024	2036
Peru	1991	2024	2038
Nicaragua	1992	2025	2044
Venezuela (Bolivarian Republic of)	2010	2025	2037
Dominican Republic	2006	2027	2040
Panama	2005	2027	2034
Haiti	1996	2040	2050
Honduras	2018	2040	2049
Paraguay	2020	2042	2048
Bolivia (Plurinational State of)	2028	2053	2050
Guatemala	2053	2071	2050

**Source:** Columns 1 and 2: United Nations, "World Population Prospects: The 2010 Revision" [CD-ROM], Population Division, 2011; Column 3: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from national transfer accounts.

<sup>a</sup> Total fertility rate below 2.1 children per woman.

<sup>b</sup> Year in which consumption by older people (over 60 years of age) outstripped consumption by children (aged 0-14).

The economic impact of population ageing is illustrated perfectly by the year in which countries will become aged economies, that is, the year in which economic consumption by older people will outstrip consumption by children. According to projections made using data from the National Transfer Accounts project, Cuba has already been an aged economy for several years (see table II.3 and box II.3).

Within the next 15 years, another five countries are expected to allocate more resources to older people than to children: Argentina, Brazil, Chile, Costa Rica and Uruguay. Within 15 years after that, another seven countries are expected to pass this threshold, and within one generation aged economies will be the dominant economic form in Latin America, as well as in most of the world.

#### Box II.3 THE NATIONAL TRANSFER ACCOUNTS PROJECT

Since 2007, the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC has been coordinating the regional project on national transfer accounts for Latin America and the Caribbean (see [online] [http://www.cepal.org/celade/transferencias\\_intergeneracionales](http://www.cepal.org/celade/transferencias_intergeneracionales)) with financial support from the International Development Research Centre (IDRC) of Canada and the University of California at Berkeley. The project is being implemented in Argentina, Brazil, Chile, Colombia, Costa Rica, Jamaica, Mexico, Peru and Uruguay, as part of the global National Transfer Accounts (NTA) project coordinated by the Center for the Economics and Demography of Aging of the University of California at Berkeley and the Population and Health Studies Program of the East-West Center in Hawaii.

Thirty-four countries from different regions of the world are currently participating in the global project (see [online] <http://www.ntaccounts.org>).

The National Transfer Accounts system offers a comprehensive approach to measuring aggregate economic flows between age groups over time. The accounts include flows associated with capital accumulation and transfers, and distinguish transfers mediated by public institutions from those relying on private institutions. Estimates are mostly based on household surveys relating to income, spending, assets, the workforce and transfers, in addition to detailed administrative records from government bodies. Aggregate flows are estimated in accordance with the United Nations System of National Accounts.

Economic activity varies considerably according to age, so changes in the age structure of the population in future decades will have a major impact on national economies, public budgets and national debt. The National Transfer Accounts methodology provides a basis for long-term fiscal forecasts, which are of particular interest to governments owing to (i) the importance of long-term investments, for example in public education; (ii) the need for a long-term approach to tackling many social issues, such as inequality, which could entail decades of concerted efforts; and (iii) the marginal corrections or adjustments produced by this approach, which are not only politically more feasible but also prevent an unfair burden from falling on any one generation in particular and enable smooth transitions in fiscal policies and public spending.

**Source:** Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC.

## E. Adolescent fertility: a priority for action and research

Adolescent fertility has fallen at a much more moderate pace than total fertility. In many countries in the region it even rose during the 1990s, whereas the total fertility rate declined significantly. The inequality in fertility levels between groups with different education levels is usually particularly marked in the case of adolescent mothers. Evidence of the declining percentage of planned births among adolescent mothers offers a powerful argument in favour of bolstering public policies and programmes on sexual and reproductive health targeting this group.

### 1. Adolescent fertility trends

#### (a) Regional trends: sub-Saharan Africa and Latin America

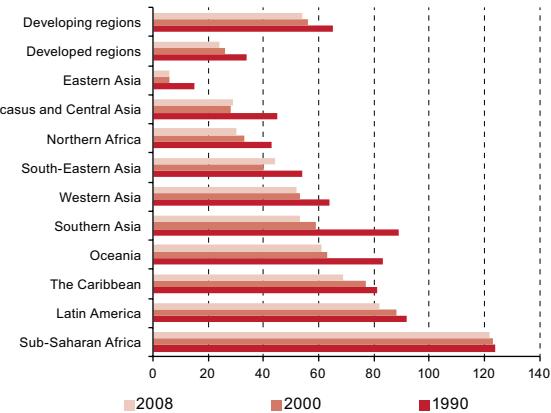
The expansion of the list of targets under the Millennium Development Goals, which was approved by political leaders at the World Summit in 2005 and implemented in 2007, added a new target for universal access to reproductive health, and the adolescent fertility<sup>15</sup>

<sup>15</sup> Adolescent fertility is measured by means of a traditional demographic rate that records the intensity of reproduction of adolescents during a calendar year. It is calculated as the ratio of live births that year to mothers between 15 and 19 years of age (numerator) to the average population of girls of the same age during the same year. Live births to mothers under 15 years of age are typically included in the numerator, as a result of which the figure overestimates fertility in the 15–19 age group, although nearly always only slightly because there are very few births to girls under 15 years of age. For the purposes of interpretation, a rate of 70 per 1,000, for example, means that, assuming that a woman cannot have more than one child in a calendar year, 70 in every 1,000 adolescent girls between 15 and 19 years of age became mothers in that calendar year. By contrast, adolescent motherhood is measured by a proportion that shows the relative frequency of this attribute (becoming a mother) among adolescent girls at a given point in time. It reflects the relative risk of motherhood for a given population. If it is calculated for the exact age of 20 years, it indicates the probability of becoming a mother during adolescence. When censuses are used as a source, the numerator is mothers aged 15 to 19 who report that they have had one or more live births. When specialized surveys are used (Demographic and Health Surveys or International Reproductive Health Surveys), the numerator normally corresponds to women aged 15 to 19 who report that they have had one or more live births and women who are pregnant for the first time. In both cases, the denominator is all women aged 15 to 19.

rate as one of its indicators. Since then, follow-up reports on the Millennium Development Goals have indicated that the subregion with the highest adolescent fertility rates in the world is sub-Saharan Africa, where it is about 120 births per 1,000 women in this age group. Latin America has the second highest rate, which is still over 80 per 1,000, followed by the Caribbean, where the rate stands at 70 per 1,000. The average rate in the developed countries is currently 24 per 1,000; in developing countries it is 54 per 1,000 (see figure II.10).

Figure II.10  
WORLD (12 REGIONS): ADOLESCENT FERTILITY RATE,  
1990, 2000 AND 2008

(Number of births per 1,000 women aged 15 to 19)



Source: United Nations, *The Millennium Development Goals Report 2011*, New York, 2011 [online] [http://www.un.org/millenniumgoals/11\\_MDG%20Report\\_EN.pdf](http://www.un.org/millenniumgoals/11_MDG%20Report_EN.pdf).

While the total fertility rate remains high in sub-Saharan Africa, in Latin America it has declined sharply in recent decades. Consequently, the high adolescent fertility in Latin America is regarded as an anomaly at the global level. This is a trend shared by nearly all countries in the region, which stand out because of adolescent fertility rates that are considerably higher than might be expected based on their total fertility rates (Rodríguez, 2011). In general, these findings suggest that structural socio-economic changes, cultural shifts and public programmes that encouraged the rapid, sustained decline in total fertility have not had the same effect on adolescent fertility.

#### (b) National trends: disparities and variations according to period

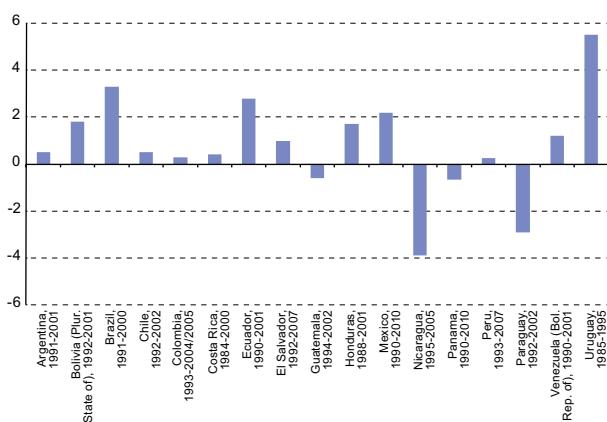
Fertility has declined in Latin America across all age groups, and there is no doubt that adolescent fertility rates in the region are currently lower than they were when fertility began to decline steadily in the mid-1960s.

However, when the decline in total fertility is compared with the decline in adolescent fertility, a clear pattern emerges: adolescent fertility has fallen much more slowly. In a few countries, especially in those in which total fertility declined first, such as Argentina and Uruguay, adolescent fertility is even higher now than in 1960 (Rodríguez, 2011). A look at fertility trends over more recent, shorter periods shows that in the 1990s nearly all countries in the region recorded a rise in adolescent fertility, even though total fertility was falling sharply. Figure II.11 shows the changes in adolescent motherhood between the 1990s and 2000s. The 2010 round of censuses will show the latest trends in adolescent motherhood. In the meantime, censuses carried out in Panama and Mexico

in 2010 show varying trends: a slight rise in adolescent fertility between 2000 and 2010 in Mexico contrasting with a decline in Panama in the same period.

Based on the percentage of first-time adolescent mothers or first-time pregnant adolescents recorded in specialized surveys conducted in the 1980s or 1990s and the 2000s, the picture is mixed: in six countries adolescent fertility has declined but in five it has risen (see table II.4). In short, the figures confirm the distinctive path of adolescent fertility and its resistance to downward change in many countries in the region in the past two decades.

**Figure II.11**  
**LATIN AMERICA (17 COUNTRIES): VARIATION IN ADOLESCENT MOTHERHOOD BETWEEN THE 1990 CENSUS ROUND AND THE 2000 CENSUS ROUND<sup>a</sup>**  
(Percentage points)



Source: J. Rodríguez, "Latin America: high adolescent fertility amid declining overall fertility", document presented at the Expert Group Meeting on Adolescents, Youth and Development, New York, 21-22 July 2011 [online] [www.un.org/esa/population/meetings/egm-adolescents/p01\\_rodriguez.pdf](http://www.un.org/esa/population/meetings/egm-adolescents/p01_rodriguez.pdf).

<sup>a</sup> Percentage of women aged 15 to 19 who report in the census that they have given birth to one or more live children.

**Table II.4**  
**LATIN AMERICA (11 COUNTRIES): MOTHERS OR FIRST-TIME EXPECTANT MOTHERS AMONG WOMEN AGED 15 TO 19, BASED ON SURVEYS CARRIED OUT IN 1985-1999 AND 2005-2010**

Country and survey dates	Surveys conducted between 1985 and 1999 (1)	Surveys conducted between 2005 and 2010 (2)	Variation <sup>a</sup> (2) - (1)
	(percentage)	(percentage points)	
Bolivia (Plurinational State of): Demographic and Health Surveys (DHS) 2008 and 1989	17.2	17.9	0.7
Brazil: National Demographic and Health Survey (PNDS) 2006, DHS 1986	13.3	22.3	9.8
Colombia: DHS 2010, DHS 1986	13.6	19.5	5.9
Dominican Republic: DHS 2007, DHS 1996	22.7	20.6	-2.1
Ecuador: Demographic and Maternal and Child Health Survey (ENDEMAIN) 2004, DHS 1987	17.0	19.4	2.4
El Salvador: National Family Health Survey (FESAL) 2008, DHS 1985	26.6	22.8	-3.8
Guatemala: DHS 2008, DHS 1987	22.8	21.8	-1.0
Haiti: DHS 2005-2006, DHS 1994-1995	14.5	14.0	-0.5
Nicaragua: International Reproductive Health Survey (IRHS) 2006, DHS 1998	27.0	25.2	-1.8
Paraguay: IRHS 2008, DHS 1990	16.8	11.6	-5.2
Peru: Continuous National Demographic and Health Survey (ENDES) 2009, DHS 1986	12.7	13.7	1.0

Source: Macro International Inc., "MEASURE DHS STATACompiler", May 2011 [online] <http://www.measuredhs.com>; Brazil: Ministry of Health, "Pesquisa Nacional de Demografia e Saúde da Criança e da Mulher (PNDS)", 2006. Relatório, Brasília, 2008, p. 126; Colombia: PROFAMILIA, "Informe de la Encuesta Nacional de Demografía y Salud (ENDS) 2010", Bogotá, 2011, p. 114; Peru: National Institute of Statistics and Informatics (INEI), "Encuesta Demográfica y de Salud Familiar (ENDES) Continua, 2009 Informe principal", Lima, 2010, p. 88.

<sup>a</sup> A positive value signifies an increase.

## 2.

## Determinants of adolescent fertility

### (a) Proximate determinants

It is very difficult to analyse the proximate determinants of adolescent fertility because of the difficulties encountered in estimating the frequency of sexual activity and the effective use of contraception (Rodríguez, 2009).

With regard to sexual activity, the indicators most often used —none of which accurately reflect the full exposure to risk— suggest that sexual activity during adolescence is increasingly common, which tends to increase the likelihood of adolescent pregnancy. Table II.5 shows the cumulative percentages of women who are sexually active at the start, in the middle and

at the end of the period regarded as adolescence in this text. Almost without exception (Guatemala is one of the exceptions) the percentages have risen for all age groups between the 1980s and the 2000s. It also shows that while women are becoming sexually active at a younger age, they are not entering unions any earlier, which implies an increase in premarital sexual activity. The increasingly weaker link between sexual initiation in adolescence and adolescent union means that the analysis and calculations are focused on sexually active adolescents, regardless of whether they are in a union. At the same time, however, union patterns are still relevant, since sexual activity in this context is more likely to result in a pregnancy and birth.

**Table II.5**  
**LATIN AMERICA (11 COUNTRIES): WOMEN AGED 20-24 WHO WERE IN A UNION BY THE AGE OF 15, 18 OR 20 YEARS,  
 AND WHO HAD EVER HAD SEXUAL INTERCOURSE BY THE SAME AGE, TWO POINTS IN TIME**  
 (Percentages)

Countries, years and variation <sup>a</sup> during the reference period	Married women			Women who had ever had sexual intercourse		
	Age 15	Age 18	Age 20	Age 15	Age 18	Age 20
Bolivia (Plurinational State of) 2008	3.2	21.7	35.8	6.6	40.1	62.5
Bolivia (Plurinational State of) 1989	5.1	23.7	40.7	9.5	36.9	56.9
<b>Variation 1989-2008</b>	<b>-1.9</b>	<b>-2.0</b>	<b>-4.9</b>	<b>-2.9</b>	<b>3.2</b>	<b>5.6</b>
Brazil 2006	10.5	35.6	50.1	14.4	58.4	78.7
Brazil 1986	3.7	21.8	39.5	6.1	29.8	48.1
<b>Variation 1986-2006</b>	<b>6.8</b>	<b>13.8</b>	<b>10.6</b>	<b>8.3</b>	<b>28.6</b>	<b>30.6</b>
Colombia 2010	5.6	23.0	37.2	13.8	60.3	82.2
Colombia 1986	4.3	23.3	37.2	6.1	30.9	49.0
<b>Variation 1986-2010</b>	<b>1.3</b>	<b>-0.3</b>	<b>0.0</b>	<b>7.7</b>	<b>29.4</b>	<b>33.2</b>
Ecuador 2004	3.8	22.2	40.9	9.2	37.6	58.1
Ecuador 1987	5.8	26.0	43.9	8.4	32.1	50.9
<b>Variation 1987-2004</b>	<b>-2.0</b>	<b>-3.8</b>	<b>-3.0</b>	<b>0.8</b>	<b>5.5</b>	<b>7.2</b>
El Salvador 2008	5.0	25.4	42.4	10.7	40.4	60.5
El Salvador 1985	6.2	37.7	58.5	6.7	32.9	48.6
<b>Variation 1985-2008</b>	<b>-1.2</b>	<b>-12.3</b>	<b>-16.1</b>	<b>4.0</b>	<b>7.5</b>	<b>11.9</b>
Guatemala 2002	8.1	35.0	50.4	12.2	41.7	57.6
Guatemala 1987	12.4	41.2	60.0	13.9	44.7	62.5
<b>Variation 1987-2002</b>	<b>-4.3</b>	<b>-6.2</b>	<b>-9.6</b>	<b>-1.7</b>	<b>-3.0</b>	<b>-4.9</b>
Haiti 2005-2006	5.6	29.9	47.9	13.5	53.4	72.9
Haiti 1994/1995	4.8	23.8	44.8	9.2	40.8	61.8
<b>Variation 1994/1995-2005/2006</b>	<b>0.8</b>	<b>6.1</b>	<b>3.1</b>	<b>4.3</b>	<b>12.6</b>	<b>11.1</b>
Honduras 2005-2006	10.8	38.8	54.4	12.3	45.4	64.0
Honduras 1996	7.9	36.8	55.8	10.4	44.1	63.1
<b>Variation 1996-2005/2006</b>	<b>2.9</b>	<b>2.0</b>	<b>-1.4</b>	<b>1.9</b>	<b>1.3</b>	<b>0.9</b>
Paraguay 2008	1.8	17.0	33.7	8.1	47.8	76.6
Paraguay 1990	3.1	24.2	40.5	5.3	38.6	60.8
<b>Variation 1990-2008</b>	<b>-1.3</b>	<b>-7.2</b>	<b>-6.8</b>	<b>2.8</b>	<b>9.2</b>	<b>15.8</b>
Peru 2009	3.4	19.0	34.2	7.1	38.7	61.1
Peru 1986	2.3	19.9	35.8	5.7	28.8	47.5
<b>Variation 1986-2009</b>	<b>1.1</b>	<b>-0.9</b>	<b>-1.6</b>	<b>1.4</b>	<b>9.9</b>	<b>13.6</b>
Dominican Republic 2007	13.8	39.6	53.7	16.3	51.0	70.8
Dominican Republic 1996	10.8	37.6	53.4	12.5	42.1	59.3
<b>Variation 1996-2007</b>	<b>3.0</b>	<b>2.0</b>	<b>0.3</b>	<b>3.8</b>	<b>8.9</b>	<b>11.5</b>

Source: Macro International Inc., "MEASURE DHS STAtompiler", May 2011 [online] <http://www.measuredhs.com>; Brazil, age at first union: Ministry of Health, "Pesquisa Nacional de Demografia e Saúde da Criança e da Mulher (PNDS)", 2006. Relatório, Brasília, 2008, p. 161; age at first sexual relation: special processing of the database; El Salvador: Salvadoran Demographic Association (ADS), "Informe final de la Encuesta Nacional de Salud Familiar (FESAL) 2008", San Salvador, 2009, p. 169; Paraguay: Paraguayan Centre for Population Studies (CEPEP), "Informe Nacional de Demografía y Salud Sexual y Reproductiva (ENDSSR) 2008", p. 115; Peru: National Institute of Statistics and Informatics (INEI), "Encuesta Demográfica y de Salud Familiar (ENDES) Contínua, 2009 Informe principal", Lima, 2010, p. 123 (first union) and p. 126 (first sexual relation).

<sup>a</sup> Percentage points.

The only way to keep these trends in the two intermediate variables described above from leading to a rise in adolescent fertility is to significantly increase the effective use of modern contraception in adolescence. Although the traditional coverage indicators show an increase in contraceptive use, a detailed analysis yields a far less encouraging conclusion. First, because the increased use of contraception is partly the result of women who start to use it after having their first child, which obviously does nothing to prevent adolescent motherhood (although it does prevent a second pregnancy). Second, the use of contraception tends to be less effective and less consistent among adolescents, so increased use has a smaller protective effect than in other age groups. Last, the most relevant indicator for predicting an adolescence without children—contraceptive use at first intercourse—is still extremely low in many countries.<sup>16</sup>

With regard to abortion, what little evidence there is for the region is fragmented. Only recently have international demographic and health surveys and reproductive health surveys included questions on abortions; the findings are pending technical validation. Official statistics from Cuba, where abortion is legal, suggest that it has a significant impact on adolescent fertility levels, but that early motherhood is nonetheless more common than might be expected based on the country's low fertility rate.<sup>17</sup> In Chile, where abortion is illegal, recent data show that 6% of women who have had unplanned pregnancies have undergone at least one abortion (INJUV, 2010). The percentage is much higher based on male responses, but responses from men on these matters tend to be less reliable and less consistent. The lack of information means that this proximate determinant has to be excluded from the analysis herein despite its importance.

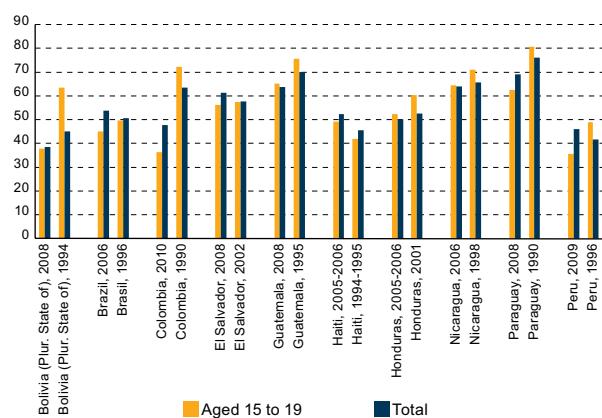
### (b) Unwanted fertility and sexual and reproductive rights: a critical issue

In Latin America there is a long tradition of studies and researchers suggesting that adolescents who become pregnant want to have children and, in particular, that

they want to do so more than people of other ages.<sup>18</sup> The arguments underpinning this view range from demography (that is, birth order, because first order births are more desired and most births to adolescent mothers are first order births), to anthropology (cultural norms that prize early reproduction), to sociology (early motherhood as an option that provides meaning and a life plan, particularly in contexts with few or no alternatives) (Oliveira and Vieira, 2010; Binstock and Pantelides, 2006; UNFPA/CENEP, 2005; Stern, 1997).

These arguments—probably valid in the past—are not supported by the current evidence. Figure II.12 shows how the desirability of children changed in the five years prior to each survey, among adolescents and among all women aged 15 to 49. Surveys conducted during the 1980s and 1990s bear out the greater desirability hypothesis given that in all countries the percentage of births described as “wanted at the time” was higher for births to women under the age of 20. Surveys carried out during the first decade of the twenty-first century, however, point to (i) a systematic and significant drop in some countries in the desirability of children conceived during adolescence; and (ii) lower levels of desirability for births during adolescence compared with all births in most countries.

**Figure II.12**  
**LATIN AMERICA (11 COUNTRIES): DESIRABILITY<sup>a</sup> OF ALL PREGNANCIES AND PREGNANCIES BEFORE 20 YEARS OF AGE, VARIOUS PERIODS**  
(Percentages)



Source: Macro International Inc., “Demographic and Health Surveys, Measure DHS STATcompiler” [online] <http://www.measuredhs.com> [date of reference: 7 June 2011]; Ministry of Health of Brazil, “Pesquisa Nacional de Demografia e Saúde da Criança e da Mulher (PNDS) 2006. Relatório”, Brasília, 2008, table 6; National Institute of Statistics and Informatics of Peru (INEI), “Encuesta Demográfica y de Salud Familiar (ENDES) Continua, 2009. Informe principal”, Lima, 2009, table 6.11

<sup>a</sup> At the time of birth.

<sup>16</sup> For example, in El Salvador in 2008 fewer than one quarter of women aged 15-24 used modern contraceptives in their first sexual relationship (“Informe final de la Encuesta Nacional de Salud Familiar (FESAL) 2008”). In Ecuador in 2004 the proportion was lower than 10% (see [online] [www.measuredhs.com](http://www.measuredhs.com)).

<sup>17</sup> In 2000, the adolescent fertility rate was 50 per 1,000, which is low for Latin America but high when compared with the total fertility rate for that year, which stood at 1.6. The adolescent pregnancy rate for the year was estimated at almost 200 per 1,000. The difference between the pregnancy rate and the fertility rate is almost entirely due to intentional abortion (Rodríguez, 2005).

<sup>18</sup> “... with few exceptions, more pregnancies are labeled as wanted or even planned among the 15-19 age group of mothers than among any other age group” (Guzmán and others, 2011, p. 43).

These findings are highly relevant for policy purposes, since they signal a greater need for sexual and reproductive health services, in particular access to contraception (see box II.4). They also suggest that there is considerable scope for programmes promoting preventive behaviour with regard to teenage pregnancy. In the 1960s, the high levels of unwanted fertility detected by surveys under the programme of comparative fertility surveys in Latin

America (PECFAL) conducted among women from a number of Latin American cities (CELADE/CFSC, 1972) led to the establishment of family planning programmes in the subregion. The evidence regarding the decline in planned births among adolescent mothers is an incentive and a powerful argument for stepping up reproductive and sexual health public policies and programmes for this group.

#### Box II.4

##### DIFFICULTIES ENCOUNTERED BY LATIN AMERICAN ADOLESCENT GIRLS IN ACCESSING CONTRACEPTION

Understanding the reasons why contraception is not used in the first sexual relation is important for devising sexual and reproductive health policies and programmes targeting adolescents. If contraception were not being used because of an explicit desire to have children, policies would need to focus more on expectations, given that programmes to increase access to contraception would have no effect as long as those expectations remained unchanged. However, data show that this appears not to be the case and that the reasons for not using contraception in the first sexual relation have little to do with a desire to have children and more to do with a lack of prevention and with barriers to accessing contraception. The lack of prevention is illustrated by responses such as "Did not expect to have sex" (32.2%, El Salvador, 2008, "Informe final de la Encuesta Nacional de Salud Familiar (FESAL) 2008", table 7.12); "Failure to take precautions" (44.1%, Paraguay, 2008, "Informe final

de la Encuesta Nacional de Demografía y Salud Sexual y Reproductiva (ENDSSR) 2008", table 7.13) and "Irresponsibility" (28.1%, Chile, 2009, special processing of the data from the National Youth Survey (ENAJU) 2009).<sup>a</sup> The barriers to accessing contraception are reflected in responses such as "Was not aware of methods" (15.2% in Paraguay and 15% in El Salvador), "Partner objected" (8.2% in El Salvador) and "Could not obtain a method" (Chile, 9.3% of girls and 16% of boys). The desire to have a child was cited as a reason for not using contraception by 12.2% of respondents in El Salvador, 5.7% in Chile and 4.6% in Paraguay. In Ecuador, El Salvador and Paraguay, a distinction is made between marital sexual initiation (in a union) and premarital sexual initiation (outside a union), and the reasons given for not using contraception vary between the two groups, with married adolescents more likely to respond that they wanted children. This is the main reason

cited in the 2008 survey carried out in El Salvador.<sup>b</sup>

These data reinforce the strong association between sexual activity, union and pregnancy in adolescence. On the one hand, sexual activity before a union is becoming more common, which in principle reduces the importance of a union as a factor explaining adolescent fertility. But, on the other hand, a large proportion of Latin American adolescent girls, especially poor ones, form unions early and in many cases they already have explicit expectations of early reproduction, as a result of which union continues to signal early reproduction. This is especially clear in the case of early unions resulting from cultural norms, such as among many indigenous populations, but it also seems to be the case for some poor urban adolescent girls, who see union and forming a family, i.e., having children, as a way of obtaining their own space and a life plan in a context of limited alternatives.<sup>c</sup>

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

<sup>a</sup> In the case of the 2009 survey conducted in Chile, up to three reasons were accepted, as a result of which the sum of the percentages could exceed 100% (National Institute of Youth (INJUV), 2010).

<sup>b</sup> Premarital sexual initiation does not mean initiation with a casual partner. In the case of the 2008 survey in El Salvador, for example, the sexual partner of women aged 15-24 who had their first sexual relationship before marriage was in 91.4% of the cases a stable partner and in only 1.5% of the cases was it a casual relationship ("Informe final de la Encuesta Nacional de Salud Familiar (FESAL) 2008", table 7.7).

<sup>c</sup> It is not clear, however, that early union and reproduction enables young people to acquire their own space or a life plan. In fact, the evidence available suggests that the reverse is true given the increase in the proportion of single adolescent mothers and adolescent mothers who live with their parents and have not set up a household of their own.

### 3.

## Adolescent fertility in Latin America: an expression of social inequalities

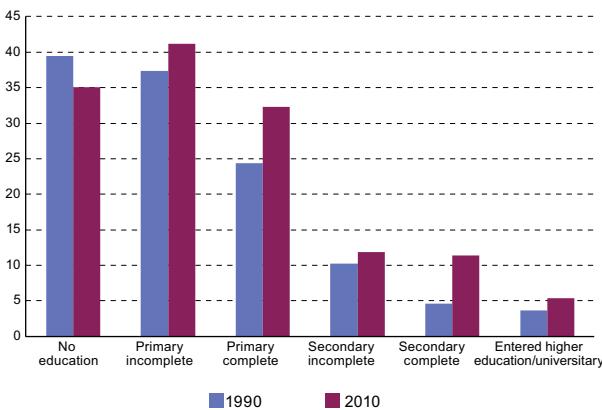
The disparities in fertility levels between different education groups tend to be far more pronounced in the case of adolescent motherhood. The close correlation between education and adolescent motherhood has raised expectations that the predicted expansion in secondary and university education coverage in the region will be

accompanied by a sustained decline in adolescent fertility. Simply because of a statistical composition effect, more years of schooling do in fact tend to reduce aggregate levels of adolescent fertility and motherhood (Rodríguez, 2009). This effect has been seen, for example, in recent data from the 2010 Panama census. The census shows that 15.5% of

girls aged 15 to 19 were already mothers—less than the 17.2% recorded in 2000 and the 16% in 1990 (see figure II.11). However, when this percentage is disaggregated by level of education, an increase in all categories is observed, with the exception of the “no education” group (see figure II.13). The composition effect is the reason behind these contradictory trends. If it were not for the expansion in schooling between 1990 and 2010 (during which the proportion of adolescents with a low level of education, in other words without a secondary education, fell from 34% to 17%) the adolescent motherhood rate would have been 20.8% in 2010, far higher than the 15.5% recorded that year and the 16% recorded in 1990.

Panama’s experience is not unique. Figure II.14 shows that, when the data are separated by education group, adolescent motherhood has risen almost across the board in most countries in the region. While the trend in the national percentage for adolescent motherhood is less clear-cut, this is due to the composition effect, which arises from the declining proportion of adolescents with low levels of education, who, as has been explained and demonstrated, continue to experience far higher levels of adolescent motherhood than highly educated adolescents.

**Figure II.13**  
**PANAMA: MOTHERS AGED 15-19 ACCORDING TO LEVEL OF EDUCATION, 1990 AND 2010**  
(Percentages)

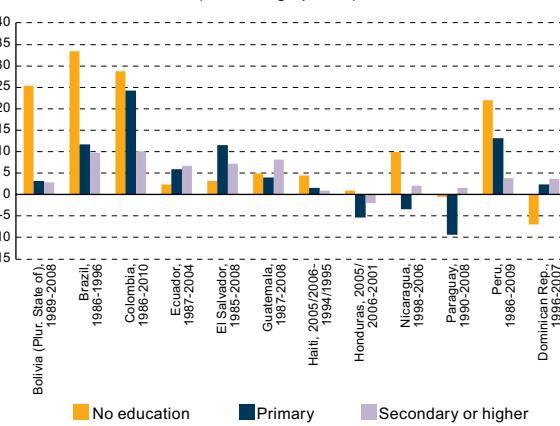


Source: Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, on the basis of census microdata.

These data sound an alarm bell for Latin America. Without a doubt, education continues to be a factor protecting against adolescent motherhood. But it seems to have lost some of its preventive effect. Above all, the educational threshold needed to provide a close-to-zero probability of adolescent motherhood has shifted from secondary school to university. This is much more marked

in countries where secondary education is widely available, since socio-economic disparities in these countries are increasingly expressed as a distinction between adolescents who enter higher education and those who do not. In countries where only a minority of adolescents have access to secondary education, attaining this level still prompts a sudden drop in the likelihood of becoming an adolescent mother.

**Figure II.14**  
**LATIN AMERICA (12 COUNTRIES): VARIATION IN ADOLESCENT MOTHERHOOD<sup>a</sup> BY LEVEL OF EDUCATION**  
(Percentage points)



Source: ICF Macro, “Demographic and Health Surveys, Measure DHS STATCompiler” [online] <http://www.measuredhs.com> [date of reference: 5 May 2011]; Profaamilia, “Informe de la Encuesta Nacional de Demografía y Salud (ENDS) 2010”, Bogotá, 2011, table 5.9.1; National Institute of Statistics and Informatics (INEI) of Peru, “Encuesta Demográfica y de Salud Familiar (ENDES) Continua, 2009. Informe principal”, Lima, 2009, table 6.11.

<sup>a</sup> Girls aged 15-19 years who are mothers or pregnant.

Given that progress towards providing universal secondary education in Latin America has not been accompanied by improvements in the job market or a decrease in social inequality (ECLAC, 2010b), a large proportion of the adolescent population attending school has low expectations regarding the benefits and opportunities that these extra years of study will bring. They find it difficult to find good jobs; they see going to university as difficult or financially unfeasible, and alternative paths to personal fulfilment based on economic and domestic emancipation seem out of reach. Because of these factors, a segment of Latin American adolescents (boys and girls) does not see the losses and costs associated with early motherhood as being so important. As such, structural change in the form of a more equal society that offers adolescents and young people more opportunities should clearly foster a decline in the subregion’s high adolescent fertility rate.

## F. Conclusion

Despite the widespread decline in fertility, significant disparities persist between social groups within countries. They reflect the socio-economic inequalities that continue to define Latin America as one of the most unequal subregions in the world. In particular, it is still invariably the case that the higher a woman's education level, the lower her fertility.

Given the strong link between level of education and family income level, the tendency for lower-income women to have more children signals, as will be shown in the following chapters, significant inequalities in access to employment and social protection. Women with a larger number of dependent children, especially in the 0-5 age group, and in particular those in the lowest quintiles, face more obstacles in entering the labour market, finding work and accessing social protection mechanisms. This results in a negative cycle of inequality and exclusion where different fertility patterns are linked to social exclusion throughout the life cycle. Thus, the gaps are becoming wider and the inequalities sharper.

Despite the persistent, significant differences in fertility levels according to level of education in Latin America, in most of the countries in the region women's educational distribution has improved rapidly in recent decades and has contributed considerably to reducing total fertility levels. In fact, as women increasingly participate in secondary and higher education, it is very likely that fertility rates will plummet in the future, supporting the view that low fertility levels will increasingly shape the economic and demographic future of the region.

The changes in reproductive behaviour that triggered the rapid, sustained decline in total fertility have not had the same impact on all age groups of Latin American women. The decline in adolescent fertility has been especially slight. Fertility of girls aged 15 to 19 in Latin America is more than three times higher than the average in developed countries and 1.5 times higher than the average in developing countries. Even more serious is the fact that in nearly all countries in

the region, fertility in this age group rose in the 1990s. Despite the desire of adolescents to limit fertility, restrictions relating to their use of contraception lead to a lack of prevention and to obstacles in accessing modern contraceptive methods.

The stubbornly high adolescent fertility is much more marked among adolescents with a lower level of education and those from low-income families. As ECLAC has repeatedly pointed out, this group constitutes a "hard core" of intergenerational reproduction of exclusion and inequality that combines low education levels, a lack of childcare support, increased family vulnerability, greater difficulties in carrying out income-generating activities and precarious access to social protection networks.

In summary, governments in the region are facing two major challenges relating to fertility. First, they need to step up efforts to achieve Millennium Development Goal target 5.B to guarantee universal access to reproductive health by 2015 with a view to closing the significant gaps in fertility levels between social groups. To that end, improving education coverage and structure should be a top priority. Education helps to change reproductive behaviour throughout the entire population and helps prevent adolescent motherhood. However, it is clear that increasing education is not enough in itself. It is also necessary to analyse how education enhances decision-making and the availability of information.

Second, governments should anticipate the challenges posed by—and the consequences of—the new low-fertility context in the subregion, by adapting policies and institutions in order to deal with inexorable changes in the structure of families, society and the economy.

## Chapter III

# Work, employment and labour markets: factories, circuits and hard cores of inequality reproduction

### A. Introduction

Recent achievements in poverty reduction and income concentration make it necessary to gauge how much space there is for Latin America to continue to make strides against one of the factors that is most hindering progress: inequality. Structural heterogeneity, stratification of the fertility decline and gender inequality operate as true factories of inequality in the labour markets of Latin America. Where these factors overlap they form circuits of reproduction of inequalities: the circuit that operates in the gaps between formal and informal workers, the one that links this inequality to gender disparities, the ones that shape differential behaviours among certain groups (such as women and young people) in the face of unemployment and the one that structures inequalities in labour-force participation. This dynamic gives rise to hard cores of inequality and vulnerability that embed in certain sectors, such as young low-income women with small children, low-income young people and workers (especially women) in low-productivity areas.

As explained in chapter I, the progress that the region has made since 2002 in reducing poverty and, albeit to a lesser extent, inequality—and the evidence that rising labour income has a lot to do with that progress—are good reason for optimism.

In the labour markets, female participation has risen sharply; productivity has been increasing and is on its way back to the levels seen in the region before the “lost decade” began (Weller, 2009). After the critical early 2000s, economic growth led to steadily

rising employment rates, declining unemployment and slightly expanding formal employment (ECLAC, 2009). Despite the fallout from the 2008 crisis (ECLAC/ILO, 2009), by late 2009 the labour markets were showing clear signs of recovery thanks largely to job protection policies implemented in several countries in the region (ECLAC/ILO, 2011).

There are two complementary approaches to examining the present and future implications of this favourable scenario. Obviously, we must look at the formulas that made these achievements possible, the policy instruments that have proven to be the most effective and, above all, the relevance and sustainability of the efforts that the countries of the region have made to contain the effects of the most recent crisis. But we must also gauge how much space there is for Latin America to continue to make strides against one of the factors that is most hindering progress: inequality.

Such an examination requires pinpointing the sources of these inequalities and the circuits through which they are transmitted. This chapter shows that the headway made this decade in terms of labour income and its distributive and poverty reduction impact is butting up against “hard limits” in the form of structural features associated with the tremendous gaps in labour force productivity, as well as access and performance difficulties in extremely segmented labour markets. For that very reason, progressing toward convergence and higher labour income also requires more equal productivity levels and broader access to high-quality employment, paying particular attention to specific groups that are at a clear disadvantage.

This edition of *Social Panorama* proposes that the mechanisms and circuits operating at the point where the State, markets and families intersect and interact are, following the classic idea of Esping-Andersen (1990 and 1999), at the root of the relative rigidity of inequality during periods of growth. This chapter looks at some of these mechanisms and circuits as they are reflected in the operation of labour markets and in the inequalities these harbour; they are the product of the interplay between the structural and temporal components of the spheres of well-being.

One of those structural components (examined in depth in the previous chapter) is the generation of inequalities due to changes in fertility and the stratified patterns accompanying these changes. This dynamic is creating differential dependency relationships in Latin American societies, making some sectors more vulnerable and, in some spheres, widening the gaps

between the higher-income population segment and the most vulnerable one.

But there is no question that inequality in Latin America is also the result of long-standing productive and labour factors. The labour market is a prime source of both well-being and risk for people in the region, and it is there that structural phenomena have helped to make the mechanisms that generate and reproduce inequalities even more rigid (Filgueira, 2007; Infante, 2011).

This chapter looks at the legacies of inequality in the productive sphere, highlighting the impacts of structural heterogeneity on labour market segmentation. In keeping with the analytical approach of previous editions of *Social Panorama*, it goes on to examine the interaction between the State, markets and families, focusing on the relative inelasticity of inequality in Latin America and arguing that this inelasticity is rooted in structural factors that are not new. This is exactly why it is brought to the fore by a close examination of aggregate indicators taking other key variables into consideration. This approach yields a clearer understanding of why the gaps between lower- and higher-income segments have not only not narrowed but seem to be increasing in some aspects despite encouraging signs from aggregate indicators (essentially, income concentration) in recent years.

The analysis is grounded in three basic assumptions:

The first one, which has already been outlined, is that the demographic and productive processes that have shaped the history of Latin America over the years have a lot to do with the generation and rigid reproduction of inequalities. As both processes transfer to the labour markets they drag along old inequalities that combine to generate new ones. A diachronic assessment is therefore a necessity.

The second assumption is that State intervention can be extremely effective in reducing the structural inequalities that transfer to the labour markets. So, the lack of—or skewed—intervention goes a long way towards explaining the emergence of factories and circuits of inequality at the juncture between markets and families.

The third and final assumption is that at the centre of the intersection between families and labour markets, gender inequality plays a key part. The distribution of roles between men and women, trade-offs between paid and unpaid work, discrimination and historical patterns of dominance all come into play at the point of contact between the State, markets and families, and they tend to reinforce the structural legacy of inequality and open new spaces for new disparities.

## B. Production structure and labour markets: another side to the structural conditioning of inequality<sup>1</sup>

The high degree of structural heterogeneity that marks the region's productive structures results in striking disparities between the contribution that each productive sector makes to GDP and employment. This creates an extremely unequal distribution of productivity and, ultimately, an extremely unequal appropriation of gains among workers. The linkage between structural heterogeneity and income inequality casts a rigid pattern that is stable over time.

The characteristics of the labour market reflect relatively durable underlying structures deriving from demographic and productive transformations over time (such as those examined in the previous chapter). This second structural conditioning factor explains a goodly portion of the inequalities that determine how Latin America's labour markets operate. While this facet is frequently discussed

in studies it is not often tied into analyses of well-being and social inequality in the region. This section seeks to go beyond this approach, building on the ideas set forth in *Time for equality: closing gaps, opening trails* (ECLAC, 2010a) and focusing once more on the notion of structural heterogeneity—a cornerstone of the ECLAC school of thought.

### 1.

### Productivity and economic structure

In every country, technical progress occurs at different rates in the various sectors and technology and opportunities for innovation are unevenly distributed (ECLAC, 2010a). But these differences are far more marked in Latin America than in the developed economies, and the sectors and agents that lag behind are not catching up with the “frontrunners” despite the rise in average productivity. Even within sectors that in aggregate terms could be considered to have medium or high levels of productivity there are still strata of companies and employment where productivity is extremely low. All in all, the internal markets of the economies of Latin America are not homogeneous; in other words, they are structurally heterogeneous.<sup>2</sup>

ECLAC research in the 1960s and 1970s already revealed profound differences in productivity both

between and within productive strata and sectors. These differences had to do with slow technological progress and the unequal distribution of that progress among sectors (Pinto, 1965 and 1975). Four decades later and albeit with somewhat different traits, evidence still confirms this phenomenon (ECLAC, 2010a): the economic structure of the region can be seen as consisting of three productivity strata with differing degrees of access to technology and markets. These strata have dissimilar characteristics, as discussed below.

The first stratum, the *high* one, encompasses large-scale export activities and companies (more than 200 workers) capturing a decisive portion of the local market and whose productivity per employed person approaches the average for the developed economies. Modern operations expand dynamically far above the average, but they have little effect on job creation and are not much linked with the other productive strata. The high stratum is more capital- and technology-intensive

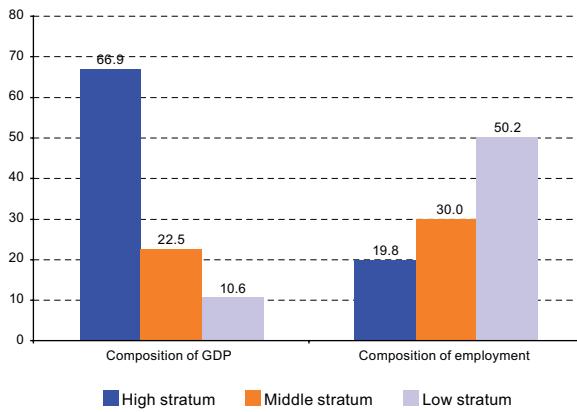
<sup>1</sup> The content of this section is based on Infante (2011).

<sup>2</sup> To trace the conceptual development of the notion of structural heterogeneity, see Durán (2011).

and is thus more productive, and it has more formalized labour relations. The persons employed in the high stratum include large public and private corporate employers and their workers, as well as self-employed professionals and technicians. This stratum currently accounts for 66.9% of GDP and only 19.8 % of total employment (see figure III.1).

The *middle* stratum is one step down in terms of technological advances and productivity. Average-productivity sectors comprise slow-growth activities with few linkages to high-productivity ones. Because their participation in growth is only tangential, growth —no matter how robust— does not yield the expected outcomes for this segment in terms of production and employment. This stratum comprises small and medium-sized enterprises (SMEs); productivity per person employed is similar to the average for the countries. As figure III.1 shows, this stratum accounts for 22.5% of GDP and 30% of total employment.

**Figure III.1**  
**LATIN AMERICA (18 COUNTRIES): STRUCTURAL HETEROGENEITY INDICATORS, AROUND 2009**  
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of R. Infante, "América Latina en el "umbral del desarrollo". Un ejercicio de convergencia productiva", Working document, No. 14, Inclusive development project, Santiago, Chile, ECLAC, June 2011.

Last, there is a *low* stratum with minimal levels of productivity and income. This stratum comprises the informal sector, which includes low-productivity economic units that are barely mechanized, have very low capital density and use extraordinarily outdated technology. It includes enterprises with up to five workers, unskilled own-account workers, family workers and domestic workers. Labour relations in this stratum are not very structured because workers can freely enter and leave

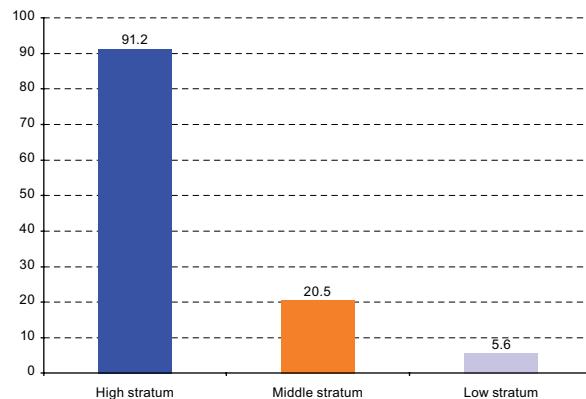
informal activities —anyone can start or stop working in them. And in family microenterprises, the roles of worker and entrepreneur usually overlap in practice. This stratum currently accounts for one half of employment and only 10.6% of GDP (see figure III.1).

This means that a significant proportion of employed persons is in the low stratum, which accounts for a negligible portion of GDP while, on the other hand, the high (or large corporate) stratum, which employs a very small fraction of the labour force, accounts for a very high percentage of GDP. This unequal distribution of the labour force among productive strata is due to the low capacity of the more modern, advanced sectors to absorb labour force, driving surplus labour towards less-productive sectors. This dynamic is heightened when the labour supply in an economy is relatively elastic, i.e., where changing demand keeps wages at very low levels (Durán, 2011).

The implications of this marked disparity between the contributions of each sector to GDP and employment are obvious: it leads to an extremely unequal distribution of productivity (measured in terms of GDP per person employed) and, in the final analysis, leaves room for an extremely unequal appropriation of gains among workers.

The data in figure III.2 show that GDP per person employed in the high stratum is 16.3 times that of the low stratum and 4.5 times GDP per person employed in the middle stratum. GDP per person employed in the middle stratum is 3.7 times that of the low-productivity stratum.

**Figure III.2**  
**LATIN AMERICA (18 COUNTRIES): GDP PER PERSON EMPLOYED, AROUND 2009**  
(Thousands of PPP dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of R. Infante, "América Latina en el "umbral del desarrollo". Un ejercicio de convergencia productiva", Working document, No. 14, Inclusive development project, Santiago, Chile, ECLAC, June 2011.

## 2.

## Heterogeneity, inequality, distributive rigidity and well-being

The process described above acts as a structural parameter for disparities and access to well-being in the region, explaining in part the relative inelasticity of inequality in times of greater growth.

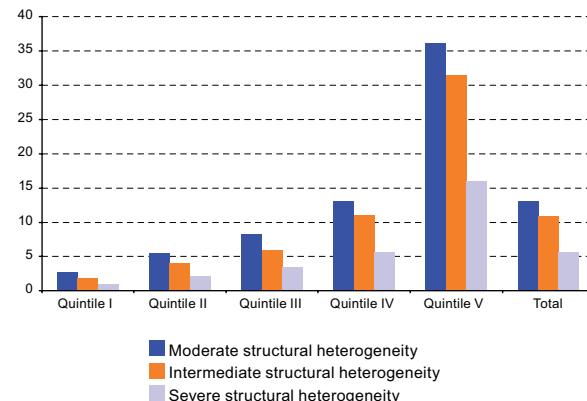
The mechanism is a simple one. In each quintile, per capita income is made up of income per person employed and the respective employment-population ratio. Income per person employed depends on productivity, which is, in turn, a function of the composition of employment per productive strata in each quintile. Hence, for example, employment in the lower quintiles has a high proportion of persons employed in the low-productivity stratum. By contrast, in the higher quintiles a large fraction of the persons employed are in the high-productivity stratum. This sequence would seem to explain much of the income differential and the unequal distribution of income.

The distribution of per capita income in three groups of countries ranked according to their degree of structural heterogeneity makes this relationship obvious.<sup>3</sup> In countries with moderate structural heterogeneity (Argentina, Chile, Costa Rica, Mexico and Uruguay), per capita income in the fifth quintile is 13.1 times that of the first quintile. In countries with intermediate structural heterogeneity (Bolivarian Republic of Venezuela, Brazil, Colombia and Panama) per capita income in the fifth quintile is 15.8 times that of the first quintile. Last, in the group with severe structural heterogeneity (Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, Peru and the Plurinational State of Bolivia), the difference is as much as 18.5 times (see figure III.3).

In keeping with the above, the Gini coefficient in countries with moderate structural heterogeneity is the lowest of the three groups (49.7). In the group with intermediate structural heterogeneity it is 52.2; in the group of countries with severe structural heterogeneity the Gini coefficient is 53.3.

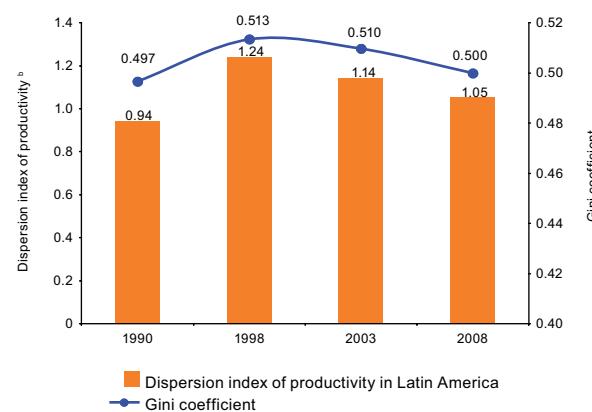
The joint evolution of structural heterogeneity and income concentration over time confirms how rigid this mechanism is. As figure III.4 shows, the dispersion of productivity in the region (an indicator of sectoral inequality) between 1990 and 2008 and the Gini coefficient have both evolved along similar patterns.

**Figure III.3**  
**LATIN AMERICA (SELECTED COUNTRIES): PER CAPITA INCOME BY QUINTILES, AROUND 2009**  
*(Thousands of PPP dollars)*



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of R. Infante, "América Latina en el "umbral del desarrollo". Un ejercicio de convergencia productiva", *Working document*, No. 14, Inclusive development project, Santiago, Chile, ECLAC, June 2011, and special tabulations of household surveys conducted in the respective countries.

**Figure III.4**  
**LATIN AMERICA (SELECTED COUNTRIES): INTERNAL CONVERGENCE AND INEQUALITY, 1990, 1998, 2003 AND 2008<sup>a</sup>**



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Time for equality: closing gaps opening trails* (LC/G.2432(SES.33/3)), Santiago, Chile, 2010; and *Social Panorama of Latin America 2009* (LC/G.2423-P), Santiago, Chile, 2010.

<sup>a</sup> Simple averages for 11 countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Peru and Uruguay.

<sup>b</sup> The dispersion index —or coefficient of variation— of productivity is the ratio of the standard deviation to the arithmetic mean of the productivity indices in the different sectors of the economy. Higher index values reflect greater sectoral inequality of productivity, that is, a greater distance between sectors in terms of productivity levels.

<sup>3</sup> This ranking is based on several indicators of economic performance, employment and structural heterogeneity: GDP per capita, GDP per person employed, employment-population ratio, composition of GDP and employment per productive stratum and productivity per productive stratum.

Structural heterogeneity increased during the early 1990s (the dispersion index went from 0.94 to 1.24) and, despite a slight drop between 1998 and 2008 (1.14 in 2003 and 1.05 in 2008), remained above the level posted in 1990. This was in the context of an aggregate

increase in average productivity starting in the second half of the 1990s. The Gini coefficient pattern is identical: an upward trend peaking in 1998, a barely perceptible drop in the 2000s and a more noticeable decline in 2008 (0.50).

## C. Productivity, formality, informality and inequality: beyond the dividing lines<sup>4</sup>

Income concentration also leads to marked labour market segmentation, manifested, among other ways, in the dividing line between medium- and high- productivity employment and low-productivity employment. Employment in low-productivity sectors has fallen off over the past two decades, but the distance between it and the medium- and high-productivity sectors has increased. Women (especially low-income women with a care burden) account for an increasingly large proportion of employment in low-productivity sectors, with a marked concentration of labour income. Not only have these patterns not been corrected: in some spheres they seem to have deepened.

Income concentration is a worrisome consequence of structural heterogeneity, but it is not the only one: productive divergence also leads to considerable labour market segmentation, one of the signs of which is the dividing line between medium- and high-productivity employment and low-productivity employment.<sup>5</sup>

<sup>4</sup> In keeping with the empirical approach that ECLAC has been following for several years, in this document the measure of work in low-productivity sectors is regarded as a proxy for informality in Latin America. This definition is based on the argument that “productive heterogeneity generates and maintains the informal sector” (ECLAC, 2009: 109). It is true that this indicator does not consider important dimensions of the notion of informality such as social protection and outsourcing, both of which are linked to a view of informality as a source of breaches of basic labour rights (ECLAC, 2009). This implies that there is no perfect overlap (although there is a significant one) between low productivity as measured here and the broader notion of informality. With this qualification in mind, and for the sake of discussion and readability, the two terms are used interchangeably in this section.

<sup>5</sup> The data used in the previous section to define the three productive strata differ from those used in the present section to measure the number of workers in medium-high and low-productivity sectors. In the previous section, the indicator was constructed on the basis of aggregate data from the International Labour Organization (ILO). In

The traits of each of these sectors and the gaps between them in Latin America have been studied extensively.<sup>6</sup> Research shows that the medium- and high-productivity sector is usually closer to the technology vanguard and has the greatest concentration of workers with higher levels of education and accumulated skills, better working conditions (access to social security, employment contracts) and greater protection provided by labour institutions. Their income is also usually higher, although they are still very much underpaid with relation to their levels of productivity (Durán, 2011). By contrast, workers in the low-productivity sector have lower levels of education; according to recent data, almost three out of four (73.5%) workers who have not completed primary school are found in this sector while more highly-educated employed persons account

the second, special tabulations of data from the household surveys conducted in the countries were prepared (hence, a breakdown between the medium- and high-productivity strata cannot be provided because of the way in which company size is recorded in these surveys).

<sup>6</sup> See, for example, PREALC (1987), ILO (2002 and 2009), Tokman (2006 and 2007).

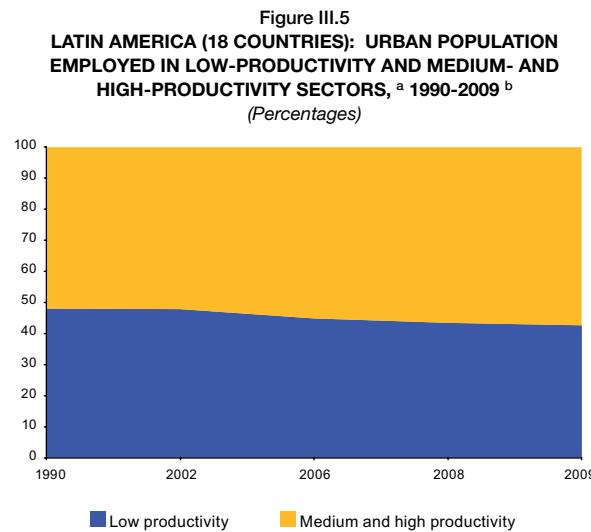
for slightly more than one in ten (13.6%).<sup>7</sup> Income for persons employed in this sector is usually considerably lower than for those employed in the formal sector, and

their labour conditions are marked by instability, limited social security coverage, precariousness and the lack of formal contracts.<sup>8</sup>

## 1.

### Progressive stratification and widening gaps

It is definitely good news that the dividing line between these two sectors has shifted in recent years: in 2009 workers in low-productivity sectors accounted for 42.7% of the urban employed population. This is better than the figure posted around 1990, when the employed population in this sector accounted for 48.1% of the total (see figure III.5).



**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.

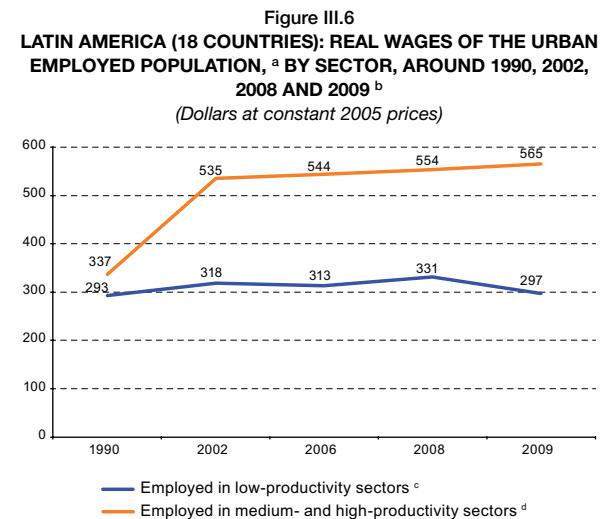
<sup>a</sup> Low-productivity sectors include persons employed in microenterprises (establishments employing up to five persons), domestic employees and unskilled own-account workers, including the self-employed and unpaid family members with no professional or technical skills. Medium- and high-productivity sectors include government employees, private employers and wage earners in establishments employing more than five persons and own-account professionals and technicians. This category does not include domestic employees.

<sup>b</sup> Weighted average of the countries on which data is available for the periods under review.

Nevertheless, this evolution should not mask other, far less encouraging, signs that the data reveal. Over the past two decades the dividing line between employment in higher- and lower-productivity sectors has become sharper. In other words, the gap between them has grown.

As already noted in other ECLAC publications, the compensation gap between the two sectors is wider than

in 1990 (ECLAC, 2009 and 2010c). Average monthly labour income for persons employed in low-productivity sectors was US\$ 297 in 2009; for persons employed in medium- and high-productivity sectors it was US\$ 565. These figures confirm that during the recent period of economic growth, the upward trend in real compensation for employed persons and wage earners was largely due to the performance of income in higher-productivity sectors; these increases have, essentially, not trickled down to the informal sector (ECLAC, 2010c) (see figure III.6).



**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.

<sup>a</sup> Urban employed persons over 15 who declared labour income (does not include unpaid workers).

<sup>b</sup> Weighted average of the countries on which data is available for all of the periods under review. Up to 2006, does not include Colombia, which does not break down the data by company size. Data for 2009 do not include the Bolivarian Republic of Venezuela, Guatemala, Honduras, Mexico or Nicaragua.

<sup>c</sup> Refers to persons employed in microenterprises (establishments employing up to five persons), domestic employees and unskilled own-account workers, including the self-employed and unpaid family members with no professional or technical skills.

<sup>d</sup> This category includes government employees, private employers and wage earners in establishments employing more than five persons and own-account professionals and technicians. It does not include domestic employees.

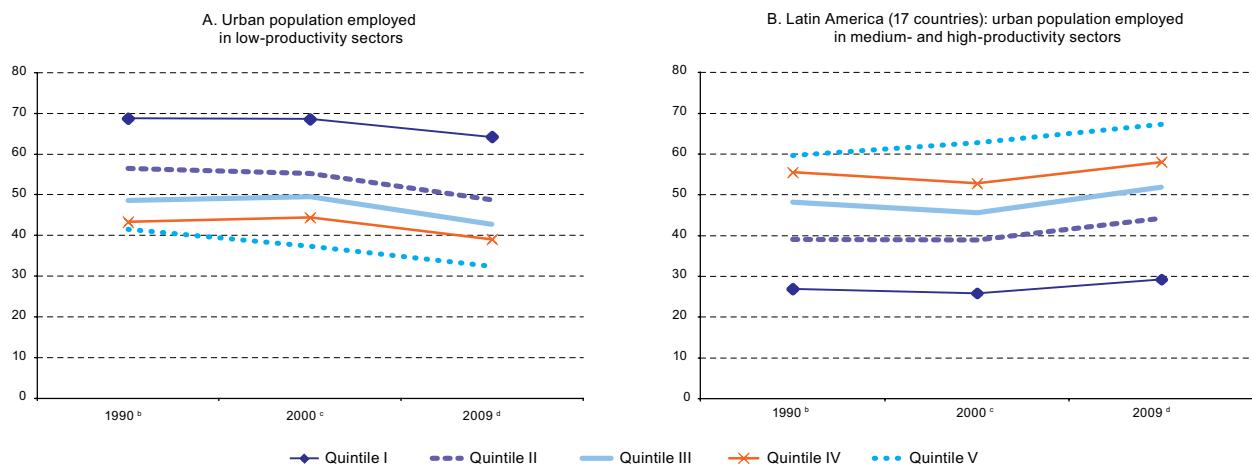
<sup>7</sup> Data from 2008, selected countries.

<sup>8</sup> According to data from 2009, registration with social security in this sector was barely 22%, and only slightly more than one of every four wage earners (28.5%) had a formal contract (ECLAC, 2011b)

The key to understanding this aggregate evolution seems to lie in what happened within each sector. Between 1990 and 2009, the proportion of persons employed in low-productivity sectors went from 40% to 32% in the highest-income quintile (quintile V); the drop in the lowest quintile (quintile I) was not nearly as sharp—from 72% to 69%. The decline in the proportion of the employed

population in low-productivity sectors took place primarily over the past 10 years except for the highest quintile, where it had already fallen off sharply between 1990 and 2000. In other words, the decrease in the proportion of the population employed in low-productivity sectors over the past two decades was more favourable to the higher-income sectors (see figure III.7a).

**Figure III.7**  
**LATIN AMERICA (17 COUNTRIES): URBAN EMPLOYED POPULATION, BY PRODUCTIVITY SECTOR<sup>a</sup> AND INCOME QUINTILE,  
WEIGHTED AVERAGE, AROUND 1990, 2000 AND 2009**  
(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.  
Does not include data for Colombia.

<sup>a</sup> The low-productivity sector includes persons employed in microenterprises (establishments employing up to five persons), domestic employees and unskilled own-account workers, including the self-employed and unpaid family members with no professional or technical skills. The medium- and high-productivity sectors include government employees, private employers and wage earners in establishments employing more than five persons and own-account professionals and technicians. This category does not include domestic employees.

<sup>b</sup> The data for Mexico refer to 1989; for Panama to 1991; for Nicaragua, to 1993; and for El Salvador, to 1995.

<sup>c</sup> The data for Chile refer to 2000 and those for Brazil, El Salvador and Nicaragua, to 2001.

<sup>d</sup> The data for Nicaragua refer to 2005; those for Honduras and the Plurinational State of Bolivia, to 2007; and those for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Paraguay, to Asuncion and the Central Department; and for the Bolivarian Republic of Venezuela, to the national total.

The obvious flip side of this trend is the widening gap between the higher and lower quintiles in higher-productivity sectors. Over the past two decades, the difference between the percentage of the population employed in the highest and lowest quintiles of medium- and high-productivity sectors went from 32 percentage points to 38 percentage points (see figure III.7.b).

All things considered, the reason for the widening dividing line between employment in higher- and lower-productivity sectors appears to lie in the increasing stratification within them. In the former, the proportion of higher-income workers is growing. In the latter, there is a decrease that is seen above all in the higher quintiles and is far less marked among the lower-income employed.

This process, resulting from somewhat skewed employment generation dynamics combined with the

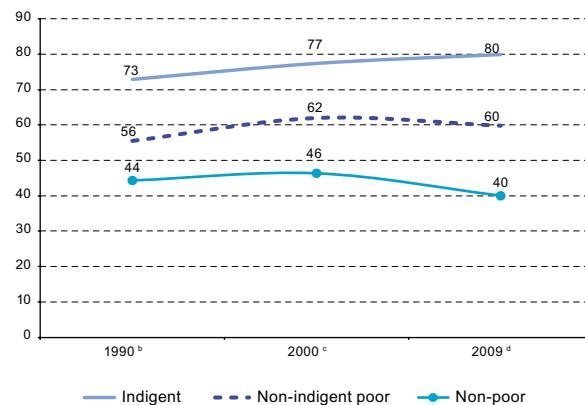
marked disparity in skills development (ECLAC, 2011a), is plain to see in two worrisome phenomena. They are (i) the link between informality and poverty and indigence; and (ii) differential patterns between the two sectors in terms of labour income concentration.

It comes as no surprise that low productivity is more linked to poverty than productive employment, since labour income in low-productivity sectors is often not enough to avoid poverty<sup>9</sup> (ECLAC, 2010c). Above all, it is no surprise that the linkage is stronger now than 20 years ago despite the aggregate decline in poverty in the

<sup>9</sup> This depends in part on the number of dependents (which tends to be larger in these workers' households), but it also reflects the income levels these employed persons attain and the trade-off (especially for women) between paid work, income from paid work and the care burden in the household (ECLAC, 2010b).

region. Between 1990 and 2009 there was a sharp rise in the proportion of indigent and poor persons employed in low-productivity sectors (from 73% to 80% and from 56% to 60% respectively), and the percentage of workers in these sectors who are not poor fell from 44% to 40% (see figure III.8).

**Figure III.8**  
**LATIN AMERICA (17 COUNTRIES): URBAN EMPLOYED POPULATION IN LOW-PRODUCTIVITY SECTORS,<sup>a</sup> BY POVERTY CATEGORY, WEIGHTED AVERAGE, AROUND 1990, 2000 AND 2009**  
*(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. Does not include data for Colombia.

<sup>a</sup> Includes persons employed in microenterprises (establishments employing up to five persons), domestic employees and unskilled own-account workers, including the self-employed and unpaid family members with no professional or technical skills.

<sup>b</sup> Data for Guatemala, Mexico and the Plurinational State of Bolivia refer to 1989; those for Panama refer to 1991; for Nicaragua, to 1993; and for El Salvador, to 1995.

<sup>c</sup> Data for Argentina, the Bolivarian Republic of Venezuela, Brazil, Costa Rica, Ecuador, El Salvador, Honduras, Panama, Peru, the Plurinational State of Bolivia and Uruguay refer to 1999; for Nicaragua, to 2001; and for the Dominican Republic, to 2002.

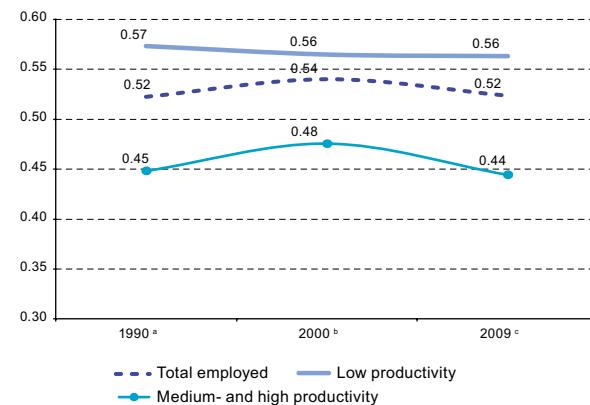
<sup>d</sup> Data for Nicaragua refer to 2005; for Guatemala, to 2006, for Honduras and the Plurinational State of Bolivia, to 2007; and for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Paraguay, to Asuncion and the Central Department; and for the Bolivarian Republic of Venezuela to the national total.

The greater distance between higher- and lower-productivity employment is also reflected in the differential labour income concentration between the medium- and high-productivity sector and the low-productivity one. Gini coefficient calculations for the former show upward behaviour between 1990 and 2000 (from 0.45 to 0.48) with a decline in the past decade that places the current value slightly below the one for the early 1990s (0.44). By contrast, the Gini coefficient for labour income among persons employed in low-productivity sectors has

remained virtually unchanged and is currently slightly below the value for 1990 (0.56).

Two facts stand out, however: (i) labour income is far more concentrated in the informal sector than in the formal one; and (ii) the distance between the two has not changed since 1990, although when it did (in 2000), it was because the Gini coefficient for the formal sector worsened, not because of declining inequality in the informal sector. The latter fell by barely one point in the 1990s and is currently at the same level as in 2000 (see figure III.9).

**Figure III.9**  
**LATIN AMERICA (17 COUNTRIES): GINI COEFFICIENTS FOR LABOUR INCOME OF EMPLOYED PERSONS, BY SECTOR OF ACTIVITY, SIMPLE AVERAGE, AROUND 1990, 2000 AND 2009**  
*(Gini index values)*



**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. Does not include data for Colombia.

<sup>a</sup> Data for Guatemala, Mexico and the Plurinational State of Bolivia refer to 1989; those for Panama to 1991; for Nicaragua, to 1993; and for El Salvador, to 1995.

<sup>b</sup> Data for Argentina, the Bolivarian Republic of Venezuela, Brazil, Costa Rica, Ecuador, El Salvador, Honduras, Panama, Peru, the Plurinational State of Bolivia and Uruguay refer to 1999; for Nicaragua, to 2001; and for the Dominican Republic, to 2002.

<sup>c</sup> Data for Nicaragua refer to 2005; for Guatemala, to 2006; for Honduras and the Plurinational State of Bolivia, to 2007; and for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Paraguay, to Asuncion and the Central Department; and for the Bolivarian Republic of Venezuela to the national total.

These trends would seem to show that variations in labour income concentration in the region follow the same pattern as in the formal sector —they essentially mirror the evolution of labour income in the sector. By contrast, labour income concentration in the low-productivity sector has barely changed and has shown to be highly rigid over time.

## 2.

## Gender inequality rigidities: a potential key

The examination so far shows how important it is to explore labour-related sources of inequality. But, as noted at the beginning of this chapter, behind these trends there is another factor operating in the region's distributive rigidity: the dividing line between low- and medium- and high-productivity sectors is intersected by another line —the one that divides women from men.

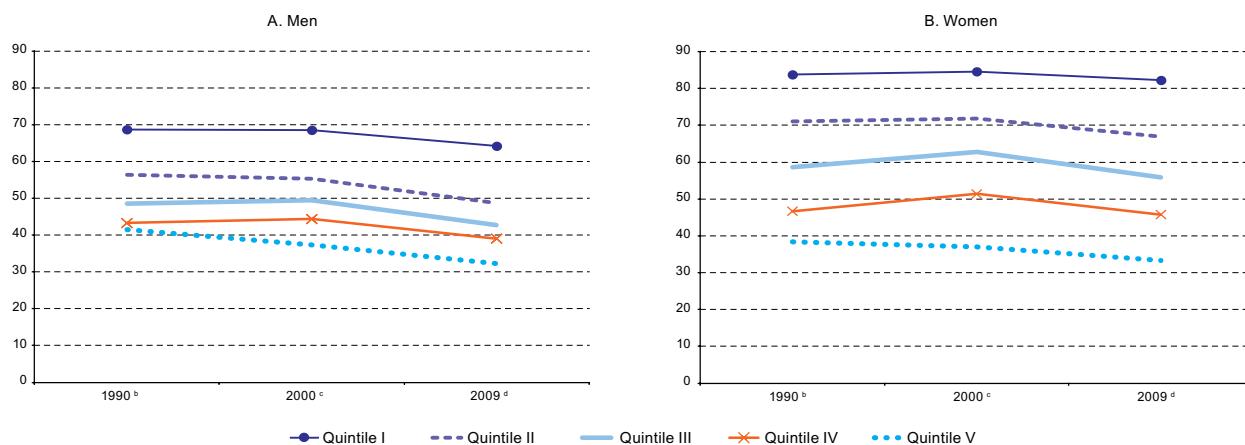
The proportion of women employed in low-productivity sectors is 52.5%, compared with 44.1% for men. This gender gap is far from narrowing; it has grown slightly in the past two decades. The decline in informality clearly favoured men over women.

Informal employment is highly stratified and, as noted earlier, concentrated above all among lower-income,

less-educated workers. These two factors together are driving an ever-larger wedge between the higher and lower quintiles that, while affecting both sexes, impacts women more.

As can be seen in figure III.10, employment stratification in low-productivity sectors rose for men and women alike and the gap between higher- and lower-income quintiles increased. In 1990 the informality differentials between male workers in quintile I and quintile V were nearly 27 percentage points. Twenty years later, the distance is 4 percentage points greater. The variation among women is similar, but inequality is at even more worrisome levels (45 points in 1990 and 49 points in 2009).

**Figure III.10**  
**LATIN AMERICA (17 COUNTRIES): EMPLOYED URBAN POPULATION IN LOW-PRODUCTIVITY SECTORS,<sup>a</sup>**  
**BY SEX AND INCOME QUINTILE, WEIGHTED AVERAGE, AROUND 1990, 2000 AND 2009**  
*(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. Does not include data for Colombia.

<sup>a</sup> The low-productivity sector includes persons employed in microenterprises (establishments employing up to five persons), domestic employees and unskilled own-account workers, including the self-employed and unpaid family members with no professional or technical skills.

<sup>b</sup> Data for Guatemala, Mexico and the Plurinational State of Bolivia refer to 1989; those for Panama to 1991; for Nicaragua, to 1993; and for El Salvador, to 1995.

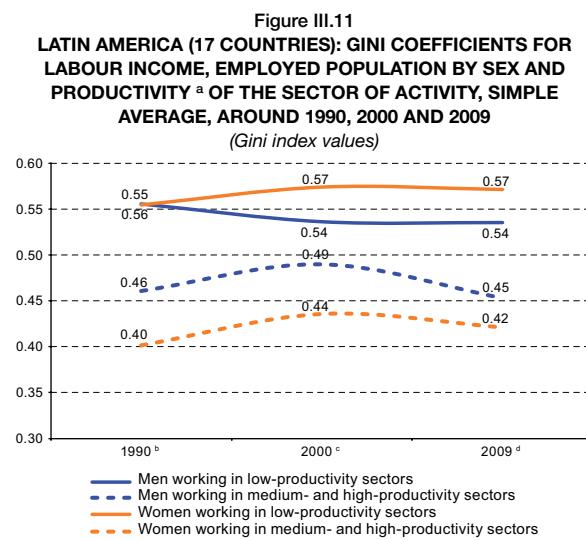
<sup>c</sup> Data for Argentina, the Bolivarian Republic of Venezuela, Brazil, Costa Rica, Ecuador, El Salvador, Honduras, Panama, Peru, the Plurinational State of Bolivia and Uruguay refer to 1999; for Nicaragua, to 2001; and for the Dominican Republic, to 2002.

<sup>d</sup> Data for Nicaragua refer to 2005; those for Guatemala, to 2006, for Honduras and the Plurinational State of Bolivia, to 2007; and for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Paraguay, to Asuncion and the Central Department; and for the Bolivarian Republic of Venezuela to the national total.

As a result, 82% of the employed women in the poorest 20% of the population work in low-productivity sectors. The proportion falls to nearly 33% in the highest-income quintile. The gap between employed women in quintiles I and V peaked in 2009.

These trends are seen in very high levels of labour income concentration among women employed in low-productivity sectors, with a Gini coefficient that rose by two points (from 0.55 to 0.57) between 1990 and 2009. This figure stands in

contrast to the Gini coefficient for labour income for men working in the same sector, which is not only lower but decreased between 1990 and 2009 (see figure III.11). While labour income concentration for women employed in the formal sector is lower than for men working in the same sector, their Gini coefficient rose more as inequality increased (in 2000) but subsequently declined less in the latest available measure. In short, it was more elastic during the economic downturn but less elastic during the growth period.



**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. Does not include data for Colombia.

<sup>a</sup> The low-productivity sector includes persons employed in microenterprises (establishments employing up to five persons), domestic employees and unskilled own-account workers, including the self-employed and unpaid family members with no professional or technical skills.

<sup>b</sup> Data for Guatemala, Mexico and the Plurinational State of Bolivia refer to 1989; those for Panama to 1991; for Nicaragua, to 1993; and for El Salvador, to 1995.

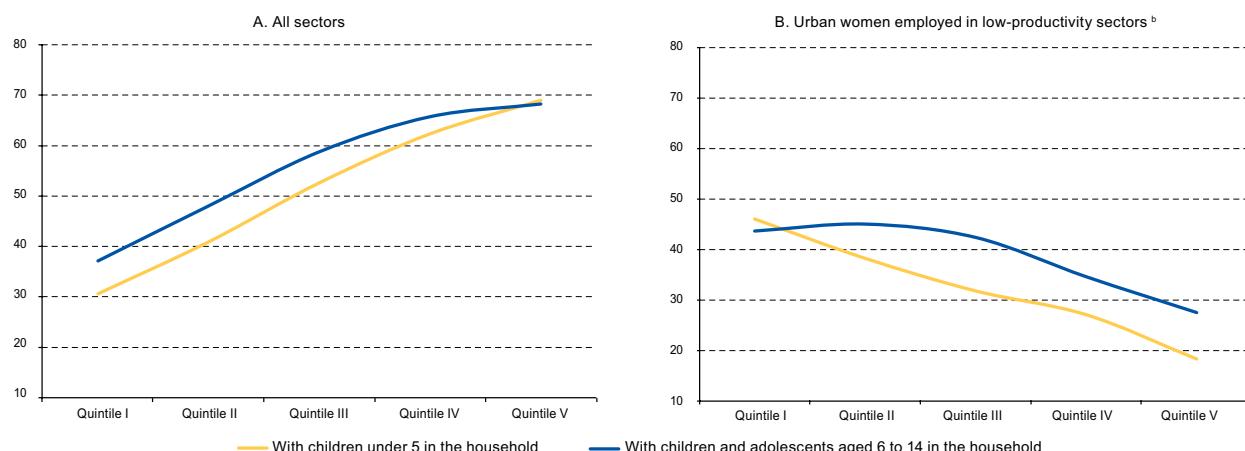
<sup>c</sup> Data for Argentina, the Bolivarian Republic of Venezuela, Brazil, Costa Rica, Ecuador, El Salvador, Honduras, Panama, Peru, the Plurinational State of Bolivia and Uruguay refer to 1999; those for Nicaragua to 2001; and for the Dominican Republic, to 2002.

<sup>d</sup> Data for Nicaragua refer to 2005; those for Guatemala, to 2006; for Honduras and the Plurinational State of Bolivia, to 2007; and for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Paraguay, to Asuncion and the Central Department; and for the Bolivarian Republic of Venezuela, to the national total.

This increase and the greater rigidity in labour income concentration for women are due in part to the many—and overlapping—points at which gender inequality intersects the connection between labour markets and families.

The pressure that the care burden exerts on households is resolved by an extremely regressive pattern because it continues to fall essentially on the modalities and resources (economic and family) at their disposal to cope with it. As examined in the 2009 edition of *Social Panorama*, the demand for care operates as a severe constraint on labour-force participation and employment among women in the most vulnerable sectors (ECLAC, 2010b). In the middle sectors, the declining fertility rate and the use of family and social networks to care for dependents become frequently-used adaptation strategies. In the high sectors, the demand for care can be met with family support or by buying care services on the market, to be provided at home or elsewhere (ECLAC, 2010b). The age of the children living in the household does not seem to make much of a difference in employment in the highest-income sectors; it conditions employment for women in the middle sectors, and it clearly becomes a major obstacle for the poorest women (ECLAC, 2010b) (see figure III.12).

**Figure III.12**  
**LATIN AMERICA (14 COUNTRIES): EMPLOYMENT OF WOMEN AGED 15 TO 49, BY INCOME QUINTILE AND AGE OF CHILDREN IN THE HOUSEHOLD, WEIGHTED AVERAGE, AROUND 2009<sup>a</sup>**  
*(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. Does not include data for the Dominican Republic, El Salvador, Guatemala or Peru.

<sup>a</sup> Data for the Plurinational State of Bolivia refer to 2007 and those for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; for Uruguay, to urban areas; and for the Bolivarian Republic of Venezuela, to the national total.

<sup>b</sup> The low-productivity sector includes persons employed in microenterprises (establishments employing up to five persons), domestic employees and unskilled own-account workers, including the self-employed and unpaid family members with no professional or technical skills.

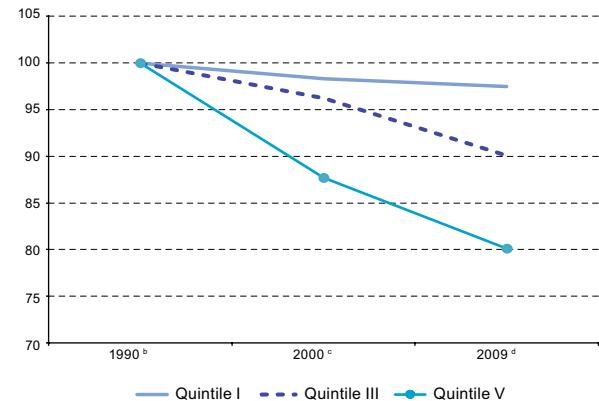
But this pattern changes when looking at the distribution of income in low-productivity sectors; it does not operate in the lower-income strata but does seem to affect women employed in the informal sector in the higher quintiles. As figure III.12.b shows, for the lowest-income quintile the employment rate in low-productivity sectors among women living in households with small children is even slightly higher than for women living in households with children aged 6 to 14 (46% and 43%, respectively). But this trend changes significantly from the second quintile on, where the burden of caring for smaller children once again operates as a constraint for employment, even in the low-productivity sector.

This could be showing that the presence of children under five is usually an obstacle to employment insertion, but in the lower quintiles it might operate in the opposite direction and drive lower-income women into informal employment (ILO/UNDP, 2009). Informal employment might, in principle, make it somewhat easier to reconcile labour and domestic life in terms of time, schedules and mobility (ILO/UNDP, 2009). But it is essentially the lack of facilities and public services, especially public systems to care for children, older adults and persons with disabilities, that is behind the biases observed. These tasks, which primarily fall to women (and above all to lower-income women), make informality and low-productivity occupations the only employment option open in these sectors.

A look at the evolution of this datum over the medium term makes it clear how rigid this mechanism is. As figure III.13 shows, the levels of informal employment among low-income women with small children have gone virtually

unchanged over the past 20 years, unlike the marked decline that has taken place in the medium-income sectors (10% decline between 1990 and 2009) and, above all, in the higher-income sectors (20% decline during the period).

**Figure III.13**  
**LATIN AMERICA (13 COUNTRIES): VARIATION OF EMPLOYMENT IN LOW-PRODUCTIVITY SECTORS<sup>a</sup> FOR WOMEN IN HOUSEHOLDS WITH CHILDREN AGED 0 TO 5, BY INCOME QUINTILE, WEIGHTED AVERAGE, AROUND 1990, 2000 AND 2009**  
*(Percentages of variation)*



**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. Does not include data for the Dominican Republic, Colombia, El Salvador Guatemala or Peru.

<sup>a</sup> The low-productivity sector includes persons employed in microenterprises (establishments employing up to five persons), domestic employees and unskilled own-account workers, including the self-employed and unpaid family members with no professional or technical skills.

<sup>b</sup> Data for the Plurinational State of Bolivia and Mexico refer to 1989, and those for Colombia and Panama, to 1991.

<sup>c</sup> Data for Argentina, Brazil, Colombia, Costa Rica, Ecuador, Plurinational State of Bolivia and Uruguay refer to 1999 and those for Nicaragua, to 2001.

## D. Unequal labour-force participation and unemployment

The stratified incorporation of Latin American women into the labour market means that, instead of narrowing, the gap between higher- and lower-income women has grown slightly over the past two decades. Greater childcare pressure and the glaring lack of protection in this sphere for the most vulnerable sectors reflect a rigid circuit of inequality that is far from being broken. The care burden is also a factor in the relative increase of the female unemployment rate compared with the rate for men. The youth unemployment rate seems to be increasingly higher than the adult unemployment rate, and the distance between the lower and higher quintiles has not changed significantly over the past 20 years.

The previous section showed some of the facets of inequality among the employed population. It illustrated the influence of labour segmentation and the rigidity with which this segmentation operates when combined with inequalities (as in assets and human and social capital) within families. But such an analysis provides

only a partial explanation. How structural heterogeneity operates on the ability of labour markets to absorb unemployed or inactive labour force must be taken into consideration, as must the hubs of inequality arising from the process. The next two sections address these issues.

## 1.

### Labour-force participation at the crossroads: recent trends

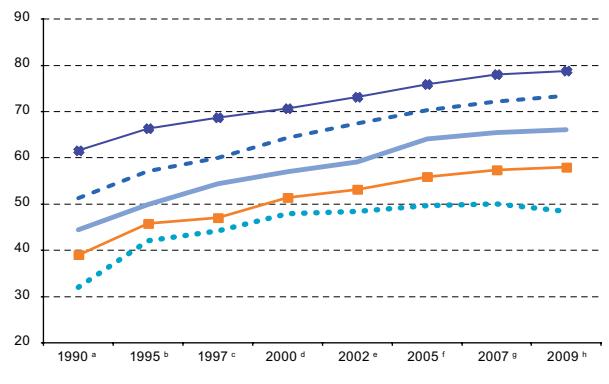
The increase in female labour-force participation is perhaps one of the most drastic changes taking place in the labour markets of Latin America over the past 20 years. For the typically active ages of 25 to 54, female labour-force participation has increased by nearly 18 percentage points. By contrast, male labour-force participation has declined slightly. This trend has narrowed the distance between the two, taking it from 47 percentage points in 1990 to 28 percentage points in 2009.

The 2009 edition of *Social Panorama* already argued that this advance is indispensable because it represents a significant increase in the contribution that women make to total household income. It is often this contribution that keeps them from falling into poverty (ECLAC, 2010b). And the process is irreversible because it mirrors the profound, long-term cultural and demographic transformations taking place: female autonomy, declining fertility, rising educational credentials (ECLAC, 2010b). The 2009 edition also stressed that this is a highly stratified development reflecting an extremely regressive pattern: labour-force participation rates for lower-income women, who usually have more children (see the previous chapter), are significantly lower than for women in higher quintiles.

The core reasons for stratified labour participation are the same as those already set out for the female bias and low income levels associated with low-productivity employment. In the poorest sectors, the demand for care exerts pressure and leads to the unequal distribution of paid and unpaid work in households, puts the burden of caring for dependents on women and holds them back from entering the labour market (ECLAC, 2010b).

A look at the data makes this phenomenon clear: in 2009, 48% of lower-income women aged 25 to 54 participated in the labour market while the proportion for women in the same age bracket but in the highest income quintile was 79%. But figure III.14 also shows that this is the widest gap since 1990 and that it has been growing steadily since 2000. In this sphere, too, inequality is threatening to take root and spread.

**Figure III.14**  
**LATIN AMERICA (15 COUNTRIES): LABOUR MARKET**  
**PARTICIPATION OF WOMEN AGED 25 TO 54, BY**  
**INCOME QUINTILE, WEIGHTED AVERAGE,**  
**1990-2009**  
(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. Does not include data for the Dominican Republic, Guatemala or Peru for any of the years.

<sup>a</sup> Does not include data for the Bolivarian Republic of Venezuela, El Salvador or Nicaragua. Data for Mexico and the Plurinational State of Bolivia refer to 1989, and for Colombia and Panama, to 1991.

<sup>b</sup> Data for Brazil and Nicaragua refer to 1993 and those for the Bolivarian Republic of Venezuela and El Salvador, to 1995.

<sup>c</sup> Data for Brazil, Chile and Mexico refer to 1996, while those for Nicaragua refer to 1998.

<sup>d</sup> Data for Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Plurinational State of Bolivia and Uruguay refer to 1999 and those for Nicaragua, to 2001.

<sup>e</sup> Data for Paraguay refer to 2000; those for Brazil, El Salvador and Nicaragua, to 2001; and those for Chile, to 2003.

<sup>f</sup> Data for Honduras refer to 2003; those for El Salvador and the Plurinational State of Bolivia refer to 2004; and those for Argentina and Chile, to 2006.

<sup>g</sup> Does not include data for El Salvador. The data for Colombia and Nicaragua refer to 2005, and those for Argentina, Chile and Mexico refer to 2006. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities, plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay, to urban areas.

<sup>h</sup> Data for the Plurinational State of Bolivia refer to 2007; those for the Bolivarian Republic of Venezuela and Mexico refer to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities, plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay, to urban areas.

Two developments are at work in this pattern: (i) stagnant growth affecting all of the social sectors; and (ii) a recent trend change in the lower-income quintiles, where for the first time in nearly 20 years the latest

measure available shows that labour market participation is not only not growing but that it is declining slightly.

Interpreting these trends is complicated and beyond the scope of this chapter. However, some reflections on their implications and possible causes are in order.

The evolution of the indicator in the most vulnerable sectors sets off a warning bell. The incorporation of women in the labour market significantly increases their contribution to total household income<sup>10</sup> and is often what allows that household to exit poverty (ECLAC, 2010b), so any halt in this process (a critical one for the poorest families to attain minimal levels of well-being) in the medium term would be cause for concern.

The problem is that a more detailed look at the relationship between labour market participation and the childcare burden does not yield an encouraging long-term picture. As can be seen in figure III.15, the gap between women in the poorest sectors with smaller children (aged 5 and under) and those with children aged 6 to 14 has been growing since 2002. This confirms that for the most vulnerable women the burden of caring for smaller children is still an obstacle in the path to labour market insertion (ECLAC, 2010b). And the gap between women in the highest and lowest quintiles living in households where there is a childcare burden has been growing steadily since 1994. This holds for women with smaller children and for those in households with children aged 6 to 14; in both cases the gap is now the widest it has been since 1994 (see figure III.15).

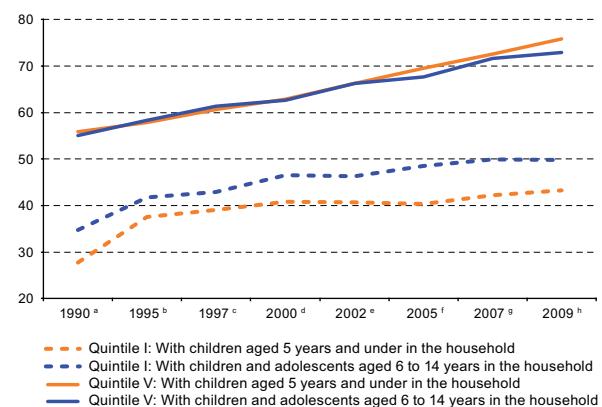
In short, the stratified pattern in which women with a greater childcare burden and lower income are “penalized” more is not a new one, and it does not seem to have improved over the past few decades. Far from it: the data show that this rigid circuit of inequality is hardening.

The recent economic crisis might help explain recent trends, perhaps because it has changed expectations for entering the labour market. Rising unemployment (especially among women) can be discouraging or act as a disincentive for working for those who, while inactive, would be willing to work if the opportunity arose. It is true that, so far, the indicator has not been sensitive, at least in aggregate terms, to prior economic crises. But as participation increases and approaches a “ceiling,” the variations associated with economic growth could start to be more frequent.

One last factor to bear in mind is the conditional cash transfer programmes that have become more widespread in the past few years. There has been some debate about the way that some of them target women as receivers of the economic benefit, requiring that they shoulder

the commitment to comply with the conditions (such as health care and vaccinations for the children in the household). Making women the receivers of cash transfers does seek to favour their direct access to income and, in the final analysis, promote their economic autonomy. And it is held that women should receive the income because they are the ones in charge of caring for the children and making decisions in this regard. But this approach has sparked considerable debate (Molyneux, 2008; Martínez Franzoni and Voreend, 2010) in that the requirements and paperwork for obtaining these benefits take up women’s time and might discourage those who face systematic obstacles from entering the labour market (ECLAC, 2010d). Although there is still little research on this and more evidence would be needed, it cannot be ruled out that these initiatives might be acting like a new, unexpected obstacle to labour market participation.

**Figure III.15  
LATIN AMERICA (14 COUNTRIES): LABOUR MARKET  
PARTICIPATION OF WOMEN AGED 15 TO 49, FIRST AND  
FIFTH INCOME QUINTILES BY AGE OF CHILDREN,  
WEIGHTED AVERAGE, 1990-2009  
(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. Does not include data for the Dominican Republic, El Salvador, Guatemala or Peru for any of the years.

<sup>a</sup> Does not include data for the Bolivarian Republic of Venezuela, El Salvador or Nicaragua. Data for Mexico and the Plurinational State of Bolivia refer to 1989; those for Colombia and Panama refer to 1991.

<sup>b</sup> Data for Brazil and Nicaragua refer to 1993 and those for the Bolivarian Republic of Venezuela and El Salvador, to 1995.

<sup>c</sup> Data for Brazil, Chile and Mexico refer to 1996; those for Nicaragua, to 1998.

<sup>d</sup> Data for Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Plurinational State of Bolivia and Uruguay refer to 1999 and those for Nicaragua, to 2001.

<sup>e</sup> Data for Paraguay refer to 2000; for Brazil, El Salvador and Nicaragua, to 2001; and for Chile, to 2003.

<sup>f</sup> Data for Honduras refer to 2003; for El Salvador and the Plurinational State of Bolivia, to 2004; and for Argentina and Chile, to 2006.

<sup>g</sup> Does not include data for El Salvador. Data for Colombia and Nicaragua refer to 2005 and for Argentina, Chile and Mexico, to 2006. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay to urban areas.

<sup>h</sup> Data for the Plurinational State of Bolivia refer to 2007; those for the Bolivarian Republic of Venezuela and Mexico refer to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay to urban areas.

<sup>10</sup> According to a study recently published by ECLAC, the percentage of households where a woman is the primary contributor of income has risen slightly in the past few years (Rico and Maldonado, 2011).

## 2.

## Unemployment: “outside the outside” and farther apart

Unemployment is closely linked to economic cycles, and there is a direct link between variations in the unemployment rate and stages of the cycle. Extensive research on this relationship in Latin America and the Caribbean has shown how economic crises have had a direct impact, with unemployment rates rising and then tending to fall during the recovery. But perhaps most relevant to an examination of inequality is the fact that from cycle to cycle some sectors systematically lose out. This reflects unequal capacities to cope with the effects of unemployment; in other words, certain groups are more vulnerable to economic downturns while others are more able to weather the shocks.

Unemployment is more concentrated among women. Not only does the female unemployment rate tend to be higher than the male unemployment rate, but the gap between the two has been growing steadily over the past few years. In 1990, the male unemployment rate was approximately 80% of the female unemployment rate. Nearly 20 years later, with some fluctuation, the male unemployment rate stands at just 65% of the rate for women, i.e. the unemployment rate is 35% higher for women than for men (see figure III.16).

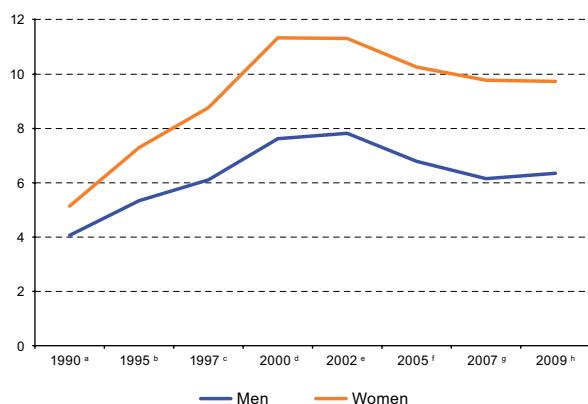
The long-term trend also points to deepening unemployment inequality among women. Beyond the fluctuations associated with economic cycles in the region, the gap between women in the highest and lowest quintiles narrowed slightly during the 1990s but began to widen again in 2000. As a result, in 2009 the unemployment rate for lower-income women was five times higher than for women in the highest quintile, at 21% versus 4% (see figure III.17).

Several developments are fueling this increase in inequality. The incorporation of women into the labour market adds pressure for female employment; this is compounded by the fact that less-educated women encounter more barriers to accessing employment at a time when not enough jobs are being created. This dynamic is clearly fed by the skills deficits and the social definition and gender segmentation of occupations that hinder women’s access to certain professions (ECLAC, 2010d).

But in the most vulnerable sectors the demand for care can also be working against access to employment.<sup>11</sup>

As figure III.18 shows, the unemployment rate tends to be higher among women living in households with smaller children. Here, as well, the gap between them and women with children of an age for which there is a formal, more structured supply of schooling grows slightly as income levels fall. Moreover, this trend has become more pronounced since 2000.

**Figure III.16**  
**LATIN AMERICA (15 COUNTRIES): UNEMPLOYMENT RATE**  
**(POPULATION AGED 15 AND OVER), BY SEX, WEIGHTED**  
**AVERAGE, 1990-2009**  
*(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. Does not include data for the Dominican Republic, Guatemala or Peru for any of the years.

<sup>a</sup> Does not include data for the Bolivarian Republic of Venezuela, El Salvador or Nicaragua. Data for Mexico and the Plurinational State of Bolivia refer to 1989 and those for Colombia and Panama, to 1991.

<sup>b</sup> Data for Brazil and Nicaragua refer to 1993; those for the Bolivarian Republic of Venezuela and El Salvador, to 1995.

<sup>c</sup> Data for Brazil, Chile and Mexico refer to 1996 and those for Nicaragua, to 1998.

<sup>d</sup> Data for Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Plurinational State of Bolivia and Uruguay refer to 1999 and those for Nicaragua, to 2001.

<sup>e</sup> Data for Paraguay refer to 2000; for Brazil, El Salvador and Nicaragua to 2001; and for Chile, to 2003.

<sup>f</sup> Data for Honduras refer to 2003; those for El Salvador and the Plurinational State of Bolivia, to 2004; and those for Argentina and Chile, to 2006.

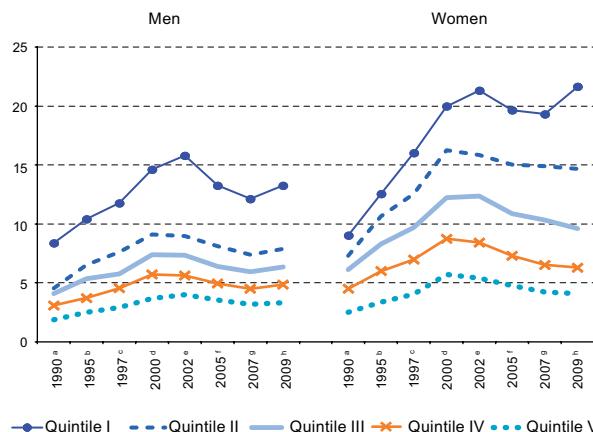
<sup>g</sup> Does not include data for El Salvador. Data for Colombia and Nicaragua refer to 2005 and those for Argentina, Chile and Mexico, to 2006. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay to urban areas.

<sup>h</sup> Data for the Plurinational State of Bolivia refer to 2007 and those for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay, to urban areas.

the many ways in which women’s unpaid work combines with activities that are at the border of what is usually regarded as labour participation, how care can act as a disincentive to looking for a job and the varying degrees of willingness to work among the inactive.

<sup>11</sup> The care burden has traditionally had a visible impact on labour-force participation. But the trends showing the effects of this variable on the unemployment rate for women in lower-income quintiles reveal the need to continue to fine-tune the measure of labour participation and its meanings. This entails better capturing

**Figure III.17**  
**LATIN AMERICA (15 COUNTRIES): UNEMPLOYMENT RATE, BY SEX AND INCOME QUINTILE, WEIGHTED AVERAGE, 1990-2009**  
(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. Does not include data for the Dominican Republic, Guatemala or Peru for any of the years.

<sup>a</sup> Does not include data for the Bolivarian Republic of Venezuela, El Salvador or Nicaragua. Data for Mexico and the Plurinational State of Bolivia refer to 1989 and those for Colombia and Panama, to 1991.

<sup>b</sup> Data for Brazil and Nicaragua refer to 1993; those for the Bolivarian Republic of Venezuela and El Salvador, to 1995.

<sup>c</sup> Data for Brazil, Chile and Mexico refer to 1996 and those for Nicaragua, to 1998.

<sup>d</sup> Data for Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Plurinational State of Bolivia and Uruguay refer to 1999 and those for Nicaragua, to 2001.

<sup>e</sup> Data for Paraguay refer to 2000; for Brazil, El Salvador and Nicaragua to 2001; and for Chile, to 2003.

<sup>f</sup> Data for Honduras refer to 2003; those for El Salvador and the Plurinational State of Bolivia, to 2004; and those for Argentina and Chile, to 2006.

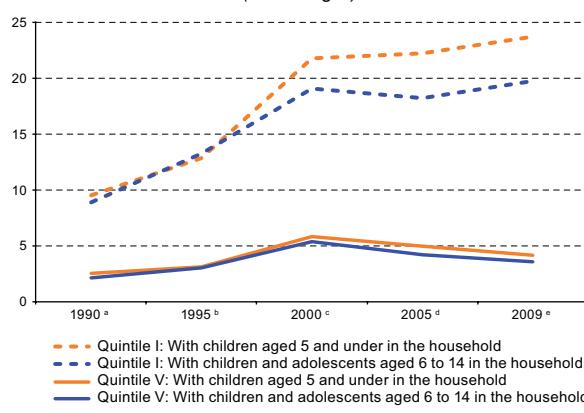
<sup>g</sup> Does not include data for El Salvador. Data for Colombia and Nicaragua refer to 2005 and those for Argentina, Chile and Mexico, to 2006. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay to urban areas.

<sup>h</sup> Data for the Plurinational State of Bolivia refer to 2007 and those for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay, to urban areas.

The other group in which unemployment is at worrisome levels is young people.<sup>12</sup> As some studies have suggested, youth unemployment seems to be the first to increase during economic crises and the last to decrease during periods of growth (Tokman, 1997; ECLAC, 2010c), making it a particularly hard core in the chain that reproduces inequalities (ECLAC, 2010b).

<sup>12</sup> This chapter focuses on youth unemployment as a key circuit in the generation and reproduction of inequalities that are seen in the labour markets but are rooted in historical patterns that leave this segment of the population especially unprotected and translate into multiple tensions associated with youth emancipation. While this chapter does not explore these hard cores of inequality in depth, there are many studies that clearly show what a complex issue this is. ECLAC has made significant contributions along these lines. See, for example, ECLAC/OIJ (2004 and 2008), ECLAC (2011a).

**Figure III.18**  
**LATIN AMERICA (14 COUNTRIES): UNEMPLOYMENT RATE, WOMEN AGED 15 TO 49, BY INCOME QUINTILE AND AGE OF CHILDREN, WEIGHTED AVERAGE, AROUND 1990, 1995, 2000, 2005 AND 2009**  
(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. Does not include data for the Dominican Republic, El Salvador, Guatemala or Peru for any of the years.

<sup>a</sup> Does not include data for the Bolivarian Republic of Venezuela, El Salvador or Nicaragua. Data for Mexico and the Plurinational State of Bolivia refer to 1989 and those for Colombia and Panama, to 1991.

<sup>b</sup> Data for Brazil and Nicaragua refer to 1993; those for the Bolivarian Republic of Venezuela and El Salvador, to 1995.

<sup>c</sup> Data for Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Plurinational State of Bolivia and Uruguay refer to 1999 and those for Nicaragua, to 2001.

<sup>d</sup> Data for Honduras refer to 2003; those for El Salvador and the Plurinational State of Bolivia, to 2004; and for Argentina and Chile, to 2006. Data for 2007 do not include data for El Salvador. Data for Colombia and Nicaragua refer to 2005.

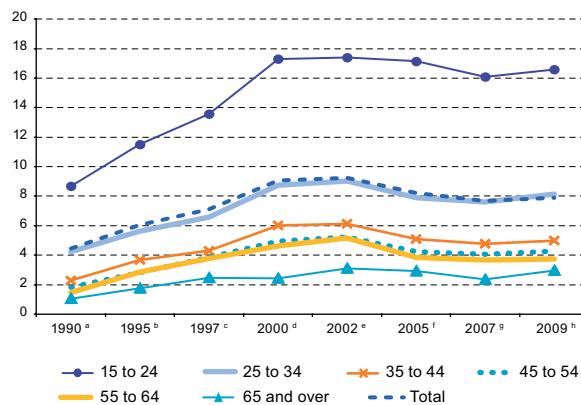
<sup>e</sup> Data for the Plurinational State of Bolivia refer to 2007 and those for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay, to urban areas.

According to household survey data, in 1990 the unemployment rate among young people aged 15 to 24 was almost twice that for the population overall. Not only has this gap not narrowed significantly: it seems to have grown since 2005 (see figure III.19).

Higher education credentials are playing a key role in increasing youth unemployment rates (UNDP, 2001; ECLAC, 2011a). ECLAC has provided conclusive evidence that for quite some time the intermediate education cycle has not operated as a bridge to access to employment (ECLAC/OIJ, 2004 and 2008; ECLAC, 2004; ECLAC, 2011a). Because this is strongly correlated to productive structure stability and structural heterogeneity, job creation is not keeping pace with the region's progress in education (ECLAC, 2010c).

It goes without saying that high youth unemployment rates can spark considerable frustration. Over the medium and long term they can impact social cohesion and the general flow of new generations into society as a whole (United Nations, 2003, ECLAC/OIJ, 2008), hindering access to employment and thus to social protection at a key point in the life cycle when the emancipation process begins.

**Figure III.19**  
**LATIN AMERICA (15 COUNTRIES): UNEMPLOYMENT RATE BY AGE GROUP, WEIGHTED AVERAGE, 1990-2009**  
(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. Does not include data for the Dominican Republic, Guatemala or Peru for any of the years.

<sup>a</sup> Does not include data for the Bolivarian Republic of Venezuela, El Salvador or Nicaragua. Data for Mexico and the Plurinational State of Bolivia refer to 1989 and those for Colombia and Panama, to 1991.

<sup>b</sup> Data for Brazil and Nicaragua refer to 1993; those for the Bolivarian Republic of Venezuela and El Salvador, to 1995.

<sup>c</sup> Data for Brazil, Chile and Mexico refer to 1996 and those for Nicaragua, to 1998.

<sup>d</sup> Data for Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Plurinational State of Bolivia and Uruguay refer to 1999 and those for Nicaragua, to 2001.

<sup>e</sup> Data for Paraguay refer to 2000; for Brazil, El Salvador and Nicaragua, to 2001; and for Chile, to 2003.

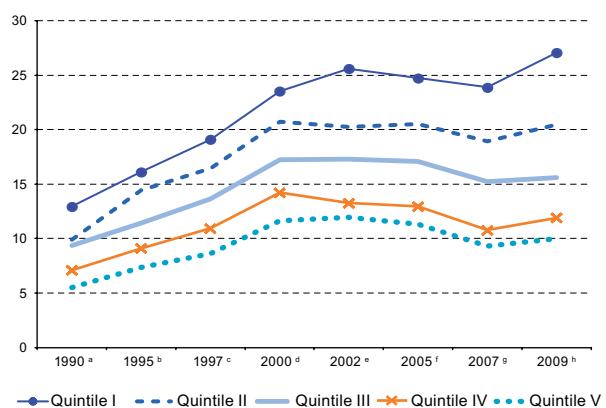
<sup>f</sup> Data for Honduras refer to 2003; those for El Salvador and the Plurinational State of Bolivia, to 2004; and for Argentina and Chile, to 2006.

<sup>g</sup> Does not include data for El Salvador. Data for Colombia and Nicaragua refer to 2005 and for Argentina, Chile and Mexico, to 2006. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay to urban areas.

<sup>h</sup> Data for the Plurinational State of Bolivia refer to 2007 and those for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay, to urban areas.

Because unemployment at these ages is quite stratified and particularly affects the lower-income sectors, it is a substantial obstacle to skill accumulation and, in the final analysis, to raising productivity in the new generations. Unemployment is much higher among young people from lower-income households than among those in the higher quintiles. Once again, the greatest cause for concern lies in the fact that the gap between the lower and higher quintiles has not changed significantly in the past 20 years. In other words, the gap between lower-income and higher-income groups is not narrowing. Quite to the contrary: in 2009 it was wider than ever, at 17 percentage points (see figure III.20). This is because the uptick in aggregate youth unemployment is due to a differential increase between quintiles, where the lower-income sectors seem to get the short end of the stick (the unemployment rate for this group went from 13% to 27% between 1990 and 2009).

**Figure III.20**  
**LATIN AMERICA (15 COUNTRIES): UNEMPLOYMENT RATE, YOUNG PEOPLE AGED 15 TO 24, BY INCOME QUINTILE, WEIGHTED AVERAGE, 1990-2009**  
(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. Does not include data for the Dominican Republic, Guatemala or Peru for any of the years.

<sup>a</sup> Does not include data for the Bolivarian Republic of Venezuela, El Salvador or Nicaragua. Data for Mexico and the Plurinational State of Bolivia refer to 1989 and those for Colombia and Panama, to 1991.

<sup>b</sup> Data for Brazil and Nicaragua refer to 1993; those for the Bolivarian Republic of Venezuela and El Salvador, to 1995.

<sup>c</sup> Data for Brazil, Chile and Mexico refer to 1996 and those for Nicaragua, to 1998.

<sup>d</sup> Data for Argentina, Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Plurinational State of Bolivia and Uruguay refer to 1999 and those for Nicaragua, to 2001.

<sup>e</sup> Data for Paraguay refer to 2000; for Brazil, El Salvador and Nicaragua, to 2001; and for Chile, to 2003.

<sup>f</sup> Data for Honduras are for 2003; for El Salvador and the Plurinational State of Bolivia, from 2004; for Argentina and Chile, from 2006.

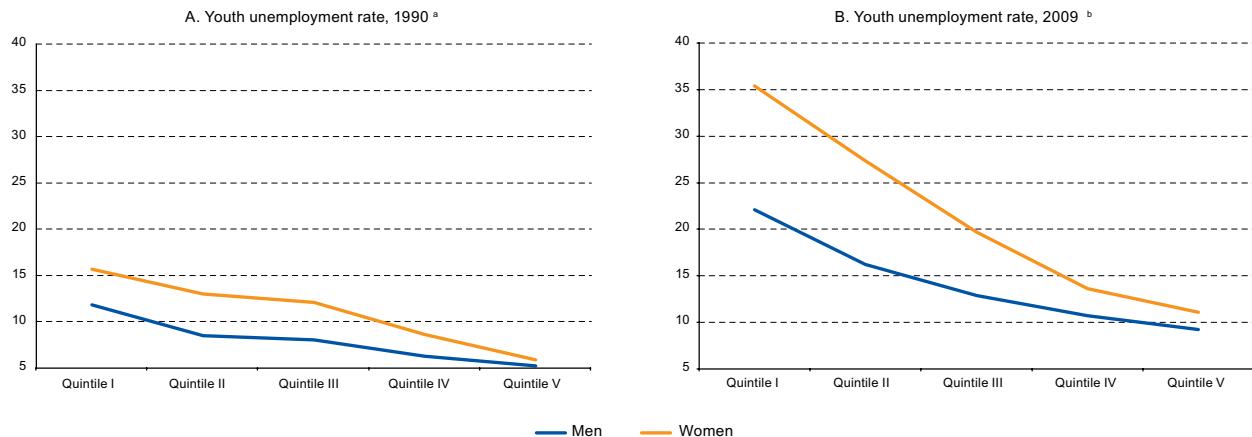
<sup>g</sup> Does not include data for El Salvador. Data for Colombia and Nicaragua refer to 2005 and for Argentina, Chile and Mexico, to 2006. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay to urban areas.

<sup>h</sup> Data for the Plurinational State of Bolivia refer to 2007 and those for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador, to urban areas; for Paraguay, to Asuncion and the Central Department; and for Uruguay, to urban areas.

These trends become even more complex when factoring in the fact that—as with other age brackets—for young people aged 15 to 24 the female unemployment rate is higher than the male unemployment rate. Indeed, the gender gap (the distance between unemployment curves for young men and young women) is far from narrowing; it grew wider between 1990 and 2009 (see figure III.21).

As with the more adult population, unemployment among the young is more stratified for women than for men. Not only do the data confirm this greater inequality (the curves are steeper for women), but they show that between 1990 and 2009 the trend has deepened to a much greater degree among women than among men.

**Figure III.21**  
**LATIN AMERICA (15 COUNTRIES): UNEMPLOYMENT RATE, YOUNG PEOPLE AGED 15 TO 24, BY INCOME QUINTILE AND SEX,**  
**WEIGHTED AVERAGE, AROUND 1990 AND 2009**  
*(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.  
 Does not include data for the Dominican Republic, Guatemala or Peru for any of the years.

<sup>a</sup> Does not include data for the Bolivarian Republic of Venezuela, El Salvador or Nicaragua. Data for Mexico and the Plurinational State of Bolivia are for 1989; for Colombia and Panama, from 1991.

<sup>b</sup> Data for the Plurinational State of Bolivia refer to 2007 and those for the Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; for the Plurinational State of Bolivia, to eight major cities plus El Alto; for Ecuador and Uruguay, to urban areas; and for Paraguay, to Asuncion and the Central Department.

#### Box III.1

#### OVERLAPPING VULNERABILITIES AND PERSISTENT INEQUALITY: FEMALE HOUSEHOLD HEADSHIP, WORK, CARE AND POVERTY

Latin American women are at a disadvantage in the labour market, where the sexual division of labour, the unequal distribution of unpaid work and occupational segmentation act as determinants of the link between employment, gender and poverty (Arriagada, 1998). These variables influence the stratified incorporation of women into the world of work, employment and medium- and high-productivity occupations. The evidence provided in this chapter confirms the obstacles that lower-income women face and that set them apart from their peers in higher quintiles and, obviously, from men (ECLAC, 2010d).

In lower-income households there are usually more children than in higher-income ones, so these women are living in households with more children and adolescents. As the previous chapter showed, the total fertility rate is significantly lower among women

with secondary or higher education than among those who have not completed the primary cycle. In some countries (Ecuador, Haiti, the Plurinational State of Bolivia) the difference can even be more than three children (see chapter II).

Because of these configurations, on top of dealing with a heavier care burden these women have lower per capita income because they live in larger households. This makes it far more difficult to find market-based solutions to family member care needs.

The picture becomes even more complicated when taking into consideration the fact that these women are more vulnerable to poverty when they are heads of single-parent households, which are increasing in number and tend to be found more in the lower-income sectors. According to data from a recent study, single-parent households

headed by women in the first income quintile went from 13.8% in 1990 to 18.8% in 2008 (Rico and Maldonado, 2011, page 38).

Given this web of variables and patterns in these sectors, it comes as no surprise that these women are subject to greater tensions than other women are. They must reconcile paid work with family responsibilities but have fewer monetary and family resources to do so (and often lack a spouse in the household to share the unpaid work). Add to this the fact that they are usually less educated and tend to lack appropriate skills and the picture becomes bleak indeed.

The examination set out in this chapter provides forceful evidence of the need for this hard core of inequality to continue to be front and centre in the debate on public policies geared towards combating poverty and reducing inequality.

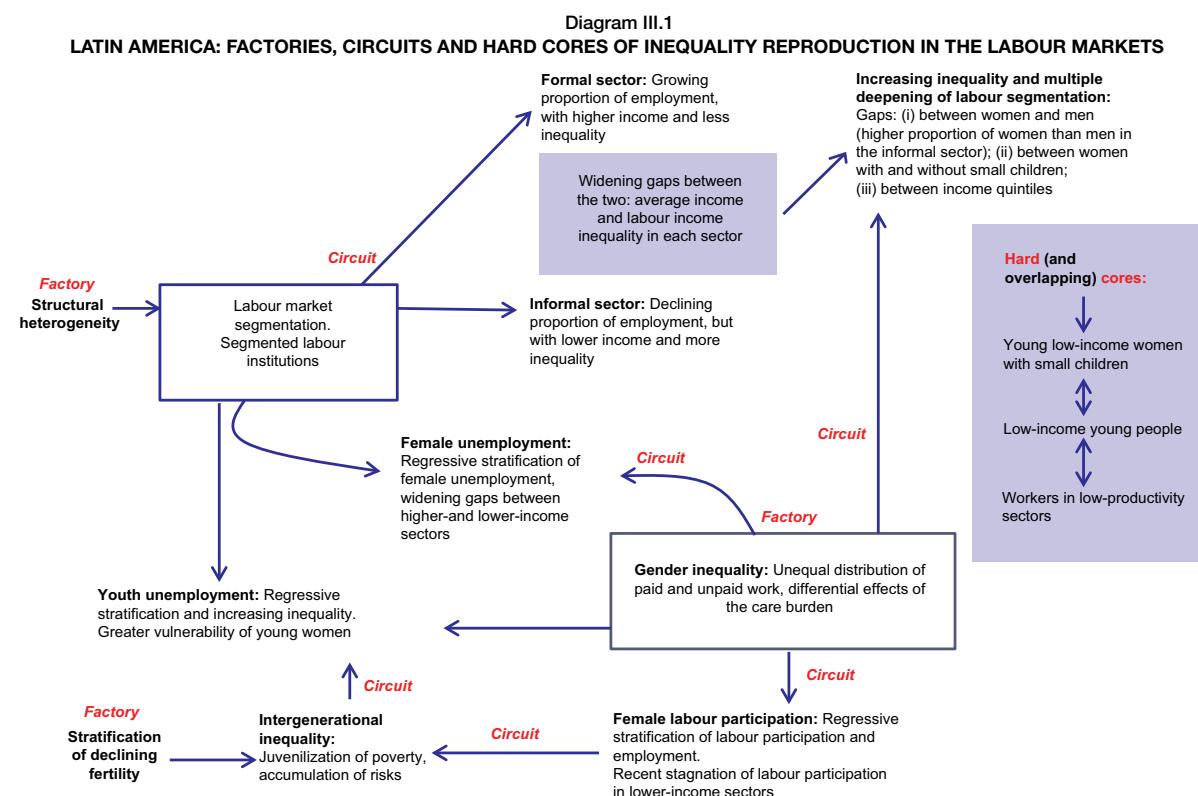
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Irma Arriagada, "Latin American families: convergences and divergences in models and policies", CEPAL Review, No. 65 (LC/G.2033-P), Santiago, Chile, ECLAC, 1998; ECLAC, *What kind of State? What kind of equality?* (LC/G.2450(CRM.11/3)), Santiago, Chile, 2010; and N. Rico and C. Maldonado, "¿Qué muestra la evolución de los hogares sobre la evolución de las familias en América Latina?", *Las familias latinoamericanas interrogadas. Hacia la articulación del diagnóstico, la legislación y las políticas. Seminarios y conferencias series*, No. 61 (LC/L.3296-P), Santiago, Chile, ECLAC, 2011.

## E. The State at the intersection of labour markets and families

The State is at the hub of this web of factories, circuits and hard cores of inequality. It is robust and targeted State intervention that makes it possible to address inequalities and leave more or less space for combating the structural legacy. Decisive State intervention should be considered in the productive sphere, in labour regulations and institutions, in labour market policy and in redistributing childcare.

The foregoing pages looked at labour inequality in Latin America, examining the role of structural heterogeneity, the stratification of declining fertility and gender inequality as factories of inequality. Where these factors overlap they form circuits of reproduction of inequalities: the circuit that operates in the gaps between formal and informal workers, the one that links this inequality to gender disparities, the ones that shape differential behaviours among certain groups (such as

women and young people) in the face of unemployment and the one that structures inequalities in labour-force participation. This dynamic gives rise to hard cores of inequality and vulnerability that become entrenched in certain sectors, such as young low-income women with small children, low-income young people and workers (especially women) in low-productivity sectors. The main steps in this sequence are illustrated below (see diagram III.1).



The State is at the hub of this web of factories, circuits and hard cores of inequality. Beyond these processes, it is robust and targeted State intervention that makes it possible to address inequalities and leave more or less space for combating the structural legacy.

In the light of this analysis, there are at least four areas in which State intervention should be considered.

The first is the high degree of structural heterogeneity in the region and the pressing need to act on this first link in the chain of reproduction of inequalities feeding into the labour market. This calls for advancing towards a comprehensive policy for productive development grounded in appropriate macroeconomic regimes, development policies and market-based microeconomic incentives. It is also necessary to intervene decisively on three fronts: (i) industrial policy, for fostering the consolidation of productive linkages and the requisite investments and to better capitalize on the potential for learning during periods of higher growth; (ii) technology policy, for promoting access to innovation and technology based on a long-term approach and for creating an “environment that is conducive to rapid learning and structural change favouring more dynamic technology sectors” (ECLAC, 2010a); and (iii) policies for supporting small and medium-sized enterprises, to foster their development, promote their access to innovation and technology and facilitate financial support and access to credit. Latin American experience in developing such policies has been mixed. While some efforts have been promising, the achievements are still far from obvious. Such outcomes highlight the need to strengthen the institutional capacities of the States of the region to improve policy design, implementation and assessment, influence the price structure and ensure more horizontal access to innovation.

The second area is labour market regulation and institutions. Latin America has serious labour institution shortcomings and some unfinished business in the area of labour market regulation. There are substantial gender and age biases, as well as large sectors of workers who are not benefiting from core labour standards. The region’s “dual” regulatory model is, without question, a major obstacle to lower-income workers being able to appropriate gains in productivity and to breaking down the barrier between insiders and outsiders that creeps into social protection.

Implementers of public policy should view labour market segmentation as closely linked to structural heterogeneity. Ignoring this link means that labour institutions will not bridge the different productive strata and that policies will be designed as if the labour market were homogeneous. Instead of contributing to productive convergence they will exacerbate the gaps between

productivity and compensation, making real distributive justice impossible.

Rapid economic growth and rising labour productivity create the conditions for generating high-quality employment with rights but do not ensure that this will happen. Rather, labour institutions should be designed so as to create and enhance virtuous circles between the two factors (Weller and Roethlisberger, 2011). This requires, on the one hand, ensuring that a portion of the gains in productivity goes to improving labour conditions (in the form of higher wages, other monetary benefits and non-monetary aspects of employment quality). On the other hand, it involves enhancing subjective and objective aspects of employment quality that can increase productivity, such as job training and other factors that influence job satisfaction and personal commitment. Legal regulation and collective bargaining are mechanisms that further these goals.

The third relevant axis is linked to what States can do to decouple access to well-being from labour market status and thus promote greater equality across sectors. Labour market policy has a crucial role to play here: for example, as a tool that can be very effective in combating unemployment in the hardest hit sectors. Measures such as labour intermediation, competencies certification, training initiatives (focused, in the case of young people, on transitioning from the education system to the world of work), unemployment insurance and mechanisms for helping the unemployed access non-contributory protection systems are some of the options for decommodifying access to employment. Emergency public jobs programmes and labour-intensive public works perform the same function (ECLAC/ILO, 2009), as do measures that support self-generation of employment. It is especially important to develop active policies that facilitate access to the first job and introduce labour market incentives through positive action geared towards improving employment access for the young.

Last, these findings indicate that the States of the region still have much unfinished business regarding intervention in basic aspects of protection and well-being that have, traditionally, been left up to families. Advancing towards defamilization is essential for reducing inequalities between men and women and for combating the growing gaps among women that are rooted in older divides.

In many Latin American households there is still a division of labour that assigns the role of head of household and breadwinner to the man and the role of mother and housewife to the woman. This leads to profound inequalities between men and women. Because the access that families have to “solutions” for this tension is extremely stratified on the basis of

income, inequality between higher-income women and women in the lower-income quintiles is not only not diminishing—in some spheres it is growing.

Clearly linked to this are the key role that social protection can play in reinforcing action and the redistributive role of the State regarding childcare. It is up to social protection to facilitate access to a system of care services that is still quite limited in many of the countries of the region and needs to be improved and expanded (Pautassi and Rico, 2011). But such initiatives should go farther, to promote the creation of national public care systems.

This would correct, up to a point, the pattern of inequality in female participation in the labour market. Not only that: it would cushion the impacts of the care crisis on unemployment for lower-income women and the prevalence of informal employment among them, creating an environment that would allow them to delegate dependent care to specialized services. The importance of advancing in this direction is confirmed

by conclusive international evidence of the positive impacts that expanding the supply of care services has on freeing the female labour force and improving its labour insertion (with the resulting increase in income).

The efforts that the countries of the region make in the sphere of childcare services should be grounded in three premises. First, there is an obvious need to start with measures targeting the most vulnerable sectors, those that are most affected by the tension between paid and unpaid work. But that tension is also found in medium- and high-income sectors and it blocks access to jobs in the formal sector and to higher-quality employment. Second, it would seem that the creation and expansion of the supply of care services should be aligned with the needs of the different productive strata and—with the low-productivity sectors—focus on those that can yield the best outcomes in terms of female labour insertion. Last, companies should be involved in the supply of care; the provision of services should be mandatory (Pautassi and Rico, 2011).



## Chapter IV

# Social protection and inequality: cracks, rigidities, open ground and opportunities

### A. Introduction

Many of the Latin American countries have increased their social spending significantly in the past few years. Yet the region's structural lag is such that any conclusions about the performance of social protection in breaking the chains of inequality transmission may be drawn only with caution. So it is important to form a picture of the systemic performance of social protection in reducing inequality in Latin America, by looking at the cracks and rigidities in the region's social protection systems while also identifying the open ground and opportunities for tackling the many faces of inequality.

Chapter III examined some of the mechanisms which appear to be driving the generation and reproduction of labour-related inequalities in Latin America. Great structural heterogeneity, a stratified decline in fertility rates and gender inequality overlap to form perverse combinations of poverty, informality, care burdens and generational gaps. The region is thus dragging a heavy anchor when it comes to reducing inequality in its labour markets.

Even in this scenario, however, there are encouraging signs. A steady rise in public social spending in the region since the 1990s has made it possible to increase the coverage and stability of social policies in many countries, although the State's tax revenues is limited in

some cases (ECLAC, 2010a and 2010b). But the findings set forth in chapter III suggest the need for caution in drawing conclusions about how effective social protection has been in breaking cycles of inequality transmission and how much ground still lies open for further progress in this direction.

The region's social protection systems certainly face huge and very complex challenges. Yet current conditions offer a greater opportunity than ever before to rethink social protection and carry forward the changes needed to make it a more effective instrument in breaking the hereditary chain of inequality.

The time for this task is ripe for several reasons.

First, the last few years have unquestionably provided favourable conditions for implementing long-term development strategies. The region has enjoyed steady economic growth and achieved stronger macroeconomic balances. Its main socioeconomic indicators have also improved (see chapter I).

Second, Latin America still has opportunities to tap the demographic dividend created by its falling demographic dependency ratio—the increase in the economically active population proportionally to the dependent population—which also has implications for household size (ECLAC, 2005 and 2009a; Bertranou, 2008).

Third, conditions are relatively favourable for overhauling social policy. In the last few years, the orthodox thinking of the 1980s and 1990s appears to have receded in favour of new ways of perceiving the role of the State vis-à-vis social protection, poverty and inequality (ECLAC, 2010a). Perhaps the clearest sign of this lies in the past decade's wave of policies implemented to strengthen the non-contributory pillar of social protection and the more universalist approach taken to extending rights and benefits in terms of health care, pensions and the coverage of basic services (ECLAC, 2010b).

Lastly, the legacy of specific policies and instruments left by the response to the 2008 crisis represents another opportunity for the region. This latest crisis appears to have precipitated a shift that was already beginning to happen in the State's role in practice, as countercyclical

policies were implemented to contain social costs at the low part of the cycle and rapid response capacities were built up to avoid asset losses in the most vulnerable sectors (ECLAC, 2009b and 2010b; ECLAC/ILO, 2011). This legacy and its associated lessons offer fresh ground for policy innovations and improvements, which must not be allowed to lie fallow.

This chapter offers analytical routes towards tapping the favourable conditions described above and towards building a systemic perspective, looking at both factors which hinder the action of social protection systems and the ground which lies open for action to tackle the many aspects of inequality.

The chapter first examines the scope and stratification of contributory social protection, on the basis of social security registration and its impact on households, then analyses the protection afforded to older persons in retirement. There follows a brief description of the extent of non-contributory social protection and its adaptation to the risk profile of the population. Next, the combined coverage of the two pillars is examined to develop a more systemic approach, looking especially at sectors which are currently covered by neither. The last section portrays the systemic performance of social protection in terms of the various dimensions of inequality and offers policy alternatives aimed at correcting their main cracks and omissions.

## B. The contributory link and social protection in Latin America

The association between employment and social protection has generated major challenges in Latin America, which determinedly emulated the contributory model developed in the European countries even though its starting point was much further behind. Limited registration in social security systems and the fact that they operate only through the channel of formal employment has resulted in precisely the most numerous, female-headed and rural households having least access to social protection through the contributions mechanism. In addition the shortfalls of social security coverage are reproduced in old age. Pension and retirement benefits still have very limited coverage and leave women and those on low incomes with least protection.

The close link between employment and social protection arose from the consolidation of welfare States in post-war Europe. It is based on a model in which male breadwinners

in two-parent families provided economic sustenance for their family group, while women mainly cared for children and older persons and were entitled to social protection as

dependants. Thus the notion of “job-related” protection (Tokman, 2006, p. 40) or “formal-employment-related protection” (Cecchini and Martínez, 2011) was consolidated, in which workers and their families were protected against the risks associated with employment (or the lack of it), the life cycle and retirement (through retirement benefits and pensions) and disease (through health coverage).

This model has encountered a number of difficulties in the developed world. In the 1970s, the oil price shock eroded governments’ fiscal capacities, at the same time as production and occupational structures began to change (OECD, 2007a), regional disparities grew up in the labour market, unemployment rates rose and forms of employment became more diverse, with more temporary and part-time work and self-employment (OECD, 1999 and 2010). Lastly, women’s growing participation in the labour market—and, thus, their ability to access social protection in their own right—coincided with a time of deep transformations in family composition (OECD, 2007b), a drop in fertility rates and a significant increase in life expectancy (OECD, 2009c). These shifts led to the formation of hard cores of vulnerability for which the classic contributory model of employment and protection was unprepared. A mismatch gradually became apparent in many countries between the existing welfare architecture and the risks facing the population (Esping-Andersen, 1999; Esping-Andersen and others, 2002; Pierson, 2001).

These same problems have arisen in an even worse form in Latin America, which firmly adopted the

contributory model despite being far behind the European countries in terms of urbanization, industrialization and consolidation of formal labour markets (Tokman, 2006; Filgueira, 2007). In the case of Latin America, however, the difficulties have run much deeper because the region’s structural inequalities have not only doomed the model to failure but have in fact transformed it into a catalyst of inequities.

The highly heterogeneous production structure in Latin America and its translation into segmented and asymmetric labour markets, extensive informality, unemployment rates and the inequality associated with women’s incorporation into the labour market have led in quite a linear fashion to inequalities in access to social protection. This has produced a clear dividing line between insiders and outsiders with respect to the contributory protection model, the main route of access to protection from the State.

As a result, Latin America has succeeded in setting up only a weak correlation between employment and social protection. Accordingly, policies not only fail to even out the inequalities passed on by the production structure and the labour markets, but also create new circuits of exclusion that further entrench the original inequities. This section examines some of the main traits of this contributory model from two angles: the protection of workers and their families (based on analysis of social security registration) and the protection of older persons (based on the coverage of retirement and pension transfers).

## 1.

### Protection of workers and their families<sup>1</sup>

The evidence has been suggesting for some time that labour markets in the region have not become the grand entrances to social protection systems that they

were supposed to be (Marco, 2004; ECLAC, 2006; Tokman, 2006; Bertranou, 2008). The access of the working population to social security coverage through

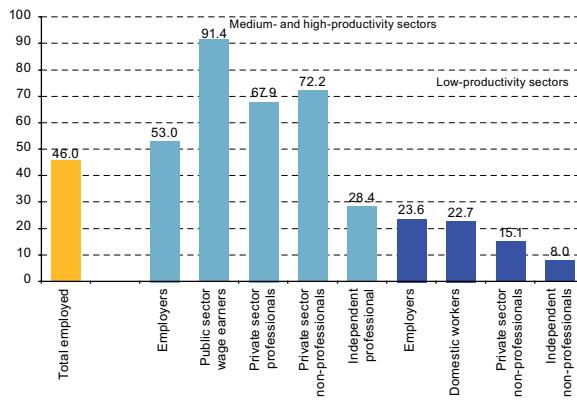
<sup>1</sup> Although, as ECLAC has frequently noted, access to health services is a key component of the contributory model of social protection (Mesa-Lago, 2005), the forms of organization of the health sector in the region encompass a broad variety of institutions, models of financing and regulations and different combinations between public and private stakeholders and social security systems. In some countries, social security is recognized as a universal right for all workers, making health care an equally universal right. This has resulted in a form of service provision that is unevenly structured between the public and private sectors but nevertheless forms part of a single system combining financing from general revenues with non-contributory financing. Brazil is the foremost example of this set-up. A second financing model combines general revenues with social security contributions. This category includes Costa Rica, which has an integrated system with contributory financing and a single level of coverage provided through social security (Costa Rican Social Security Fund). Here the system complements workers’ and

employers’ contributions, covers a percentage of the contribution of independent workers and encompasses the low-income sectors with no contributory capacity. Chile and Colombia also have systems with a certain level of integration, although the contributory and non-contributory pillars are combined in slightly different ways in these countries. Mexico and Uruguay, too, have made reforms recently which move in that direction. A third type of system seen in the region has little or no articulation between public financing and social security, with quite fragmented social security systems existing alongside one another. El Salvador, Guatemala, Honduras, Panama and Plurinational State of Bolivia have models of this sort (ECLAC, 2006). With such diverse models, it is difficult to identify contributory health coverage through household surveys, which are the main source for analysis used in this chapter. Accordingly, this section uses social security affiliation (not health coverage) as a reference, on the assumption that social security enrolment provides some sort of health coverage for workers and their families.

employment is limited by extensive informality, weak regulations and the existing labour institutions, such that today just under half (46%) of those employed are enrolled in a social security scheme.

Registration with social security is highest among wage-earners in the public sector (91.4%) and the private sector (67.9% and 72.2%, for professional and non-professional workers, respectively). Just over half (53%) of formal sector employers and only 28.4% of independent professionals are enrolled in a social security scheme. In low-productivity sectors social security registration stands at 23.6% for employers (small and medium-sized enterprises), 22.7% for domestic employees and a meagre 8% for unskilled independent workers (see figure IV.1).

**Figure IV.1**  
**LATIN AMERICA (18 COUNTRIES): EMPLOYED POPULATION REGISTERED WITH SOCIAL SECURITY SYSTEMS, BY CATEGORY OF EMPLOYMENT, WEIGHTED AVERAGE, 2009**  
*(Percentages)*



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

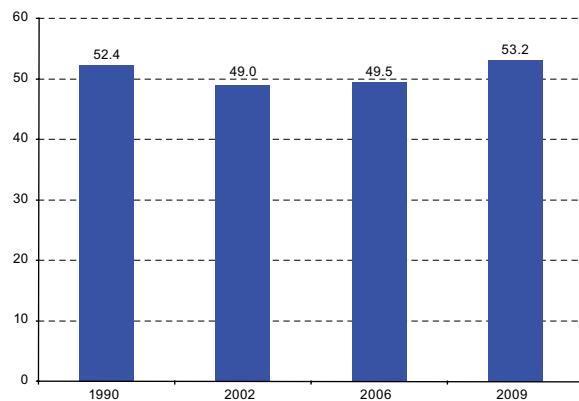
The fact that social security coverage is strongly associated with labour formality<sup>2</sup> reflects the “dual” functioning that arises from the articulation of two key links in the chain of inequality explored earlier: structural heterogeneity and labour market segmentation (see chapter III). But this structural root does not explain why the slight increase in formal employment in the past two decades has not produced a similar rise in social security registration, which in 2009 was still close to

the 1990 level. The inconsistency can undoubtedly be attributed to a variety of factors, including economic cycles, biases in new employment creation and weak labour institutions and regulations—especially in terms of rules and conditions for formalizing social security contributions.<sup>3</sup>

An illustrative example in this connection is that in 16 countries which have data from four measurements (1990, 2002, 2006 and 2009), social security registration decreased between 1990 and 2002 (from 52.4% to 49%) then began to rise (reaching 53.2% in 2009, which was actually slightly higher than in 1990) (see figure IV.2). The pattern was dissimilar in the formal and informal sectors, however. While registration was falling, the proportion of employed persons with contributory protection fell more rapidly in the low-productivity sector than in the medium- and high-productivity sectors. And when the economic cycle began to fuel a recovery in enrolment levels, registration climbed more strongly in the formal than in the informal sector. This differentiated evolution has turned social protection into an additional wedge driving the two sectors apart (see figure IV.3).

The “dual” functioning which divides the higher- and lower-productivity sectors is not neutral and the boundary between social security insiders and outsiders shows some heavy biases.

**Figure IV.2**  
**LATIN AMERICA (16 COUNTRIES): EMPLOYED POPULATION REGISTERED WITH SOCIAL SECURITY SYSTEMS, WEIGHTED AVERAGE, AROUND 1990, 2002, 2006 AND 2009<sup>a</sup>**  
*(Percentages)*



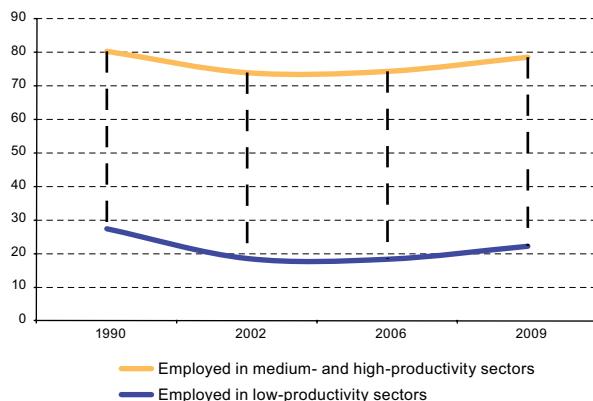
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Weighted average for the countries which have data for all the years examined. Does not include Argentina or Colombia.

<sup>2</sup> As in chapter III and in order to facilitate reading and discussion, the classifications of low-productivity and medium- or high-productivity workers are used indistinctly from the classifications of formal and informal workers. As explained in chapter III, the data used are based on the first of these classifications, which was developed by ECLAC. Although this is considered to be a good proxy for formality and informality, clearly the data used here miss out some important dimensions of informality.

<sup>3</sup> There are some interesting examples in the region of measures aimed at increasing formalization. Brazil, for instance, has developed policies for promoting the formalization of microenterprises (Supersimples) and of non-professional independent workers (the individual entrepreneur scheme, MEI).

**Figure IV.3**  
**LATIN AMERICA (16 COUNTRIES): EMPLOYED POPULATION REGISTERED WITH SOCIAL SECURITY SYSTEMS BY SECTOR OF WORK, WEIGHTED AVERAGE, AROUND 1990, 2002, 2006 AND 2009<sup>a</sup>**  
(Percentages)

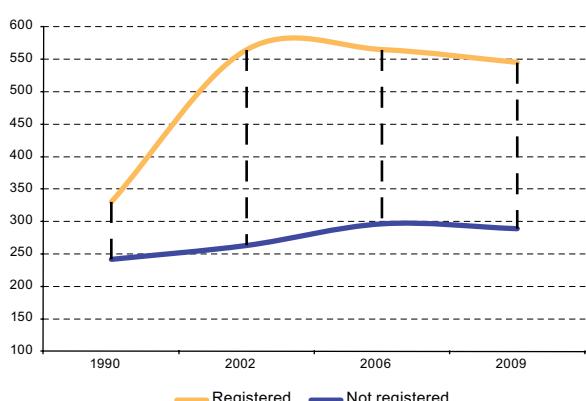


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Weighted average for the countries which have data for all the years examined. Does not include Colombia before 2006, since the data for previous years do not distinguish company size. Does not include Argentina or Colombia.

The first obvious bias is that social security registration is associated with higher income brackets: at the latest measurement, unregistered employed workers received on average just over half of the earnings of those registered with a social security scheme (US\$ 288 compared to US\$ 545 per month). The gap is slightly smaller than it was in 2002 and 2006, but still far wider than the income gap associated with social security contribution in the early 1990s, when the average income of non-registered earners was 73% of that of registered earners (see figure IV.4).

**Figure IV.4**  
**LATIN AMERICA (18 COUNTRIES): REAL WAGES OF THE URBAN EMPLOYED BY SOCIAL SECURITY STATUS, AROUND 1990, 2002, 2006 AND 2009<sup>a</sup>**  
(Dollars at constant 2005 prices)

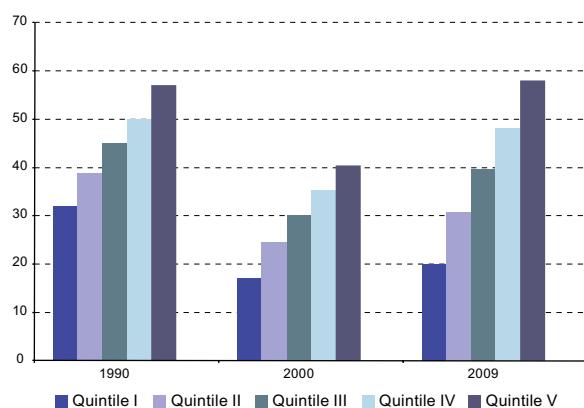


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Weighted average for the countries which have data for all the years examined.

But beyond overall average wage trends and the recent narrowing of the gap between those registered and unregistered with social security, the association between income and registration is highly rigid. Examination of a group of countries with information available for 1990, 2000 and 2009 shows a heavy drop in social security registration in the 1990s, and access became no less stratified with the upturn in registration in the 2000s. On the contrary, the gap between higher- and lower-income sectors seems to have widened. In 1990 workers in the first quintile who were registered with a social security scheme represented 56% of registered fifth quintile workers. In 2000, this ratio had worsened (42%), albeit amid a widespread decline in affiliation. But the data for 2009 confirm the observations made earlier: there was a strong overall upturn, but it applied much less to first quintile workers than to the rest, which deepened the divide between the higher- and lower-income sectors so much that first quintile social-security-registered workers represented just 34% of those registered in the fifth quintile in that year (see figure IV.5).

**Figure IV.5**  
**LATIN AMERICA (9 COUNTRIES): EMPLOYED POPULATION REGISTERED WITH A SOCIAL SECURITY SYSTEM BY INCOME QUINTILE, SIMPLE AVERAGE, AROUND 1990, 2000 AND 2009<sup>a</sup>**  
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Does not include data for Bolivarian Republic of Venezuela, Colombia, Dominican Republic, Guatemala, Honduras, Panama, Paraguay, Peru or Uruguay.

1990: The data for Mexico and Plurinational State of Bolivia refer to 1989 and those for Nicaragua to 1993.

2000: The data for Argentina, Brazil, Costa Rica and El Salvador refer to 1999 and those for Nicaragua to 2001.

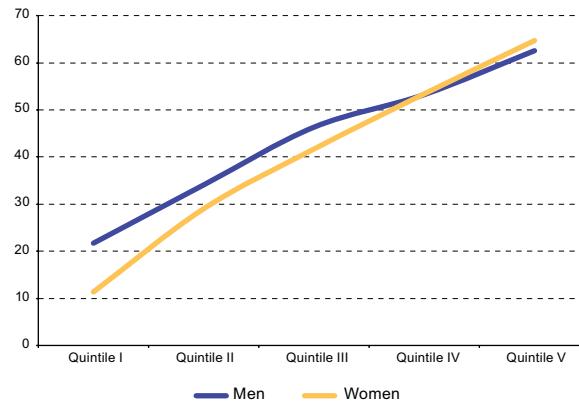
2009: The data for Plurinational State of Bolivia refer to 2007 and those for Mexico to 2008. Data for Argentina refer to Greater Buenos Aires; those for Plurinational State of Bolivia to eight cities plus El Alto; and those of Ecuador to urban areas.

The other major bias has to do with gender inequality. The feminization of informal employment discussed in chapter III has led to women's social security registration in lower-income sectors being almost 10 percentage points below the figure for men. The gap tends to narrow as income rises and practically disappears between men and women in the highest income quintile (see figures IV.6 and IV.7). As a

result, not only are the overall registration figures lower for female than for male workers—which prejudices women both during their working lives and beyond, since it reduces their chances of receiving a pension—but contributory access is also unevenly distributed between women. Accordingly, women must contend with clearly concentrated and overlapping risks and inequalities (ECLAC, 2010b).

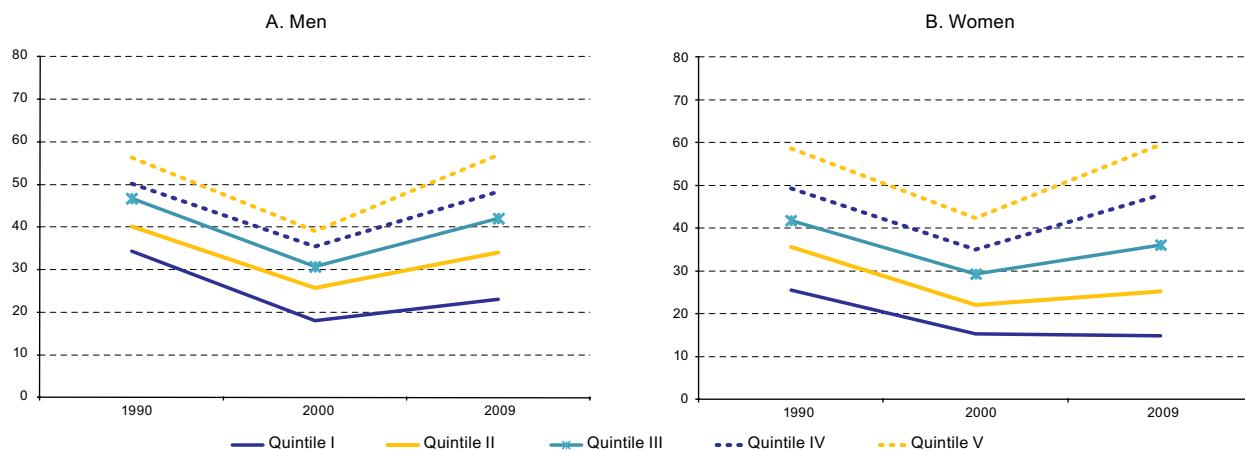
In the past 20 years, the gap between higher-earning women and those living in first quintile households has widened, especially in the period during which social security coverage increased among employed workers: registration in quintile I represented 43% of quintile V registration in 1990, then dropped to 36% in 2000 and just 24% in 2009. The pattern, though similar, was much less marked for male workers. Among men, social security enrolment in quintile I fell from 60% of quintile V male enrolment in 1990 to 46% in 2000 and 40% in 2009%. The gaps have certainly widened for both sexes, but much more alarmingly for women (see figures IV.7 and IV.8).

**Figure IV.6**  
**LATIN AMERICA (18 COUNTRIES): EMPLOYED POPULATION REGISTERED WITH SOCIAL SECURITY SYSTEMS BY INCOME QUINTILE AND SEX, WEIGHTED AVERAGE, 2009**  
*(Percentages)*



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

**Figure IV.7**  
**LATIN AMERICA (9 COUNTRIES): EMPLOYED POPULATION REGISTERED WITH SOCIAL SECURITY SYSTEMS BY INCOME QUINTILE AND SEX, SIMPLE AVERAGE, AROUND 1990, 2000 AND 2009<sup>a</sup>**



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Does not include data for Bolivarian Republic of Venezuela, Colombia, Dominican Republic, Guatemala, Honduras, Panama, Paraguay, Peru or Uruguay.

1990: The data for Mexico and Plurinational State of Bolivia refer to 1989 and those for Nicaragua to 1993.

2000: The data for Argentina, Brazil, Costa Rica and El Salvador refer to 1999 and those for Nicaragua to 2001.

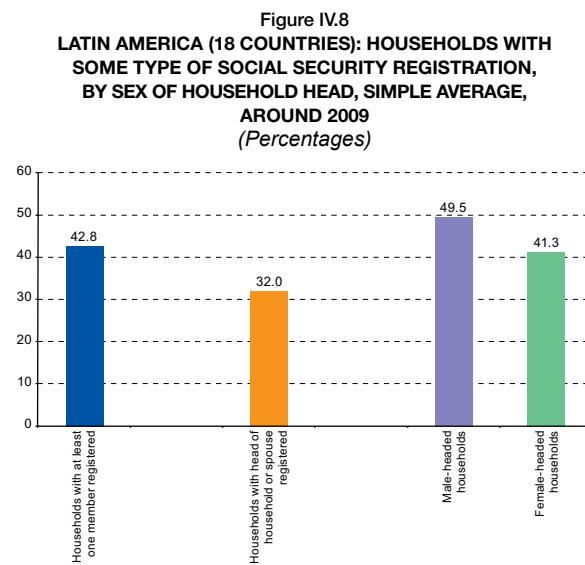
2009: The data for Plurinational State of Bolivia refer to 2007 and those for Mexico to 2008. Data for Argentina refer to Greater Buenos Aires; those for Plurinational State of Bolivia, to eight cities plus El Alto; and those for Ecuador, to urban areas.

Lower levels of labour-market participation, higher rates of unemployment, biases in labour regulations and the lack of policies for reconciling paid and unpaid work all conspire against women's coverage through the channel of employment-related contributions (ECLAC, 2010d). The many labour-related gaps between women and men and among women themselves are thus extensively reproduced.

The third bias concerns the fact that, beyond providing coverage for the employed, the contributory rationale is intended to protect not only workers, but also their families through health insurance. Here it should be recalled that, as discussed in chapter III, the workers who have most social protection are not only the most educated and better paid, but also those with fewest dependants or less numerous households. By

contrast, lower-paid and younger workers and those in more numerous households, as well as employed women with small children, have much less access to social security.

Review of the data are at the household level shows not only narrow social security coverage (only 43% of households have at least one member registered and only 32% have an registered head of household or spouse) but, here again, gender and generational gaps. Social security coverage is significantly above average (49.5%) in male-headed households, but much lower (41.3%) in female-headed households (see figure IV.8).



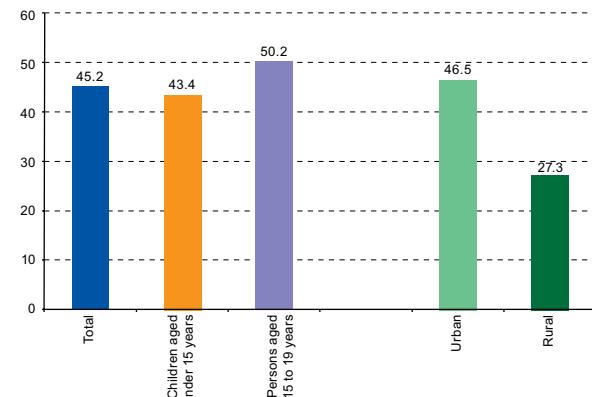
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

Examination of the proportion of children living in households covered by contributory protection alongside figures for the economically active population shows children at a clear disadvantage. Half (50.2%) the population aged between 15 and 59—but only 43.4% of the population aged under 15—lives in households which have at least one member registered with social security (see figure IV.9). This gap compounds the more limited female and youth access to formal employment with social protection, the regressive workings of contributory protection and the stratification of demographic changes, especially the drop in fertility rates (ECLAC, 2010b).

The data also confirm, here again, territorial disparities in the contributory model's coverage: 46.5% of the urban population, but only 27.3% of the rural population, lives

in households with at least one member enrolled in a social security system (see figure IV.9).

**Figure IV.9**  
**LATIN AMERICA (18 COUNTRIES): PERSONS IN HOUSEHOLDS WITH SOME TYPE OF SOCIAL SECURITY REGISTRATION, BY AGE AND GEOGRAPHICAL AREA, SIMPLE AVERAGE, AROUND 2009 (Percentages)**



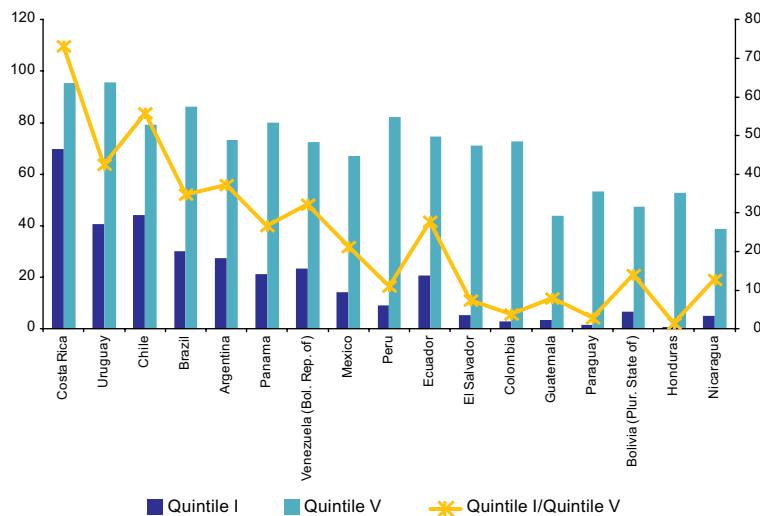
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

Factors such as the sex of the head of household and the age of household members are certainly closely associated with contributory patterns and the possibilities of securing social protection through this channel. It is therefore no coincidence that the workings of the contributory system worsen inequality and that the gap between lower- and higher-income sectors is larger among female-headed than among male-headed households, and in the child and adolescent population (ages 0 - 15) than among those aged between 15 and 59.

In the case of the child population, as may be expected, inequality in the region's countries tends to increase sharply where contributory systems encompass smaller proportions of the population. But even in countries with more consolidated systems (with the exception of Costa Rica) the gap between the lowest-income quintile and the other four is heavily stratified, with the economically worst-off more severely disadvantaged in terms of protection too (see figure IV.10).

In Uruguay, for example, children aged under 15 living in quintile I households with at least one member enrolled in a social security scheme represent only 40% of the comparable group in the highest income quintile. In Peru the figure in this respect is larger for children in quintile V than for those in quintile I by a factor of 9, in Colombia by a factor of 26 and in Paraguay by a factor of 35 (see figure IV.10).

**Figure IV.10**  
**LATIN AMERICA (17 COUNTRIES): POPULATION AGED UNDER 15 LIVING IN HOUSEHOLDS WITH SOME TYPE OF SOCIAL SECURITY REGISTRATION, BY UPPER AND LOWER INCOME QUINTILES, AROUND 2009<sup>a</sup>**  
(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.  
<sup>a</sup> Does not include data for Dominican Republic. Data for Guatemala and Mexico refer to 2006; those for Honduras, to 2007; and those for Bolivarian Republic of Venezuela, to 2008.

## 2.

### Protection of older persons through transfers: the contributory base and non-contributory benefits

In the contributory model, social protection for older persons is a deferred benefit of employment, which provides some replacement for wages in retirement. So, in principle, protection at this stage of life follows the same rationale as contributory protection during working life and the limitations and inadequacies of social security coverage are reproduced during old age. The outcome of this rationale is that, on average, in 2009 just 4 of every 10 Latin American citizens aged 65 or over (40%) received some sort of pension or retirement benefit in the countries of the region (see figure IV.11).

The data show major gaps between the countries with regard to the coverage of pensions and retirement benefits. Coverage rates are over 80% in the Southern Cone countries (and as high as 89% in Argentina), around 65% in Costa Rica and slightly under 50% in Mexico and Panama. Bolivarian Republic of Venezuela, Plurinational State of Bolivia, Ecuador, Peru and Colombia form a second group with coverage rates of between 20% and 40%. Lastly, in a third group with coverage rates of under 20% are Paraguay, Nicaragua, Guatemala, El Salvador, Dominican Republic and Honduras, with a figure as low

as 7% in this last country (see figure IV.11). So, with the exception of very few countries, the possibility of a retirement pension is fairly remote for most older persons in Latin America. The possibility of being an “exclusive retiree” is remoter still (Bertranou, 2008).

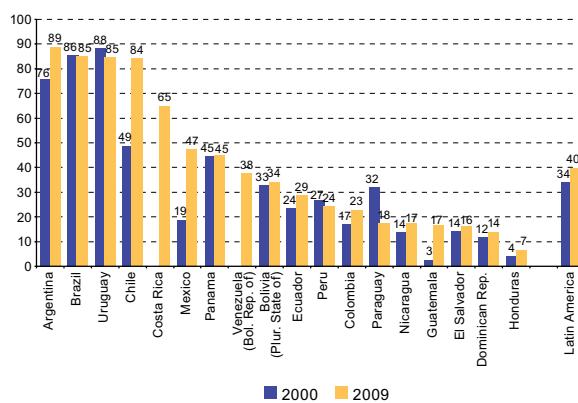
Nevertheless, the percentage of the over-65 population covered by pension schemes and retirement benefits has risen considerably over the past decade. Coverage in the countries averaged 34% in 2000 but has risen in the last two measurements in 11 of the 16 countries which have information available. Within this group, Chile and Argentina have registered very considerable rises. By contrast, coverage has fallen in Brazil, Uruguay, Peru and Paraguay, though significantly only in this last country.

Importantly, the rates of coverage recorded include the non-contributory transfers and benefits<sup>4</sup> which many of the region’s countries have put in place to offset the shortfalls in social security contributions made by women

<sup>4</sup> Contributory and non-contributory transfers are considered together here within the context of pension and retirement benefits because they cannot be differentiated in all the countries’ household surveys.

during their working lives and to lessen the precariousness of certain sectors excluded from the contributory model. These efforts have produced a non-linear shift in the disparities between working-age men and women in some countries, although they do not appear to be sufficient to entirely close the gender gap. This gap is evident in virtually all the region's countries (see figure IV.12).

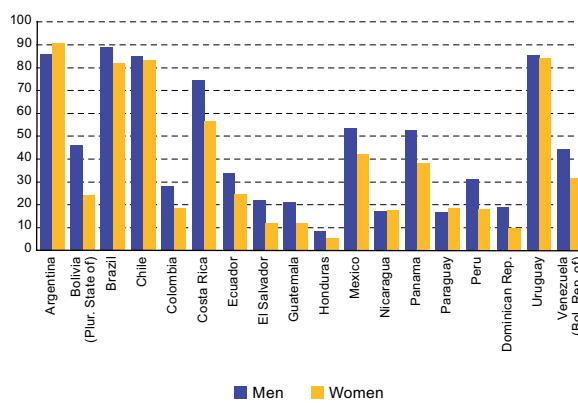
**Figure IV.11**  
**LATIN AMERICA (18 COUNTRIES): POPULATION AGED 65 AND OVER RECEIVING A PENSION OR RETIREMENT BENEFIT, AROUND 2000 AND 2009<sup>a</sup>**  
 (Percentages)



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.

<sup>a</sup> Simple average for the countries that have data for 2000 and 2009. Data for Plurinational State of Bolivia refer to 2007 and those Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; those for Plurinational State of Bolivia, to eight cities plus El Alto; those for Ecuador and Uruguay, to urban areas; and those for Paraguay to Asuncion, and the Central Department.

**Figure IV.12**  
**LATIN AMERICA (18 COUNTRIES): POPULATION AGED 65 AND OVER RECEIVING A PENSION OR RETIREMENT BENEFIT BY SEX, AROUND 2009<sup>a</sup>**  
 (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.

<sup>a</sup> Data for Plurinational State of Bolivia refer to 2007 and those Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; those for Plurinational State of Bolivia, to eight cities plus El Alto; those for Ecuador and Uruguay, to urban areas; and those for Paraguay, to Asuncion and the Central Department.

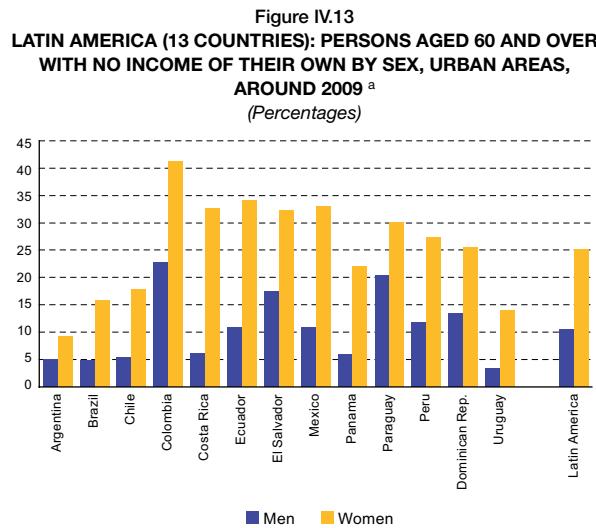
The gap in the figures for women and men evidently results from a combination of factors, several of which have been discussed in this chapter and in chapter III. Uneven labour-market status, the feminization of informality, shortfalls in social security registration in female-dominated sectors and women's still-low activity rates are some of the elements limiting women's possibilities of having social protection in old age.

But not everything comes down to the labour market. In many of the region's countries, social security legislation contains specifically discriminatory provisions. Many still calculate benefits on the basis of actuarial tables that distinguish between male and female life expectancies. This practice transforms one of the few advantages enjoyed by women into a disadvantage, which is worsened in countries in which women retire earlier, since a smaller cumulative amount divided by a larger number of years obviously gives a smaller pension. And those women—a large proportion—who are devoted exclusively to care work, child-rearing and domestic work are social security system outsiders, unless they have been married to or cohabited with a man for a long period and providing that they meet a series of conditions such as having children with the contributor or retiree or not having remarried. The remaining option for women in this situation is a welfare pension which, where it exists, is usually significantly smaller (Marco, 2004).

Another clear indication of gender disparities in access to pension and retirement benefits is the large proportion of older persons who have no income of their own: 25% in the case of women over 60 living in urban areas. Particularly worrisome is the percentage of women with no income of their own in Colombia, El Salvador, Ecuador and Mexico, and the heavy gender disparity seen even in countries where pension and retirement benefit coverage is relatively high, such as Costa Rica, Brazil, Chile or Uruguay (see figure IV.13).

Issues of economic autonomy at this life stage impact on well-being, inasmuch as they represent a differentiated pattern of access to income which is fundamental for acquiring, in turn, food, basic consumption goods, health services, care services and housing, precisely at a time when the possibility of obtaining them through employment is waning (Mesa-Lago, 2009). Employment is not a possible or viable option for a large proportion of older persons and particularly not for women. As may be expected, rates of employment for the male population aged over 65 are higher where the coverage of pension and retirement benefits is lower. However, with few exceptions, female employment rates remain relatively low in those same countries. And where women aged over 65 do engage in paid employment, this tends to be in low-productivity sectors virtually across all the social

strata, which leaves them particularly vulnerable, since their jobs do not give them access to social protection or health coverage.



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

<sup>a</sup> Simple average for the countries. Refers to the proportion of the population aged 60 and over receiving no individual monetary income (in the form of wages, salaries, independent workers' labour earnings, pensions and retirement benefits, household transfers and transfers from abroad, social benefits from the government, fixed-term investments, income from property or other income). Data for Bolivarian Republic of Venezuela and Mexico refer to 2008.

The evidence reviewed thus far shows how labour trajectories and the structure of social protection systems produce new inequalities in access to well-being in old age. The overlapping biases in these equalities combine with—and are sometimes deepened by—pension systems based on legal frameworks and assumptions that, far from correcting biases, entrench them further. Several points arising from this merit closer reflection.

The first is that gender inequalities carry over from working life to old age in a relatively linear fashion. The family-biased matrix on which welfare regimes in the region are based imposes inequalities between women and men, especially in the less developed countries (Martínez Franzoni, 2008; Bertranou, 2008). And the demographic context of population ageing in which this is occurring means that more and more older persons—especially women—are living alone and for longer (Huenchuan, 2009). As a result, growing demands for care in old age are posing unprecedented challenges in terms of social protection systems, access to basic services, especially health, and the design of policies for a larger older population in general (Huenchuan and Guzmán, 2007; Huenchuan, 2009; Jaccoud, 2010).

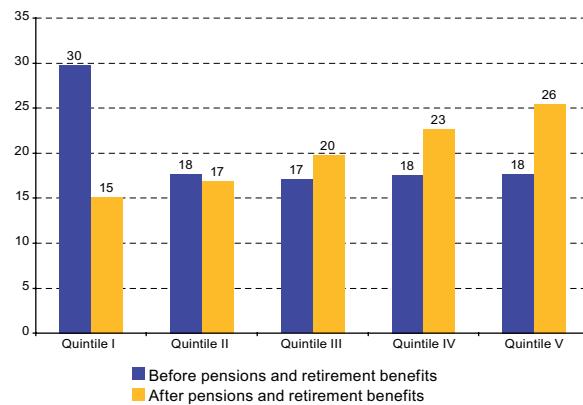
The second point has to do with what systems of pension and retirement benefits do to reduce the income inequality

seen at working ages. As noted in the 2009 edition of *Social Panorama of Latin America*, a number of countries are making significant efforts to guarantee income for older persons. The efforts are highly progressive inasmuch as they address primary income distribution, especially in those countries in which pension and retirement schemes are most developed (ECLAC, 2010b). It comes as no surprise that older persons gain a substantially improved position in the income distribution structure of the overall population after receipt of this sort of transfers. Figure IV.14 simulates the distribution of persons aged 65 and over in income quintiles in the overall population in the absence of pension and retirement benefits. The exercise shows that including receipt of guaranteed income transfers only 15% of those aged 65 and over fall into the poorest income quintile, compared with 30% in the absence of such transfers.

Figure IV.14

**LATIN AMERICA (18 COUNTRIES): DISTRIBUTION OF THE POPULATION AGED 65 AND OVER IN PRIMARY INCOME QUINTILES BEFORE AND AFTER PENSION AND RETIREMENT BENEFITS, AROUND 2009<sup>a</sup>**

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Simple average for the countries. Data for Plurinational State of Bolivia refer to 2007 and those Bolivarian Republic of Venezuela and Mexico, to 2008. Data for Argentina refer to Greater Buenos Aires; those for Plurinational State of Bolivia, to eight cities plus El Alto; those for Ecuador and Uruguay, to urban areas; and those for Paraguay, to Asuncion and the Central Department.

The third point refers to the efforts which countries of the region need to make in terms of social spending in order to reduce inequalities in old age, the way that spending is targeted and the rules informing the design of social protection in old age (Prado and Sojo, 2010). The discussion presented here makes at least two contributions to the debate in these regards.

First, it illustrates from another angle the limitations of Latin America's incomplete adaptation of the formal-employment-based protection model. Most older persons in Latin America do not transition from covered employment

to contributory pension benefits: many remain in the labour market, often in highly informal employment.

Second, it offers an insight into future problems with social protection systems in old age, insofar as these problems are linked to failings that are still accumulating throughout the life cycle. Poverty and vulnerability in childhood, low-productivity labour trajectories and difficulties in accessing social protection during economically active years will make future older generations more vulnerable.

The failures of contributory coverage for older persons are leaving more and more ground to be made up by social spending, which is increasingly unable to do so. And, when combined with the population ageing under way in the region, they make the social protection challenges for the countries all the more obvious and urgent. In order to sustain generations of older persons over time, the region's countries must lose no time in investing in the younger population whose productivity must finance and sustain the social protection provisions of the future.

### C. The non-contributory pillar: scope and risk-coverage of welfare transfers<sup>5</sup>

In terms of transfers alone, the non-contributory pillar of social protection covers about 12% of all households and represents 0.25% of GDP. Despite their limited coverage, these transfers do seem to target the risks faced by the population and make a big difference for the poorest households. They are therefore highly progressive, as demonstrated by the fact that this pillar provides coverage for a large proportion of the women-headed households and households with children and adolescents that fall into the first income quintile.

The non-contributory pillar of the social security system was originally designed to provide coverage for a residual sector of the population which, for various reasons, did not fit into the contributory model. It was thus seen as a mechanism for providing this sector with access to health care or for making transfers to it. However, although for very different reasons from those explored in previous sections, the development of this pillar has produced mixed results.

The high poverty rates and marked inequalities existing in the region, together with the Latin American governments' weak fiscal capacity, place these countries in a difficult position, since there is a huge demand for public spending, while the efforts made thus far to provide

coverage to the broad sectors of the population that have no secure income or insurance coverage fall far short of the mark (ECLAC, 2010b).

The coverage of the non-contributory pillar, when analysed exclusively on the basis of transfers, covers approximately 12% of all households and represents 0.25% of GDP (ECLAC, 2010b). These transfers do appear to target the risks facing this segment of the population quite accurately, and they actually double the income of households in the first income decile (ECLAC, 2010b), which indicates just how great an impact they have on the region's poorest households. This goes to show that, despite their limited coverage, these transfers have a highly progressive distributional effect (ECLAC, 2010b).

All in all, some 41% of the people in the first income quintile live in households that receive some type of public welfare transfer, whereas the figure for the third quintile verges on 15%. In the first income quintile, the coverage of welfare transfers for the 10-14 and 15-24 age groups amounts to about 45%. The figure is roughly the same for the 25-34 age group, which spans a period that

<sup>5</sup> This analysis does not cover the non-contributory pensions and other benefits for the vulnerable segments of the older adult population, which were covered in the discussion on social protection mechanisms for this specific sector of the population. Other benefits that might be regarded as components of the non-contributory pillar, such as health-care benefits, are not included here either.

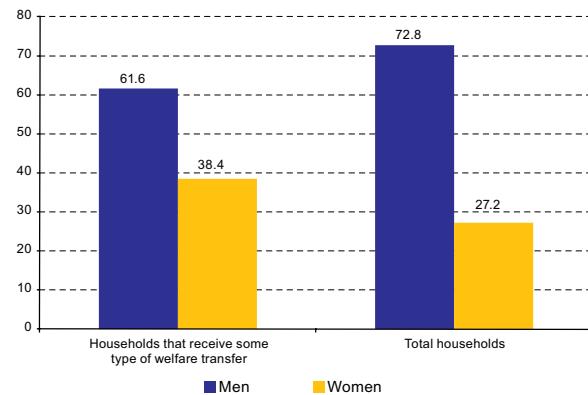
encompasses many of the landmark events in the transition to adulthood, such as emancipation and reproduction.

A disproportionately large number of the low-income households that receive public welfare transfers and that have no member with social security coverage are headed by women. Nearly 4 out of every 10 households (38.4%) in the poorest quintile fall into this category, whereas, overall, 27% of the households in this quintile are headed by women (see figure IV.15).

A larger percentage of the heads of these households state that they are unemployed (19.1% versus 12% for all households in this quintile). Welfare transfers that serve as the only form of social protection do not appear to be reaching a larger proportion of unemployed low-income heads of household than their employed counterparts, however, and, in fact, three out of every four heads of household in this category (75%) are employed (see figure IV.16).

The profile of the employed heads of household in the bottom quintile for whom the only source of coverage is a public welfare transfer shows that more of these people are employed in low-productivity positions (primarily as unskilled independent workers, low-skilled wage earners and domestic servants) than is true of employed heads of household in that quintile as a whole (see figure IV.17).

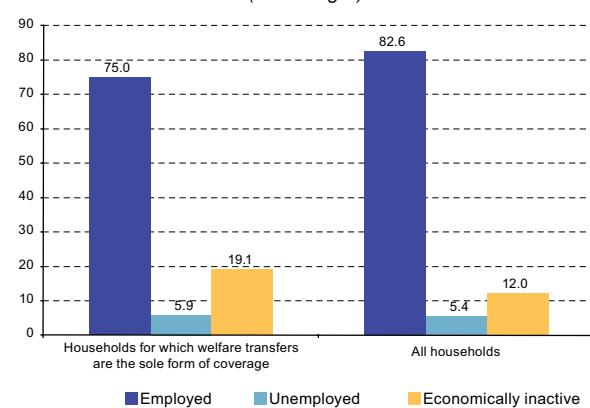
**Figure IV.15**  
**LATIN AMERICA (13 COUNTRIES): SEX OF HEADS OF FIRST-QUINTILE HOUSEHOLDS, ALL HOUSEHOLDS AND THOSE RECEIVING PUBLIC WELFARE TRANSFERS, HAVING NO CONTRIBUTORY-PILLAR COVERAGE AND RECEIVING NO RETIREMENT OR OTHER PENSIONS, SIMPLE AVERAGE, AROUND 2009<sup>a</sup>**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela. The data for Argentina refer to Greater Buenos Aires, while the statistics for Ecuador refer to urban areas. The data for Guatemala refer to 2006; those for Honduras, to 2007 and those for Mexico, to 2008.

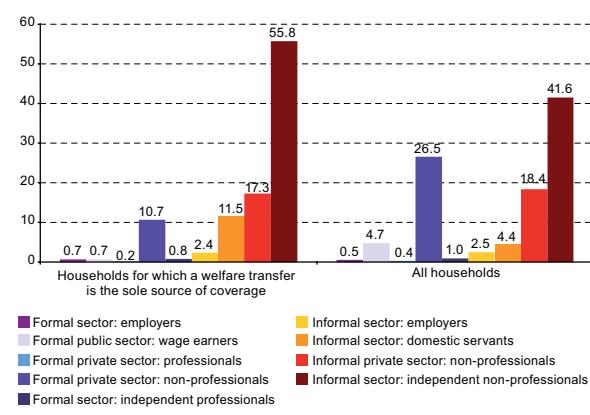
**Figure IV.16**  
**LATIN AMERICA (13 COUNTRIES): EMPLOYMENT STATUS OF HEADS OF FIRST-QUINTILE HOUSEHOLDS, ALL HOUSEHOLDS AND THOSE RECEIVING PUBLIC WELFARE TRANSFERS, HAVING NO CONTRIBUTORY-PILLAR COVERAGE AND RECEIVING NO RETIREMENT OR OTHER PENSIONS, SIMPLE AVERAGE, AROUND 2009<sup>a</sup>**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela. The data for Argentina correspond to Greater Buenos Aires and those for Ecuador correspond to urban areas. The statistics for Guatemala are from 2006, those for Honduras are from 2007 and those for Mexico are from 2008.

**Figure IV.17**  
**LATIN AMERICA (13 COUNTRIES): OCCUPATIONAL CATEGORY OF HEADS OF FIRST-QUINTILE HOUSEHOLDS, ALL HOUSEHOLDS AND THOSE RECEIVING PUBLIC WELFARE TRANSFERS, HAVING NO CONTRIBUTORY-PILLAR COVERAGE AND RECEIVING NO RETIREMENT OR OTHER PENSIONS, SIMPLE AVERAGE, AROUND 2009<sup>a</sup>**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela. The data for Argentina refer to Greater Buenos Aires and those for Ecuador to urban areas. The data for Guatemala refer to 2006; those for Honduras, to 2007; and those for Mexico, to 2008.

## D. Cracks and gaps in social protection systems

An analysis of the contributory and non-contributory portions of social protection systems in Latin America points to the existence of wide cracks in the system, and sizeable sectors of the region's households fall through those cracks. A large percentage of the population in the region is not covered by the traditional type of employment-based social security system and does not receive public welfare transfers either. While this group does include some people in upper-income households, nearly half of those who belong to it are in the poorest 40% of the population.

The discussion of the contributory (including both economically active persons and older adults) and non-contributory pillars in earlier sections provides a number of clues as to how the existing inequalities in terms of social protection have arisen and what their significance is. The prospects for the continued implementation of the employment-based contributory model are fairly bleak, since, given the wide gaps opened up by the existing contributory pattern, the target figures for the non-contributory pillars which the region is just beginning to deploy are extraordinarily high. In addition, the data show up the many different cracks in the system of protection for older adults.

As is also the case of most of the available studies, the analysis undertaken thus far suffers from a shortcoming: it does not provide the type of information needed to gauge how the different kinds of benefits are channelled to households (which are the end recipients) nor how they may be combined or how they may overlap.

When these components are brought together and incorporated into a system of classification, they confirm the findings of a number of other studies but also yield some new results as well (see box IV.1).

### Box IV.1 TYPOLOGY FOR A SYSTEMIC ANALYSIS OF SOCIAL PROTECTION AND OF HOW IT IS LINKED TO EMPLOYMENT: METHODOLOGICAL ASPECTS

There is a great deal of literature on social protection systems in Latin America. In methodological terms, most of the research done so far focuses on the coverage of both the contributory pillar (retirement pensions, the percentage of workers who pay into the social security system) and non-contributory pillar (coverage of non-contributory pensions and of public welfare transfers). These analyses have contributed a great deal to a better understanding of the scope of social protection systems in the region and of how they tie in with employment. This approach does not, however, provide a clear picture of the end result of these

two types of benefits at the household level (i.e., how these two types of benefits are combined and what the results of that combination is).

An empirical analysis of the combined scope of the two main pillars of social protection systems in the region and, above all, how they tie in with employment is needed in order to put together such a picture.

The household is used as the unit of analysis for this typology, which categorizes households according to whether or not they include at least one member has social security coverage (including unemployment coverage), whether or not they receive public

welfare transfers and whether or not they receive retirement or other pensions.

Using this classification, five categories or types of households can be identified: (1) households that receive contributory benefits only; (2) households that receive both contributory and non-contributory benefits; (3) households that receive non-contributory benefits (public welfare transfers) only; (4) households that do not fit any of the preceding descriptions but in which one or more members receives a retirement or other pension; and (5) households that do not have any form of social protection (that do not fit into any of these categories).

**Table 1  
CLASSIFICATION OF HOUSEHOLDS BY COMBINATIONS OF FORMS OF SOCIAL PROTECTION<sup>a</sup>**

		Has social security coverage	
		At least one member has social security coverage or unemployment insurance	No member has social security coverage
		Both types of benefits (2)	Non-contributory benefits only (3)
Receives public welfare transfers	Yes	Contributory benefits only (1)	No social security coverage and no public welfare transfers
	No		<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Retirement or other pensions (4)</p> </div> <div style="text-align: center;"> <p>No social protection (5)</p> </div> </div>

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

## Box IV.1 (concluded)

As shown in the figure, the focus is on classifying the members of the economically active population, since the next objective is to analyse the way in which these categories are linked to different types of employment status. This is why the category of households in which retirement or other pensions are received does not include all such households but only those that receive such pensions and that do not have social security coverage and do not receive public welfare transfers.

Caution must be used in relation to four methodological aspects of this exercise when interpreting these results.

First, although, in constructing this typology, income variables were taken into account wherever possible (see the table below), the exercise as such shows whether or not there is coverage, but does not provide information about the quality or

scope of coverage. Consequently, the fact that a household receives non-contributory benefits, for example, does not necessarily mean that it has a higher income or is better off than one that has no form of social protection at all. In other words, income levels are not part of this exercise, which is simply being used to show what percentages of households have and do not have some form of social protection, regardless of its quality.

Second, it must be remembered that this analysis reflects the status of households as measured by household surveys, which is why some countries are not covered by this analysis (mainly because they do not collect data on the receipt of welfare transfers or because they collect data on some variables but not all the ones needed in order to gauge the coverage of this pillar).

Third, it is important to bear in mind that the analysis of retirement and other pensions included in this exercise is confined to recipient households that do not fall into any of the other categories because the chief aim is to establish the link between social protection and employment status. In addition, since not all household surveys distinguish between contributory and non-contributory retirement and other pensions, this distinction was not made here either.

Finally, it should be noted that this is a general analysis of the way in which social security coverage and different types of transfers are combined in different households and thus does not include other basic determinants of well-being, such as housing, health care, education and access to social services in general.

**Table 2  
CLASSIFICATION OF HOUSEHOLDS BY COMBINATIONS OF FORMS OF SOCIAL PROTECTION<sup>a</sup>**

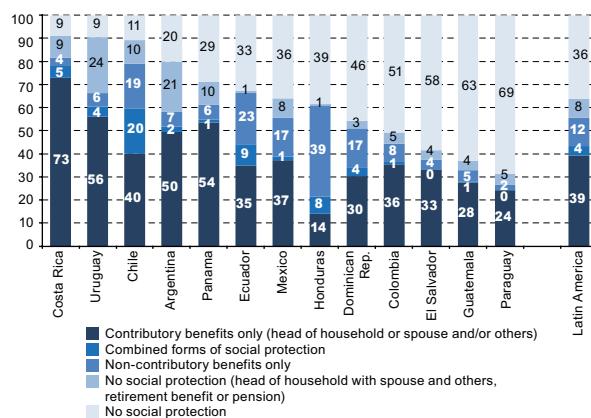
	Unemployment insurance (additional contributory credit)	Retirement and other pensions	Public welfare transfers
Argentina	Severance pay and/or unemployment insurance	Retirement or other pensions	Social aid or subsidies from the government, church organizations or other donors
Chile	Unemployment benefits	Retirement or other pensions Disability, old-age, widows', orphans' pensions, child support payments, other pensions Basic (non-contributory) old-age or disability pensions and subsidies	Family subsidies, disability subsidies, family protection allowance; drinking water, electricity and other subsidies
Colombia	Unemployment benefits	Retirement and other pensions	Cash and in-kind subsidies for the purchase, construction or improvement of housing Cash or in-kind transfers from the Family in Action Programme, Youth in Action Programme and the Families of Forest Wardens Programme
Costa Rica		Retirement and other pensions Non-contributory pensions	Benefits paid out by the Joint Institute for Social Aid (IMAS) and other subsidies
Dominican Republic		Retirement and other pensions	Government aid
Ecuador		Retirement and various other types of pensions	Human Development Grant
El Salvador	Severance pay or unemployment insurance	Retirement and other pensions	Government aid in the form of cash transfers
Guatemala		Retirement and other pensions	Grants from public institutions
Honduras		Retirement and other pensions	School meals, allowances or subsidies for households
Mexico	Unemployment insurance or severance pay	Retirement and other national pensions Income Programme for Older Adults	Benefits provided by the Opportunities Programme, the Agricultural Development Plan (PROCAMPO) and other social programmes
Panama		Retirement and other pensions	Transfers from the Housing Assistance Fund (FASHABI), housing grants (Improved PARVIS), the Opportunities Network, subsidies from the Secretariat for Food Security and Nutrition of Panama and others
Paraguay		Retirement and other pensions	Tekoporá transfers
Uruguay	Unemployment and underemployment insurance	Retirement and other pensions paid out by industrial and commercial funds, civil and school funds, domestic service and rural funds of the Banco de Previsión Social [Social Insurance Bank] (BPS) Retirement pensions of the Postal Union, Armed Forces, Police Fund, Professional Fund and the Notarial Fund	Household allowances (Equity Plan) Scholarships, subsidies, other grants, food cards

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Only those countries that compile enough data on public welfare transfers to households to permit their incorporation into this classification scheme have been included. Empty boxes in the unemployment insurance column indicate that the corresponding household surveys did not cover these variables.

This cross-checking of different types of benefits shows, here again, that approximately 43% of all households are fairly well integrated into society and include employed persons who are covered by the contributory social security system. Within this sector, a very small portion of households (4% as a regional average) have combined forms of coverage (i.e., they have at least one member with social security coverage and receive some type of public welfare transfer) (see figure IV.18).

**Figure IV.18**  
**LATIN AMERICA (13 COUNTRIES): HOUSEHOLD DISTRIBUTION BY COMBINATIONS OF SOCIAL BENEFITS, SIMPLE AVERAGE, AROUND 2009<sup>a</sup>**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela either because these countries do not have the information about public welfare transfers to households needed to construct a typology or because the corresponding variables are at odds with one another. The data for Argentina refer to Greater Buenos Aires and those for Ecuador, to urban areas. The figure for Guatemala refer to 2006; those for Honduras, to 2007; and those for Mexico, to 2008.

This analysis also shows that the only income received by a significant proportion (8%) of households is in the form of retirement or other pensions, with these households being concentrated, unsurprisingly, in the countries with more well-developed retirement and pension systems (Costa Rica, Uruguay and Argentina). In addition, as mentioned earlier, the only stream of income for 12% of all households in the region is in the form of non-contributory welfare transfers.

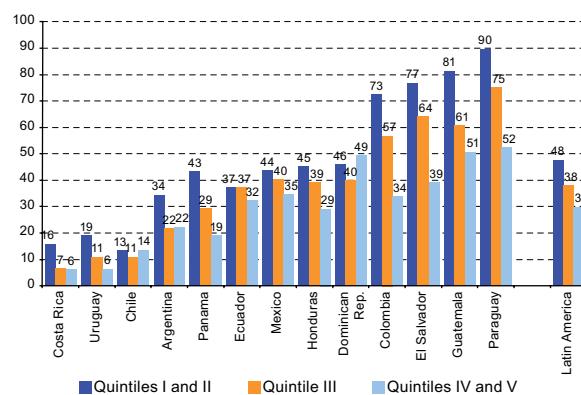
Perhaps the most striking finding, however, is that such a large portion of the region's households receive no form of public protection whatsoever: an average of 36% of all households in the 13 countries covered by this analysis do not have any member who has social security coverage and do not receive public welfare transfers or any sort of retirement or other pension. In the more developed countries, the proportion of unprotected households ranges from 9% (Costa Rica and Uruguay) to 20% (Argentina). In the poorer countries with lower per capita levels of GDP, less fiscal capacity and higher dependency rates,

the proportion of households with no form of protection whatsoever is closer to the regional average, but greatly exceeds it in some cases (58% in El Salvador, 63% in Guatemala and 69% in Paraguay).

These households are being bypassed by the multi-component public social protection systems that are being set up in the region. The next question that arises is: What are these unprotected households like?

As an average for the countries covered in this study, the profiles of the members of households which do not have the benefit of any type of social protection whatsoever can be broken down as follows: 48% of them are from the first and second income quintiles, 38% from middle-income sectors and 30% from the fourth and fifth quintiles (see figure IV.19).

**Figure IV.19**  
**LATIN AMERICA (13 COUNTRIES): HOUSEHOLDS IN WHICH NO ONE HAS SOCIAL SECURITY COVERAGE OR RECEIVES RETIREMENT OR OTHER PENSIONS OR PUBLIC WELFARE TRANSFERS, BY INCOME QUINTILE, SIMPLE AVERAGE, AROUND 2009<sup>a</sup>**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela either because these countries do not have the information about public welfare transfers to households needed to construct a typology or because the corresponding variables are at odds with one another. The data for Argentina refer to Greater Buenos Aires and those for Ecuador, to urban areas.. The data for Guatemala refer to 2006; those for Honduras, to 2007; and those for Mexico, to 2008.

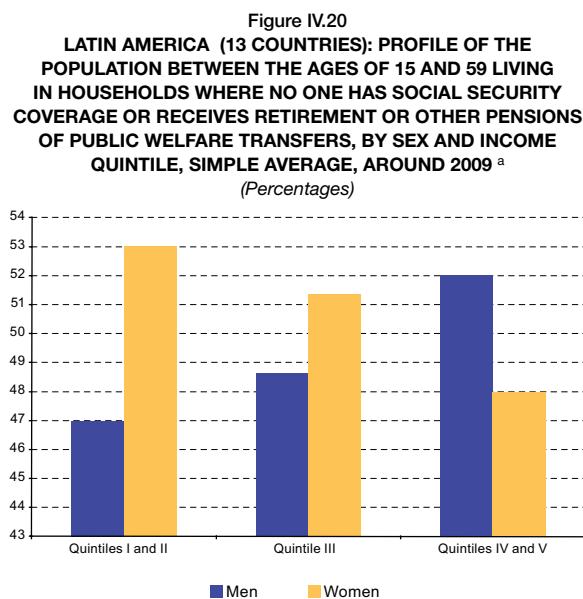
As illustrated by the above figure, this pattern is repeated in all the countries to varying extents except Chile and the Dominican Republic, where households without social security coverage, welfare transfers or retirement or other pension benefits include a larger proportion of persons in upper-income categories.

The absence of social protection therefore appears to stem from a number of different factors. One of those—which has to do with the members of households in the middle- and upper-income categories—may be that public protection systems are skimming off these top layers by using the market as a filter. The most probable reason for this, however, is that a majority of the members of middle- and upper-income sectors who lack social protection are

workers in mid-level and high-productivity sectors (although some may also be employed in low-productivity sectors) who, as discussed in earlier sections, are unable to obtain social security coverage or an employment contract. In any event, this “skimming” effect poses a challenge in terms of the mid- and long-term outlook for the establishment of universal protection systems because it undermines the social security systems’ vertical solidarity (between upper-income and lower-income segments) components as well as threatening to undercut their financing mechanisms.

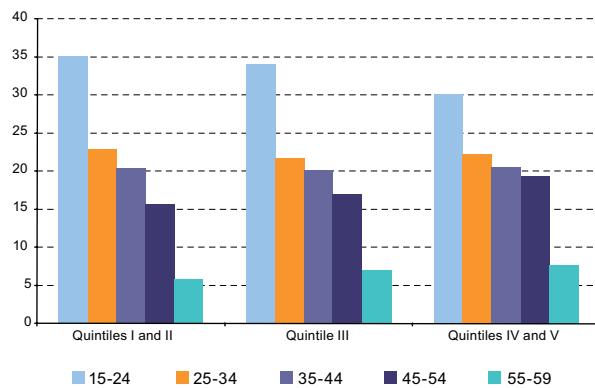
The most worrisome facet of this situation, however, has to do with the households in the poorest 40% of the distribution. These households include a larger number of women than the unprotected upper-income households do (53% in quintiles I and II versus 48% in quintiles IV and V) and a larger percentage of people between the ages of 15 and 24 (35% in quintiles I and II versus 30% in quintiles IV and V) (see figures IV.20 and IV.21).

Female-headed households are also more likely to lack social protection. This is true of such households in both the lower- and the higher-income quintiles, but it especially marked among the poorer ones. In fact, 56% of the households in the poorest 40% of the distribution that are headed by women do not have any social security coverage and receive no public welfare transfers or retirement or other pension benefits (see figure IV.22).



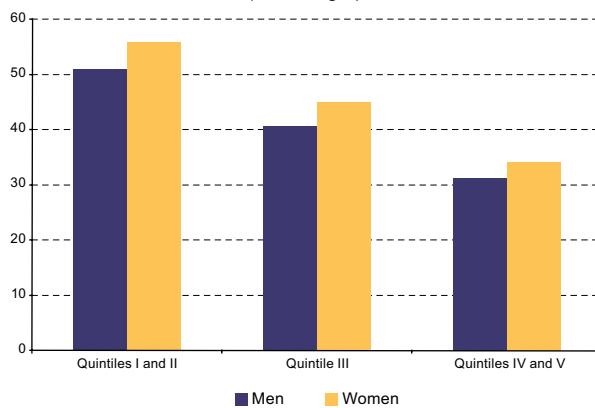
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.  
<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela either because these countries do not have the information about public welfare transfers to households needed to construct a typology or because the corresponding variables are at odds with one another. The data for Argentina refer to Greater Buenos Aires and those for Ecuador, to urban areas. The data for Guatemala refer to 2006; those for Honduras, to 2007; and those for Mexico, to 2008.

**Figure IV.21**  
**LATIN AMERICA (13 COUNTRIES): PROFILE OF THE POPULATION BETWEEN THE AGES OF 15 AND 59 WHO LIVE IN HOUSEHOLDS IN WHICH NO ONE HAS SOCIAL SECURITY COVERAGE OR RECEIVES RETIREMENT OR OTHER PENSIONS OF PUBLIC WELFARE TRANSFERS, BY AGE AND INCOME QUINTILE, SIMPLE AVERAGE, AROUND 2009<sup>a</sup>**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.  
<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela either because these countries either do not have the information about public welfare transfers to households needed to construct a typology or because the corresponding variables are at odds with one another. The data for Argentina refer to Greater Buenos Aires and those for Ecuador, to urban areas. The data for Guatemala refer to 2006; those for Honduras, to 2007; and those for Mexico, to 2008

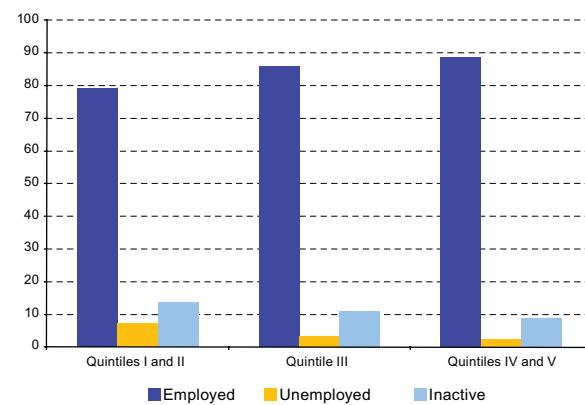
**Figure IV.22**  
**LATIN AMERICA (13 COUNTRIES): HOUSEHOLDS IN WHICH NO ONE HAS SOCIAL SECURITY COVERAGE OR RECEIVES RETIREMENT OR OTHER PENSIONS OR PUBLIC WELFARE TRANSFERS, BY SEX OF HEAD OF HOUSEHOLD AND INCOME QUINTILE, SIMPLE AVERAGE, AROUND 2009<sup>a</sup>**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.  
<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela either because these countries do not have the information about public welfare transfers to households needed to construct a typology or because the corresponding variables are at odds with one another. The data for Argentina refer to Greater Buenos Aires and those for Ecuador, to urban areas. The data for Guatemala refer to 2006; those for Honduras, to 2007; and those for Mexico, to 2008.

Another important point is that nearly 80% of the heads of households in quintiles I and II that receive no benefits are employed, although these households also include a larger number of unemployed and economically inactive heads of household than their counterparts in the upper-income quintiles do. A comparison of these households with those that receive only non-contributory benefits shows that households with no benefits have a higher proportion of employed persons (79% versus 74%), fewer economically inactive members (13% versus 19%) and more unemployed persons (see figures IV.23 and IV.24).

**Figure IV.23**  
**LATIN AMERICA (13 COUNTRIES): PROFILE OF HEADS (15-59 YEARS) OF HOUSEHOLDS IN WHICH NO ONE HAS SOCIAL SECURITY COVERAGE AND NO ONE RECEIVES RETIREMENT OR OTHER PENSIONS OR PUBLIC WELFARE TRANSFERS, BY EMPLOYMENT STATUS, SIMPLE AVERAGE, AROUND 2009<sup>a</sup>**  
*(Percentages)*



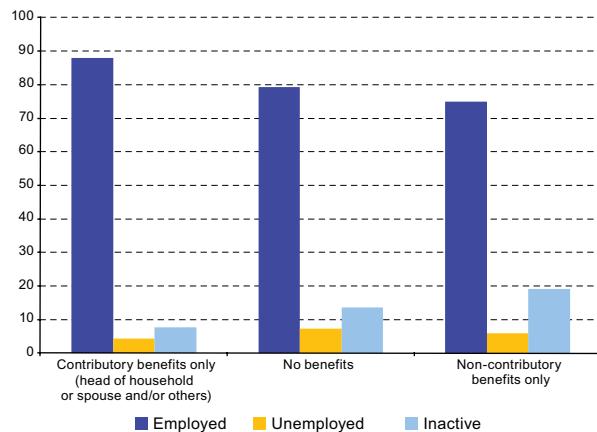
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela either because these countries do not have the information about public welfare transfers to households needed to construct a typology or because the corresponding variables are at odds with one another. The data for Argentina refer to Greater Buenos Aires and those for Ecuador, to urban areas. The data for Guatemala refer to 2006; those for Honduras, to 2007; and those for Mexico, to 2008.

The above analysis provides some clues as to why, with the same level of income, some households have access to the social safety net and others do not. An examination of the employment status of heads of households that receive no social benefits shows that informal employment (independent and low-productivity employment) and low-skilled wage employment in the formal sector are influential factors in this regard (see figure IV.25).

When compared to households in the same quintiles (I and II) that receive non-contributory forms of protection only, it can be seen that more of the households that receive no benefits at all are headed by non-professionals who work in the informal or formal private sector. Households that receive only non-contributory benefits have a larger proportion of workers in domestic service activities and unskilled independent workers.

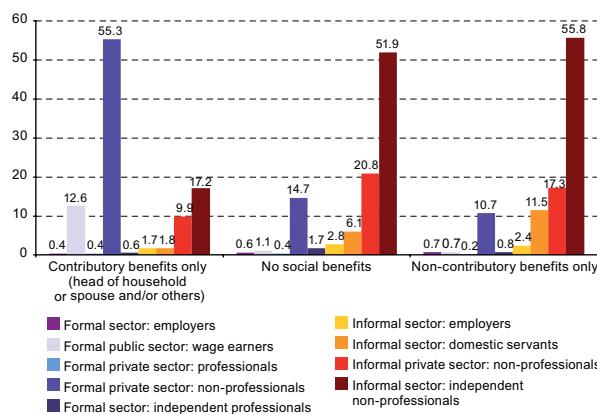
**Figure IV.24**  
**LATIN AMERICA (13 COUNTRIES): PROFILE OF HEADS (15-59 YEARS) OF HOUSEHOLDS IN QUINTILES I AND II, BY EMPLOYMENT STATUS AND LEVEL OF HOUSEHOLD ACCESS TO SOCIAL PROTECTION, SIMPLE AVERAGE, AROUND 2009<sup>a</sup>**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela either because these countries do not have the information about public welfare transfers to households needed to construct a typology or because the corresponding variables are at odds with one another. The data for Argentina refer to Greater Buenos Aires and those for Ecuador, to urban areas. The data for Guatemala refer to 2006; those for Honduras, to 2007; and those for Mexico, to 2008.

**Figure IV.25**  
**LATIN AMERICA (13 COUNTRIES): PROFILE OF HEADS OF HOUSEHOLD (15-59 YEARS) IN QUINTILES I AND II, BY EMPLOYMENT STATUS AND LEVEL OF HOUSEHOLD ACCESS TO SOCIAL PROTECTION, SIMPLE AVERAGE, AROUND 2009<sup>a</sup>**  
*(Percentages)*

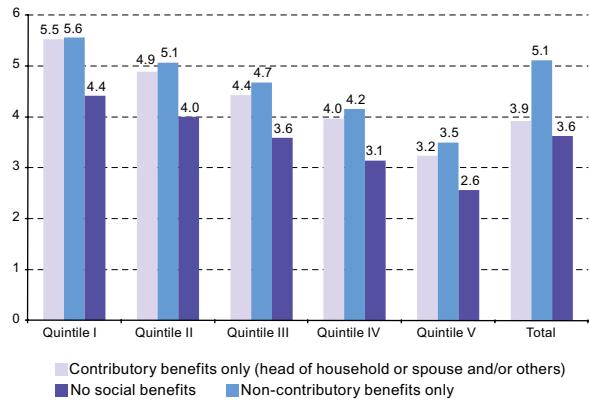


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela either because these countries do not have the information about public welfare transfers to households needed to construct a typology or because the corresponding variables are at odds with one another. The data for Argentina refer to Greater Buenos Aires and those for Ecuador, to urban areas. The data for Guatemala refer to 2006; those for Honduras, to 2007; and those for Mexico, to 2008.

In addition, households that receive non-contributory benefits tend to be larger than those receiving contributory benefits, while households that receive no social benefits tend to be smaller. Calculations based on all households indicate that, on average, households that receive non-contributory benefits are made up of 5.1 persons, those that receive contributory benefits are composed of 3.9 persons and households that receive no social benefits at all consist of 3.6 persons. This pattern is evident when all households are taken together and when the households in each income quintile are considered separately (see figure IV.26).

**Figure IV.26**  
**LATIN AMERICA (13 COUNTRIES): AVERAGE HOUSEHOLD SIZE, BY LEVEL OF ACCESS TO SOCIAL BENEFITS AND BY INCOME QUINTILE, SIMPLE AVERAGE, AROUND 2009<sup>a</sup>**  
*(Numbers of people)*



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household survey data for the countries concerned.

<sup>a</sup> Does not include data for the Plurinational State of Bolivia, Brazil, Nicaragua, Peru or the Bolivarian Republic of Venezuela either because these countries do not have the information about public welfare transfers to households needed to construct a typology or because the corresponding variables are at odds with one another. The data for Argentina refer to Greater Buenos Aires and those for Ecuador, to urban areas. The data for Guatemala refer to 2006; those for Honduras, to 2007; and those for Mexico, to 2008.

There may be two reasons for this. Households where no social benefits are received have more members over 60 years of age than the others do, which is unsurprising, given the large percentage of the older adult population that receives no retirement or other pension. These households also have fewer children than those which receive non-contributory benefits, which may be one of the reasons why, in some countries, they do not have access to public welfare transfers, since the presence of

children is often one of the criteria used to determine eligibility for transfer programmes.

Identifying the sector of the population that is being left out of the combined contributory and non-contributory forms of coverage will contribute to an understanding of the link between employment and social protection, the types of policies that should be implemented in the region to reduce inequalities in this area and the gaps that need to be closed if the region is to make headway towards the consolidation of universal protection systems.

The data discussed above suggest that there is still a large percentage of people in Latin America who have been sidelined from the traditional employment-based model of social protection but who do not receive public welfare transfers either. And while it is true that this group includes some members of higher-income households, just under half of this group is in the poorest 40% of the population.

This last group, which seems to have been stranded somewhere in between the two main components of the social protection system, includes a larger percentage of economically active persons and older adults than households that receive non-contributory benefits do. In addition, although some 10% of these households are headed by economically inactive persons, a considerable portion of the heads of household in this group (more than in the case of households receiving public welfare transfers only) are employed. Although most of them are in low-productivity jobs, they are in a less vulnerable position than those of their counterparts who receive public welfare transfers.

Although more research is needed, it can reasonably be posited that, at least in some of the countries in which social protection systems are more fully developed, there is a segment of the population that is positioned between the sectors that have contributory coverage and non-contributory coverage. The people in this segment do not pay contributions and do not have access to social security coverage, but they are employed (primarily in the informal sector), have some income and do not meet the eligibility requirements for public welfare transfer programmes. In the less developed countries, on the other hand, this segment may more closely correspond to marginalized sectors whose incomes are even lower than those of the households covered by the non-contributory pillar and who are systematically bypassed by welfare transfer policies.

## E. Social protection systems and their success in dealing with inequalities

This evaluation of the performance of Latin America's social protection systems shows up clear failings and shortcomings, although the implications of these problems differ from one country to the next in this extremely heterogeneous region. These fairly frail systems, which have limited fiscal capacity and relatively rigid—if any—welfare architectures, are facing tremendous redistributive challenges. A systemic approach to these challenges should draw both on the contributory pillar and on more or less targeted rights-based policies in order to progress towards truly universal, solidarity-based protection systems.

This analysis has looked at how eligibility for contributory pension schemes is stratified in ways that generate a chain reaction of inequality. This chain starts with the countries' structural heterogeneity, leads on to the labour market and continues on from there to the social protection system. This sequence can be mapped to provide a clear picture of who is included and who is excluded from the employment-based model of social protection.

This chapter has also traced the ways in which gaps in employment and the relationship they bear to payments into social protection systems carry over from the stage during which people are economically active into retirement. This situation is clearly reflected in inequalities of access to retirement and other pensions between different sectors of the population and between men and women. And this occurs despite the fact that a number of countries in the region have developed non-contributory or solidarity-based mechanisms for the specific purpose of making up for the shortfall in social protection generated by the absence or insufficiency of the contributions paid by people during their working lives.

Finally, the data presented here also provide some idea of the scope of the growing but still limited non-contributory pillar of public welfare transfers. These transfers are being fairly accurately tailored to address the risks faced by the population and are thus reaching households headed by women and those that include larger numbers of children and adolescents.

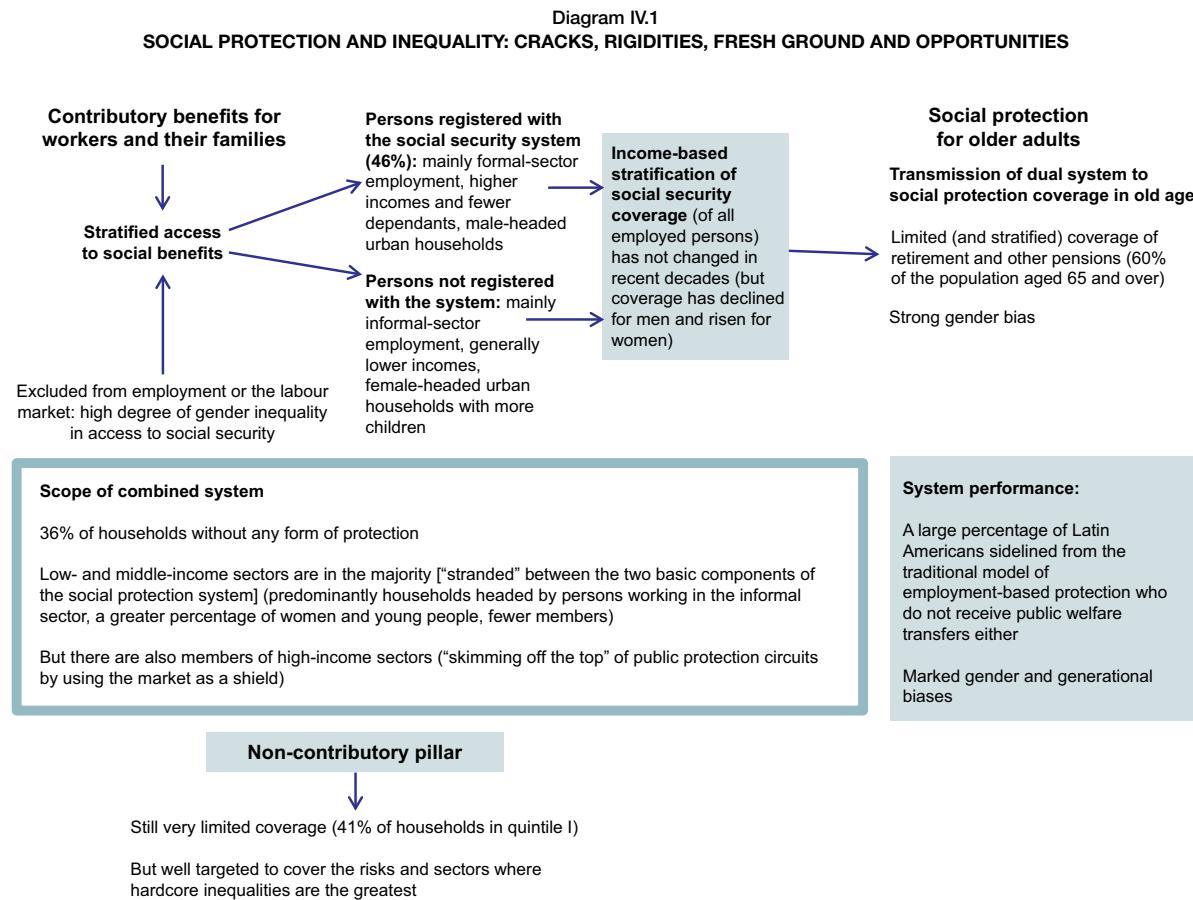
The examination of the major components of the social protection system undertaken in this chapter on the basis of data on social security coverage and on transfers of various sorts, together with their classification using the

typology presented here, provides a window on some of the approaches that can be used to put together a systemic picture of social protection in the region.

And this picture indicates that Latin America's social protection systems have a number of serious weaknesses. First of all, the systems are riddled with deep cracks, and sizeable sectors of the population fall through those cracks. Second, they fall short of what is needed in ways that differ from country to country in this highly heterogeneous region. In the less developed countries of the region, the system provides coverage only for a relatively small percentage of the population. In the more developed ones, the combined coverage is greater, but there are still sectors that are not being reached by any of the components discussed here (see diagram IV.1).

The first conclusion that can be drawn is that the task of reducing inequality cannot be shouldered by the social protection system alone. If action is focused only on the third link in the chain of the generation and reproduction of inequality (structural heterogeneity, labour market, social protection), the results may be very disappointing or, at the least, the process may soon reach a point where no further progress can be made.

The second conclusion is that the manoeuvring room in this area is limited by the relative rigidity of the existing social protection systems. This rigidity, which, in its turn, is clearly linked to the countries' restricted fiscal capacity and ability to raise social spending levels, is also influenced by the difficulty of altering distributional options that were established in the past to deal with risks and combinations of risks that differed from those that most of the countries are facing today.



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

Different courses of policy action relating to social protection can be used to work towards these objectives:

First, in a number of countries, reforms or new mechanisms need to be brought in to reinforce the contributory pillar. This includes unemployment insurance, which is an essential support for workers' income levels. This kind of scheme is still underdeveloped in the region and its coverage needs to be expanded.

Retirement and pension systems also need to be overhauled. There are at least two main lines of action for the establishment of an agenda for change that need to be widely debated.

The first calls for an assessment of public, solidarity-based alternatives to individually funded systems. The second focuses on the need to achieve greater equality between men and women. A gender perspective needs to be introduced in order to level the playing field in terms of access to contributory rights and benefits: age limits for certain benefits, the recognition of rights in households formed on the basis of common-law marriages, greater flexibility in the recognition of intermittent contributions,

and, in the case of women, recognition of unpaid work and of dependent children.<sup>6</sup> The introduction of affirmative action policies for women to provide fair compensation in key areas of existing retirement and pension systems is a tool of pivotal importance for reducing initial inequalities (those that carry over from the economically active stage of life) and biases in some of the actuarial practices still employed in the design of social security systems. The provisions regarding women who perform unpaid work also have to be reviewed and modified in order to promote the cultural changes that need to be made in regard to their role in society.

The review of the factors discussed in this chapter also demonstrates the need to step up direct cash transfers to the poorest sectors of society and to focus them even more on the promotion of employment. These mechanisms, which operate through monetary transfers and other benefits, make it possible to guarantee a minimum income

<sup>6</sup> Chile's latest pension system reform provides an informative example in this connection.

for people living in poverty and to halt the decline in the incomes and buying power of those who find themselves in vulnerable positions. As has been pointed out by ECLAC on other occasions as well (ECLAC, 2010a and 2010b), these transfers are particularly useful in combating the perpetuation of poverty among children and in reducing levels of inequality in the early years of life, which constitute a hardcore form of inequality that tends to be perpetuated throughout the life cycle and to generate, or deepen, other inequalities at later stages. ECLAC estimates attest to how great an influence these mechanisms could have on poverty levels.

There are also other components of the non-contributory pillar that need to be strengthened in order to guarantee access to a basic minimum standard of well-being. The diagnostic analysis undertaken here points up at least two areas in which the region has to make a greater effort. One has to do with subsidies for the payment of contributions to insurance schemes (mainly social security and health-care plans) in order to bring the people who cannot afford those payments into the system. This line of action focuses on addressing the situations of vulnerability in which informal-sector workers, low-income young people and women (and, within that group, especially young women with small children) find themselves. The other deals with the conditions needed to ensure effective access to basic services. Discounted fees for certain types of priority social services and for mass transit (ECLAC, 2010b) should definitely be part of the social protection package and should be coordinated with income transfer programmes for the most vulnerable sectors of the population.

Finally, the data also show that older adults in the region are in a very precarious position. This is more true in the less developed countries, but even in the more developed ones where social protection systems for older adults have broader coverage, there are still pockets of inequality – areas or sectors in which many people have

no access to social protection benefits at all. To rectify this situation, income transfers to persons aged 65 and over who have need of them seem to be part of the solution, and the idea of working towards a universal transfer system for persons in this age group should definitely remain on the table. These transfers could then be combined with contributory transfers from these insurance systems in order to “guarantee a basic level of income that is fiscally sustainable and fairer from the intergenerational viewpoint” (ECLAC, 2010a, p. 201).

The inequalities discussed throughout this chapter provide a basis for revisiting the various mechanisms that (albeit not always on a systemwide basis) make up the different countries’ social protection schemes. The modification of these mechanisms should be informed by a rights-based approach and should reflect the policy lines examined earlier, with the ultimate objective being the establishment of universal social safety nets. To accomplish this, it will be necessary to draw upon both the contributory pillar and fairly well-targeted policies designed to make the transition to genuinely universal, solidarity-based social protection systems. The data presented here indicate that, far from being ruled out, the universalization of basic levels of social protection should be the cornerstone for the effort to strengthen and reform Latin America’s welfare architectures.

Reaching a goal of this nature will inevitably require the State to take up a central role once again as a guarantor, regulator and —in some cases, perhaps— lender. It will also require the formation of sturdy redistributive coalitions, which is not something that Latin American policy has generally promoted. This is why, as indicated by the analysis of the situation presented here, policymakers need to take up the proposals set forth in *Time for equality: closing gaps, opening trails* (ECLAC, 2010a) and reaffirm, yet again, the crucial role of policy in improving the effectiveness of the region’s social protection systems in combating inequality.



## Chapter V

# Trends in social spending during the crisis and challenges in financing social security expenditure

## A. Introduction

After a period of structural adjustment that occurred in virtually all the region's economies and resulted in sharp public spending cuts—especially in social spending—countries in the region have done much over the past two decades to make more resources available to fund social policy. Nearly all items of social public spending have shown increases not only in relative terms but in absolute terms as well, albeit with some exceptions for certain countries and periods.

Much of this effort has been closely linked to economic growth, which facilitated the gradual but fairly systematic expansion of resources. Increases in total budgets, and social budgets in particular, have been outpacing GDP growth—particularly during the 1990s—but at the same time, minor contractions of GDP have sparked deeper-than-expected budget cuts. While the procyclical behaviour of budgetary spending is in general consistent with the principles of fiscal responsibility and with international recommendations, in some areas of expenditure, such as education, health and social welfare, budgetary cutbacks, primarily on the current expenditure side, can entail high economic and social costs. Although occasional cutbacks

in capital spending in a given sector may not have major repercussions on national economies, a medium and long-term adjustment is bound to result in the deterioration of the infrastructure and material inputs that are often needed to produce social services.

In a largely unprecedented effort to counter the procyclical tendency of spending at times when it would normally fall, most countries of the region have taken measures (for the most part temporary) to boost public spending in order to tackle the hardships caused by the global financial crisis and its repercussions. To a large extent, these measures were intended to alleviate the impact of the crisis on the real economy, to sustain activity

in local and regional economies, and to curb the rise in unemployment and, of course, in poverty. The following pages review the long-term trends as well as recent changes in the growth of social public spending, once the potential

impact of the international economic crisis became clear. Lastly, this chapter reviews and projects the social security situation and the short and long-term financial possibilities of introducing a rights-based minimum old-age pension.

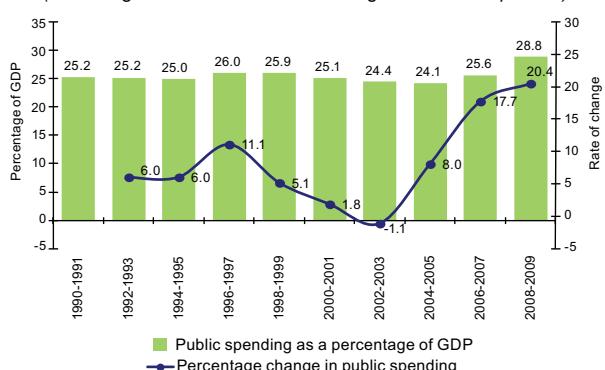
## B. Social spending in Latin America

For the region as a whole, public expenditure, and especially social spending, has increased sharply over the last two decades. The largest increase has been in social security and welfare (up by the equivalent of 3.5% of GDP), followed by education. Yet in countries where per capita social spending is less than US\$ 1,000, education is the largest expenditure item. It is only in the relatively more developed countries that spending on social security and welfare accounts for more. These trends did not change with the onset of the international financial crisis, but the traditionally procyclical behaviour of social spending was altered. Generally speaking, countries reacted to the crisis by temporarily expanding public expenditure instead of shrinking it as in the past. Yet that expansion did not always have a social focus, although the social repercussions were considerable.

### 1. Long-term trends

Progressive recognition of the importance of social public spending as an instrument for channelling resources to the poorest population groups, and of the role of social development in fostering economic development, has led countries of the region to increase such spending gradually. At the regional level, public expenditure, and social expenditure in particular, has burgeoned in the last two decades: already figuring fairly steadily in macroeconomic priorities up to 2006-2007, albeit with slight decreases between 2002 and 2005, public spending then surged by 20% in 2008 and 2009 as the authorities took pre-emptive action to stave off the effects of the global financial crisis. With this fresh effort to increase public spending, both the absolute amounts allocated to social spending and their weight in GDP reached a two-decade high as the first decade of the new century came to a close (see figure V.1).

**Figure V.1**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): TOTAL PUBLIC SPENDING, 1990-1991 TO 2008-2009<sup>a</sup>**  
(Percentages of GDP and rates of change between subperiods)



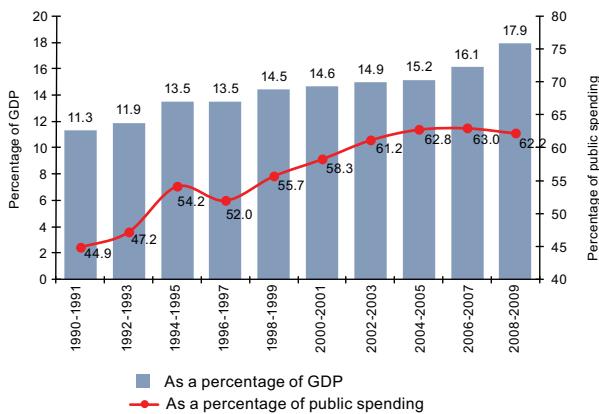
Source: Economic Commission for Latin America and the Caribbean (ECLAC), social expenditure database.

<sup>a</sup> The figures for total public expenditure are official data based on a functional classification of public spending and may differ from those based on an economic classification.

At the same time, although total public spending remained relatively stable during the period 1990-2009, it rose significantly in absolute terms: even with the absolute decline recorded in 2002 (down by 3.7% in that one year, region-wide), public spending nearly doubled between 1990 and 2009, and currently stands at around US\$ 900 billion in the region.

Nevertheless, social public spending has grown steadily across the region, with some slowing associated with various subregional upheavals such as the tequila crisis of 1994-1995 or those of Argentina and Uruguay in 2002-2003 (see figure V.2). Given the relative stability of total public spending, social expenditure has been gaining ground fairly systematically: whereas in 1990-1991 it corresponded to 45% of total spending, at the beginning of the third millennium it already represented 58%, and jumped to 63% in 2006-2007. The slight decline in its share in the most recent biennium considered (2008-2009) chiefly reflected the relatively steeper increase in non-social spending, mainly in 2008. Public spending soared again in 2009, with a spike in social spending (9.3% over the 2008 level).

**Figure V.2**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): SOCIAL PUBLIC SPENDING, 1990-1991 TO 2008-2009**  
(Percentages of GDP and of total public spending)



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

Yet the situation varies considerably from one country to the next, both in terms of the increase in social expenditure and also in the relative and absolute amounts of that increase. In 2008-2009, the macroeconomic priority attached to social spending varied significantly with Dominican Republic, Ecuador, Guatemala, Panama, Paraguay and Peru spending less than 10% of GDP, while Argentina, Brazil, Costa Rica, Cuba and Uruguay spent twice as much (see the institutional coverage of social public spending in box V.1). This gap exists

even though nearly all countries have made efforts to increase the macroeconomic priority of social spending since the 1990s.

Both decades saw a few exceptions where social spending declined as a percentage of GDP: Cuba, which cut such spending drastically from 1994 until 1998 because of the sharp structural adjustment it had to make in the so-called “special period”, associated with the pronounced drop in GDP that occurred in the years prior to the adjustment in social spending; and Jamaica, which has kept its social spending relatively stable since 2000, with slight variations and an upward trend in 2008 and 2009.

Generally speaking, between the periods 1990-1991 and 2000-2001, most countries made slightly greater efforts to increase social spending as a percentage of GDP than they did in the subsequent period: in the first period, the increase in the macroeconomic priority of spending averaged three percentage points of GDP, while between 2000-2001 and 2008-2009 it was only 2.9 percentage points. The most notable exceptions to this trend were, as already indicated, to be found in Cuba, and to a lesser extent in Argentina (with increases of 2.7% and 4.1% of GDP in the respective periods), Costa Rica (2.4% and 2.9% of GDP), Honduras (2.0% and 3.1% of GDP), Nicaragua (1.5% and 4.5% of GDP) and Trinidad and Tobago (2.2% and 3.0% of GDP).

Differences between countries relate, however, not only to the share of social spending in GDP but also to each country’s level of wealth. Countries’ varying levels of development and tax burdens—and hence their very different general public budgets and, specifically, social budgets—lead to wide disparities in per capita allocations for social fields such as education, health, social security and welfare. At one end of the spectrum, Ecuador, Guatemala, Honduras, Nicaragua, Paraguay and the Plurinational State of Bolivia achieve very low per capita spending (less than US\$ 300, with Ecuador, Guatemala and Paraguay also recording lower macroeconomic priority for social spending) while, at the other end, the countries with the highest per capita social spending (over US\$ 1,000) are Argentina, Brazil, Chile, Costa Rica, Cuba, Trinidad and Tobago, and Uruguay (with Chile and Trinidad and Tobago recording only intermediate macroeconomic priority for social spending). On average, the countries with the highest social spending manage to allocate up to eight times as much as those with the tightest budgets (see figure V.3).

Overall, the great majority of countries have systematically increased per capita social spending, and all recorded an increase in the period 2008-2009, which was dominated by the fallout from the international financial crisis.

**Box V.1**  
**UPDATING SOCIAL EXPENDITURE FIGURES**

To update social expenditure figures for this edition of *Social Panorama of Latin America*, data on the functional classification of public spending were obtained in accordance with the total and sectoral series published in previous editions. Information up to 2010 was obtained for 10 of the 21 countries considered, and these figures have been published because it is important to have recent data, even if they are provisional,

estimated or incomplete. The figures were updated during the third quarter of 2011; the cut-off point was mid-September.

In most cases it was possible to collect data on central government budget execution, and in a number of countries figures were obtained for actual spending by agencies with budgetary autonomy, local governments and non-financial public enterprises. Although differences in institutional coverage make

comparisons between countries difficult, the most extensive data available for each country are being published except when they involve significant constraints for constructing a series for 1990-2010. This is because the Commission's primary interest is to establish the amount of public social spending in each country as accurately as possible, in order to convey the effort being made by States in this area.

The following is a classification of the countries by institutional coverage of the social expenditure series used:

Total public sector (NFPS + FPS): Costa Rica.

Non-financial public sector (GG + NFPE): Argentina, Brazil, El Salvador and Plurinational State of Bolivia.

General government (CG + LG): Peru.

Central government (BCG + AA): Chile, Colombia, Cuba, Dominican Republic, Guatemala, Honduras, Jamaica and Panama.

General State budget (public sector minus social security, PFE, NFPE and autonomous and decentralized governments: Ecuador (the 2008 Constitution establishes the general State budget as the instrument for determining and managing State revenues and expenditures), Trinidad and Tobago, and Uruguay).

Budgetary central government: Bolivarian Republic of Venezuela, Nicaragua and Paraguay.

Budgetary public sector: Mexico,

where: AA: agencies with budgetary autonomy; BCG: budgetary central government; CG: central government; LG: local government; NFPE: non-financial public enterprises; PFE: public financial enterprises.

Considering that a number of countries only very recently adopted the classification system of the International Monetary Fund (IMF) *Government Finance Statistics Manual 2001*, which is harmonized with the 1993 System of National Accounts (SNA), the 1990-2010 series is not always compatible at the subfunctions or subgroups level, or both. Most of the countries publish the functional classification in aggregated form and use classifications of their own.

Data continuity problems brought about by the switch include a lack of information for the full series or for certain years or functions (or both) in particular cases. For example, there are no comparable data for the Plurinational State of Bolivia between 1990 and 1994, and up-to-date figures on NFPS are missing after 2008; the series for El Salvador begins in 1993 and there is a change of methodology and coverage as of 2004, which means that data after that year are not strictly comparable with those from previous years. The series for Ecuador refers to central government until 2007 and to the general State budget from 2008, and does not include figures on social security (social protection function); this is also the case with the series for Nicaragua. In Jamaica and Trinidad and Tobago it was not possible to construct the full series from 1997 to 1999 as data on intermediate periods were lacking. For Colombia, a methodological change and a switch in the basis for calculating GDP mean that the series is not comparable between 1990-1999 and 2000-2009. In Peru, whereas the 1990-1999 series covers budgetary central government, the series for 2000 onward is for general government. Lastly, the

Bolivarian Republic of Venezuela has series for agreed public spending (budget act and amendments as of 31 December each year) and for disbursed public spending, the latter beginning in 1999. The institutional coverage of the country's figures is budgetary central government. Because it is a federal country, the published figures may underestimate total social spending by more than those of other countries reporting this coverage. Similarly, the figures for Mexico relate to programmable spending of the budgetary public sector from the National Public Finance Account; what is known about highly decentralized spending execution in that country indicates that the figures should be read more carefully than in other cases because social spending execution may be substantially underestimated. (ECLAC (2002) gives examples of centralized and decentralized execution of social spending.)

Like previous editions, *Social Panorama of Latin America 2011* uses biennial averages to present social spending data. The indicators published are for total public social spending and its component functions and sectors (education, health, social security and assistance, and housing, sanitation and other functions not included in the above categories) as a percentage of GDP, in dollars per capita, and as a percentage of total public spending. In the case of this last indicator, official information from the countries is used, but these figures may differ from those based on other systems (such as economic or administrative classification of spending) because some include interest payments on the public debt and others do not, and because different methodologies are used to classify disbursements.

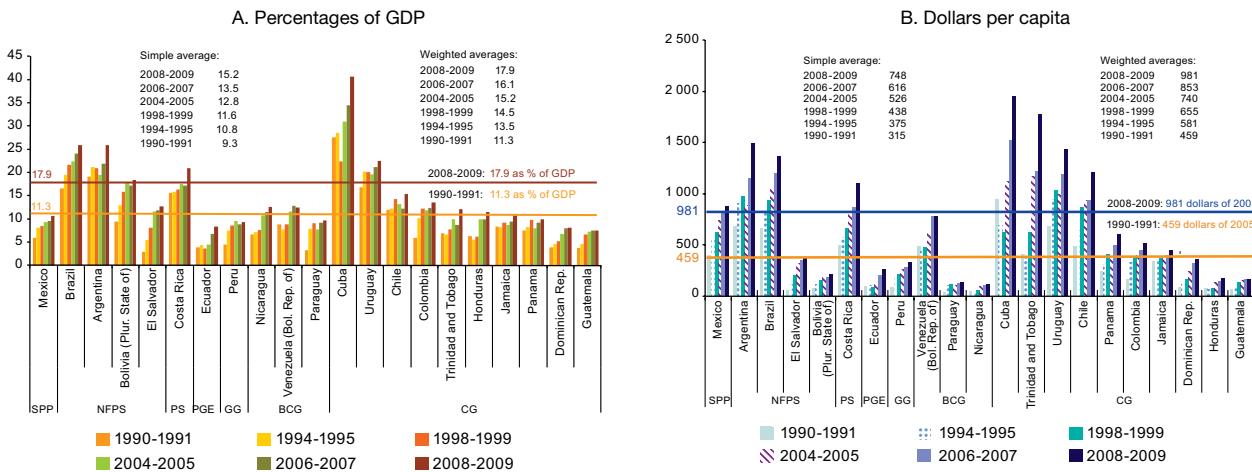
In contrast with the practice in previous years, this edition includes the change made by ECLAC in the base year for GDP in constant dollars. Henceforth, all social spending calculations in constant dollars will be expressed at 2005 prices.

The figures used to calculate percentages are in current prices for each year and each country. These proportions are then applied to the GDP series in dollars at 2005 prices to obtain per capita social spending, expressed in dollars. This may result in certain variations in relation to the data in constant currency reported by the countries, which depend on the degree of exchange-rate appreciation or depreciation implicit in the official parity of each country's currency in relation to 2005, and also on the population data on which the per capita calculations are based.

Figures at current prices on overall and social public spending (and the sectoral breakdown of the latter) are official data provided by the corresponding government bodies. Depending on the country, these may be directorates, departments, sections or units for planning, budgeting or social policy within the ministries of the treasury, finance or the economy. In addition, information on budgetary execution was obtained from the countries' general accounting offices or treasury departments, and occasionally from central banks, national statistical institutes, and national social and economic information systems.

The figures for constant 2005 dollar GDP are official ECLAC statistics; the population figures come from projections by the Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC.

**Figure V.3**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): SOCIAL PUBLIC SPENDING, 1990-1991 TO 2008-2009<sup>a</sup>**  
*(Percentages of GDP and in 2005 dollars per capita)*



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

<sup>a</sup> NFPS = non-financial public sector; PS = public sector; GG = general government; BCG = budgetary central government; CG = central government

## 2.

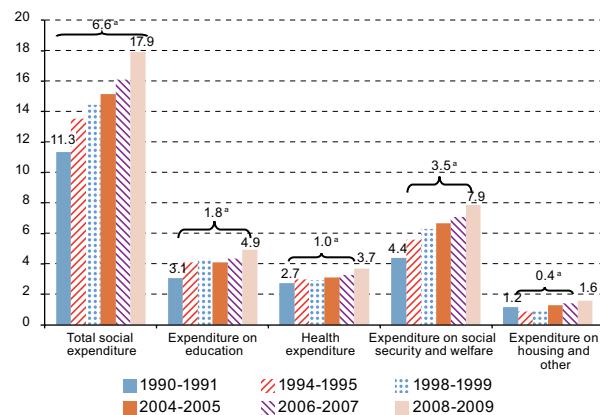
### Sector patterns in social spending

There have been increases in all major items of social spending, which have thus felt to a greater or lesser extent the procyclical variations associated with the performance of the region's economies. Even so, this growth has been uneven: social security and social welfare are the categories that have grown the most (by 3.5 percentage points of GDP), accounting for more than half of the overall rise in social public spending. This is due, in part, to the boom in antipoverty policies, and especially in conditional transfer programmes. But an ageing population and government commitments to finance and pay retirement allowances and pensions, as well as the improvement in social security systems in various countries of the region, including a strengthening of their non-contributory components, have fostered greater growth in this sector than in others (see figure V.4).

The second-highest spending increase was recorded in education, consistent with the various international commitments that countries of the region have signed on to. The share of education spending in GDP climbed by just over 50%. But this significant increase in resources has not been immune to volatility since the education sector, together with the health sector, usually bears the brunt of fiscal adjustments, especially in the form of capital expenditure cuts and current expenditure freezes,

the latter chiefly through the public-sector wage bill. Spending on social security and welfare, together with education, represented 80% of the total increase in social spending between the periods 1990-1991 and 2008-2009.

**Figure V.4**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): SOCIAL PUBLIC SPENDING BY SECTOR, 1990-1991 TO 2008-2009**  
*(Percentages of GDP)*



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

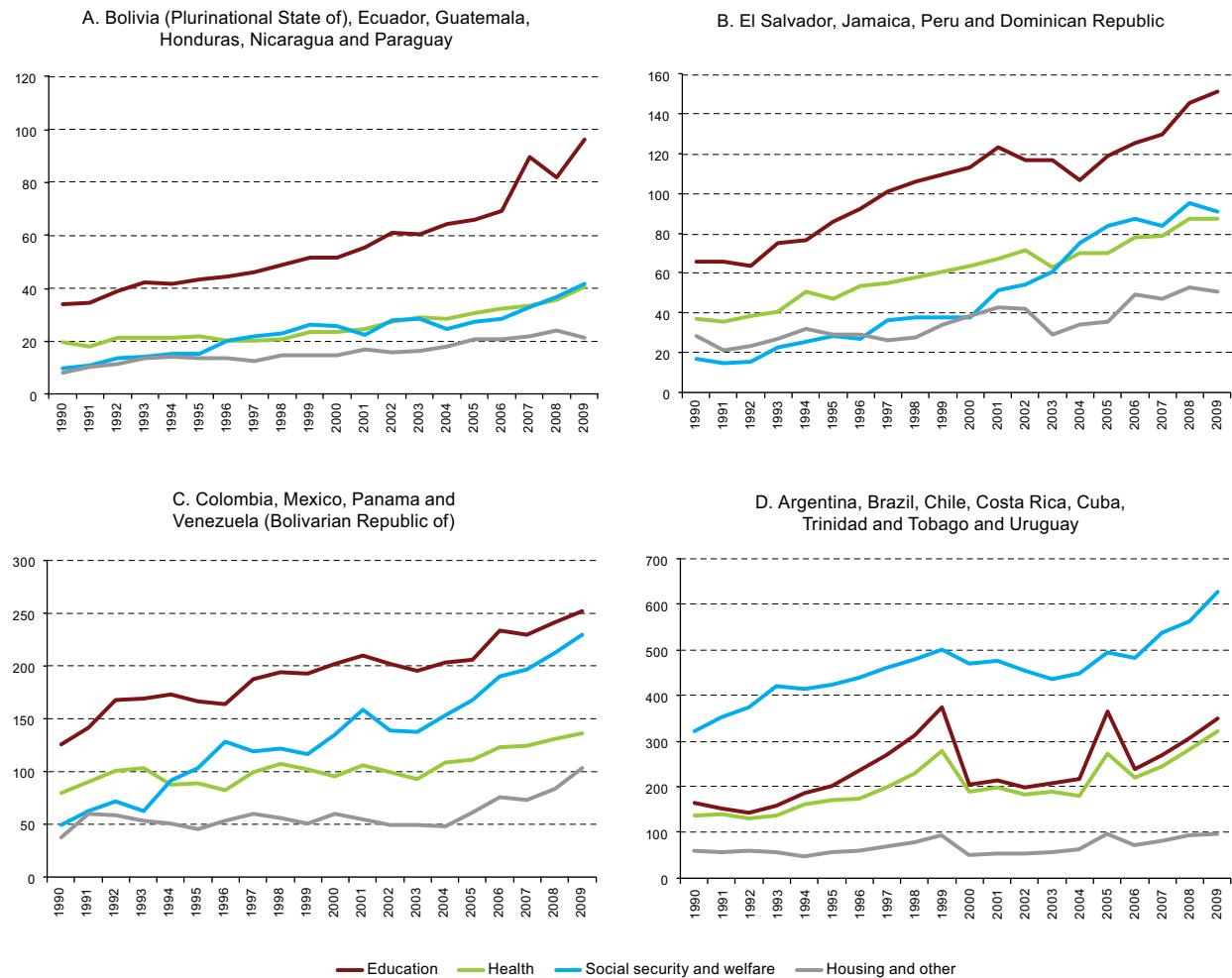
\* Increase in spending between the periods 1990-1991 and 2008-2009 in percentage points.

Among the sectors that can be identified across all countries considered, the public health budget has shown little growth in the past two decades. This has to do partly with the trend in several countries towards expansion of private-sector delivery of health services in the framework of reforms introduced following the structural adjustment of the 1980s. But it also reflects the fact that health spending is highly procyclical and has a significant capital expenditure component that is heavily penalized during economic downswings or periods of flat growth (ECLAC, 2008). Lastly, housing and other social expenditure (notably,

water and sanitation) show the least public spending growth owing in part to the progressive privatization of investments in sanitation infrastructure and the tendering out of building contracts for social housing schemes in which public financing is combined with private (by households, through easier access to mortgage facilities).

Yet the importance of sectors varies among countries, as does the trend in spending in each of these items. For example, a grouping of countries by levels of their present per capita social spending reveals significant differences (see figure V.5).

**Figure V.5**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): SOCIAL PUBLIC SPENDING PER CAPITA, BY SECTORS  
 AND GROUPS OF COUNTRIES,<sup>a</sup> 1990 TO 2009**  
*(Dollars at constant 2005 prices)*



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

<sup>a</sup> Simple averages of expenditure data for individual countries.

The first group, comprising Ecuador, Guatemala, Honduras, Nicaragua, Paraguay and Plurinational State of Bolivia, where current spending is below US\$ 300 per capita (see figure V.5.A), focus the bulk of their social spending on education, which has also seen the greatest growth in absolute terms (from US\$ 34 to US\$ 96 per capita over the period). The remaining expenditure items show more modest per capita levels, although there has been a relatively greater increase in social security and welfare (up 8% per year throughout the period, to a level of US\$ 42 per capita).

A second group, comprising countries that today devote between US\$ 300 and US\$ 500 per capita to the social sectors (El Salvador, Jamaica, Peru and Dominican Republic) show a similar trend: the greatest spending is in the education sector (currently US\$ 152 per capita), but spending on social security and welfare has been rising faster (9.4% per year), to a level of US\$ 93 per capita. These last expenditure items have been approaching the level of health spending, which at the beginning of the 1990s was relatively more important (see figure V.5.B).

In the third group of countries (Colombia, Mexico, Panama and Bolivarian Republic of Venezuela), where spending fluctuates between US\$ 500 and US\$ 900 per capita, while education still receives the lion's share, spending on social security and welfare has also risen notably (by 8.5% a year, compared with 3.7% a year for education), to a level of US\$ 229 per capita, just slightly below the US\$ 252 earmarked for education (see figure V.5.C). In all these countries, the health sector has recorded the least growth (2.9% a year).

Lastly, the fourth group, comprising countries where per capita spending exceeds US\$ 1000 (Argentina, Brazil, Chile, Costa Rica, Cuba, Trinidad and Tobago, and Uruguay) reveals a different trend: spending on social security and welfare is by far the biggest item, and in 2008-2009 it was nearly double the level of spending on education (US\$ 351 per capita in 2009), the second most important item. Despite this, its rate of growth has been notably lower than that in the other groups of countries (3.6% per year), and less than growth in the health sector (4.6% per year), which however received less than half its funding per capita (US\$ 322 in comparison with US\$ 629 for social security and welfare).

### 3.

## The procyclical nature of social spending relative to economic growth

Although the region's countries have steadily increased their government budgets, particularly where social spending is concerned, in most cases these have fluctuated for reasons generally determined by local economic developments.

Although budgeting tied to the economic cycle generally reflects responsible fiscal management, it can sometimes impair economic and social development processes that depend on a stable flow of resources. This is because many of the processes involved in the production of public services entail a large proportion of recurrent expenditure deriving from legal or contractual commitments, such as wages and retirement and other pensions. Budgetary fluctuations can sometimes affect pay levels and continuity for the personnel required to maintain public services. In other cases the

non-discretionary nature of some public spending results in drastic cuts to investment (for example, in building, maintaining, renovating and equipping public facilities such as schools and hospitals).

Prudential fiscal management is a key element in long-term economic development, but the over-adjustments which commonly occur in public and social expenditure during economic downswings dampen those very processes that prudent fiscal management seeks to safeguard. As a rule, cuts in social public spending outnumber episodes of falling growth in the region: between 1991 and 2009, there were 48 instances of absolute reductions in social public spending in the various countries and in 88% of these cases (42), the cut exceeded the decline in GDP, with some occurring even during periods when GDP continued to expand.

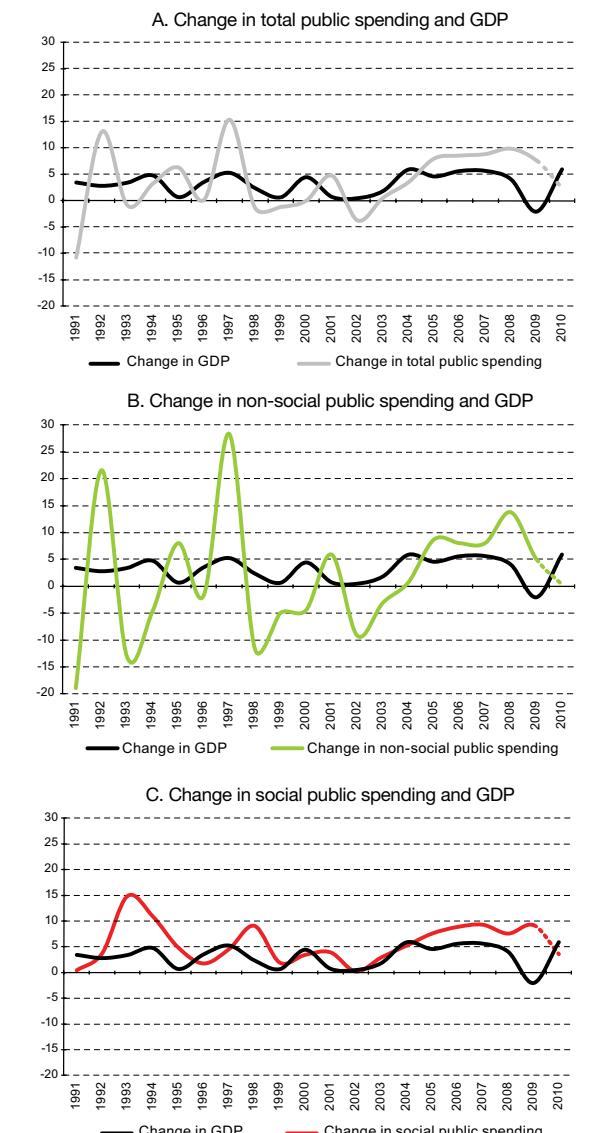
Notwithstanding this, social spending is less sensitive to the economic cycle than the overall budget, as figure V.6 shows. For all its procyclicality, then, social spending has been better protected against economic fluctuations than non-social budget items.

Once again, there are outliers in the region. While GDP and social spending are highly correlated in countries such as Argentina, Brazil, the Dominican Republic, Mexico, Panama and Uruguay, in others such as Costa Rica, Guatemala, Honduras, Jamaica, Paraguay, the Plurinational State of Bolivia and Trinidad and Tobago social spending is fairly independent of growth. However, this means not only that the social services budget is protected during economic downturns, but also that any budget growth can far outpace (or be outpaced by) upswings in the economy (ECLAC 2010a).

Lastly, evaluation criteria based on how closely the budget tracks economic growth cycles provide only a general guide: the fact that social spending may not be highly procyclical does not mean that the social area is neglected. In most cases, spending has effectively expanded. Inertial social spending may be insensitive to economic downturns, but it will not be sensitive to economic expansion either, and wholly countercyclical social spending is not desirable because it would fall just when the economy was growing. Of course, it is to be expected that some specific spending items will indeed be countercyclical, like those which finance emergency programmes at times of crisis and rising poverty and tail off in periods of economic growth. Others may prove more stable because they involve regular payment commitments, as is the case with social security. Still others can be expected to expand along with the economy to a reasonable degree that does not trigger macroeconomic imbalances or a tendency towards deficit spending. Clearly, social public spending should be asymmetrical in terms of its countercyclical nature: it should be more procyclical at times of prosperity, with expenditure increasing so as to generalize the exercise of social rights (with due regard to the long-term sustainability of its financing), and much more countercyclical at times of economic downturn.

Figure V.6

LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): ANNUAL CHANGE IN TOTAL PUBLIC SPENDING, NON-SOCIAL PUBLIC SPENDING, SOCIAL PUBLIC SPENDING AND GDP, 1991–2010<sup>a</sup>  
(Percentages)



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

<sup>a</sup> Weighed averages. The spending figures for 2010 are estimates on the basis of data from 10 countries.

**4.****Social spending in the region during the financial crisis**

The region's countries adopted a broad range of measures in the face of the financial crisis of 2008-2009. Unlike action taken on similar occasions (such as the crises of the 1980s and 1990s), these measures set out not to shrink spending but to expand it, at least temporarily (see figure V.6). Measures of this kind encompassed monetary and financial policy, fiscal policy, exchange-rate and foreign trade policy, sectoral policies, employment and social policies and multilateral financing (ECLAC, 2010a).

The various economic policy measures taken can be divided, broadly, into those designed to restore confidence and get financial markets operating again, and those intended to boost flagging aggregate demand and create employment. Initially, central banks took a series of steps of various kinds to guarantee adequate liquidity in local financial markets. The generalized fall in the inflation rate, reflecting lower food and energy prices, allowed for more flexible monetary policy, both in countries that observe explicit inflation targets and in those that follow some monetary aggregate or other operational criterion. The cuts in benchmark interest rates were accompanied by the easing of liquidity requirements and stepped-up monetary expansion, especially in domestic credit, at a time when reserve assets were falling, a situation that reversed itself over the course of 2009.

However, the low degree of monetization and the thinness of the region's financial markets, as well as the uncertainty that characterized financial activity from the end of 2008 and through much of 2009, limited the impact of these measures on activity levels. In some cases, governments attempted to offset the weak supply of financing by having the public banking system play an active role. The effectiveness of that instrument depends on the volume of credit in the economy and on the public banking system's share of total credit, meaning that its usefulness is confined to a small number of countries.

More generally, and particularly from the first quarter of 2009, countries announced and gradually implemented a strategy based on increasing the fiscal stimulus in their economies. This involved both temporary selective tax reductions and higher public spending, the latter focused chiefly on current spending, usually in the form of direct transfers, and to a lesser extent on capital spending (ECLAC 2010c).

Not all the countries expanded their public spending in 2009: the Bolivarian Republic of Venezuela, Cuba, Dominican Republic, Jamaica and Uruguay all cut back on public spending although Dominican Republic was the

only country to do so significantly (by 10.7% compared with 2008). But both this last country and Cuba had seen expenditure rise in 2008 by much more than the reduction in 2009. Several of the remaining countries, including Argentina, Chile, Colombia, El Salvador, Paraguay and Peru, stepped up their spending by over 10% in 2008 and 2009. Brazil, Ecuador and Honduras boosted their spending by over 7% (see table V.1).

The rise in fiscal spending occurred mainly in social sectors, however, except in Brazil, El Salvador, Mexico and Paraguay, where non-social spending rose faster. In the Bolivarian Republic of Venezuela, Cuba and Uruguay, the spending cuts fell mainly upon non-social items, which favoured a sharp expansion in social spending. Jamaica reduced all types of spending, with the most significant cuts in social spending. Dominican Republic also compressed its expenditures, with the sharpest cuts in non-social areas. Guatemala, Honduras, Nicaragua and Panama increased their total public spending even while cutting social spending and in the remaining countries, social expenditures grew more slowly than other spending items.

The most commonly used fiscal measures included cutting taxes, increasing tax benefits and subsidies and raising or bringing forward expenditure. In the social and production sectors, considerable extra resources were put into housing, water and sanitation, support for small and medium-sized enterprises and the agricultural sector (easier credit and repayment terms), enhanced employment policies (unemployment insurance, recruitment subsidies, job creation programmes) and social programmes, especially conditional cash transfer programmes.

Overall, while the region as a whole responded to the financial crisis by giving social spending an openly countercyclical thrust, even more pronounced than non-social spending and consequently than total spending (see figure V.6), this conclusion does not always follow from an examination of figures for individual countries: although total public spending had a countercyclical bias, this was primarily due to the considerable growth in non-social public spending, often to the detriment of social expenditure. Nevertheless, it must be recalled that the expansion in non-social public spending had a social impact, primarily through employment generation and wage increases, which are not counted as social spending.

Lastly, among the 10 countries for which information is available for 2010 (Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Honduras, Mexico,

Paraguay and Peru), public spending appears to have been reduced in only four (Chile, Colombia, Cuba and Honduras), but continued to expand in the others, although to varying degrees: Ecuador saw the biggest increase in social spending; Dominican Republic and Peru made the biggest increases in non-social spending; Paraguay raised both at the same pace, while Mexico, in a context of fiscal

expansion, reduced its social spending. Of the four countries that cut spending in 2010, Chile and Colombia did so by reducing social expenditure but expanding non-social outlays. In contrast, Honduras did the opposite: it expanded social spending slightly and cut non-social spending more severely. Cuba shrank both forms of expenditure, although social spending was cut to a lesser extent.

**Table V.1**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): TOTAL PUBLIC SPENDING, NON-SOCIAL PUBLIC SPENDING AND SOCIAL SPENDING, AND ANNUAL RATES OF VARIATION, 2007-2010**  
*(Percentages of GDP and annual rates of variation)*

	Total public spending				Social public spending				Non-social public spending			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
Percentages of GDP												
Argentina	36.0	38.3	43.2	...	22.9	24.0	27.8	...	13.1	14.3	15.4	...
Bolivia (Plurinational State of)	41.9	45.1	45.0	...	17.4	18.4	...	...	24.5	26.7	...	...
Brazil	33.4	33.7	36.8	...	24.4	24.8	27.1	...	8.9	8.8	9.8	...
Chile	18.7	21.2	24.8	23.5	12.3	14.1	16.7	15.6	6.4	7.1	8.1	7.8
Colombia	17.5	18.1	20.8	19.8	12.7	12.6	14.5	13.6	4.8	5.5	6.3	6.2
Costa Rica	47.4	54.2	57.7	58.5	17.4	19.3	22.4	22.9	30.0	34.9	35.3	35.5
Cuba	68.2	78.1	75.6	70.0	36.9	40.7	40.7	38.2	31.3	37.5	34.9	31.8
Ecuador	...	33.1	36.2	37.4	8.8	7.3	9.4	9.8	...	25.8	26.9	27.6
El Salvador	25.2	26.5	33.1	...	11.3	12.3	13.0	...	13.9	14.2	20.0	...
Guatemala	14.3	13.6	14.2	...	7.2	7.0	8.1	...	7.1	6.6	6.1	...
Honduras	18.8	22.2	24.3	23.2	10.2	10.7	12.2	12.0	8.6	11.5	12.1	11.2
Jamaica	42.6	49.9	50.9	...	9.0	10.7	10.7	...	33.6	39.1	40.2	...
Mexico	16.9	18.3	20.7	20.2	9.6	10.0	11.2	11.3	7.4	8.3	9.5	8.9
Nicaragua	22.8	22.8	23.6	...	11.8	12.3	13.0	...	11.0	10.6	10.6	...
Panama	19.4	20.3	20.6	...	9.3	9.3	10.5	...	10.1	11.0	10.0	...
Paraguay	18.6	16.3	21.6	21.6	9.2	8.4	11.0	11.0	9.4	7.9	10.6	10.6
Peru	17.6	18.7	20.8	21.5	8.8	8.7	10.0	10.0	8.7	10.0	10.8	11.6
Dominican Republic	17.7	19.7	17.0	16.4	8.0	8.6	7.7	7.3	9.6	11.2	9.3	9.2
Trinidad and Tobago	27.4	35.1	...	...	8.9	12.1	...	...	18.5	23.0	...	...
Uruguay	30.8	28.7	28.0	...	22.0	21.7	23.3	...	8.8	7.1	4.6	...
Venezuela (Bolivarian Republic of) <sup>a</sup>	26.4	26.9	27.5	...	12.0	11.7	13.2	...	14.3	15.2	14.4	...
Latin America and the Caribbean	26.0	27.4	30.2	...	16.4	17.0	18.9	...	9.6	10.5	11.3	...
Annual rates of variation (base: constant dollars at 2005 prices)												
Argentina	19.9	13.5	13.7	...	19.5	11.9	16.8	...	20.8	16.4	8.5	...
Bolivia (Plurinational State of)	26.5	14.4	2.9	...	7.8	12.5	...	...	44.3	15.8	...	...
Brazil	9.8	6.2	8.7	...	9.1	7.0	8.3	...	11.8	4.0	9.7	...
Chile	8.1	17.3	15.3	-0.6	7.0	18.5	16.6	-1.7	10.3	15.1	12.8	1.6
Colombia	10.0	7.1	16.4	-0.6	12.8	2.8	16.4	-1.7	3.5	18.3	16.3	2.0
Costa Rica	6.5	17.5	5.1	5.5	11.0	14.0	14.7	6.4	4.0	19.5	-0.2	4.9
Cuba	15.8	19.2	-1.9	-5.5	23.6	14.7	1.5	-4.3	7.8	24.5	-5.6	-6.9
Ecuador	...	...	9.8	7.0	...	...	28.5	9.0	...	...	4.5	6.4
El Salvador	-4.2	6.3	20.9	...	-4.5	10.0	2.4	...	-3.9	3.2	37.1	...
Guatemala	3.5	-1.3	4.7	...	-1.2	0.0	15.9	...	8.8	-2.7	-7.0	...
Honduras	9.1	23.1	7.0	-1.9	12.0	9.2	11.6	1.3	5.8	39.6	2.7	-5.1
Jamaica	-8.7	16.5	-1.1	...	-7.5	19.3	-3.7	...	-9.1	15.7	-0.3	...
Mexico	8.3	9.8	6.2	2.8	3.7	5.9	5.6	6.0	14.9	14.9	7.0	-1.0
Nicaragua	2.7	2.9	2.0	...	8.6	7.2	4.3	...	-3.0	-1.7	-0.7	...
Panama	9.6	15.0	4.8	...	15.0	10.0	17.1	...	5.0	19.6	-5.6	...
Paraguay	-1.5	-7.1	27.8	15.0	5.6	-3.1	26.0	15.0	-7.5	-11.1	29.6	15.0
Peru	4.5	16.9	12.1	12.4	7.8	8.4	15.9	8.1	1.3	25.6	8.8	16.4
Dominican Republic	20.3	17.5	-10.7	4.1	10.5	12.1	-6.5	1.3	29.8	22.1	-14.0	6.4
Trinidad and Tobago	-10.3	31.0	...	...	10.5	39.0	...	...	-17.7	27.2	...	...
Uruguay	2.9	1.2	-0.1	...	15.5	7.0	10.5	...	-19.0	-13.1	-32.7	...
Venezuela (Bolivarian Republic of) <sup>a</sup>	-6.7	6.2	-0.8	...	-3.2	1.3	8.9	...	-9.4	10.3	-8.3	...
Latin America and the Caribbean	5.4	14.3	3.5	...	9.3	7.7	9.3	...	0.3	23.8	-3.6	...

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

<sup>a</sup> Figures for 2009 are estimated on the basis of information on social outlays.

## C. Social security in the region and prospects for establishing a universal floor for pension and retirement benefits

The labour market has not shown sufficient capacity to collect resources through social contributions in the amount needed to introduce non-contributory components in social protection systems. These problems were intensified by the reforms that fragmented social security systems and privatized management of their funds in many countries. Given the need to develop rights-based social protection systems that are funded through contributory and non-contributory mechanisms and have a redistributive element, there is a clear need over the medium term, and especially over the long term, to reform many of the social security systems both in terms of their structure and of their parameters, and to reinforce participation in increasingly formalized labour markets. Otherwise, over the longer term, there will be mounting difficulties in financing universal social protection in societies that are ageing and where the workforce is becoming proportionately smaller.

One of the ongoing challenges for countries of the region is to generate positive synergies between economic growth and social equity. This challenge arises in the context of modernization of the productive apparatus, which is aimed at enhancing human capacities, productive employment and citizen participation.

Within this framework, social policy has a fundamental role to play, but social protection systems must shift their focus in light of the new global order and its impact on national societies. In this regard, it must be recognized that the labour market has not been able to promote inclusiveness either by creating decent job opportunities or by increasing social security contributions. The region's labour markets have not succeeded in transforming themselves into a universal and dynamic gateway to social protection systems (ECLAC, 2006).

Consequently, social protection can no longer be restricted to contributory mechanisms mediated by the labour market. In addition to seeking ways to improve the capacity of domestic economies to generate decent jobs and extend the tax base, countries will have to guarantee adequate and stable financing to supplement employment-based protection with non-contributory protection mechanisms. The great challenge, then, is to rethink the redistributive dimension of social protection in a more integrated way

—i.e., both within and beyond the world of work—in order to develop systems that combine contributory and non-contributory mechanisms. Hence the importance of promoting non-contributory social protection mechanisms, which today are generally limited by fiscal constraints, meaning that in practice broad sectors of the population are excluded from formal protection systems.

Nevertheless, it must be recognized that the resources derived from contributory mechanisms are important for financing social protection, and in particular social security benefits. This calls for consideration of the possibilities and the constraints of those mechanisms for incorporating redistributive components into social protection for the elderly, with particular attention to the recent ECLAC proposal of a minimum universal pension (ECLAC, 2010d). Naturally, this margin of funding that could be devoted to non-contributory financing of social security will depend to a large extent on the current schemes for financing security systems and any needed reforms to them. As well, part of the additional resources that could be collected through a stronger labour market can be earmarked to other non-contributory components of social protection, for example by devoting a portion of contributions to childhood in the name of intergenerational solidarity.

The following pages examine the current and potential capacities for contributory financing of social security. This is compared with the total volume of retirement and pension transfers and the challenges of financing a basic universal old-age pension. The section examines countries' possibilities to finance a universal

social protection system for the elderly that combines contributory and non-contributory components through the labour market. This could also expand the volume of resources derived from other financing sources in order to build a social protection system that will cover other segments of the population.

## 1.

### Social security systems in the region

During the 1990s and the first decade of this century, countries of the region instituted structural and parametric reforms in pensions and health systems. The structural reforms have closed public systems (or social insurance systems) or have transformed them in fundamental ways, making them either wholly or to a large extent private. The parametric (non-structural) reforms have tended to strengthen public systems over the long term, regulating them, boosting contributions, improving efficiency, controlling costs and, in the case of pensions, raising the retirement age, restricting the calculation formula, or doing both.

In Latin America, 10 countries that had pension systems characterized by defined benefits and undefined contributions, a pay-as-you-go financing regime or partial collective capitalization and public administration have replaced those systems by one that entails defined contributions, undefined benefits (determined by the amount of salary, contributions paid in, earnings on investment and macroeconomic variables), a fully capitalized financing regime with individual accounts, and private management.

Those reforms have been tailored according to at least three models: (i) the substitution model, found in Chile (which pioneered it in 1981), Dominican Republic (not

completed), El Salvador, Mexico and Plurinational State of Bolivia, "closes" the public system (no new members allowed) and replaces it by a private one; (ii) the parallel system (Colombia and Peru) does not close the public system, but reforms its parameters, creates a new private system, and puts them in competition; (iii) the mixed model, introduced in Argentina (where it was converted to a public system in 2008), Costa Rica, Panama (since 2008) and Uruguay, combines a public programme, which is not closed and offers a basic pension (first pillar) with a private programme that offers a supplementary pension (second pillar).

In 2008, Chile introduced a comprehensive new reform that added a greater element of social solidarity to the private system, while Argentina closed the private system and transferred all its members and funds to the public system; Plurinational State of Bolivia is examining a new reform, and Dominican Republic allowed persons who had migrated to the private system to return to the public system. The remaining 10 Latin American countries still have entirely public systems, and several (most recently Brazil and Cuba) have introduced parametric reforms. Countries of the English-speaking Caribbean also have public systems and have not made any structural reforms (Mesa-Lago, 2009).

## 2.

### Current levels of social security enrolment and coverage of social security benefits and pensions

The levels of enrolment in social security among the working population showed a sharp drop during the 1990s, due not only to the reforms of social security systems but also, and more importantly, to labour market reforms that were intended to bring greater hiring flexibility and that in most countries had the effect of making jobs more precarious, particularly with respect to social benefits. The first decade of the 21st century, however, has witnessed

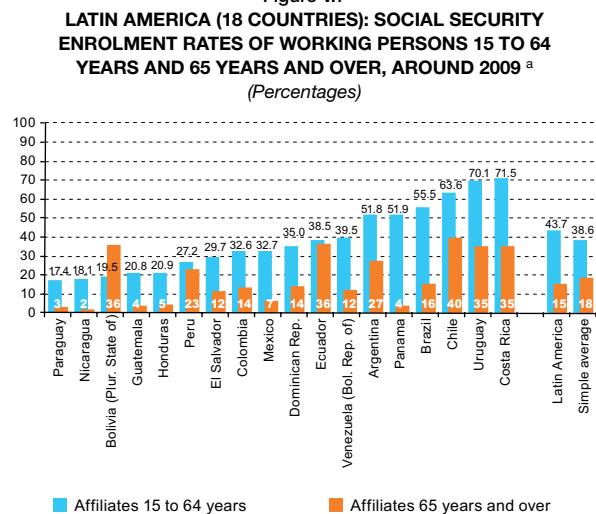
a slight increase in the weight of the formal sector of the economy and in social security enrolment (ECLAC, 2008). Currently, less than 44% of the working population up to 64 years of age is enrolled in social security<sup>1</sup> (with a simple average among countries of 39%), a figure that represents

<sup>1</sup> This does not necessarily mean that they have contributory continuity and, over the long run, the years of contributions required by law.

around 91 million workers (projected that nearly 102 million for 2012). Chile, Costa Rica and Uruguay have relatively high enrolment rates (about 60%); at the other extreme, Guatemala, Honduras, Nicaragua, Paraguay and Plurinational State of Bolivia have rates of 20% or less.

On the other hand, a relatively significant proportion of persons over the normal retirement age (65 years) are still working and paying social contributions: around 15% of older workers (or some 1.5 million people) are still enrolled in and contributing to social security. The fact that people are still contributing at post-retirement age reflects in many cases a need to keep working in order to maintain living standards, for which the social benefits to which they are entitled would be clearly inadequate (see figure V.7).

Figure V.7



**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.

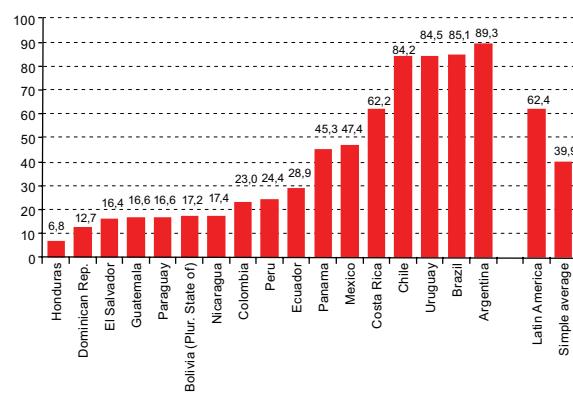
<sup>a</sup> Averages do not include the Bolivarian Republic of Venezuela, as the survey for that country does not distinguish retirement and pension benefits from other transfers. The figure for Argentina refers to urban areas.

Regionwide, 62% of older persons are receiving some form of pension or retirement benefit (23.5 million persons projected for 2012). Coverage is particularly high in Argentina, Brazil, Chile and Uruguay, with Costa Rica slightly behind. On the other hand, in Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay and Plurinational State of Bolivia fewer than 20% of older adults have social security and pension coverage (see figure V.8).

As would be expected, there is a high correlation between levels of social security enrolment and coverage among older persons, as can be appreciated from figure V.9. Yet as noted earlier, some older persons continue to work and to be enrolled in social security, reflecting the inadequate benefits to which they would be entitled (in

addition to older persons who are supplementing their retirement benefits or pensions through work), which, other things being equal, would imply lower coverage than the enrolment rates observed, as is the case in Colombia, Dominican Republic, Ecuador, El Salvador and Honduras. On the other hand, in countries with broader coverage (Argentina, Brazil and Chile), non-contributory pensions are more prevalent: in other words, they have more highly developed old-age protection, expressed in greater levels of coverage for a given degree of enrolment

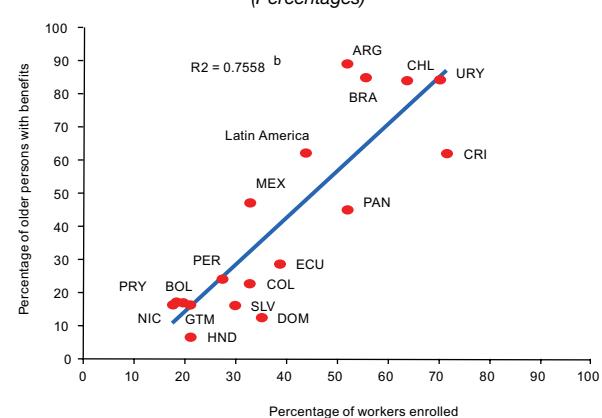
**Figure V.8**  
**LATIN AMERICA (17 COUNTRIES): COVERAGE OF PENSIONS AND RETIREMENT BENEFITS AMONG THE OVER-65 POPULATION, AROUND 2009<sup>a</sup>**  
(Percentages)



**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.

<sup>a</sup> Data for Argentina refer to urban areas only.

**Figure V.9**  
**LATIN AMERICA (17 COUNTRIES): RATIO OF SOCIAL SECURITY ENROLMENT LEVELS FOR EMPLOYED PERSONS AND RETIREMENT BENEFIT AND PENSION COVERAGE AMONG THE OVER-65 POPULATION, AROUND 2009<sup>a</sup>**  
(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.

<sup>a</sup> Data for Argentina refer to urban areas only.

<sup>b</sup> Pearson's correlation coefficient squared.

### 3.

## Current social contribution levels (regardless of system) and total funding earmarked for pensions and retirement benefits

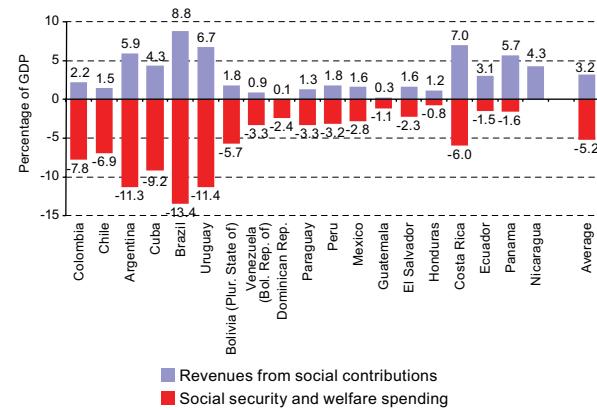
In the current decade, the thrust of government policies reveals a greater public commitment to protecting against events that involve loss of household income and combating income poverty and exclusion. That thrust also reflects the notion of equal rights and not only of equal opportunities, for it is by virtue of rights, given their universality, that societies can move from a targeted approach to a more universalist one, and from models focused on individual capitalization to systems that explicitly include mechanisms of solidarity for those who cannot finance their own well-being. These new outlooks, then, seek to combine the fight against poverty with the fight against inequality and the promotion of social cohesion. They strive to achieve this through an array of social programmes designed to articulate the achievements of traditional social security with the provision of social services, and the range of welfare programmes. In this sense, the “solidarity” (redistributive or non-contributory) pillar has now gained recognition in debates and on the public agenda is a key feature of social protection systems.

There is a clear meaning to this debate. Resources collected through public contributory systems fall far short of public spending on social security. When spending associated with other social welfare programmes is added in, public financing through social contributions is clearly in deficit, which means drawing upon general government revenues (see figure V.10). The few exceptions to this rule occur precisely in countries where a lower proportion of older persons are receiving pensions and retirement benefits.

Moreover, an examination of government revenue and expenditure as a whole shows that most countries of the region are facing great funding constraints and, indeed, fiscal deficits in implementing their overall budgets, and this reduces still further the prospect for boosting social welfare financing through non-contributory mechanisms (ECLAC, 2011). Given these constraints, any significant increase in the volume of funding earmarked

for non-contributory social protection will require a restructuring of government spending or an increase in the tax burden. One way to achieve that increase is to strengthen and formalize the labour market, which would yield greater proceeds from social contributions and from direct and indirect taxes. In many countries, this would mean a significant overhaul of social security systems, which today are to a large extent privatized and which, although they allow the introduction of redistributive components for the most vulnerable population, make it very difficult to earmark funds for other non-contributory social protection programmes.

**Figure V.10**  
**LATIN AMERICA (19 COUNTRIES): REVENUES FROM SOCIAL CONTRIBUTIONS AND PUBLIC SPENDING ON SOCIAL SECURITY AND WELFARE, AVERAGE FOR 2008-2009<sup>a</sup>**  
*(Percentages of GDP)*



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

<sup>a</sup> Institutional coverage of public revenues from social contributions is: general government for Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba and Ecuador. In other cases, central government. Social security accounts for around 80%-85% of total public spending on security and welfare. The institutional coverage is: central government in Bolivarian Republic of Venezuela (actual outlays), Chile, Colombia, Cuba, Dominican Republic, Ecuador, Guatemala, Panama and Uruguay (consolidated); budgetary central government in Honduras and Paraguay; general government in Argentina, El Salvador and Peru; budgetary public sector in Mexico; non-financial public sector in Brazil and Plurinational State of Bolivia; public sector in Costa Rica. Countries are listed by decreasing deficit level. No information is available on social security spending in Nicaragua.

### 4.

## Potential revenues from social contributions

In most countries public, mixed and private systems coexist. Generally speaking, the funds collected are managed by one or more autonomous public agencies or by private organizations: these bodies provide the various benefits

defined by law (although the law does not necessarily stipulate the amount of the benefit), they invest the assets in fixed or variable income instruments, and they are paid a management fee. Depending on the country, the

worker will be responsible for paying the contributions, and this responsibility may be shared by the employer and, to a lesser extent, the state. These contributions are earmarked for one or several funds or agencies, depending on the country, that provide different types of specific benefits. A portion of the contribution may be earmarked for “solidarity” purposes, particularly in countries where the State also contributes.

The potential funds available for financing all social security benefits and pensions can be approximately estimated on the basis of workers basic taxable income. For analytical purposes, the estimate was based on the

parameters and makeup of the contribution applied in each country, and did not include contributions for health coverage (see box V.2). This estimate of contributory capacity refers only to potential and not actual revenue flows, recognizing the variability of unemployment and the contribution gaps this may generate, as well as the fact that firms and workers will not always make their mandatory and voluntary contributions. Consequently, the calculation of available contributory resources does not claim to be accurate, but rather to establish orders of magnitude that can serve as a benchmark for comparisons between countries and across time.

#### Box V.2

#### PROCEDURE FOR ESTIMATING AND PROJECTING THE TOTAL VOLUME OF POTENTIAL SOCIAL SECURITY CONTRIBUTIONS ON THE BASIS OF HOUSEHOLD SURVEYS

Estimates and projections of the potential volume of collectible funds in the social security area (social contributions) included in this chapter

were obtained using information received from each country on social security and health contributions. In particular, these data relate

to contributions that by law must be paid by each worker affiliated with social security and health systems, as shown in the following table:

**WORKERS' SOCIAL SECURITY AND HEALTH CONTRIBUTIONS AND SOCIAL SECURITY CONTRIBUTIONS OF OTHER AGENTS**  
(Percentages of gross remuneration)

Country	Factor for obtaining taxable remuneration	Contribution of each agent as a percentage of the worker's taxable remuneration			Sum of contributions
		Worker	Employer	State	
Argentina	17	11	16	0	27
Bolivia (Plurinational State of)	12.21	10	1.71	0	11.71
Brazil	8	8	20	0	28
Chile	17	10	0	0	10
Colombia	7.875	3.875	11.625	0	15.5
Costa Rica	8	2.5	4.75	0.25	7.5
Dominican Republic	5.91	2.87	7.1	0	9.97
Ecuador	8.64	6.64	3.1	0	9.74
El Salvador	6.25	3.25	6.75	0	10
Guatemala	4.83	1.83	3.67	0	5.5
Honduras	3.5	1	2	1	4
Mexico	3.84	1.125	5.15	0.1125	6.3875
Nicaragua	6.25	4	7	0	11
Panama	9	8.5	4.5	0.8	13.8
Paraguay	9	9	14	0	23
Peru	14	10	0	0	10
Uruguay	18	15	7.5	0	22.5
Venezuela (Bolivarian Republic of)	4.22	1.93	4.82	0	6.75
Simple average (excludes contributions equal to zero)	9.1	6.1	7.5	0.5	12.9

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information provided by the respective countries and Social Security Administration, Social Security Programs Throughout the World: The Americas, 2007, No. 13-11804, Washington, D.C., March 2008.

As a rule, household surveys record workers' net remuneration; for this reason,

an estimate was made of gross remuneration for employed persons who declared that

they were enrolled in social security and health systems, using the following formula:

$$Y_b = \frac{Y_n}{(1 - (F/100))}$$

where  $Y_b$  is taxable remuneration,  $Y_n$  is net remuneration reported in each household survey, and  $F$  is the factor corresponding to the percentage withholdings for the worker (column 1 of the table).  $F$  consists

of the Social Security withholding (column 2) and the health withholding (column 1 minus column 2).

Next, the Social Security percentages of withholding or payment for each agent

(worker, employer, state) were applied as a function of that taxable remuneration, and were analysed and expressed in 2005 dollars:

## Box V.2 (concluded)

$$V_i = \left( (Y_b \cdot (A_i/100)) \cdot 12 \right) / \left( IPC_{ref} / IPC_{2005} \right) / TC_{2005}$$

where  $V_i$  is the amount of contribution  $A_i$  of agent  $i$  (columns 2, 3 and 4 of the table) obtained from the taxable remuneration of each affiliated worker, expressed in 2005 dollars.  $IPC_{ref}$  is the value of the consumer price index for the survey reference period,  $IPC_{2005}$  is the average CPI for the year 2005 and  $TC_{2005}$  is the average exchange rate for the year 2005 (series  $r_f$ ). The sum of all potentially collectible resources was expressed in 2005 dollars in order to state it as a percentage of GDP in that currency. This percentage was projected in accordance with the latest available estimates from ECLAC and from the Economist Intelligence Unit ([www.eiu.org](http://www.eiu.org)), updated to the end of September 2011, which provides projections to 2015. From there out to 2030, average estimated growth between 2010 and 2015 was used as the GDP projection factor.

It must be noted that the estimated collectible resources are only potential, as the surveys provide no information on

the continuity of workers' payments over the year, episodes of unemployment, and the effective contribution to social security systems. Moreover, allowance must be made for the practice, common with household surveys, of underreporting income, particularly the earnings of independent workers, who as voluntary affiliates are more likely not to make their contributions.

On the other hand, where there are various social security subsystems or laws that differentiate among types of workers or levels of remuneration, the parameters of the general regimes or the contribution percentages of the largest group of affiliated workers were used.

In making the projections, the percentage of affiliated workers was kept constant, as were the employment rates (with the only variant being the number of workers). Social security payments were projected while keeping constant the percentage of persons over 65 with

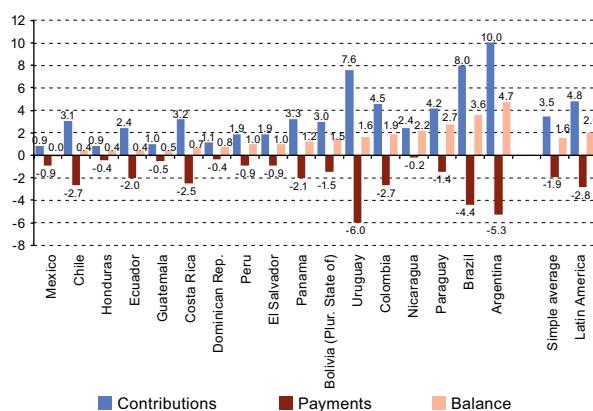
retirement or pension coverage (with the only variant being the number of older persons). Taxable remuneration, contributions and pension payments were projected using a real growth rate equivalent to one half the projected GDP growth rate.

In light of all these considerations, and the fact that countries may have a combination of public, private and mixed social security systems, and that consequently collections are not necessarily managed by a single social security fund, the figures estimated and projected here are only reference values and represent orders of magnitude for inter-country comparison and for illustrating social security financing capacities and needs over time, as well as the possible effects of changing the level of affiliation or the percentages of contribution, among other things. The projections, then, do not claim to portray precisely the available resources in countries' social security systems.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information provided by the respective countries and *Social Security Programs Throughout the World: The Americas*, 2007, No. 13-11804, Washington, D.C., March 2008.

According to the projections conducted, in 2012 no country should encounter a shortfall between the total of funds potentially collectible for social security and the outlays needed to cover all retirees and pensioners. Countries would in fact run a surplus, projected at an average of 1.6% of GDP (see figure V.11).

**Figure V.11**  
**LATIN AMERICA (17 COUNTRIES): PROJECTED TOTAL VOLUME OF FUNDS RECEIVABLE FOR SOCIAL SECURITY AND PAYMENT OF RETIREMENT BENEFITS AND PENSIONS, 2012<sup>a</sup>**  
(Percentages of GDP)



**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; Economist Intelligence Unit [www.eiu.org](http://www.eiu.org) for official GDP and growth projections by country

<sup>a</sup> Countries are listed according to the balance between contributions and payments. Contributions intended to finance health benefits, in whole or in part, are excluded from the total.

Whether or not all or a portion of the additional funds will be available depends to a large extent on the design of the social security systems which, as discussed earlier, are fragmented and at least partially privatized in nearly all countries. Yet, assuming that social security systems can be reformed and that these resources can be managed as a whole, it is clear that most countries would be in a position to incorporate or strengthen the redistributive pillar in order to offset differences in retirement transfers, extend the coverage of such transfers and of non-contributory pensions, and even establish a non-contributory pillar to supplement financing for other components of the social welfare system. Of course, attention will have to be paid to securing an adequate return on funds in order to ensure their long-term sustainability, given the ageing population profile and the imminent disappearance of the demographic bonus in many countries of the region.

The medium-term outlook is by no means bleak. According to long-term projections, and assuming no increase in labour market participation rates, in enrolment rates, or in the percentage cover of old-age security, the demographic impact of the change in the size of the workforce and the number of older persons would still leave a surplus of contributory funds in most countries, at least until 2030. With the exception of Chile, Colombia, Costa Rica, Ecuador and Mexico, the long-term projections indicate that the annual balance of funds earmarked for social security is positive, although it tends to decline

(see table V.2). It is the countries that have relatively younger populations but at the same time higher rates of poverty and lower levels of relative development that

will gradually come to enjoy a greater margin of available resources, even without considering the cumulative return to those funds over the period analysed.

**Table V.2**  
**LATIN AMERICA (17 COUNTRIES): PROJECTED ANNUAL BALANCE OF SOCIAL SECURITY INCOME AND EXPENDITURES,  
 2012, 2015, 2020, 2025 AND 2030<sup>a</sup>**  
 (Percentages of GDP)

	2012	2015	2020	2025	2030	Long-term situation
Argentina	4.7	4.6	4.1	3.6	3.1	Small surplus
Bolivia (Plurinational State of)	1.5	1.5	1.5	1.4	1.3	Surplus maintained
Brazil	3.6	3.2	2.3	1.4	0.3	Small surplus
Chile	0.4	0.2	-0.2	-0.7	-1.3	Progressive deficit
Colombia	1.9	1.6	1.0	0.3	-0.4	Progressive deficit
Costa Rica	0.7	0.5	0.0	-0.6	-1.3	Progressive deficit
Ecuador	0.4	0.4	0.1	-0.1	-0.4	Progressive deficit
El Salvador	1.0	0.9	0.9	0.9	0.9	Surplus maintained
Guatemala	0.5	0.5	0.5	0.6	0.6	Surplus maintained
Honduras	0.4	0.4	0.4	0.4	0.3	Surplus maintained
Mexico	0.0	-0.1	-0.2	-0.4	-0.6	Progressive deficit
Nicaragua	2.2	2.3	2.3	2.3	2.2	Surplus maintained
Panama	1.2	1.0	0.7	0.4	0.0	Small surplus
Paraguay	2.7	2.7	2.6	2.4	2.1	Small surplus
Peru	1.0	0.9	0.8	0.6	0.4	Small surplus
Dominican Republic	0.8	0.7	0.7	0.6	0.5	Small surplus
Uruguay	1.6	1.5	1.2	0.8	0.4	Small surplus
Average	1.4	1.3	1.1	0.8	0.5	...

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; Economist Intelligence Unit [www.eiu.org](http://www.eiu.org) for official GDP and growth projections by country.

<sup>a</sup> Projections are based on the assumption that levels of social security enrolment and coverage recorded in the surveys and the participation rates and contribution parameters remain the same, while GDP and numbers of employed and of the older population vary and wages increase in real terms by half the rate of GDP growth.

## 5.

## Establishing a universal minimum old-age pension

Social protection cannot rely exclusively on contributory systems linked to the labour market, and this calls for a rethinking of redistribution mechanisms (ECLAC, 2006). Social security systems have provided only very limited coverage for the rural population. Yet an even greater constraint has been that imposed by the extensive informality in the region's economies. Given the proportion of women among the older population and the fact that few of them have pursued careers that would entitle them to retirement benefits, pension systems must either recognize the cost in employment continuity and quality foregone by those who shoulder the burden of unpaid work or they must de-link a large share of future pensions from the formal labour market.

In the wake of the social security reforms, many governments have been attempting to offset the negative distributive effects of the reform through new public programmes. In particular they have begun to consider the most reasonable ways to ensure coverage for those who cannot build up the level of contributions required

by legislation. This implies significant strengthening of the non-contributory component and generates fiscal pressures.

Following attempts to combine stratified pay-as-you-go contributory systems and privately administered individual capitalization models, public debate and policies are now embracing the option of non-contributory uniform pensions, whether universal or targeted (ECLAC, 2006; Filgueira and others, 2006; Tanzi, 2008). These systems or instruments are intended to guarantee a basic level of income that is fiscally sustainable and fairer from an intergenerational viewpoint. In Argentina, Brazil, Chile, Plurinational State of Bolivia and Uruguay (at the provincial and national levels) as well as in Mexico (Federal District and some states) it has been found that a basic guarantee for older persons can be both fiscally prudent and socially desirable if subsidies to the better-off retirees and pensioners (generally men) are limited.

In a recent document prepared for its thirty-third session, entitled *Time for equality: closing gaps, opening*

*trails*, ECLAC proposes a universal pension for older persons, regardless of their income levels and the other social services to which they may be entitled. It also estimates the cost of a targeted pension for older persons in households with per capita incomes that leave them vulnerable (incomes equal to 1.8 times the poverty line or less in each country).

The annual transfer cost for a minimum universal pension equal to the value of the basic-needs basket in each country (the national poverty line) varies

between 0.84% and 2.62% of GDP in 2012 (see table V.3). Inter-country differences are due primarily to the interaction between the age profile, the individual cost of the transfer, and the country's relative level of development. For this reason, the countries that would have to devote the most resources as a percentage of GDP are the poorest countries of the region (Ecuador, El Salvador, Guatemala, Nicaragua, Paraguay and Plurinational State of Bolivia), together with the country with the oldest population (Uruguay).

**Table V.3**  
**LATIN AMERICA (18 COUNTRIES): OLDER POPULATION AND RATES OF POVERTY AND VULNERABILITY, AROUND 2009,  
ESTIMATED ANNUAL COST OF UNIVERSAL AND TARGETED PENSIONS, 2012<sup>a</sup>**  
*(Percentages of persons and of GDP)*

Country	Percentage of older persons around 2009	Cost of universal minimum pension	Older persons living in...		Cost of targeted minimum pension	Balance between social contributions minus retirement allowances and current pensions and...	
			Poverty	Vulnerability <sup>b</sup>		Payment of universal pension	Payment of targeted pension
	Percentage of persons	Percentage of 2012 GDP	Percentage of persons	Percentage of 2012 GDP			
Argentina	10.6	1.53	3.0	11.9	0.08	3.21	4.67
Bolivia (Plurinational State of)	5.8	1.99	51.2	71.0	1.37	-0.48	0.13
Brazil	7.9	1.14	4.9	17.0	0.16	2.45	3.43
Chile	10.8	1.03	5.8	25.3	0.26	-0.61	0.15
Colombia	6.7	1.76	39.7	61.7	1.06	0.11	0.82
Costa Rica	7.2	1.13	19.3	46.9	0.53	-0.43	0.18
Ecuador	8.1	2.60	29.1	56.2	1.34	-2.15	-0.89
El Salvador	7.4	2.08	42.7	72.4	1.50	-1.11	-0.53
Guatemala	4.7	2.27	43.3	68.4	1.51	-1.81	-1.05
Honduras	5.4	1.95	66.6	84.1	1.61	-1.51	-1.17
Mexico	6.7	1.27	26.8	55.1	0.67	-1.28	-0.69
Nicaragua	5.1	2.62	52.5	78.8	2.01	-0.40	0.20
Panama	8.3	0.84	21.9	44.6	0.38	0.36	0.82
Paraguay	7.0	2.38	51.6	77.0	1.86	0.34	0.86
Peru	8.2	1.25	29.1	55.8	0.68	-0.29	0.28
Dominican Republic	7.1	1.32	45.9	65.6	0.85	-0.56	-0.09
Uruguay	14.5	2.29	2.1	13.1	0.74	-0.69	0.86
Venezuela (Bolivarian Republic of)	5.5	1.60	20.6	47.0	0.69	...	...
Latin America	7.5	1.33	18.3	37.2	0.48	...	...
Simple average	7.6	1.73	30.9	52.9	0.96	...	...

**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; Economist Intelligence Unit [www.eiu.org](http://www.eiu.org) for officially GDP and growth projections by country.

<sup>a</sup> Pension equivalent to the value of the national poverty line. The targeted pension is for older persons living in households with per capita incomes of 1.8 poverty lines or less.

<sup>b</sup> Includes older persons living in poverty.

Naturally, targeting the transfer at vulnerable older persons entails a much lower cost per year, although the difference within each country between the cost of a universal pension and the cost of a targeted pension will depend to a great extent on the incidence of poverty and vulnerability in the total population, and particularly among older persons. Indeed, it is the relatively less developed countries that have the greatest levels of income vulnerability among their older population: El Salvador, Guatemala, Nicaragua, Paraguay and Plurinational State of Bolivia.

An analysis of the annual resources available from social security as a source of financing the universal or targeted pension in 2012 (last two columns of box V.3) shows that, for the universal pension, Chile, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Peru, Plurinational State of Bolivia and Uruguay would need additional funds from other sources. On the other hand, for a targeted pension only Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras and Mexico would need additional funds.

## Box V.3

**METHODOLOGY FOR ESTIMATING THE COST OF A UNIVERSAL MINIMUM PENSION FOR OLDER PERSONS**

The cost of a universal minimum pension for persons 65 years and over was first estimated for the recent document *Time for equality: closing gaps, opening trails*, presented at the thirty-third session of ECLAC. The figures shown here have been updated on the basis of microdata from household surveys for

the most recent years, parameterized with the most recent national accounts data to estimate costs in GDP terms. The model allocates an amount equivalent to one poverty line to each eligible older person (under the universal and targeted transfer scenarios) and computes the new household

income. In this way, besides estimating the aggregate transfer, poverty and inequality indicators can be re-estimated and the impact of the transfer on those indicators can be simulated.

The mathematical procedure used is fairly simple:

$$\text{Cost \% GDP} = \left( \frac{\left[ \left( \sum_{i=1}^q p_i * B \right) * 12 \right] * ER}{GDP} \right) * 100$$

where  $q$  represents the eligible population,  $p_i$  represents each person eligible, and  $B$  represents the benefits stipulated for that population. The figure resulting from this simulation is multiplied by 12 (annualized monthly benefit) and expressed in dollars at

the exchange rate  $ER$ . This amount is divided by GDP and multiplied by 100 to express the fiscal cost of benefits as a percentage of GDP.

In this chapter, these costs have been projected to 2030 taking into account the absolute increase in the older population

and, for the vulnerable older population, a reduction in the percentage of persons in that situation based on the vulnerability-growth elasticity observed in the period 2002-2009, using household surveys and growth projections to 2030.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), *Time for equality: closing gaps, opening trails* (LC/G.2432(SES.33/3)), Santiago, Chile, 2010.

It is important to note that some countries could fall into deficit in the payment of contributory retirement benefits and pensions (see tables V.2 and V.4). In fact, even assuming centralized management of social security contributions and a cumulative return over time equal to 2% per year on the funds available after payment of the respective obligations, under current labour market conditions (unemployment, participation rate, informality and level of affiliation, among others), Chile would find itself in deficit in 2025, Costa Rica in 2028, and Mexico in 2013, and these countries would have to resort to additional financing sources to pay social security obligations.

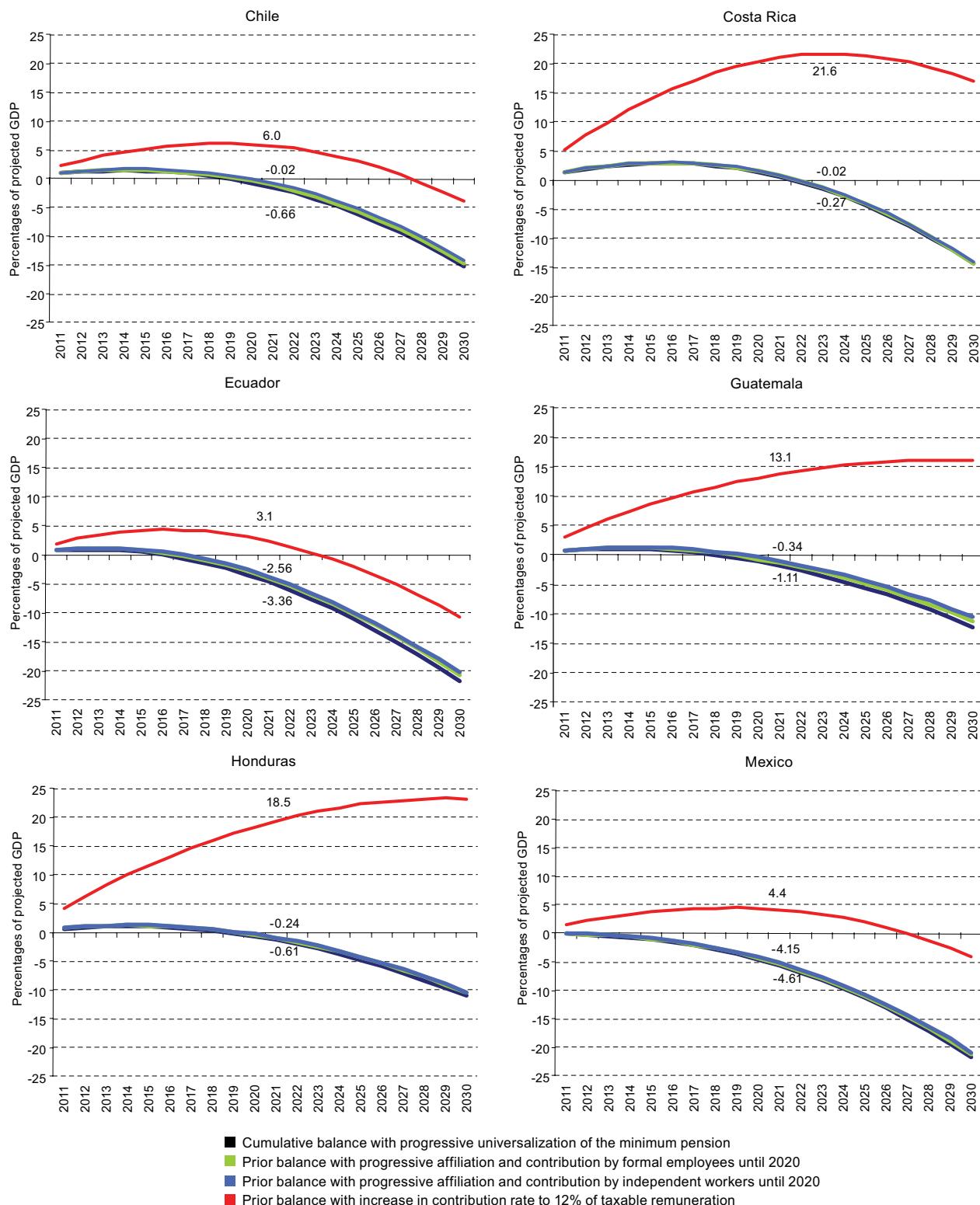
In the foregoing scenario, with an annual return of 2%, but with gradual expansion of the universal minimum pension to 100% coverage in 2030, more countries would at some point fall into a deficit situation: Mexico would see a deficit in the short term, while Ecuador would do so around 2017, Guatemala and Honduras in 2019, Chile in 2020, Costa Rica in 2022, Colombia and El Salvador in 2029, and Dominican Republic in 2030. Meanwhile, in Panama, Peru and Uruguay the funds available for paying pensions would gradually decline to around 3% of projected GDP in 2030.

One possible way of addressing the progressive deficit that could arise in the countries indicated is to strengthen labour markets by encouraging affiliation by both dependent

and independent workers in high productivity sectors. For example, if the affiliation rate for these workers (without considering the low-productivity sectors) were extended to reach full coverage between 2012 and 2020, in the latter year the deficit in Chile would drop from 0.7% of GDP to 0.02% of GDP, in Ecuador from 3.4% to 2.6% of GDP, in Costa Rica from 0.3% to 0.02% of GDP (in 2022, the first deficit year), in Guatemala from 1.1% to 0.3% of GDP, in Honduras from 0.6% to 0.2% of GDP, and in Mexico from 4.6% to 4.1% (see figure V.12). In the remaining countries (Colombia, Dominican Republic and El Salvador) the deficit would be virtually eliminated with such measures, at least until 2030.

Bearing in mind the need to move gradually in establishing a universal pension, whether by progressively extending its coverage or increasing the amount, and recognizing that pension funds not used up each year for these or other expenditures can earn yields on the international market, a medium and long-term financing and expenditure strategy can be designed to forestall a structural deficit in retirement benefit and pension payments already committed, making it possible to universalize (or generalize) the minimum old-age pension and even to finance other non-contributory components of a basic, rights-based social welfare system in many countries of the region.

**Figure V.12**  
**LATIN AMERICA (6 COUNTRIES): PROJECTED ACCUMULATION OF SOCIAL SECURITY FUNDS, 2011-2030<sup>a</sup>**  
*(Percentages of projected GDP)*



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; Economist Intelligence Unit [www.eiu.org](http://www.eiu.org) for official GDP and growth projections by country.

<sup>a</sup> Assuming an annual return of 2%, after payment of retirement benefits and a progressive minimum pension, extending affiliation to all workers in the formal sector and raising the contribution rate.

One way of securing long-term financing—particularly in countries that would face a social security funding deficit within the period under review, even if affiliation and the systems were strengthened—is to undertake some kind of parametric reform, specifically in the level of contributions (percentage of gross remuneration contributed). In all countries that would fall into deficit even if the labour market were strengthened, the legal percentage of withholding from taxable remuneration is below the regional median (12.8% of gross remuneration): in Chile it is 10%, in Costa Rica 7.25%, in Ecuador 9.74%, in Guatemala 5.5%, in Honduras 3%, and in Mexico 6.75% (with the exception of the Federal District, where the State contribution is greater). If these countries were to increase the contribution rate to 12%, they would eliminate the deficit, or at least postpone it by several years, as can be seen in figure V.12 (red line). In countries where the amount of withholding is closer to this benchmark (Chile and Ecuador), the effect of this change would be to cover the projected deficit for a few more years, although other, additional financing mechanisms would have to be used prior to 2030 for contributory and non-contributory social security payments.

In sum, the evidence indicates that several countries could begin to run deficits associated with retirement and pension benefits, particularly if they introduce a minimum pension, even if its coverage were extended only gradually. Within the period under review, most countries would have no great problem in financing both compulsory social

security and the minimum pension, and even other social welfare programmes, but over a longer time horizon they can be expected to encounter difficulties with financing from labour market-sourced contributions.

It is absolutely essential, then, to re-think social protection on the basis of non-contributory systems, as the current functioning of Latin American labour markets—even if the great majority of workers were ultimately formalized over the medium term—cannot ensure the future of a rights-based social protection system exclusively through contributions. In the long run, social security systems will need to be restructured, and parametric reforms will be required, not only to strengthen their redistributive aspect but also to incorporate non-contributory financing components. This will mean broadening the funding base collected by other means. It will require the negotiation of new fiscal covenants that will make economic and social development sustainable over the long term.

Equality of rights provides the normative framework and the basis for social covenants that will create greater opportunities for those who have less, while promoting social integration and cohesion and, consequently, new social compacts. A fiscal covenant that calls for a more redistributive tax structure and burden, capable of strengthening the role of the State and of public policy in order to guarantee thresholds of well-being, is part of the equality agenda, one that includes but goes beyond the creation of labour institutions that will protect employment security.

**LATIN AMERICA (17 COUNTRIES): PROJECTIONS OF GDP, POTENTIAL SOCIAL SECURITY CONTRIBUTIONS, AND RETIREMENT BENEFIT AND PENSION PAYMENTS**  
*(Millions of 2005 dollars and percentages of projected GDP)*

Country	Indicator	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Argentina <sup>a</sup>	GDP in millions of 2005 dollars	253 746	275 568	289 071	300 684	312 058	323 292	334 607	349 110	364 241	380 027	396 498	413 683	431 613	450 320	469 837	490 201	511 447	533 614	556 742
	Social security contributions	10.0	10.0	9.9	9.9	9.8	9.7	9.7	9.6	9.5	9.4	9.3	9.2	9.1	8.9	8.8	8.7	8.6	8.5	8.4
	Retirement and pension payments	5.4	5.3	5.3	5.3	5.3	5.3	5.3	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.4	5.3	5.3
Bolivia (Plurinational State of)	GDP in millions of 2005 dollars	11 954	12 480	12 967	13 511	14 030	14 569	15 128	15 709	16 312	16 938	17 589	18 264	18 964	19 694	20 450	21 235	22 050	22 897	23 776
	Social security contributions	3.0	3.0	3.0	3.1	3.1	3.1	3.1	3.1	3.1	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3
	Retirement and pension payments	1.4	1.4	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.8	1.8	1.8	1.8	1.9	1.9
Brazil	GDP in millions of 2005 dollars	1 092 702	1 132 039	1 175 057	1 230 285	1 291 799	1 347 346	1 407 977	1 458 348	1 510 522	1 564 562	1 620 535	1 678 511	1 738 561	1 800 760	1 865 183	1 931 912	2 001 027	2 072 616	2 146 765
	Social security contributions	8.0	7.9	7.8	7.8	7.7	7.7	7.6	7.6	7.5	7.4	7.4	7.3	7.3	7.2	7.1	7.0	7.0	6.9	6.8
	Retirement and pension payments	4.2	4.3	4.4	4.5	4.5	4.6	4.7	4.8	4.9	5.1	5.2	5.3	5.4	5.6	5.7	5.8	6.0	6.1	6.2
Chile	GDP in millions of 2005 dollars	138 703	147 996	155 100	162 700	170 510	178 684	187 083	194 058	201 283	208 777	216 550	224 612	232 974	241 648	250 644	259 975	269 654	279 694	290 107
	Social security contributions	3.1	3.1	3.0	3.0	2.9	2.9	2.9	2.9	2.8	2.8	2.8	2.7	2.7	2.6	2.6	2.5	2.5	2.5	2.4
	Retirement and pension payments	2.6	2.6	2.7	2.7	2.7	2.8	2.8	2.8	2.9	3.0	3.0	3.1	3.1	3.2	3.3	3.4	3.4	3.5	3.6
Colombia	GDP in millions of 2005 dollars	183 150	192 307	201 923	211 009	220 083	229 546	239 187	248 963	259 139	269 730	280 754	292 229	304 173	316 604	329 544	343 013	357 033	371 625	386 814
	Social security contributions	4.5	4.5	4.5	4.5	4.5	4.5	4.4	4.4	4.3	4.3	4.3	4.2	4.2	4.1	4.1	4.0	4.0	4.0	3.9
	Retirement and pension payments	2.6	2.6	2.7	2.7	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.6	3.7	3.8	3.9	4.0	4.1
Costa Rica	GDP in millions of 2005 dollars	24 760	25 726	26 806	27 832	29 217	30 532	31 875	33 227	34 637	36 107	37 639	39 236	40 901	42 636	44 445	46 331	48 297	50 346	52 483
	Social security contributions	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.1	3.1	3.0	3.0	3.0	3.0	2.9	2.9	2.8	2.8	2.7	2.7
	Retirement and pension payments	2.4	2.4	2.5	2.5	2.6	2.6	2.7	2.7	2.8	2.9	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.9
Ecuador	GDP in millions of 2005 dollars	44 021	48 222	48 210	50 283	52 596	55 015	57 326	59 833	62 450	65 182	68 033	71 008	74 114	77 336	80 739	84 271	87 957	91 804	95 819
	Social security contributions	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3
	Retirement and pension payments	1.9	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.6
El Salvador	GDP in millions of 2005 dollars	18 352	18 756	19 225	19 821	20 475	21 294	22 103	22 521	22 947	23 380	23 822	24 272	24 731	25 198	25 674	26 160	26 654	27 158	27 671
	Social security contributions	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.0	2.0
	Retirement and pension payments	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.1
Guatemala	GDP in millions of 2005 dollars	32 530	33 506	34 544	35 695	36 884	38 112	39 381	40 693	42 048	43 449	44 896	46 391	47 936	49 533	51 182	52 887	54 648	56 468	58 349
	Social security contributions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3
	Retirement and pension payments	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7
Honduras	GDP in millions of 2005 dollars	11 576	12 004	12 484	12 992	13 519	14 069	14 640	15 235	15 854	16 499	17 169	17 867	18 593	19 348	20 135	20 953	21 804	22 690	23 612
	Social security contributions	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Retirement and pension payments	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6

Table V.4 (concluded)

Country	Indicator	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
Mexico	GDP in millions of 2005 dollars	924 040	955 458	985 077	1 023 495	1 059 317	1 097 453	1 136 961	1 157 775	1 178 970	1 200 553	1 222 531	1 244 912	1 267 702	1 280 910	1 314 542	1 338 607	1 363 112	1 388 066	1 413 477
	Social security contributions	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8
	Retirement and pension payments	0.8	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.4
Nicaragua	GDP in millions of 2005 dollars	5 563	5 786	5 983	6 198	6 379	6 566	6 757	6 956	7 158	7 367	7 582	7 804	8 032	8 267	8 508	8 757	9 013	9 276	9 547
	Social security contributions	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
	Retirement and pension payments	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Panama	GDP in millions of 2005 dollars	22 978	24 931	26 427	28 081	29 838	31 705	33 688	35 796	38 096	40 416	42 945	45 632	48 487	51 521	54 745	58 170	61 810	65 678	69 787
	Social security contributions	3.3	3.2	3.2	3.1	3.1	3.1	3.0	3.0	2.9	2.9	2.8	2.8	2.7	2.7	2.6	2.6	2.5	2.5	2.4
	Retirement and pension payments	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.4	2.4
Paraguay	GDP in millions of 2005 dollars	9 746	10 330	10 816	11 248	11 697	12 166	12 651	13 157	13 682	14 229	14 798	15 389	16 004	16 643	17 308	18 000	18 719	19 467	20 245
	Social security contributions	4.2	4.2	4.2	4.2	4.2	4.2	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4.2	4.2	4.2
	Retirement and pension payments	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.8	1.9	1.9	1.9	2.0	2.0
Peru	GDP in millions of 2005 dollars	112 101	119 051	125 003	131 879	139 528	146 504	156 027	164 854	174 180	184 034	194 445	205 445	217 068	229 948	242 323	256 032	270 516	285 820	301 989
	Social security contributions	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.5	1.5
	Retirement and pension payments	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0
Dominican Republic	GDP in millions of 2005 dollars	47 247	49 184	51 446	54 121	56 773	59 782	62 947	66 280	69 788	73 483	77 373	81 469	85 782	90 323	95 105	100 140	105 441	111 023	
	Social security contributions	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Retirement and pension payments	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Uruguay	GDP in millions of 2005 dollars	23 493	24 832	25 800	26 806	27 757	28 741	29 760	30 815	31 908	33 039	34 210	35 423	36 679	37 979	39 326	40 720	42 164	43 659	45 207
	Social security contributions	7.6	7.5	7.4	7.3	7.2	7.2	7.1	7.0	6.9	6.8	6.8	6.7	6.6	6.5	6.4	6.4	6.3	6.2	6.1
	Retirement and pension payments	6.1	6.0	6.0	5.9	5.9	5.8	5.8	5.8	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7

**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; Economist Intelligence Unit [www.eiu.org](http://www.eiu.org) for officially GDP and growth projections by country.  
<sup>a</sup> Estimates and projections based on the household survey refer to urban areas.



## Chapter VI

# Caribbean youth: exclusion and vulnerability

### A. Introduction

In the Caribbean, as in Latin America, these are challenging times for youth inclusion. Such times call for new measures to improve and balance education achievements with smooth passage to employment. The demographic transition holds opportunities for young people, but these opportunities must be seized in the short term so that population ageing will not cut even more into the resources available for investing in developing youth capacities and productivity. Young people move from place to place more easily than children and older people do, especially in the Caribbean. This can be a source of both opportunities and risks. Young people are healthier and at less risk of disease than other age groups, but they are very much exposed to exogenous risks, especially accidents and assault. Persistently high adolescent maternity rates and exposure to sexually transmitted diseases, particularly HIV/AIDS, constitute a warning sign that needs to be forcefully addressed.

Public and policy awareness has grown over the past few decades; government institutions have been established and tasked with developing youth plans and programmes. Instruments have been deployed to raise awareness and knowledge of youth issues and improve the effectiveness and focus of public policies in this area. Public youth

policies have been strengthened in recent years, but strides need to be made on comprehensive approaches that can go beyond sector-based rationales, taking into account the very nature of this age group and its risks, capacities, opportunities, systems of belonging and modalities of involvement.

With the International Year of Youth<sup>1</sup> having come to an end, this chapter assesses the main demographic and socio-economic trends relating to youth in the Caribbean, focusing on the conditions that determine their degree of social inclusion or exclusion. This year of international debate on youth policies has clearly drawn attention to the key role that young people play in the development process and to the need to target youth in poverty reduction, skills development and employment policies (United Nations, 2010a).

The International Year of Youth officially ended with the High-level Meeting on Youth,<sup>2</sup> which highlighted the need to move forward with comprehensive, multisector policies and programmes that, together, tackle all the determinants of youth exclusion and vulnerability. An added challenge is how to make youth policies part of the Millennium Development Goals agenda and the decent work agenda. The Millennium Development Goals address youth issues by way of the following explicit targets affecting or benefiting young people: ensure full and productive employment and decent work for all, including women and young people (target 1.B); ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling (target 2.A); eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015 (target 3.A); achieve, by 2015, universal access to reproductive health (target 5.B); and have halted by 2015 and begun to reverse the spread of HIV/AIDS (target 6.A). Employment, education, reproductive health and closing gender gaps constitute explicit targets and goals under a global agenda for youth inclusion. This chapter covers employment, education and reproductive health, as well as demographic factors and the youth policy agenda in the countries of the Caribbean.

Some of the issues raised in previous chapters are covered again here (but with specific reference to the youth population in the countries of the Caribbean), particularly adolescent fertility, labour market insertion and social protection challenges that pose specific risks for young people, relating above all to sexual and reproductive health. With inequality as the central theme of this edition of *Social Panorama*, this chapter stresses that young people are at the receiving end of legacies shaped by their socio-economic background that determine their access to critical assets for capacity development. The assets that they accumulate now

have an impact on their reality as young people and will mould their personal and community life in the future, as adults.

In this context, society should ensure that young people have opportunities to participate in development processes, that is to say actions and investments that enable youth to consistently complete the transition into adulthood and take advantage of opportunities to develop and use their human capital in the process (United Nations, 2007). Failure to do so can lead to the exclusion and marginalization of youth while depriving society of their energy and innovativeness. Inadequate investment in education, ineffective social protection programmes and constraints in access to the labour market are among the factors that prevent young people from reaching their full potential and helping to improve the well-being of their communities. All of this holds for the Caribbean as well.

Decisive action by governments in the Caribbean is therefore required to involve youth in the development agenda, including measures to address exclusion and the opportunities actually available to young people to build or change their livelihoods. Efforts to promote youth inclusion in our societies should encompass recognition of the rights of young people and their appropriation and use of such rights. Several countries have tacitly recognized that the ways in which the challenges and potentials of young people are addressed by policy influence current social and economic conditions and the well-being and livelihood of future generations (United Nations, 1996).<sup>3</sup>

This chapter uses available data to assess the status of the youth population in the Caribbean, especially the English-speaking countries there, focusing on areas such as education and employment, as well as public youth policies implemented by governments. It presents a general and demographic overview, together with information on the education and employment situation of young people. The role of public policies targeting young people is examined, as is the need to strengthen, increase and expand the appropriation of assets (such as education, employment and participation) in youth development and inclusion.

<sup>1</sup> The International Year of Youth began on 12 August 2010 and ended on 11 August 2011. See [online] <http://social.un.org/youthyear/unapproach.html>.

<sup>2</sup> See [online] [http://iseek.un.org/webpgdept2001\\_3.asp](http://iseek.un.org/webpgdept2001_3.asp).

<sup>3</sup> The World Programme of Action for Youth to the Year 2000 and Beyond is one of the most important resolutions relating to young people. It provides a policy framework and practical guidelines for the adoption of measures to enhance the quality and quantity of opportunities available to young people for full, effective and constructive participation in society. The programme identifies 10 priority areas for action: education, employment, hunger and poverty, health, environment, drug abuse, juvenile delinquency, leisure activities, girls and young women, and the full and effective participation of youth in the life of society and in decision-making (United Nations, 1996).

## B. Caribbean youth demographics, poverty and health

### 1.

#### Population change and the demographic dividend

The limitations and difficulties of defining youth and the age groups it encompasses have been widely discussed in the specialized literature. The countries of the Caribbean lack uniform official age ranges for youth. In some countries, including Dominica, Guyana and Trinidad and Tobago, the range is from ages 15 to 30. According to some authors, the reason for such a wide range is the high youth unemployment rate that keeps young people from acquiring the responsibilities and status of adults (Danns, Henry and LaFleur, 1997, cited in World Bank, 2003). Other countries (Belize and Jamaica are examples) follow the demographic definition established by the United Nations: men and women aged 15 to 24.

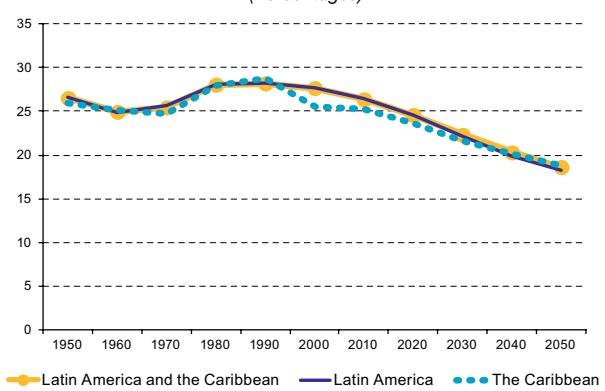
For the general purposes of this chapter, the age range for young people is 15 to 29, thus providing more scope for the transition between key life stages such as school completion and entry into the labour market. In view of the marked differences within this age group, however, in some instances the data are broken down by sub-group.

The Caribbean is no exception to global population decline. ECLAC estimates at 42,649,000 the population of this subregion in 2011 (4 million more than in 2000). But the average annual growth rate per 100 inhabitants is slowing compared with prior periods: it is expected to fall to 0.76 between 2010 and 2015 due in part to a sharp drop in the crude birth rate, which is expected to decline to 17.9 per 1,000 inhabitants during the same period (ECLAC, 2010b).

Young people (aged 15 to 29) represented a quarter of the total population of the Caribbean in 2010, just under the Latin American average. In this case, though, the average is not a proxy for the general trend in the composition of the youth population in the Caribbean because the proportion in several countries and territories is far from this average. In countries like Belize (29.4%), the Dominican Republic (27.3%) Haiti (30.1%), Saint Vincent and the Grenadines (27%), Saint Lucia (28.2%)

and Trinidad and Tobago (27.8%), the proportion of young people to the total population is several percentage points above the average for the region. In others, such as Barbados (20.9%), Cuba (20.6%), Puerto Rico (20.9%) and the United States Virgin Islands (21.4%), it is several percentage points below (ECLAC, 2010b).

**Figure VI.1**  
**LATIN AMERICA AND THE CARIBBEAN: PROPORTION OF YOUNG PEOPLE (AGED 15 TO 29) TO THE TOTAL POPULATION, 1950-2050**  
(Percentages)



Source: Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, Population estimates and projections, revision 2008.

**Table VI.1**  
**THE CARIBBEAN (SELECTED COUNTRIES AND TERRITORIES):**  
**POPULATION AGED 15 TO 29 AND TOTAL POPULATION, 2010**  
*(Thousands)*

Country or territory	Population aged 15 to 29	Total population
Bahamas	88	346
Barbados	55	257
Belize	93	313
Cuba	2 303	11 203
Dominican Republic	2 702	9 899
Haiti	3 032	10 089
Jamaica	725	2 730
Puerto Rico	864	3 998
Saint Vincent and the Grenadines	30	109
Saint Lucia	50	174
Trinidad and Tobago	378	1 344
United States Virgin Islands	24	109
The Caribbean <sup>a</sup> (24 countries)	10 715	43 312

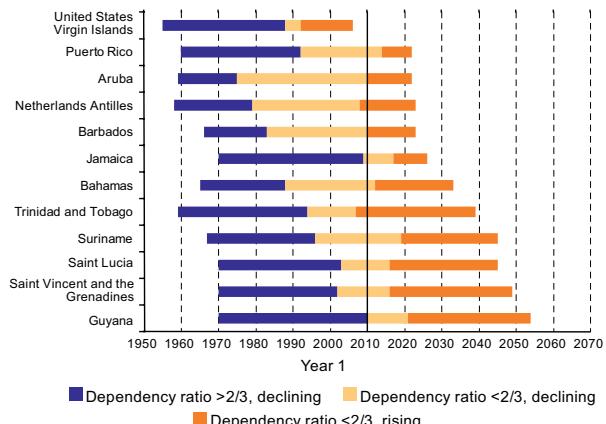
Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Statistical Yearbook for Latin America and the Caribbean* (LC/G.2483-P/B), Santiago, Chile, 2010.

<sup>a</sup> Countries and territories with a total population of less than 100,000 inhabitants in 2010 are included in the regional aggregate figures but are not listed separately. For this reason, the regional aggregates are not equal to the sum total of the countries listed.

According to projections for the next few years, the youth population as a proportion of the total will decline gradually in the Caribbean except for Trinidad and Tobago and Saint Lucia, where by 2020 a sharper drop will bring it down by 8 and 5 percentage points, respectively, compared with 2010 (ECLAC, 2010b). This is part of what is known as the demographic dividend.

The demographic dividend is a stage at which the ratio of dependents to working-age people is below three to two. It includes a period during which the dependency ratio is falling and also the early part of the phase in which it rises again, but while the balance between the age groups continues to favour investment. All of the countries of the Caribbean have entered this period. While the dividend has already ended in the United States Virgin Islands, in Guyana is it expected to last until 2050 (see figure VI.2). The dividend holds unique opportunities for the younger sectors of the population if it is capitalized on by policies promoting social investment in young people and boosting their access to, among other things, education, health and training.

**Figure VI.2**  
**THE CARIBBEAN: DURATION AND STRUCTURE**  
**OF THE DEMOGRAPHIC DIVIDEND**  
*(Number of years)*



Source: Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC, Population estimates and projections, 2010.

The high emigration rate is also having a significant impact on young people and population dynamics in the Caribbean. It is estimated that some 5 million Caribbeans have emigrated over the past 50 years (CDB, 2010). But not much up-to-date data are available, making it riskier to draw forceful conclusions than to put forth hypotheses. Generally speaking, in the Caribbean the proportion of young people emigrating is lower than for adults. But young people and adults combined account for the bulk of emigrants: more than half (55%) are between the ages of 22 and 40 (CDB, 2010). Nevertheless, if the trend has not changed substantially over the past decade there could be cases in which young emigrants make up a larger share. For example, data from 2000 indicate that in Belize, Jamaica and Trinidad and Tobago almost one fourth of all emigrants are young people aged 15 to 24 (Thomas-Hope, 2009). It can be inferred that the emigrant flow of young people accelerates population ageing in their communities of origin.

**Table VI.2**  
**THE CARIBBEAN (SELECTED COUNTRIES): EMIGRATION BY AGE GROUP AND SEX, 2000-2001**  
*(Percentages)*

Country	Age group (male)					Age group (female)				
	Under 15	15-24	25-44	45-64	65 and over	Under 15	15-24	25-44	45-64	65 and over
Antigua and Barbuda	5	8	35	34	18	6	10	40	29	15
Bahamas	...	13	49	25	13	...	16	56	21	7
Barbados	...	4	20	38	38	...	4	21	41	34
Belize	...	22	46	24	8	...	25	49	19	7
Bermudas	...	7	41	38	14	...	7	40	38	15
Dominica	12	10	36	24	18	13	11	36	23	17
Grenada	4	5	32	32	27	4	8	30	31	27
Jamaica	10	25	42	10	4	10	23	38	14	5
Montserrat	...	11	25	32	32	...	15	27	24	34
Saint Kitts and Nevis	...	8	39	33	20	...	11	38	29	22
Saint Lucia	...	13	37	29	21	...	16	39	26	19
Saint Vincent and the Grenadines	...	7	38	33	22	...	11	41	28	20
Turks and Caicos Islands	...	8	42	38	12	...	12	47	29	12
Trinidad and Tobago	...	26	41	24	9	...	25	38	26	11

Source: E. Thomas-Hope, "Regional special topic monography on international migration, based on the analysis of the 2000 round census data of eighteen Caribbean countries", Greater Georgetown, Secretariat of the Caribbean Community (CARICOM), 2009.

**2.**

## Youth and poverty: the risks of early emancipation

For young people, as for the rest of the population, the ratio of household income to consumption is an indicator of well-being but is not the only relevant factor. It is nevertheless one of the main assets for meeting basic needs and a key variable for defining indigence and poverty.

In the English-speaking Caribbean it is hard to make comparable estimates of poverty levels because of the scarcity of consistent data on the magnitude and trend of poverty there. Several agencies and governments have produced data on the incidence of income poverty by consumption level based on national income poverty lines, but the sources and measurement methodologies are so different that they pose an obstacle to comparative analysis of the data (ECLAC, 2010c). Nevertheless, and with these qualifications in mind, they do yield a general picture of the youth poverty rate in the English-speaking Caribbean.

As in Latin America, poverty in the English-speaking Caribbean is, generally, more concentrated in the child population (aged under 15). This does not mean, however, that the youth poverty rate should be ignored. For example, in the early 2000s, almost one fifth of the total poor population of the British Virgin Islands was between the ages of 15 and 24 (CDB/Government of the British Virgin Islands, 2003). According to more recent estimates, in Antigua and Barbuda 25.4% of the indigent population and 22.6% of the total poor population are in the 15-to-29-year age group. A further breakdown of this group shows that 40%, 33% and 22% of all young people aged 15 to 19, 20 to 24 and 25 to 29, respectively, are below the corresponding poverty line (CDB/KCL, 2007a). In Saint Lucia, just over a quarter of the individuals identified as poor are young (aged 15 to 29). This percentage is lower in the Cayman Islands (22%) but not in Grenada or Trinidad and Tobago, where a third of those living in poverty are in this age group. Unlike other countries, then, young people are proportionally overrepresented in the poor population (CDB/KCL, 2007b, 2008, 2009a; KCL, 2007).

In Dominica and Anguilla, 16.4% and 22.3%, respectively, of the population living below the poverty line is aged 15 to 24. The breakdown between Nevis and Saint Kitts shows that this age group accounts for 15.8% and 25.7%, respectively, of the total poor

population (CDB/KCL, 2010a, 2010b, 2009b). In Belize, 21% of all poor are aged 15 to 24, while just over half of Belizeans aged 14 to 17 are living in poverty (Government of Belize/CDB, 2010). This confirms the general trend: the youth poverty rate is usually not higher than the overall population average, but the adolescent poverty rate is.

From a life-cycle perspective, it is important to bear in mind that the increased likelihood of living in poverty is correlated with emancipation early in youth combined with taking on the role of head of household or his or her spouse. Data from some countries show that in the first income quintiles the proportion of young people aged around 20 who are heads of household or spouses is much higher than in the higher quintiles. A case in point is Grenada, where 58% of the young people in the first income quintile who are heads of household or spouses are aged 24 or under while just 19% of the young people in the last quintile are in this age group. In Guyana, 12% of all such young people in the first quintile are aged 15 to 19; 2.5% of all young people in the fifth quintile who are heads of household or spouses are aged 19 or under. Something similar is seen in Belize, where one half of all people aged 16 to 20 who are heads of household or spouses are in the first two quintiles and 27% are in the last quintiles.<sup>4</sup>

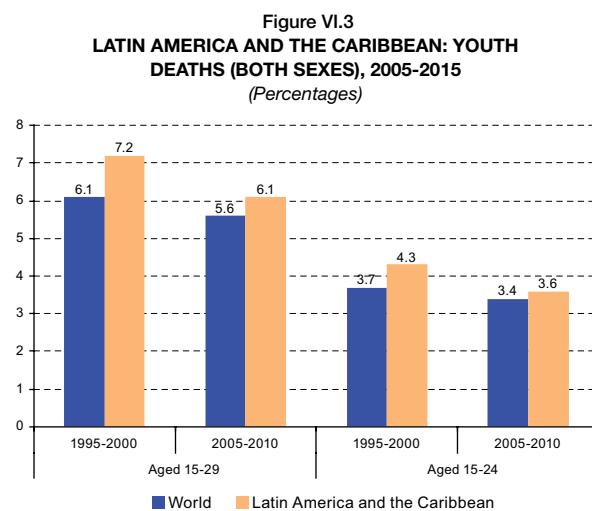
This phenomenon underscores the findings set out in chapter IV in that there are social protection gaps for some particularly vulnerable segments of the population and phases of the life cycle, penalizing low-income sectors. In the countries of the Caribbean, the fact that early emancipation is closely linked to low family income could suggest weak or non-existent social protections for young people for whom early emancipation means shouldering more responsibilities and taking on the role of household breadwinner. In this case, the lack of social protection networks is especially problematic because at this stage in the life cycle young people are in need of support if they are to continue to acquire capacities and assets.

<sup>4</sup> Calculated on the basis of special tabulations of data from household surveys conducted in the respective countries.

### 3.

## Youth mortality

Disease prevalence is lower among young people than in other age groups, and their mortality rate is lower both in the Caribbean and throughout the world (see figure VI.3). Nevertheless, they are more likely than other age groups to suffer the negative impacts of external risks linked to youthful behaviour or conduct. In other words, the leading causes of death among young people are not degenerative or microbiological diseases but rather violence and avoidable accidents. In the Caribbean, just over half of the deaths among young people aged 15 to 29 are from external causes (including homicides, accidents and suicide). Strikingly, in Latin America and the Caribbean the proportion of deaths among young people is above the world average, as the homicide rate for the region is also higher than the world average and violence is pretty much centred on youth (see figure VI.3). As table VI.3 shows, for a total of 25 countries and territories in the Caribbean assaults, accidents and suicide are common causes of death among the population aged 15 to 29.



Source: United Nations, "World Population Prospects, the 2010 Revision", Department of Economic and Social Affairs, 2011.

While there is no conclusive evidence, studies do suggest that segmenting the youth population and analysing mortality rate patterns reveal factors of social inequality and exclusion that make death more likely among persons living in poverty than among their peers who are not poor. In other words, mortality rates among poor young people are higher because this group is more exposed to disease, accidents and violence (ECLAC/OIJ, 2004).

There is evidence that violence associated with crime is, unlike general violence, linked to levels of development. High crime rates lead to low levels of human and economic development (UNODC, 2011). Criminal violence is a problem in several societies in the Caribbean. Violence entails a high economic cost for countries. It has negative consequences in terms of well-being, especially for young people, who are overrepresented both as victims and as perpetrators of crime and violence (UNODC/World Bank, 2007). Recent data show that these and related issues should be high on government agendas in the Caribbean. Along with Central America, South America and Southern Africa, it is in the Caribbean that homicide rates are highest and (unlike elsewhere in the world, where rates have been falling for the past 25 years) have been rising except for a dip around 2006. The Dominican Republic, Jamaica and Trinidad and Tobago are among the countries hit hardest by this trend (UNODC, 2011).

**Table VI.3**  
**THE CARIBBEAN (25 COUNTRIES AND TERRITORIES): LEADING CAUSES OF DEATH AMONG THE YOUNG POPULATION AND AMONG THE ADULT POPULATION, 2009**  
*(Percentages)*

Cause of death	Aged 15 to 29		Aged 30 and above	
	Percentage	Cause of death	Percentage	Cause of death
Assault, homicide	13.70	Ischaemic heart diseases	18.02	
Land transport accidents	13.22	Cerebrovascular diseases	10.99	
Intentional self-harm and suicide	9.69	Malignant neoplasm of trachea, bronchus and lung	6.61	
Accidental drowning and submersion	4.78	Influenza and pneumonia	5.65	
Malignant neoplasm of lymphoid, haematopoietic and related tissue	4.08	Dementia and Alzheimer	4.07	
Human immunodeficiency virus (HIV)	3.88	Chronic lower respiratory diseases	3.64	
Pregnancy, childbirth and puerperium	2.63	Diabetes mellitus	3.15	
Congenital malformations, deformations and chromosomal abnormalities	2.21	Hypertensive diseases	2.99	
Influenza and pneumonia	2.01	Malignant neoplasm of prostate	2.97	
Malignant neoplasm of brain	1.80	Heart failure and complications and ill-defined heart disease	2.97	
Ischaemic heart diseases	1.38	Malignant neoplasm of colon, rectosigmoid junction, rectum and anal canal	2.55	
III-defined causes	1.25	III-defined causes	0.73	

Source: Pan American Health Organization (PAHO), "Causas de mortalidad en las Américas" [online] [http://ais.paho.org/phi/pviz/mort\\_causasprincipales\\_lt\\_oms.asp](http://ais.paho.org/phi/pviz/mort_causasprincipales_lt_oms.asp).

**4.****Sexual and reproductive health**

There is no question that sexuality and reproduction are key youth issues. They are often approached one-dimensionally as a health matter alone, with a focus, *inter alia*, on fertility, the birth rate and sexually transmitted diseases. Initiatives arising from this approach confine sexuality and reproduction to the physical act itself and its repercussions despite the fact that these issues cut across other spheres as well. Sexuality and reproduction are linked to several aspects of well-being and spill over into other areas of development (Cornwall and Jolly, 2006; Jolly, 2010).

Youth, sexuality and reproduction are particularly relevant issues in the Caribbean because for a large part of the population sexual initiation takes place at such an early age. Estimates indicate that around 30% of adolescents of both genders in the English-speaking Caribbean have had sexual relations, many at a very early age. On average, men who are sexually active during adolescence start at the age of 11, and women at the age of 14-15. Moreover, around half of sexually active adolescent girls report that their first sexual experience was non-consensual; almost a third of sexually active adolescents of both genders report having multiple sexual partners (Pilgrim and Blum, 2011). This presents policymakers with enormous challenges in terms of providing timely information, preventing sexual violence and tending to the victims.

One of the characteristics of Latin America and the Caribbean is a stubbornly high adolescent motherhood rate when compared with fertility rates for the population as a whole. Adolescent motherhood is markedly higher in the region among less-educated women and thus among women in lower-income socio-economic strata (ECLAC/OIJ, 2008; Rodríguez, 2009). While the fertility rate among adolescents (aged 15 to 19) has fallen in recent years, it is still very high for Latin America as a whole and far above the world average (see table VI.4)

**Table VI.4**  
**WORLD AND PRINCIPAL REGIONS: AGE-SPECIFIC FERTILITY RATE FOR WOMEN AGED 15 TO 19, 2000-2015**  
*(Number of births per 1,000 women)*

	2000-2005	2005-2010	2010-2015
Africa	110.87	101.43	91.75
World	60.36	55.68	51.96
Oceania	33.96	33.38	29.26
Asia	51.07	45.92	42.37
Latin America and the Caribbean	81.19	73.39	70.5
North America	40.49	38.62	25.89
Europe	19.68	19.29	15.42

**Source:** United Nations, "World Population Prospects, 2010 Revision", Department of Economic and Social Affairs, 2011 [online] <http://esa.un.org/unpd/wpp/Excel>Data/fertility.htm>.

However, the adolescent fertility rate (ratio of the number of births to total number of women in this age group) is markedly lower in the Caribbean than in Latin America: of the 19 countries in Latin America and the Caribbean whose rate is lower than 61 births per 1,000 women aged 15 to 19, 17 are in the Caribbean. Only Belize, Guyana and Saint Vincent and the Grenadines come close to the Latin American average (see table VI.5).

In most of the countries of the Caribbean, adolescent fertility rates have been falling over the past few years, albeit at paces that differ by as much as 40 percentage points. But there are a few exceptions. Aruba, Guyana and Montserrat have posted increases; in Guyana, the rate is up by nearly 24% against the early 1990s (see table VI.5).

The fact that the adolescent motherhood rate is far higher among poor, less-educated women is cause for considerable concern because it reveals, first and foremost, unequal access to full reproductive rights especially when involuntary pregnancies are involved. Second, it denotes the intergenerational reproduction of inequality and exclusion because early motherhood among the poor and less educated considerably diminishes employment prospects throughout life. These mothers are highly unlikely to continue their studies or be able to turn to social networks for childcare. Thus the cycle of exclusion is perpetuated from one generation to the next.

These unequal opportunities and life-cycle prospects do indeed pose a major challenge for social protection and care systems because they involve a population group (young mothers with small children) that is, as seen in Chapter IV, often excluded from access to these systems and lacks the resources to buy care services on the market.

HIV/AIDS is a priority for the Caribbean countries, given its high prevalence. Although the number of new HIV infections in the Caribbean has fallen slightly over the past decade (from an estimated 20,000 new cases in 2001 to some 17,000 in 2009), estimates are that between 220,000 and 270,000 people are carrying HIV, of whom approximately 53% are women. The Caribbean and sub-Saharan Africa are the only regions of the world where the proportion of women who are carriers of HIV is higher than that of men (UNAIDS, 2010). In Trinidad and Tobago, for example, women make up 75% of new cases among people aged 15 to 24, while in Jamaica the ratio of infected women to men in this age group is 3 to 1 (CDB, 2010).

**Table VI.5**  
**THE CARIBBEAN: ADOLESCENT FERTILITY RATE AND PERCENTAGE VARIATION, AROUND 1990 AND 2000<sup>a</sup>**  
*(Number of births per 1,000 women)*

Country or territory	Around 1990	Around 2000	Reference period <sup>b</sup>	Percentage variation <sup>c</sup>
Anguilla	50.6	42.1	1996-2006	-16.8
Antigua and Barbuda	70.4	66.8	1991-2001	-5.1
Former Netherlands Antilles	50.2	34.2	1991-2006	-31.9
Aruba	39.8	41.2	1997-2007	+3.5
Bahamas	58.4	38.7	1997-2007	-33.7
Barbados	56.2	50.8	1998-2007	-9.6
Belize	110.2	90.7	1992-2002	-17.7
Bermudas	36.2	16.0	1998-2008	-55.8
Cuba	49.8	50.1	1998-2008	+0.6
Dominica	58.2	47.1	1998-2006	-19.1
Grenada	99.3	53.9	1990-2000	-45.7
Guyana	81.6	101.0	2000-2008	+23.8
Cayman Islands	65.7	...	1994	...
Turks and Caicos Islands	33.9	25.5	2001-2005	-24.8
British Virgin Islands	46.7	27.4	1997-2007	-41.3
United States Virgin Islands	83.2	51.5	1997-2007	-38.1
Jamaica	88.0	60.3	1996-2006	-31.5
Montserrat	31.6	33.7	1994-2004	+6.6
Puerto Rico	76.3	60.1	1996-2006	-21.2
Dominican Republic	115.0	50.8	1994-2005	-55.8
Saint Kitts and Nevis	81.2	67.3	1991-2001	-17.1
Saint Lucia	89.5	49.7	1994-2004	-44.5
Saint Vincent and the Grenadines	93.8	71.6	1993-2003	-23.7
Trinidad and Tobago	44.3	32.5	1994-2004	-26.6

**Source:** United Nations, "World Population Prospects: the 2010 Revision", Department of Economic and Social Affairs, 2011, updated for 2011 on the basis of data from the Millennium Development Goals database [online] <http://esa.un.org/unpd/wpp/Excel-Data/fertility.htm>.

<sup>a</sup> The data come from different sources, including official estimates published by the Statistics Division of the Department of Economic and Social Affairs of the United Nations, Demographic and Health Surveys by Macro International, the Reproductive Health Survey, the Secretariat of the Caribbean Community (CARICOM) and national statistics.

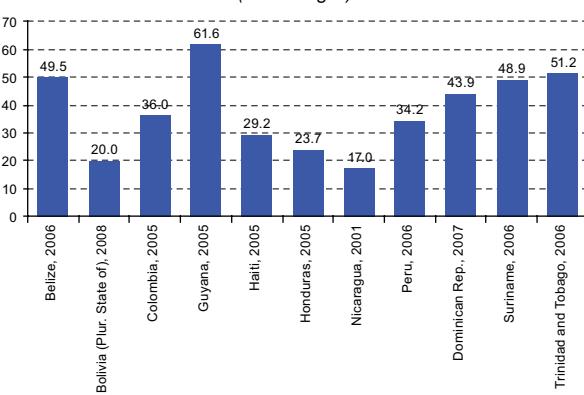
<sup>b</sup> The reference period took the most recent year available for the 2000s and the year available for the previous decade, in order to illustrate the changes over a period of 10 years.

<sup>c</sup> Variation with respect to the starting year.

Also in the Caribbean, the prevalence of HIV/AIDS among young people and adults (aged 15 to 49), which equates to 1% of the total population, is the second-highest in the world and is surpassed only by sub-Saharan Africa. By comparison, the average for Central America and South America is half that for the Caribbean (UNAIDS, 2010). However, prevalence not only varies among subregions in the Americas, but within them as well. A prevalence of 0.1 in Cuba contrasts sharply with countries in which the prevalence is over 1%, such as the Bahamas (3.1%), Barbados (1.4%), Belize (2.3%), Haiti (1.9%), Jamaica (1.7%), and Trinidad and Tobago (1.5%) (WHO, 2011).

HIV is a particularly important issue for the youth population of the Caribbean. Approximately 83% of HIV cases are diagnosed in people aged 15 to 54; a third of them are found among people aged 25 to 34. Given that the disease has an 8-year incubation period, it may be inferred that almost a third of new HIV cases occur among 15-to-24-year-olds (World Bank, 2003). Recent studies indicate that 90% of sexually active adolescents in the English-speaking Caribbean report having used a condom, but only 16%-25% report doing so regularly (Pilgrim and Blum, 2011). When the group under examination is restricted to women aged 15 to 24 in Caribbean countries such as Belize, the Dominican Republic, Guyana and Trinidad and Tobago, almost 50% report using condoms during their most recent sexual encounter. This is a relatively high percentage in comparison with some Latin American countries.

**Figure VI.4**  
**LATIN AMERICA AND THE CARIBBEAN (11 COUNTRIES): CONDOM USE AT LAST HIGH-RISK SEXUAL INTERCOURSE,  
 REPORTED BY WOMEN AGED 15 TO 24**  
*(Percentages)*



**Source:** United Nations Statistics Division, Millennium Indicators Database in CEPALSTAT.

The concentration of HIV/AIDS among the youth population of the Caribbean also has economic repercussions for the countries because of the negative impacts on the population group with the highest productive potential. And because these young people are sometimes supporting their households economically or are contributing to household income, some of the consequences of living with the disease make them and their households more vulnerable and keep them in poverty—or push them into it (CDB, 2010).

## C. Access to education

Education is critical for people's lives and for society as a whole. It provides the means for future income generation as well as skills for exercising new kinds of citizenship, living constructively in a multicultural environment and combining immediate experience with media-transmitted experience (ECLAC/OIJ, 2004, page 165). Education is even more critical for young people, for whom it holds the key to their livelihood.

Modern formal schooling and teaching methods were designed above all for children and young people, based on the assumption that they are starting on their learning path and can absorb appropriate and necessary knowledge in homogeneous age groups. But many education indicators do not reveal much about young people as a social construct or as a population group at the receiving end of formal education, focusing as they do on people as participants in institutional processes of learning. This is due in part to the fact that defining and interpreting education outcomes, especially on a comparative basis, is complicated because they are highly context-driven. Education access and progress vary, and data quantity and quality are heterogeneous (United Nations, 2003). Nevertheless, the data do paint a picture in which the gaps and inequalities that already surfaced in primary education only to persist and deepen at tertiary levels spill over from education to impact a person's livelihood. Learning that is less segmented by socio-economic level will help close inequality gaps from one generation to the next. It will offer greater opportunities for social and occupational mobility throughout the life cycle, thereby reducing future wage and well-being gaps (ECLAC, 2010a).

Latin America and the Caribbean have high enrolment rates in the early levels of education, but they fall off substantially in the secondary and tertiary levels, especially in the Caribbean. The literacy rate for young people aged 15 to 24 in the Caribbean, at 89%, is below the 97% average for Latin America. The gross enrolment ratio at the primary and secondary levels is high: at or above 98% except for Dominica (82%, one of the lowest at these education levels), Anguilla, the Cayman Islands and Jamaica (in the area of 93.5%) (United Nations, 2010).

Secondary education enrolment rates are trending down, but not everywhere. In Dominica (105%) the rate is higher than at the primary level; countries such as

Antigua and Barbuda, Grenada, the British Virgin Islands, Montserrat and Saint Vincent and the Grenadines have secondary education enrolment rates at or above 100%. The most dramatic drops in the gross enrolment ratio at the secondary level from the immediately preceding level are Anguilla (from 94% to 80%), Aruba (from 114% to 95%), the Bahamas (from 103% to 93%), Belize (from 120% to 75%), Cuba (from 104% to 90%), the Dominican Republic (from 104% to 75%) and Trinidad and Tobago (from 103% to 89%). In Saint Lucia (from 98% to 93%) and Jamaica (from 93% to 91% the gross enrolment ratio falls off slightly between these two levels of education (UNESCO, 2011). However, secondary education completion rates in Jamaica are far lower, in the area of 85% for women aged 20 to 24 and 75% for men in the same age group. In Guyana the rate is 68% for women and 60% for men; in Belize it is just 24% for women and 19% for men.<sup>5</sup>

The sharpest declines in enrolment rates are at the tertiary level, except for Cuba where it is above 100%. Of the countries in the Caribbean on which data from 2008 are available, Grenada has one of the highest gross enrolment ratios at this education level (59%), followed by the Cayman Islands (36%), Aruba (33%), Jamaica (24%) and Montserrat (17%). Saint Lucia and Belize are just above 10% (at 15% and 11%, respectively) and Anguilla, Dominica and the British Virgin Islands are below 6% (5%, 4% and 1%, respectively) (UNESCO, 2011). However, these low gross enrolment ratios at the tertiary level might be due in part to the high rates of international mobility among students at this level. For example, 100% of the nationals of Antigua and Barbuda and Bermudas studying at the tertiary level are

<sup>5</sup> Calculated on the basis of tabulations of data from household surveys conducted in the respective countries.

doing so in another country. The mobility rate at this level is 88.4% in Saint Lucia and 32.6% in the British Virgin Islands. Several other Caribbean countries have mobility rates above the 1% average for Latin America and the Caribbean. Such is the case with Trinidad and Tobago (29.6%), Barbados (12.7%) and Aruba (6.7%) (UNESCO, 2009). The (five-year) university completion rate is much lower: for young people aged 25 to 29 it is just around 3% in Jamaica and 4% in Guyana.<sup>6</sup>

The data vary little according to sex. In many cases the enrolment rate for women is even higher than for men. Gender is, then, declining in importance as a factor behind unequal education. It would seem that other social inequalities, such as income disparity and territorial isolation, have a greater impact on educational opportunity gaps. For example, in Saint Lucia, the higher the consumption quintile the lower the proportion of persons aged 15 or over lacking a post-secondary certificate. In the lowest consumption quintile, 69% of the people in this age group lack a post-secondary certificate; for the highest quintile the proportion is 51%. Taking the tertiary level by itself, 1.1% of the people in the lowest quintile have had access; the proportion rises to 25.6% in the highest consumption quintile (CDB/KCL, 2007b).

The picture is similar in Grenada and in Saint Kitts and Nevis. In Grenada, 67%, 11.3% and 16.6% of young people in the highest consumption quintiles aged 15 to 19, 20 to 24 and 25 to 29, respectively, are attending school at any level. By contrast, just 55.5%, 6.8% and less than 1% of persons in the same age groups in the poorest quintile are attending school (CDB/KCL, 2009a). In Saint Kitts and Nevis, the difference between young people aged 15 to 19 in quintiles 1 and 5 who are attending school is just over 10 percentage points (55% and 67.9% respectively); the difference is greater among young people aged 20 to 29. Thirty-one percent of the people aged 20 to 24 in the highest consumption quintile are in school, compared with 5.9% in the same age group in the lowest quintile. For persons aged 25 to 29, 4.9% of those in the first quintile have access to education, against 12.7% of young people in the same age group in the highest quintile (CDB/KCL, 2009b).

In Dominica, almost all (95.3%) of the young people aged 15 to 19 in the fifth quintile are enrolled in school. This figure gradually declines to 81.7% in the first quintile. As in other countries in the Caribbean, the gaps for higher education are wider. For persons aged 20 to 24, there is a difference of nearly 30 points between

the proportion in the lowest quintile attending school (5.9%) and those in the highest quintile (34.7%) (CDB/KCL, 2010a). School attendance figures in Antigua and Barbuda also show that persons in the lowest consumption quintiles are less likely than their peers in the higher quintiles to attend and complete secondary school (CDB/KCL, 2007a).

The data on the post-secondary and tertiary levels in Belize reveal a marked bias in favour of higher-income persons. Of the total enrolled in these levels, just 16% and 11%, respectively, are from the two lowest quintiles. Overall, 23% of young people aged 17 and 18 in the first and second income quintiles are enrolled at the post-secondary or tertiary level. The proportion for the same population group in the last two quintiles is 80% (Government of Belize/CDB, 2010). In Trinidad and Tobago, the difference in school attendance between the first income quintile and the last is 30 percentage points for persons aged 15 to 17 (61.1% for the first quintile and 90.7% for the fifth quintile) (ECLAC, 2011b).

Location also impacts education gaps among young persons. In Belize, 65% of all secondary-school age (13 to 16) young people in rural areas attend school, compared with 88% in urban areas (Government of Belize/CDB, 2010). In Jamaica, 11.6% of the urban population aged 19 to 24 is attending school; only 8% of persons in the same age group living in rural areas are attending an educational institution (ECLAC, 2011b).

The issue of education for young people has many facets and poses several challenges. It involves more than enrolment or insertion in an educational institution structure. Curriculum and quality are also a factor. A more- and better-educated society is in a better position to take advantage of current technologies and socio-economic conditions. So, while early childhood and primary education are indeed extremely important for later in life, the significance of post-secondary and tertiary education (where most of the enrollees are, traditionally, young people) for individuals and society should not be underestimated. Studies have shown that low education levels are strongly correlated with the risk of social exclusion (United Nations, 2003). It has also been established that improving the education supply can help dissociate the social origin of individuals from their well-being (ECLAC, 2010a). Governments and societies of the Caribbean should therefore take action to reduce the opportunity cost that continuing their studies poses for young people, especially for those in the lower income quintiles and for those living far from urban areas.

<sup>6</sup> Calculated on the basis of tabulations of data from household surveys conducted in the respective countries.

## D. Youth unemployment

Employment is among the most significant factors in the development of young people. A decent job does more than provide the monetary income for meeting certain needs related to well-being. It is also a way to secure, enhance and consolidate a feeling of belonging, as individuals perceive they are contributing to collective progress and are part of a system of contributions and benefits (ECLAC/OIJ, 2008, page 169). What is more, a formal job is what determines access to many social protection and social security systems. In other words, the lack of a source of formal employment is a mechanism of exclusion from some of these systems.

For these and other reasons a decent job is a necessity, especially for young people because the way they enter the labour market has a direct impact on their future. That is what makes the high prevalence of youth unemployment so worrisome.

Estimates are that participation in employment by young people will continue to fall, as has been the trend over the past decade. Between 2000 and 2009, the labour force participation rate among young people went from 53.6% to 51.1%. And the recent economic crisis revealed how fragile their employment status is: around the world, 77.7 million young people aged 15 to 24 were unemployed in 2010. That is 4.2 million more than the year before the crisis (2007) (ILO, 2011a). In addition, young people are more likely than adults to enter the labour market by means of a vulnerable job (ILO, 2010).

In Latin America and the Caribbean, unemployment among young people aged 15 to 24 rose by 1.5 percentage points between 2007 and 2009, to 15.7%. The result was that labour force participation for this population group shrank by 0.5 percentage points during the period, to 52.7% (ILO, 2011a).

Focusing on the countries of the Caribbean, in the early 2000s young people aged 15 to 24 accounted for 40% to 60% of the unemployed but 20% to 30% of the labour force. In some Caribbean countries, the unemployment rate for this age group was two or even four times that of the adult population (World Bank, 2003). Recent data suggest no significant changes in this scenario.

In Belize, the 2009 unemployment rate for young people aged 20 to 24 was 7 percentage points above the national average of 13%. Unemployment among women was higher: 43% for young women aged 14 to 19 versus 26% for young men in the same age group. In the 20-to-24 age bracket, unemployment for women was 28% and the rate for men was 16% (Government of Belize/CDB, 2010). In Grenada, more than half (54%) of the unemployed were young people (aged 15 to 29) (CDB/KCL, 2009a). A survey of living conditions conducted in Saint Lucia found a high concentration of unemployment in the population group aged 19 to 35 (CDB/KCL, 2007c). In Dominica, 34% of the unemployed are between 15 and 24 years of age (CDB/KCL, 2010a).

**Table VI.6  
THE CARIBBEAN (8 COUNTRIES AND TERRITORIES):  
UNEMPLOYED YOUNG PEOPLE AGED 15 TO 24  
(Percentages)**

Country or territory	Year	Percentage
Bahamas	2008	33.2
Barbados	2003	33.7
Cayman Islands	2008	26.9
Guadeloupe	2006	16.4
Jamaica	2008	37.2
Martinique	2008	19.0
Saint Lucia	2004	40.0
Trinidad and Tobago	2008	42.0

Source: International Labour Organization (ILO), *LABORSTA Internet* [online database] <http://laborsta.ilo.org/>.

International Labour Organization data reveal a similar situation in other Caribbean countries. Young people aged 15 to 24 make up some 31% of the total unemployed, with Guadeloupe and Martinique several percentage points below the average. Saint Lucia and Trinidad and Tobago have the highest percentages among this group of countries. However, in several cases expanding the age cohort to between 15 and 29 increases the proportion of unemployed young people relative to the total employed, to 29% in Martinique and nearly 57% in Trinidad and Tobago (ILO, 2011b).

High unemployment rates among young people in the Caribbean are wasting the demographic dividend and the window of opportunities that the demographic trend offers the countries of the Caribbean because they affect a high proportion of the economically active population. But, even more important, failure to create the right conditions for young people to find decent employment reduces their opportunities, limits their present and future development and in many cases heightens existing levels of inequality and poverty. In Antigua and Barbuda, for instance, 80% of unemployed men aged 25 to 29 live in precarious conditions, on less than US\$ 2.51 a day; 30.6% of the total unemployed population in that country lives on even less (CDB/KCL, 2007a).

Another feature of youth unemployment is that young people in the lower consumption quintiles are

overrepresented in the workforce compared with their peers in the higher quintiles, while the reverse is true for adults. For example, in Saint Kitts and Nevis, 21.2% of all working young people are from the first quintile and 15.2% are from the highest quintile. Taking the total workforce aged 30 and over, 12.5% are from the first quintile and 27.4% are from the fifth quintile. In Antigua and Barbuda, the percentage of young people aged 15 to 29 who are in the workforce is similar for the highest and lowest quintiles, at 17% and 15.5%, respectively. Bringing older people (aged 30 to 64) into the equation widens the gap between the two, to 13.5% of the total adult workforce for the first quintile and 30% for the fifth quintile. In Grenada, young people aged 15 to 24 from low socio-economic strata are more likely to be part of the labour force than are young people in the same age group from high socio-economic strata (CDB/KCL, 2007a, 2009a, 2009b).

On top of the high opportunity costs of education for young people from low-income households that these data would suggest, the potential roadblocks to future employment are also worrisome. Early entry into the labour market can restrict the acquisition and development of the knowledge needed for access to more productive employment during adulthood, keeping young people from developing their capacities and making them more vulnerable throughout their working life.

## E. Youth and public policy

### 1. A framework for analysis

Young people need to consolidate and develop capacities, and they need to generate and use assets.<sup>7</sup> Education gaps and lags, barriers to decent employment, inadequate social protection and social security regimes and the lack of space for active participation are some of the factors that hamper young people as they transition through this

period of life. State action plays a critical role in removing these obstacles.

Over the past few years the countries of Latin America and the Caribbean have implemented public policy measures geared towards youth development. Institutions have been established and tasked with crafting, implementing and coordinating youth plans and programmes. But progress has been uneven. State action has been rendered less effective by the region's disparate institutional framework for youth policy and the failure to engage young people themselves in shaping the strategies

<sup>7</sup> Assets are understood to be the stock of capital or the accumulated capital that may be used directly or indirectly to generate the livelihood of a person or household and maintain or change levels of well-being (Ellis, 2000).

for putting their interests on the public agenda (ECLAC/OIJ, 2004 and 2008).

This section examines the role of public youth policy in several Caribbean countries, stressing the importance of strengthening, enhancing and expanding the appropriation of youth development assets (such as education and employment). First comes a look at potential approaches to programme and government strategy design, how youth issues can be mainstreamed into public policy and the different ways in which the

countries of the Caribbean have included youth policies in their institutions and action structures. There follows an analysis of how assets influence an individual's livelihood and how useful classifying those assets can be for pinpointing areas in which public youth policies are having little or no impact. The review in this section on public youth policies adopted by the countries of the Caribbean is not exhaustive and is not intended to yield assessments or conclusions as to the effective impact of such policies on the target population.

## 2.

### Youth issues: focuses and institutions

Several years ago public mechanisms were implemented in Latin America and the Caribbean to establish an institutional framework for youth issues by, *inter alia*, creating ministries or departments for youth affairs, designing and implementing action plans that cut across sectors and changing the legal and regulatory framework. Policymakers followed a variety of approaches to better integrate youth into the public and social space.

Beyond the difficulty of establishing age ranges for young people, some of the mechanisms used are based on a standard unit assuming that all young people and their needs are similar. The goal in this case is to offer services and programmes, without taking into consideration the different realities and opportunities young people face (social integration approach). Others focus more on disadvantages, with public policy action targeting young people with greater lags and social exclusions (risk approach). Still others centre on the role of young people as active participants in actions geared towards improving their standard of living (active approach, or young people as strategic development actors). Some put more emphasis on a voice and participation for young people, seeking to boost their leverage with policymakers (social capital approach). Last, there are mechanisms that approach young people as individuals on a path seeking more independence. Here, policies centre on factors such as employment and access to housing (emancipation approach) (ECLAC/OIJ, 2008, pages. 314-316).

These policy approaches are not mutually exclusive. They can complement each other or overlap within a given public policy strategy. How youth issues are positioned in the institutional policy framework is important too, i.e., whether themes and actions in this sphere are addressed more or less separately by different administrative sectors of the State, or whether they are a thread running through and cutting across sector boundaries. In the former

arrangement, the subject can be a recipient or beneficiary of sector-based programmes (designed to meet a need or requirement under the purview of the sector in question) and tailored not to young people per se but rather to the purposes of the sector. In the latter, while young people are still the recipients or beneficiaries of the programmes implemented by departments in charge of different sectors, interventions on youth issues are guided not by individual programme mandates but rather by a consistent, comprehensive public policy framework.

For this reason, some Caribbean countries have departments for liaising with other government agencies and civil society organizations involved in youth affairs. Anguilla is an example (CDB/KCL, 2010c). Sometimes these departments are at the ministerial level (usually education or social development), as in the British Virgin Islands and the Cayman Islands. They conduct youth programmes in the areas of job and sports training and community integration, among others (CDB/Government of the British Virgin Islands, 2003; CDB/KCL, 2008).

Some ministries, while not being exclusively devoted to youth issues, do include these matters among their primary objectives. Saint Kitts and Nevis has the Ministry of Youth Empowerment, Sports, Information Technology and Telecommunications and Post. It also has a Department of Youth, which, as part of the Ministry of Education, is tasked with coordinating actions on youth issues in the country in order to avoid duplication of efforts. The activities of these offices encompass areas such as HIV/AIDS and youth participation (CDB/KCL, 2009c).

Government agencies whose mandate is not limited to youth affairs but that do have sector-based programmes that explicitly target youth issues are found in Barbados, Dominica, Grenada and Saint Lucia. In Barbados, the Youth Affairs Department of the Ministry of Family, Culture, Sports and Youth is charged with ensuring that the

government's youth-related objectives are met. In Grenada, the functions of the Ministry of Youth Empowerment and Sports include planning and implementing youth development programmes and fostering youth involvement. In Dominica, the Youth Development Division, under the Ministry of Culture, Youth and Sports, operates education, leadership, volunteer and training programmes (CDB/KCL, 2010b). In Saint Lucia, the Ministry of Social Transformation, Human Resource Development, Youth and Sports has a similar mandate.

For some Caribbean countries, youth affairs cut across the jurisdictions of several institutions and agencies and are governed by action plans that bring together, under a single public youth policy, both government and private-sector action. In Belize, the Ministry of Education and Youth is in charge of youth affairs, including the Youth for the Future initiative to coordinate government youth development policies and cooperation projects with civil organizations and international agencies (Government of Belize, 2011).

Jamaica's national youth policy provides a multisector framework for youth development with clearly defined focal points. They are: the environment for development,

education and training; employment and entrepreneurship; health, participation and empowerment; and care and protection. The National Centre for Youth Development, which is part of the Ministry of Youth, Sports and Culture, oversees implementation of youth policy, coordinates and integrates youth development activities and services and issues recommendations for designing and updating programmes in order to promote youth development (Government of Jamaica, 2003; 2009).

Trinidad and Tobago has a national youth policy, too; instead of programmes per se it provides a framework for action on youth affairs by government agencies and civil society organizations. Some of the focal points are employment, infrastructure and services, training, leadership, violence and the creation of spaces for expression and financing (Government of Trinidad and Tobago, 2006). Youth policy is under the purview of the Ministry of Gender, Youth and Child Development.

In other cases —Antigua and Barbuda is one— there is no specific government agency for youth affairs. Instead, the government provides support for civil organizations operating in this sphere (CDB/KCL, 2007a).

### 3.

## Assets and capital: mapping the influence of public youth policies

In the sphere of public youth policy, it is worthwhile to look at how government action can improve the livelihoods of young people, at least by programs for developing opportunities and capacities. A livelihood is not just the activities in which an individual or a household engages to meet basic daily needs, but also the assets (the stock of knowledge and access to and use of certain resources) skills and activities required to generate meaning and determine the living gained (Chambers and Conway, 1991). Assets are therefore an intrinsic part of the conceptual frameworks associated with livelihoods, stressing the importance of capital and the use of tangible and intangible resources.

Assets give meaning to a person's world, enable being and doing, and are vehicles for three kinds of action: instrumental action (making a living and developing), hermeneutic action (making living meaningful) and emancipatory action (challenging the structures under which one makes a living) (Bebbington, 1999, page 2022). Assets are usually classed in five categories: physical capital (work and production of goods); financial capital (related to money); human capital (inter alia, nutritional, educational and health status); natural capital (related to aspects such as land ownership and access to water); and

social capital (formal and informal institutions) (Ellis and Freeman, 2005; Ellis, 2006).

Assets play an important role in the actions and activities that individuals pursue to build a livelihood; the conditions for accumulating them are central to expanding the opportunities that young people have for exiting poverty or improving their livelihoods. But the value and meaning of assets is not the same for all individuals and households, and there is a range of processes whereby individuals transform assets into the appropriation and use of rights, and of ways in which they optimize their stock of assets. These and other factors, such as institutions and social relations, shape how households and individuals use assets to build their livelihoods. Put another way, the scope and limitations of some livelihoods are subject to formal and informal institutional processes (Ellis, 2000; Scoones, 1998).<sup>8</sup>

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<sup>8</sup> There is a parallel here with the rights-based methodological framework developed by Sen (1982), which establishes that the appropriation of rights depends on the political, economic, legal and social characteristics of a society and an individual's position in it.

The livelihood-based conceptual framework thus seeks public policy instruments designed to boost both the accumulation and the value of the assets of the population and to promote and facilitate the optimal use of existing underutilized assets (Ellis, 2000 and 2006). Beyond the debate about asset categories, classifying them makes it possible to distinguish between those that are understood and are expected (either separately or together) from public policy and social action. In other words, classifying assets reveals the link between multidimensional aspects and the factors that influence the ways and means that individuals—especially young people—can access to build their lives.

A World Bank report noted that most Caribbean countries have identified youth as a target for social development planning, having set up youth desks and departments in government and assigned budget resources for youth, as discussed earlier in this section. But their focus has been on leisure and community service rather than on action to meet the needs and challenges of youth development (World Bank, 2003). This no longer seems to be the case, although policymakers and policy implementers have indeed tended to focus more on specific youth development issues.

All of the countries of the Caribbean have action plans and strategies focused on the human capital of young people. This is understandable, because health, education and other factors exert such an influence on youth development. In the sphere of education, there are usually programmes providing scholarships and support for paying for books, meals and transportation for secondary-school students, as well as sports programmes. There are also some educational initiatives targeting specific segments of the youth population. Grenada, for example, has programmes designed to keep young single mothers from dropping out of school. And in the Cayman Islands there are support programmes for university studies.

Health is also high on government agendas, although action in this sphere tends to be sector-based instead of specifically focused on youth. Most health initiatives targeting youth have to do with prevention, especially as related to HIV/AIDS. The governments of Bahamas, Belize, Granada, the Cayman Islands, Saint Lucia and Trinidad and Tobago have sexual health and HIV/AIDS programmes, as well as programmes for the prevention of sexually transmitted diseases. In many Caribbean countries, drug use prevention and rehabilitation is another pillar of youth strategy.

Job training for young people is a widespread practice among the countries of the Caribbean. Such programmes do help build the human capital of youth but, because they focus on labour skills, they may be regarded as contributing to physical capital. Anguilla,

Antigua and Barbuda, Bahamas, Barbados, Belize, the British Virgin Islands, Dominica, Grenada, Jamaica, Saint Kitts and Nevis, Saint Lucia and Trinidad and Tobago are among the countries with government job training initiatives for young people. However, some of these programmes focus more on teaching trades instead of providing training or continuing education for accessing more sophisticated labour markets where wages and benefits have historically been better.

Initiatives to promote business development among young people are less common; there are a few in Barbados, Belize, Dominica and Jamaica. Scarcer still are direct youth job promotion and creation initiatives. The British Virgin Islands has an income generation project for single mothers, but youth job programmes are less frequent than those geared towards training alone.

There is not much information available on public youth policies in the spheres of financial capital and natural capital, but this does not mean that there are none. The countries of the Caribbean have quite a few programmes for supporting activities related to fishing, farming and microcredit and other financial services. Strictly speaking, young people are not barred from participating in these programmes or benefitting from the policies. But their participation is often limited by the fact that these initiatives are designed for generic beneficiaries and users. Young people have different potentialities and realities than adults; figuring them into the design and implementation of public policies for developing the natural and financial capital of the youth population could improve the outcomes of existing programmes.

Many governments have added youth desks. Institutional frameworks encompass youth affairs to varying degrees, but they are a constant throughout the countries of the Caribbean. There may be different approaches to integrating youth issues, with some countries stressing the role of young people as active participants in policies that target them. Such initiatives tend to develop youth social capital more because their impact goes beyond formal institutions (government structures) to act on informal structures as well by promoting the political and participatory empowerment of the youth population. Some of the Caribbean countries, such as Belize and Jamaica, have programmes whose primary objective is to enhance the voice of young people. But there is a need for broader institutional channels to harness the natural energy of this age group. It is during this stage in life that individuals claim some of their fundamental political rights (such as the right to vote and to be elected to represent the people). There is therefore a need for public policies designed to develop youth social capital and encourage young people to become more involved in the democratic process.

## F. Conclusions

The range of realities that young people live calls for further study of the social and economic dynamics that both create and limit their space for development. Generally speaking, today's youth population in the Caribbean has more assets than did their peers in previous generations. But there remain unequal structures of opportunities that continue to operate as cores of exclusion. The acquisition and appropriation of assets by young people is, to varying degrees, conditioned and stratified by factors such as household income and consumption, location and access to basic services.

To provide an example, the data suggest that the high opportunity cost of education beyond the secondary level for young people in lower-income households or those who live far from urban areas can lead them to drop out of school and enter the labour market early. Premature entry into the workforce not only goes against international child labour standards if it takes place during early youth—it also interrupts the development of knowledge and capacities and thus affects the future by keeping these young people from accessing better-paid jobs and confining many of them to vulnerable work.

The evidence suggests that there is a need for targeted action to guide public youth policy efforts towards the enhancement of capacities and opportunities, especially for the most socially excluded young people who are being deprived of opportunities to develop their capacities. This does not just mean improving and ensuring the equality of educational achievements and attainments. It also entails promoting access by vulnerable sectors of youth to social protections (such as health, care and cash transfers) political participation, labour intermediation and financial services, and providing them with productive support.

The information provided here shows that in most of the countries of the Caribbean, some youth issues are part of the government action agenda and have been integrated into the government institutional structure. But there is a need for more comprehensive youth interventions and less sector-based action. Comprehensive social protection and promotion systems need to be designed and put in place to meet the specific needs of young people in the Caribbean and address the main obstacles that they face. These measures should be based on the acquisition of assets and capacities by youth and on the exercise of internationally recognized rights and guarantees.

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## **Statistical annex**



Table A-1  
LATIN AMERICA AND THE CARIBBEAN: TRENDS IN SELECTED ECONOMIC INDICATORS, 1990-2010

Country	Year	Per capita GDP (in 2000 dollars)	Per capita income (in 2000 dollars) <sup>a</sup>	Unemployment (percentages)	Annual variation in consumer price index <sup>b</sup>	Period	Annual average variations in the period			
							Per capita GDP	Per capita income <sup>a</sup>	Mean real remuneration	Real urban minimum wage
Antigua and Barbuda	1990	10 017.6	...	...	...	1990-1999	1.0	...	...	...
	1999	10 990.9	...	...	...		1.0	...	...	...
	2002	10 528.3	...	...	...		1.0	...	...	...
	2008	14 898.3	...	...	...		-0.4	...	...	...
	2009	13 071.2	...	...	...		-12.3	...	...	...
	2010	12 252.6	...	...	...		-6.3	...	...	...
Argentina	1990	3 405.3	3 252.1	7.4	1 343.9	1990-1999	3.4	3.2	0.0	14.9
	1999	4 584.4	4 317.4	14.3	-1.8		-11.8	-14.2	-19.4	-19.6
	2002	3 756.2	3 470.2	19.7	41.0		2002	5.7	8.4	8.8
	2008	5 771.1	5 901.6	7.9	7.2		2008	-0.2	-2.6	11.7
	2009	5 762.2	5 745.6	8.7	7.7		2009	-0.2	-2.6	15.3
	2010	6 228.7	6 235.4	7.7	10.9		2010	8.1	8.5	12.9
Bahamas	1990	21 800.9	...	...	...	1990-1999	0.7	...	...	...
	1999	23 184.7	...	7.8	...		1.4	...	...	...
	2002	24 452.8	...	9.1	...		-2.8	...	...	...
	2008	23 675.1	...	8.7	...		-6.5	...	...	...
	2009	22 139.8	...	14.2	...		-0.5	...	...	...
	2010	22 024.3	...	...	...		...	...	...	...
Barbados	1990	12 462.0	...	14.7	3.4	1990-1999	0.6	...	...	...
	1999	13 174.7	...	10.4	2.9		0.3	...	...	...
	2002	13 124.7	...	10.3	0.9		-0.2	...	...	...
	2008	15 462.4	...	8.1	7.3		-4.5	...	...	...
	2009	14 760.4	...	10.0	4.4		0.2	...	...	...
	2010	14 788.8	...	10.8	6.5		...	...	...	...
Belize	1990	2 860.7	...	...	...	1990-1999	1.0	...	...	...
	1999	3 130.0	...	12.8	...		2.7	...	...	...
	2002	3 597.4	...	10.0	...		1.7	...	...	...
	2008	4 098.5	...	8.2	...		-2.0	...	...	...
	2009	4 016.9	...	13.1	...		0.4	...	...	...
	2010	4 034.4	...	...	...		...	...	...	...
Bolivia (Plurinational State of)	1990	849.5	815.3	7.3	18.0	1990-1999	1.6	1.2	2.1	10.2
	1999	982.0	909.8	7.2	3.1		0.4	2.8	3.3	4.7
	2002	986.8	925.6	8.7	2.5		4.3	7.4	-7.4	-1.5
	2008	1 145.8	1 232.4	6.7	11.8		-1.6	-2.4	3.8	8.3
	2009	1 164.0	1 203.1	7.9	0.3		2.4	6.2	...	2.5
	2010	1 191.7	1 278.0	6.5	7.2		...	...	...	...
Brazil	1990	4 002.2	3 900.2	4.3	2 101.3	1990-1999	0.8	0.7	0.2	3.1
	1999	4 293.3	4 146.8	7.6	8.9		1.2	1.3	-2.1	4.1
	2002	4 464.6	4 311.9	11.7	12.5		1.0	1.7	2.1	3.9
	2008	5 325.7	5 292.5	7.9	5.9		4.1	4.6	2.1	7.4
	2009	5 266.2	5 193.6	8.1	4.3		-1.1	-1.9	1.3	5.4
	2010	5 622.0	5 653.3	6.7	5.9		6.8	8.9	2.1	5.4
Chile	1990	3 927.8	3 535.3	7.8	27.3	1990-1999	4.9	4.6	4.0	5.5
	1999	6 051.3	5 313.9	10.1	2.3		1.0	1.7	2.0	2.9
	2002	6 443.9	5 610.4	9.8	2.8		2.6	0.8	-0.2	-0.2
	2008	7 980.5	7 780.0	7.8	7.1		-2.6	-2.6	4.8	5.4
	2009	7 769.6	7 577.3	9.7	-1.4		4.2	12.2	2.3	2.4
	2010	8 095.7	8 501.3	8.2	3.0		...	...	...	...
Colombia	1990	2 827.7	2 657.5	10.5	32.4	1990-1999	0.8	1.0	2.6	-0.1
	1999	3 049.0	2 913.4	19.4	9.2		0.9	0.6	3.0	0.7
	2002	3 112.9	2 954.0	18.1	7.0		2.0	3.4	-1.9	-1.6
	2008	3 845.8	3 805.4	11.5	7.7		0.0	-2.4	1.1	3.2
	2009	3 846.2	3 714.6	13.0	2.0		-2.6	-3.5	7.7	3.8
	2010	3 955.8	3 880.3	12.4	3.2		2.9	4.5	2.5	1.2
Costa Rica	1990	3 200.4	3 097.3	5.4	27.3	1990-1999	3.0	2.8	2.2	1.1
	1999	4 179.1	3 985.5	6.2	10.1		0.8	2.3	4.1	-0.7
	2002	4 149.5	4 178.3	6.8	9.7		1.4	2.1	-2.0	-1.3
	2008	5 329.6	5 127.0	4.8	13.9		-2.6	-3.5	7.7	3.8
	2009	5 193.0	4 949.3	8.5	4.0		2.8	4.5	2.1	2.4
	2010	5 340.2	5 173.6	7.1	5.8		...	...	...	...
Cuba	1990	3 648.2	...	5.4	...	1990-1999	-2.7	...	-9.5	...
	1999	2 853.4	2 795.1	6.3	...		1.2	0.8	9.3	5.2
	2002	3 138.2	3 011.2	3.3	7.3		4.1	...	0.1	-1.6
	2008	4 764.3	...	1.6	-0.1		-2.6	-3.5	4.6	1.2
	2009	4 833.4	...	1.7	-0.1		1.4	...	...	...
	2010	4 932.7	...	2.5	1.6		2.4	...	3.0	-1.3

Table A-1 (continued)

Country	Year	Per capita GDP (in 2000 dollars)	Per capita income (in 2000 dollars) <sup>a</sup>	Unemployment (percentages)	Annual variation in consumer price index <sup>b</sup>	Annual average variations in the period				
						Period	Per capita GDP	Per capita income <sup>a</sup>	Mean real remuneration	Real urban minimum wage
Dominica	1990	3 766.1	...	...	...	1990-1999	2.8	...	...	...
	1999	4 817.7	...	...	...		-1.8	...	...	...
	2002	4 820.9	...	...	...		6.6	...	...	...
	2008	6 371.7	...	...	...		-0.4	...	...	...
	2009	6 343.3	...	...	...		0.1	...	...	...
	2010	6 346.9	...	...	...		...	...	...	...
Dominican Republic	1990	2 180.1	2 119.3	...	79.9	1990-1999	4.2	4.5	...	2.6
	1999	3 168.3	3 153.8	13.8	5.1		4.2	4.2	...	-0.6
	2002	3 440.0	3 389.7	16.1	10.5		2002	3.8	4.2	-6.5
	2008	4 397.6	4 165.4	14.1	4.5		2008	2.1	3.8	7.1
	2009	4 488.0	4 323.3	14.9	5.7		2009	6.3	5.9	-0.4
	2010	4 772.9	4 579.9	14.3	6.3		2010	...	...	...
Ecuador	1990	2 310.6	2 101.2	6.1	49.5	1990-1999	-0.2	-0.2	3.7	2.1
	1999	2 269.6	2 065.8	14.4	60.7		2.2	3.5	10.9	0.9
	2002	2 463.2	2 262.2	8.6	9.4		2002	6.1	11.3	8.6
	2008	3 140.2	3 258.8	6.9	8.8		2008	-0.7	-4.9	3.6
	2009	3 118.7	3 097.5	8.5	4.3		2009	2.5	6.5	6.3
	2010	3 196.2	3 298.9	7.6	3.3		2010	...	...	...
El Salvador	1990	1 821.6	1 754.7	10.0	19.3	1990-1999	3.7	3.9	...	0.1
	1999	2 521.7	2 476.3	6.9	-1.0		1.9	1.5	-0.7	-1.9
	2002	2 642.4	2 605.9	6.2	2.8		2002	0.8	0.6	-3.1
	2008	3 045.7	2 955.5	5.5	5.5		2008	-3.6	-3.7	9.7
	2009	2 936.4	2 846.4	7.1	-0.2		2009	0.9	0.9	1.0
	2010	2 963.9	2 871.0	...	2.1		2010	...	...	-1.0
Grenada	1990	3 866.9	...	...	...	1990-1999	2.2	...	...	...
	1999	4 702.4	...	...	...		3.6	...	...	...
	2002	5 537.1	...	...	...		2002	0.5	...	...
	2008	6 894.2	...	...	...		2008	-8.3	...	...
	2009	6 318.9	...	...	...		2009	-0.8	...	...
	2010	6 266.5	...	...	...		2010	...	...	...
Guatemala	1990	1 758.1	1 702.8	...	59.6	1990-1999	1.8	2.2	5.4	-7.4
	1999	2 063.2	2 063.0	...	4.9		2002	0.4	-0.9	0.3
	2002	2 112.6	2 101.3	5.4	6.3		2008	0.2	-2.6	-4.9
	2008	2 299.9	2 218.4	...	9.4		2009	-1.9	0.1	5.2
	2009	2 256.1	2 198.0	...	-0.3		2010	0.3	0.2	2.8
	2010	2 262.8	2 202.6	...	5.4		2010	...	...	3.7
Guyana	1990	1 099.6	...	...	...	1990-1999	5.5	...	...	...
	1999	1 782.4	...	...	...		0.7	...	...	...
	2002	1 801.3	...	...	...		2008	1.7	...	...
	2008	2 007.0	...	...	...		2009	3.2	...	...
	2009	2 070.8	...	...	...		2010	3.5	...	...
	2010	2 143.3	...	...	...		2010	...	...	...
Haiti	1990	600.8	616.5	...	26.1	1990-1999	-2.0	-2.1	...	-7.3
	1999	502.1	508.6	...	9.7		-1.8	-2.3	...	-8.9
	2002	475.5	474.3	...	14.8		2008	-0.8	-3.7	-13.0
	2008	453.3	440.9	...	17.0		2009	1.2	3.9	28.0
	2009	458.8	458.2	...	2.1		2010	-6.6	-6.4	58.0
	2010	428.6	428.8	...	6.2		2010	0.8	1.7	-4.5
Honduras	1990	1 147.8	1 068.8	7.8	36.4	1990-1999	0.5	1.9	...	-1.1
	1999	1 204.1	1 269.7	5.3	10.9		2002	-0.1	...	2.0
	2002	1 275.2	1 259.1	6.1	8.1		2008	-1.0	...	0.2
	2008	1 570.9	1 431.9	4.1	10.8		2009	-4.1	-0.5	70.5
	2009	1 507.2	1 424.8	4.9	3.0		2010	-3.4	...	...
	2010	1 518.9	1 449.1	6.4	6.5		2010	0.8	1.7	...
Jamaica	1990	4 041.1	...	15.3	29.8	1990-1999	-0.1	...	...	...
	1999	3 994.4	...	15.7	6.8		0.1	...	...	...
	2002	4 009.1	...	14.2	7.3		2008	-1.0	...	...
	2008	4 250.4	...	10.6	16.9		2009	-3.4	...	...
	2009	4 107.9	...	11.4	10.2		2010	-1.6	...	...
	2010	4 040.7	...	12.4	11.8		2010	...	...	...

Table A-1 (concluded)

Country	Year	Per capita GDP (in 2000 dollars)	Per capita income (in 2000 dollars) <sup>a</sup>	Unemployment (percentages)	Annual variation in consumer price index <sup>b</sup>	Annual average variations in the period				
						Period	Per capita GDP	Per capita income <sup>a</sup>	Mean real remuneration	Real urban minimum wage
Mexico	1990	6 528.7	6 281.5	2.7	29.9	1990-1999	1.4	1.5	0.7	-4.1
	1999	7 410.2	7 196.7	3.7	12.3					
	2002	7 650.6	7 423.9	3.9	5.7					
	2008	8 573.8	8 520.3	4.9	6.5					
	2009	7 953.1	7 865.2	6.6	3.6					
	2010	8 333.5	8 287.4	6.4	4.4					
Nicaragua	1990	722.5	599.4	7.6	1 3490.2	1990-1999	1.1	3.0	3.1	0.8
	1999	798.4	781.9	10.7	7.2					
	2002	824.5	793.1	11.6	4.0					
	2008	952.3	900.9	8.0	12.7					
	2009	926.2	897.6	10.5	1.8					
	2010	955.6	926.0	9.7	9.1					
Panama	1990	3 170.1	3 236.7	20.0	0.8	1990-1999	3.2	2.8	0.7	1.7
	1999	4 214.5	4 149.7	13.6	1.5					
	2002	4 205.2	4 261.5	16.5	1.8					
	2008	6 096.0	5 428.3	6.5	6.8					
	2009	6 230.2	5 695.9	7.9	1.9					
	2010	6 600.8	5 948.8	7.7	4.9					
Paraguay	1990	1 299.7	1 335.7	6.6	44.0	1990-1999	0.0	0.2	1.3	-1.3
	1999	1 300.7	1 363.1	9.4	5.4					
	2002	1 206.1	1 216.8	14.7	14.6					
	2008	1 412.3	1 509.6	7.4	7.5					
	2009	1 334.2	1 392.6	8.2	1.9					
	2010	1 508.6	1 581.7	7.8	7.2					
Peru	1990	1 999.2	1 889.0	8.3	7 646.8	1990-1999	2.3	2.4	0.6	2.3
	1999	2 453.4	2 343.5	9.2	3.7					
	2002	2 543.3	2 399.5	9.4	1.5					
	2008	3 544.5	3 436.4	8.4	6.6					
	2009	3 534.6	3 405.3	8.4	0.2					
	2010	3 800.7	3 763.0	7.9	2.1					
Suriname	1990	2 627.6	...	15.8	...	1990-1999	-1.2	...	...	...
	1999	2 348.1	...	14.0	...					
	2002	2 490.6	...	10.0	...					
	2008	3 044.2	...	...	...					
	2009	3 080.3	...	...	...					
	2010	3 185.2	...	...	...					
Trinidad and Tobago	1990	5 827.6	...	20.1	9.5	1990-1999	3.5	...	...	...
	1999	7 936.4	...	13.2	3.4					
	2002	9 429.1	...	10.4	4.3					
	2008	14 691.8	...	4.6	14.5					
	2009	14 118.7	...	5.3	1.3					
	2010	14 419.6	...	5.8	13.4					
Uruguay	1990	3 964.6	4 118.6	8.5	128.9	1990-1999	2.8	2.5	1.4	-5.3
	1999	5 092.0	5 164.5	11.3	4.2					
	2002	4 286.6	4 447.8	17.0	25.9					
	2008	6 302.6	6 139.0	7.9	9.2					
	2009	6 444.1	6 318.5	7.6	5.9					
	2010	6 967.0	6 876.9	7.1	6.9					
Venezuela (Bolivarian Republic of)	1990	5 286.9	4 326.7	10.4	36.5	1990-1999	-0.3	-1.5	-3.9	-0.8
	1999	5 168.5	3 781.7	15.0	20.0					
	2002	4 772.3	3 741.0	15.8	31.2					
	2008	6 509.4	7 591.3	7.3	31.9					
	2009	6 198.9	6 350.1	7.8	26.9					
	2010	6 010.1	6 437.0	8.6	27.4					
Latin America and the Caribbean <sup>c</sup>	1990	3 970.9	3 687.3	...	1 376.8	1990-1999	1.3	1.5	...	...
	1999	4 456.1	4 214.4	11.0	9.7					
	2002	4 514.5	4 272.3	11.1	12.2					
	2008	5 478.2	5 373.2	7.3	8.2					
	2009	5 309.6	5 120.2	8.1	4.7					
	2010	5 571.1	5 473.1	7.3	6.5					

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

<sup>a</sup> Real per capita gross national income.

<sup>b</sup> Simple average of December-to-December variations for each year.

<sup>c</sup> The aggregate figure for Latin America and the Caribbean was calculated by weighting the figures for all the countries for which information was available for each indicator.

Table A-2  
LATIN AMERICA AND THE CARIBBEAN: TOTAL POPULATION BY COUNTRY OR TERRITORY, 1980-2020  
(Thousands at mid-year)

Country	1980	1985	1990	1995	2000	2005	2010	2015	2020
<b>Latin America</b>									
Argentina	28 094	30 305	32 581	34 835	36 896	38 747	40 738	42 676	44 486
Bolivia (Plurinational State of)	5 355	5 964	6 669	7 482	8 317	9 182	10 031	10 854	11 638
Brazil	121 618	136 124	149 527	161 620	174 167	186 110	195 498	202 954	209 090
Chile	11 174	12 102	13 179	14 395	15 412	16 294	17 133	17 914	18 606
Colombia	26 881	29 984	33 186	36 436	39 763	43 046	46 299	49 385	52 278
Costa Rica	2 347	2 697	3 076	3 475	3 929	4 327	4 639	4 962	5 255
Cuba	9 823	10 064	10 564	10 885	11 075	11 189	11 203	11 213	11 193
Dominican Republic	5 808	6 487	7 179	7 888	8 560	9 237	9 899	10 515	11 077
Ecuador	7 961	9 099	10 272	11 397	12 305	13 060	13 773	14 550	15 349
El Salvador	4 660	4 996	5 326	5 724	5 942	6 057	6 192	6 381	6 616
Guatemala	7 014	7 935	8 908	10 004	11 229	12 709	14 376	16 195	18 076
Haiti	5 691	6 388	7 109	7 837	8 578	9 295	10 089	10 918	11 752
Honduras	3 634	4 236	4 901	5 589	6 234	6 898	7 621	8 392	9 141
Mexico	69 321	76 808	83 906	91 621	98 957	105 001	110 675	115 735	120 099
Nicaragua	3 250	3 709	4 137	4 658	5 100	5 455	5 822	6 189	6 529
Panama	1 949	2 176	2 411	2 670	2 950	3 231	3 508	3 773	4 027
Paraguay	3 198	3 702	4 248	4 799	5 349	5 904	6 460	7 007	7 533
Peru	17 324	19 519	21 765	23 927	25 997	27 833	29 495	31 197	32 881
Uruguay	2 914	3 009	3 106	3 218	3 318	3 324	3 372	3 430	3 493
Venezuela (Bolivarian Republic of)	15 091	17 317	19 731	22 078	24 402	26 724	29 043	31 291	33 412
Latin America	353 109	392 620	431 779	470 537	508 479	543 622	575 867	605 531	632 530
<b>The Caribbean</b>									
Anguilla	7	7	8	10	11	14	15	17	17
Antigua and Barbuda	70	66	62	69	78	84	89	93	97
Aruba	60	63	62	80	90	101	107	109	111
Bahamas	211	235	256	280	298	319	343	363	383
Barbados	249	254	260	263	268	271	273	276	279
Belize	144	166	190	220	251	281	312	344	377
British Virgin Islands	11	13	16	18	20	22	23	24	25
Cayman Islands	17	20	26	33	40	52	56	59	60
Dominica	75	74	71	71	70	69	68	68	68
Grenada	89	100	96	100	102	103	104	107	108
Guyana	777	752	725	728	733	746	754	763	773
Jamaica	2 132	2 297	2 365	2 462	2 582	2 682	2 741	2 790	2 828
Montserrat	12	11	11	10	5	6	6	6	6
Netherlands Antilles	173	182	191	190	180	186	201	208	212
Puerto Rico	3 196	3 379	3 529	3 702	3 814	3 782	3 749	3 742	3 747
Saint Kitts and Nevis	43	42	41	43	46	49	52	56	59
Saint Vincent and the Grenadines	100	104	107	108	108	109	109	109	110
Saint Lucia	118	126	138	147	157	165	174	183	190
Suriname	366	376	407	436	467	499	525	548	569
Trinidad and Tobago	1 078	1 173	1 215	1 261	1 292	1 315	1 341	1 363	1 373
Turks and Caicos Islands	8	10	12	15	19	31	38	41	43
United States Virgin Islands	98	105	103	107	109	109	109	108	106
The Caribbean <sup>a</sup>	29 695	31 903	34 205	36 439	38 441	40 177	41 646	43 041	44 322
Latin America and the Caribbean <sup>b</sup>	362 326	402 393	443 032	482 647	521 429	557 038	590 082	622 437	652 182

Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT database and Social Indicators and Statistics Database (BADEINSO); Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, 2010 revision and United Nations, World Population Prospects: The 2010 Revision [online]. <http://esa.un.org/unpd/wpp/index.htm>.

<sup>a</sup> Includes 24 economies: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, British Virgin Islands, Cayman Islands, Cuba, Dominica, Dominican Republic, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, Netherlands Antilles, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos Islands and United States Virgin Islands.

<sup>b</sup> Includes 46 economies: Anguilla, Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bolivarian Republic of Venezuela, Brazil, British Virgin Islands, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Falkland Islands (Malvinas), French Guiana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, United States Virgin Islands and Uruguay.

Table A-3  
**LATIN AMERICA AND THE CARIBBEAN: GLOBAL FERTILITY RATES BY COUNTRY AND FIVE-YEAR PERIOD, 1980-2020**  
*(Children per woman)*

Country	1980-1985	1985-1990	1990-1995	1995-2000	2000-2005	2005-2010	2010-2015	2015-2020
<b>Latin America</b>								
Argentina	3.15	3.05	2.90	2.63	2.35	2.25	2.16	2.08
Bolivia (Plurinational State of)	5.30	5.00	4.80	4.32	3.96	3.50	3.09	2.75
Brazil	3.80	3.10	2.60	2.45	2.25	1.90	1.70	1.60
Chile	2.67	2.65	2.55	2.21	2.00	1.94	1.89	1.85
Colombia	3.68	3.24	3.00	2.75	2.55	2.45	2.30	2.19
Costa Rica	3.53	3.37	2.95	2.58	2.28	1.96	1.97	1.85
Cuba	1.85	1.85	1.65	1.61	1.63	1.50	1.54	1.57
Dominican Republic	4.15	3.65	3.31	2.98	2.83	2.67	2.48	2.32
Ecuador	4.70	4.00	3.40	3.10	2.82	2.58	2.38	2.22
El Salvador	4.80	4.20	3.73	3.30	2.60	2.35	2.22	2.13
Guatemala	6.10	5.70	5.45	5.00	4.60	4.15	3.71	3.29
Haiti	6.21	5.70	5.15	4.62	4.00	3.54	3.19	2.91
Honduras	6.00	5.37	4.92	4.30	3.72	3.31	2.95	2.66
Mexico	4.25	3.63	3.19	2.67	2.40	2.21	2.04	1.89
Nicaragua	5.85	5.00	4.50	3.60	3.00	2.76	2.55	2.37
Panama	3.52	3.20	2.87	2.79	2.70	2.56	2.41	2.29
Paraguay	5.20	4.77	4.31	3.88	3.48	3.08	2.76	2.51
Peru	4.65	4.10	3.57	3.10	2.80	2.60	2.38	2.22
Uruguay	2.57	2.53	2.49	2.30	2.20	2.12	2.03	1.96
Venezuela (Bolivarian Republic of)	3.96	3.65	3.25	2.94	2.72	2.55	2.39	2.26
Latin America	3.95	3.44	3.04	2.74	2.50	2.27	2.09	1.98
<b>The Caribbean</b>								
Aruba	2.36	2.30	2.17	1.95	1.82	1.74	1.67	1.63
Bahamas	3.05	2.65	2.64	2.33	1.87	1.91	1.88	1.85
Barbados	1.92	1.77	1.73	1.64	1.50	1.53	1.58	1.62
Belize	5.40	4.70	4.35	3.85	3.35	2.94	2.68	2.48
Grenada	4.23	4.14	3.46	2.81	2.43	2.30	2.17	2.06
Guyana	3.26	2.70	2.55	2.50	2.43	2.33	2.19	2.07
Jamaica	3.55	3.10	2.84	2.67	2.54	2.40	2.26	2.15
Netherlands Antilles	2.36	2.30	2.28	2.12	2.09	1.98	1.90	1.84
Puerto Rico	2.46	2.26	2.18	1.99	1.84	1.83	1.76	1.70
Saint Vincent and the Grenadines	3.64	3.10	2.85	2.55	2.24	2.13	2.00	1.88
Saint Lucia	4.20	3.65	3.15	2.60	2.10	2.05	1.91	1.79
Suriname	3.70	3.00	2.60	2.80	2.60	2.42	2.27	2.14
Trinidad and Tobago	3.22	2.80	2.10	1.73	1.61	1.64	1.63	1.62
United States Virgin Islands	3.70	3.09	3.09	2.50	2.15	2.05	1.94	1.85
The Caribbean <sup>a</sup>	3.41	3.14	2.84	2.62	2.49	2.36	2.25	2.15
Latin America and the Caribbean <sup>b</sup>	3.93	3.42	3.02	2.73	2.53	2.30	2.17	2.05

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT database and Social Indicators and Statistics Database (BADEINSO); Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, 2010 revision and United Nations, World Population Prospects: The 2010 Revision [online] <http://esa.un.org/unpd/wpp/index.htm>.

<sup>a</sup> Includes 24 economies: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, British Virgin Islands, Cayman Islands, Cuba, Dominican Republic, Grenada, Guadeloupe, Haiti, Jamaica, Martinique, Montserrat, Netherlands Antilles, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, Turks and Caicos Islands and United States Virgin Islands.

<sup>b</sup> Includes 46 economies: Anguilla, Antigua and Barbuda, Argentina, Aruba, Bahamas, Barbados, Belize, Bolivarian Republic of Venezuela, Brazil, British Virgin Islands, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Falkland Islands (Malvinas), French Guiana, Grenada, Guadeloupe, Guatemala, Guyana, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Netherlands Antilles, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands, United States Virgin Islands and Uruguay.

Table A-4  
LATIN AMERICA: POVERTY AND INDIGENCE LEVELS, 1990-2010  
(Percentages)

Country	Year	Population below the poverty line <sup>a</sup>					Population below the indigence line				
		National total	Urban areas			Rural areas	National total	Urban areas			Rural areas
			Total	Metropolitan area	Other urban			Total	Metropolitan area	Other urban	
Argentina	1990	...	21.2	...	...	...	...	5.2	...	...	...
	1999	23.7	19.7	28.5	...	...	6.7	4.8	8.8	...	...
	2006	21.0	19.3	22.8	...	...	7.2	6.7	7.9	...	...
	2009	11.3	9.6	13.3	...	...	3.8	3.1	4.5	...	...
	2010	8.6	7.3	10.1	...	...	2.8	2.3	3.3	...	...
Bolivia (Plurinational State of)	1989	52.6	...	...	...	...	23.0	...	...	...	...
	1999	60.6	48.7	45.0	63.9	80.7	36.4	19.8	17.5	29.0	64.7
	2002	62.4	52.0	48.0	58.2	79.2	37.1	21.3	18.8	25.0	62.9
	2007	54.0	42.4	40.6	44.9	75.8	31.2	16.2	15.4	17.4	59.0
Brazil	1990	48.0	41.2	...	...	70.6	23.4	16.7	...	...	46.1
	1999	37.5	32.9	...	...	55.3	12.9	9.3	...	...	27.1
	2002	37.8	34.4	...	...	55.7	12.6	10.0	...	...	26.4
	2008	25.8	22.8	...	...	41.2	7.3	5.5	...	...	16.5
	2009	24.9	22.1	...	...	39.3	7.0	5.5	...	...	15.2
Chile	1990	38.6	38.5	32.1	43.5	38.8	13.0	12.5	9.3	14.9	15.6
	1998	21.7	20.7	14.6	25.0	27.5	5.6	5.1	3.3	6.4	8.6
	2003	18.7	18.5	12.4	22.7	20.0	4.7	4.4	2.8	5.6	6.2
	2006	13.7	13.9	10.4	16.4	12.3	3.2	3.2	2.4	3.7	3.5
	2009	11.5	11.7	8.4	14.0	10.4	3.6	3.5	2.5	4.1	4.4
Colombia	1991	56.1	52.7	...	...	60.7	26.1	20.0	...	...	34.3
	1999	54.9	50.6	43.1	53.1	61.8	26.8	21.9	19.6	22.7	34.6
	2008 <sup>b</sup>	46.1	40.0	22.6	44.8	65.3	17.9	13.1	3.9	15.7	32.7
	2009 <sup>b</sup>	45.7	39.7	22.1	44.7	64.5	16.5	12.4	4.1	14.7	29.2
	2010 <sup>b</sup>	44.3	38.5	20.2	43.7	62.7	14.8	11.1	3.3	13.3	26.7
Costa Rica	1990	26.3	24.9	22.8	27.7	27.3	10.1	6.9	5.7	8.4	12.5
	1999	20.3	18.1	17.5	18.7	22.3	7.8	5.4	4.3	6.5	9.8
	2008	16.4	15.6	13.9	22.3	17.5	5.5	4.3	3.7	6.4	7.3
	2009	18.9	18.5	16.7	25.4	19.5	6.9	5.4	4.9	7.3	9.1
	2010	18.5	17.0	15.3	24.5	20.8	6.8	4.8	4.3	7.3	9.9
Dominican Republic	2002	47.1	42.4	...	...	55.9	20.7	16.5	...	...	28.6
	2008	44.3	42.0	...	...	49.1	22.6	19.5	...	...	29.0
	2009	41.1	39.3	...	...	44.7	21.0	19.4	...	...	24.3
	2010	41.4	39.6	...	...	45.2	20.9	18.1	...	...	26.5
Ecuador	1990	...	62.1	...	...	...	26.2	...	...	...	...
	1999	...	63.5	...	...	...	31.3	...	...	...	...
	2008	42.7	39.0	...	...	50.2	18.0	14.2	...	...	25.6
	2009	42.2	40.2	...	...	46.3	18.1	15.5	...	...	23.3
	2010	39.2	37.1	...	...	43.2	16.4	14.2	...	...	20.8
El Salvador	1995	54.2	45.8	34.7	55.1	64.4	21.7	14.9	8.8	20.1	29.9
	1999	49.8	38.7	29.8	48.7	65.1	21.9	13.0	7.7	19.0	34.3
	2004	47.5	41.2	33.2	48.6	56.8	19.0	13.8	8.4	18.8	26.6
	2009	47.9	42.3	32.6	49.5	57.6	17.3	12.8	7.3	16.8	25.2
	2010	46.6	41.1	29.7	49.3	55.8	16.7	12.7	6.4	17.2	23.5
Guatemala	1989	69.4	53.6	...	...	77.7	42.0	26.4	...	...	50.2
	1998	61.1	49.1	...	...	69.0	31.6	16.0	...	...	41.8
	2002	60.2	45.3	...	...	68.0	30.9	18.1	...	...	37.6
	2006	54.8	42.0	...	...	66.5	29.1	14.8	...	...	42.2
Honduras	1990	80.8	70.4	59.9	79.5	88.1	60.9	43.6	31.0	54.5	72.9
	1999	79.7	71.7	64.4	78.8	86.3	56.8	42.9	33.7	51.9	68.0
	2002	77.3	66.7	56.9	74.4	86.1	54.4	36.5	25.1	45.3	69.5
	2007	68.9	56.9	47.8	64.0	78.8	45.6	26.2	18.0	32.5	61.7
	2010	67.4	56.3	46.2	64.2	76.5	42.8	26.0	18.3	31.9	56.8

Cuadro A-4 (concluded)

Country	Year	Population below the poverty line <sup>a</sup>					Population below the indigence line				
		National total	Urban areas			Rural areas	National total	Urban areas			Rural areas
			Total	Metropolitan area	Other urban			Total	Metropolitan area	Other urban	
Mexico	1989	47.7	42.1	...	...	56.7	18.7	13.1	...	...	27.9
	1998	46.9	38.9	...	...	58.5	18.5	9.7	...	...	31.1
	2002	39.4	32.2	...	...	51.2	12.6	6.9	...	...	21.9
	2008	34.8	29.2	...	...	44.6	11.2	6.4	...	...	19.8
	2010	36.3	32.3	...	...	42.9	13.3	8.5	...	...	21.3
Nicaragua	1993	73.6	66.3	58.3	73.0	82.7	48.4	36.8	29.5	43.0	62.8
	1998	69.9	64.0	57.0	68.9	77.0	44.6	33.9	25.8	39.5	57.5
	2001	69.3	63.8	50.8	72.1	77.0	42.4	33.4	24.5	39.1	55.1
	2005	61.9	54.4	48.7	58.1	71.5	31.9	20.8	16.4	23.7	46.1
Panama	1991	...	31.0	...	...	...	...	10.8	...	...	...
	1999	...	19.5	...	...	...	...	5.5	...	...	...
	2008	27.7	17.0	...	...	46.3	13.5	4.7	...	...	28.8
	2009	26.4	16.3	...	...	43.9	11.1	4.6	...	...	22.3
	2010	25.8	15.1	...	...	44.8	12.6	4.7	...	...	26.6
Paraguay	1990	...	...	43.2	...	...	...	...	13.1	...	...
	1999	59.0	49.1	39.6	61.2	70.4	31.8	17.1	8.9	27.7	48.8
	2008	56.9	50.3	45.7	57.4	66.3	30.1	20.9	17.4	26.2	43.1
	2009	56.0	48.2	43.9	54.9	67.1	30.4	19.0	15.8	23.9	46.6
	2010	54.8	46.5	46.5	46.5	66.6	30.7	19.4	19.0	20.0	46.8
Peru	1997	47.5	33.6	...	...	72.7	25.0	9.7	...	...	52.7
	1999	48.6	36.1	...	...	72.5	22.4	9.3	...	...	47.3
	2008 <sup>c</sup>	36.2	23.5	...	...	59.8	12.6	3.4	...	...	29.7
	2009 <sup>c</sup>	34.8	21.1	...	...	60.3	11.5	2.8	...	...	27.8
	2010 <sup>c</sup>	31.3	19.1	...	...	54.2	9.8	2.5	...	...	23.3
Uruguay	1990	...	17.9	11.3	24.3	...	...	3.4	1.8	5.0	...
	1999	...	9.4	9.8	9.0	...	...	1.8	1.9	1.6	...
	2008	13.7	14.0	15.2	13.1	9.4	3.4	3.5	4.6	2.7	2.4
	2009	10.4	10.7	12.8	9.1	5.9	1.9	2.0	3.1	1.1	1.3
	2010	8.4	8.6	10.5	7.2	4.2	1.4	1.4	2.3	0.7	1.1
Venezuela (Bolivarian Republic of) <sup>d</sup>	1990	39.8	38.6	29.2	41.2	46.0	14.4	13.1	8.0	14.5	21.3
	1999	49.4	49.4	...	...	...	21.7	21.7	...	...	...
	2002	48.6	48.6	...	...	...	22.2	22.2	...	...	...
	2008	27.6	27.6	...	...	...	9.9	9.9	...	...	...
	2010	27.8	27.8	...	...	...	10.7	10.7	...	...	...
Latin America <sup>e</sup>	1980	40.5	29.5	...	...	59.8	18.6	10.6	...	...	32.7
	1990	48.4	41.4	...	...	65.2	22.6	15.3	...	...	40.1
	1999	43.8	37.1	...	...	64.1	18.6	12.0	...	...	38.7
	2009	33.0	27.3	...	...	54.9	13.1	8.4	...	...	31.4
	2010	31.4	26.0	...	...	52.6	12.3	7.8	...	...	30.0

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

<sup>a</sup> Includes persons below the indigence line or living in extreme poverty.

<sup>b</sup> Figures from the National Planning Department (DNP) and the National Administrative Department of Statistics (DANE) of Colombia. The values shown for 2002 on are not strictly comparable with those for earlier years owing to methodological changes made by DNP and DANE.

<sup>c</sup> Figures from the Institute of Statistics and Informatics (INEI) of Peru. The values shown for 2004 on are not strictly comparable with those for earlier years owing to methodological changes made by INEI.

<sup>d</sup> From 1997, the sample design for the survey does not permit urban-rural breakdown. Figures therefore correspond to the national total.

<sup>e</sup> Estimate for 18 countries of the region plus Haiti.

Table A-5  
LATIN AMERICA: POVERTY AND INDIGENCE LINES (PL AND IL)  
(*Per capita monthly values*)

Country	Year	Income reference period	Currency <sup>a</sup>	Urban		Rural		Variation <sup>b</sup>	Urban		Rural	
				IL	PL	IL	PL		IL	PL	IL	PL
				Currency in use					Dollars			
Argentina	1990 <sup>c</sup>	September	A	255 928	511 856	...	...	5 791.0	44.2	88.4	...	...
	1999	September	\$	72	143	...	...	1.0	71.6	143.3	...	...
	2006	2 <sup>nd</sup> semester	\$	138	276	...	...	3.1	45.1	90.2	...	...
	2009	Year	\$	165	342	...	...	3.7	44.6	92.1	...	...
	2010	Year	\$	194	389	...	...	3.9	49.7	99.7	...	...
Bolivia (Plurinational State of)	1989	October	Bs	68	137	...	...	2.9	23.8	47.5	...	...
	1999	Oct.-Nov.	Bs	167	333	130	228	5.9	28.0	56.1	21.9	38.3
	2002	Oct.-Nov.	Bs	167	334	133	234	7.4	22.6	45.2	18.1	31.6
	2007	Year	Bs	232	449	180	307	7.9	29.6	57.2	22.9	39.1
Brazil	1990	September	Cr\$	3 109	6 572	2 634	4 967	75.5	41.2	87.0	34.9	65.8
	1999	September	R\$	51	126	43	91	1.9	26.7	66.2	22.7	48.1
	2002	September	R\$	63	155	54	114	3.35	18.9	46.3	16.3	34.0
	2008	September	R\$	96	225	84	177	1.80	53.2	125.3	46.7	98.6
	2009	September	R\$	100	238	88	188	1.82	54.8	130.7	48.2	103.4
Chile	1990	November	Ch\$	9 297	18 594	7 164	12 538	327.4	28.4	56.8	21.9	38.3
	1998	November	Ch\$	18 944	37 889	14 598	25 546	463.3	40.9	81.8	31.5	55.1
	2003	November	Ch\$	21 856	43 712	16 842	29 473	625.5	34.9	69.9	26.9	47.1
	2006	November	Ch\$	23 549	47 099	18 146	31 756	527.4	44.7	89.3	34.4	60.2
	2009	November	Ch\$	31 422	56 383	24 213	38 638	507.8	61.9	111.0	47.7	76.1
Colombia	1991	August	Col\$	18 093	36 186	14 915	26 102	645.6	28.0	56.1	23.1	40.4
	1999	August	Col\$	69 838	139 716	57 629	100 851	1 873.7	37.3	74.6	30.8	53.8
	2008	Year	Col\$	124 310	292 973	92 449	195 775	1 967.7	63.2	148.9	47.0	99.5
	2009	Year	Col\$	128 600	305 781	95 319	204 448	2 166.8	59.4	141.1	44.0	94.4
	2010	Year	Col\$	129 398	312 989	95 407	208 886	1 898.6	68.2	164.9	50.3	110.0
Costa Rica	1990	June	₡	2 639	5 278	2 081	3 642	89.7	29.4	58.9	23.2	40.6
	1999	June	₡	10 708	21 415	8 463	14 811	285.3	37.5	75.1	29.7	51.9
	2008	June	₡	31 325	58 245	24 423	40 165	519.7	60.3	112.1	47.0	77.3
	2009	June	₡	34 514	63 099	26 910	43 626	576.7	59.9	109.4	46.7	75.7
	2010	June	₡	36 475	67 171	28 403	46 300	535.1	68.2	125.5	53.1	86.5
Dominican Republic	2002	September	RD\$	793	1 569	714	1 285	18.8	42.2	83.5	38.0	68.4
	2008	September	RD\$	2 091	4 010	1 882	3 263	35.0	59.7	114.5	53.8	93.2
	2009	September	RD\$	2 080	3 933	1 872	3 206	36.2	57.5	108.6	51.7	88.6
	2010	September	RD\$	2 204	4 152	2 062	3 465	37.1	59.4	111.8	55.5	93.3
Ecuador	1990	November	S./	18 465	36 930	...	...	854.8	21.6	43.2	...	...
	1999	October	S./	301 716	603 432	...	...	15 656.8	19.3	38.5	...	...
	2008	November	US\$	49	91	34	57	1.0	48.7	90.6	34.3	56.5
	2009	November	US\$	50	94	36	59	1.0	50.4	94.2	35.6	58.7
	2010	November	US\$	53	98	38	61	1.0	53.4	1.8	20.5	3.0
El Salvador	1995	Jan.-Dec.	₡	254	508	158	315	8.8	29.0	58.1	18.0	35.9
	1999	Jan.-Dec.	₡	293	586	189	378	8.8	33.5	66.9	21.6	43.2
	2001	Jan.-Dec.	₡	305	610	197	394	8.8	34.9	69.7	22.5	45.0
	2009	Year	₡	417	829	270	536	8.8	47.7	94.8	30.8	61.2
	2010	Year	₡	420	837	271	541	8.8	48.0	95.6	31.0	61.8
Guatemala	1989	Abrial	Q	64	127	50	88	2.7	23.6	47.1	18.7	32.7
	1998	Dec. 1997-Dec. 1998	Q	260	520	197	344	6.4	40.7	81.5	30.8	54.0
	2002	Oct.-Nov.	Q	334	669	255	446	7.7	43.6	87.2	33.3	58.2
	2006	Mar.-Sept.	Q	467	935	362	633	7.6	61.5	123.0	47.6	83.3

Table A-5 (concluded)

Country	Year	Income reference period	Currency <sup>a</sup>	Urban		Rural		Urban		Rural		
				IL	PL	IL	PL	Variation <sup>b</sup>	IL	PL	IL	PL
				Currency in use								Dollars
Honduras	1990	August	L	115	229	81	141	4.3	26.5	52.9	18.6	32.6
	1999	August	L	561	1 122	395	691	14.3	39.3	78.6	27.7	48.4
	2002	August	L	689	1 378	485	849	16.6	41.6	83.3	29.3	51.3
	2007	August	L	945	1 872	665	1 155	18.9	50.0	99.1	35.2	61.1
	2010	April	L	1 145	2 263	806	1 396	18.9	60.6	119.7	42.6	73.9
Mexico	1989	3 <sup>rd</sup> quarter	\$	86 400	172 800	68 810	120 418	2 510.0	34.4	68.8	27.4	48.0
	1998	3 <sup>rd</sup> quarter	MN\$	537	1 074	385	674	9.5	56.8	113.6	40.7	71.3
	2002	3 <sup>rd</sup> quarter	MN\$	742	1 484	530	928	9.9	75.0	150.1	53.6	93.8
	2008	Aug.-Nov.	MN\$	1 006	1 955	719	1 227	11.6	87.1	169.3	62.2	106.3
	2010	Aug.-Nov.	MN\$	1 147	2 100	819	1 330	12.7	90.4	165.6	64.6	104.9
Nicaragua	1993	21 feb.-12 jun.	C\$	167	334	129	225	4.6	36.6	73.3	28.2	49.4
	1997	October	C\$	247	493	...	...	9.8	25.3	50.5	...	...
	1998	15 Apr.-31 Aug.	C\$	275	550	212	370	10.4	26.4	52.7	20.3	35.5
	2001	30 Apr.-31 July	C\$	369	739	284	498	13.4	27.6	55.2	21.3	37.2
	2005	July-Oct.	C\$	491	981	378	661	16.9	29.1	58.2	22.4	39.2
Panama	1991	August	B	35.0	70.1	...	...	1.0	35.0	70.1	...	...
	1999	July	B	40.7	81.4	...	...	1.0	40.7	81.4	...	...
	2008	July	B	54.8	103.1	42.4	70.5	1.0	54.8	103.1	42.4	70.5
	2009	July	B	57.4	105.8	44.5	72.6	1.0	57.4	105.8	44.5	72.6
	2010	July	B	59.2	109.3	45.9	74.9	1.0	59.2	109.3	45.9	74.9
Paraguay	1990 <sup>d</sup>	June, July, Aug.	G	43 242	86 484	...	...	1 207.8	35.8	71.6	...	...
	1999	July-Dec.	G	138 915	277 831	106 608	186 565	3 311.4	42.0	83.9	32.2	56.3
	2008	Oct.-Dec.	G	295 998	562 817	226 691	379 950	4 712.7	62.8	119.4	48.1	80.6
	2009	Oct.-Dec.	G	312 371	580 796	239 191	393 347	4 786.9	65.3	121.3	50.0	82.2
	2010	Oct.-Dec.	G	348 002	628 577	266 431	427 538	4 724.3	73.7	133.1	56.4	90.5
Peru	1997	4 <sup>th</sup> quarter	N\$	103	192	83	128	2.7	42.2	84.3	31.6	55.3
	1999	4 <sup>th</sup> quarter	N\$	109	213	89	141	3.5	31.2	61.2	25.5	40.5
	2008	4 <sup>th</sup> quarter	N\$	146	280	128	194	3.1	47.3	90.6	41.5	62.9
	2009	4 <sup>th</sup> quarter	N\$	150	286	133	203	2.9	52.1	99.3	46.2	70.5
	2010	4 <sup>th</sup> quarter	N\$	155	293	137	208	2.8	55.3	104.8	48.9	74.4
Uruguay	1990	2 <sup>nd</sup> semester	NUr\$	41 972	83 944	...	...	1 358.0	30.9	61.8	...	...
	1999	Year	\$	640	1 280	...	...	11.3	56.5	112.9	...	...
	2008	Year	\$	1 588	2 957	1 223	2 013	21.0	75.8	141.1	58.4	96.1
	2009	Year	\$	1 652	3 095	1 298	2 148	22.6	73.2	137.1	57.5	95.2
	2010	Year	\$	1 801	3 370	1 387	2 293	20.1	89.8	168.0	69.1	114.3
Venezuela (Bolivarian Republic of)	1990	2 <sup>nd</sup> semester	Bs	1 924	3 848	1 503	2 630	49.4	39.0	77.9	30.4	53.2
	1999 <sup>e</sup>	2 <sup>nd</sup> semester	Bs	48 737	95 876	...	...	626.3	77.8	153.1	...	...
	2002 <sup>e</sup>	2 <sup>nd</sup> semester	Bs	80 276	154 813	...	...	1 161.0	69.2	133.4	...	...
	2008 <sup>e</sup>	2 <sup>nd</sup> semester	Bs	301 540	525 958	...	...	2 147.0	140.5	245.0	...	...
	2010 <sup>e</sup>	2 <sup>nd</sup> semester	Bs	515 529	865 826	...	...	2 582.0	199.7	335.3	...	...

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

<sup>a</sup> National currencies:

Argentina: (A) Austral; (\$) Peso  
 Bolivia (Plurinational State of): (Bs) Boliviano  
 Brazil: (CR\$) Cruzeiro; (R\$) Real  
 Chile: (Ch\$) Peso  
 Colombia: (Col\$) Peso  
 Costa Rica: (c) Colón  
 Ecuador: (S.) Sucre, 1990-2001. Since 2002, United States dollar (US\$).  
 El Salvador: (c) Colón  
 Guatemala: (Q) Quetzal

<sup>b</sup> International Monetary Fund "rf" series.<sup>c</sup> Greater Buenos Aires.<sup>d</sup> Asunción.<sup>e</sup> National total.

Honduras: (L) Lempira  
 Mexico: (\$) Peso; (MN\$) Nuevo Peso  
 Nicaragua: (C\$) Córdoba  
 Panama: (B.) Balboa  
 Paraguay: (G.) Guaraní  
 Peru: (N\$) Peso  
 Dominican Republic: (RD\$) Peso  
 Uruguay: (Nur\$) Nuevo Peso; (\$) Peso  
 Venezuela (Bolivarian Republic of): (Bs) Bolívar

Table A-6  
LATIN AMERICA: MALE AND FEMALE ECONOMIC PARTICIPATION RATES, BY AGE GROUP, 1990-2010

Country	Year	Age									
		Men					Women				
		Total	15-24 years	25-34 years	35-49 years	50 years and over	Total	15-24 years	25-34 years	35-49 years	50 years and over
Argentina <sup>a</sup>	1999	74	53	94	97	59	44	36	62	61	27
	2002	72	48	93	96	60	46	35	64	67	27
	2006	75	54	94	96	64	50	38	67	69	34
	2009	74	51	93	96	61	49	34	68	70	33
	2010	74	50	94	96	61	48	33	68	68	32
Bolivia (Plurinational State of)	1997	82	60	94	99	83	60	46	66	73	56
	1999	81	59	94	98	82	62	48	67	75	61
	2002	83	64	94	98	85	62	46	72	75	58
	2007	82	61	94	99	82	62	44	69	77	62
Brazil	1990	84	81	96	95	63	44	47	54	52	22
	1999	82	75	95	94	64	54	52	67	66	33
	2002	81	73	94	94	63	56	53	69	68	33
	2008	80	72	95	94	63	58	54	73	71	36
	2009	80	71	95	94	62	58	54	74	72	36
Chile	1990	74	51	94	95	58	33	27	44	42	18
	1998	75	46	93	96	64	39	30	54	50	23
	2003	73	42	92	96	64	42	30	58	56	27
	2006	73	43	92	95	65	43	30	61	59	29
	2009	71	43	91	94	62	42	30	64	59	28
Colombia	1991	85	71	97	98	76	44	40	57	52	25
	1999	81	64	97	97	71	50	44	66	63	26
	2008	79	58	95	96	68	51	39	67	66	32
	2009	81	61	96	97	71	54	43	70	70	36
	2010	81	62	97	97	72	56	44	73	72	38
Costa Rica	1990	83	74	96	96	64	33	35	41	39	12
	1999	82	68	96	96	64	39	37	48	49	18
	2008	78	60	96	97	66	45	38	62	57	25
	2009	77	58	96	96	64	45	36	62	58	27
	2010	76	57	95	95	63	43	34	62	58	26
Cuba <sup>b</sup>	2002	65	40	82	86	47	35	19	46	54	18
	2008	68	43	89	94	48	41	31	59	62	20
Dominican Republic	2002	75	54	91	94	68	39	29	54	54	22
	2008	75	56	90	93	66	40	29	52	57	24
	2009	73	50	90	93	66	39	26	53	56	24
	2010	72	50	89	92	65	41	29	57	58	27
Ecuador	2004	84	66	97	98	79	56	48	67	68	44
	2007	83	64	96	98	81	54	42	64	67	45
	2008	82	62	96	98	78	52	40	63	65	42
	2009	80	60	95	98	77	51	39	63	65	43
	2010	78	55	94	97	75	48	34	63	62	40
El Salvador	1995	82	70	95	96	75	42	32	55	57	29
	1999	78	65	93	94	70	44	34	58	59	31
	2001	79	67	93	95	70	44	33	59	61	32
	2009	79	63	95	96	71	46	32	61	63	34
	2010	79	61	95	96	71	46	31	60	62	35
Guatemala	1989	90	82	98	98	84	28	28	32	32	22
	1998	88	79	97	98	84	46	41	49	55	38
	2002	91	87	97	99	85	48	44	53	57	38
	2006	88	80	97	98	84	47	41	54	57	39

Table A-6 (concluded)

Country	Year	Age									
		Men					Women				
		Total	15-24 years	25-34 years	35-49 years	50 years and over	Total	15-24 years	25-34 years	35-49 years	50 years and over
Honduras	1990	87	78	96	97	81	32	26	39	42	25
	1999	87	78	98	97	81	44	36	52	57	34
	2007	83	70	95	97	80	40	28	51	52	33
	2009	82	72	93	93	80	42	30	51	56	36
	2010	82	71	92	93	79	43	31	53	58	38
Mexico	1989	79	64	94	94	73	30	26	38	35	21
	1998	82	68	94	94	73	41	37	48	48	31
	2002	81	65	94	95	75	43	34	51	54	32
	2008	81	65	96	97	71	45	36	55	58	32
	2010	81	64	96	97	70	43	34	55	57	30
Nicaragua	1993	77	62	89	91	70	36	24	47	51	26
	1998	85	77	95	94	77	43	31	56	56	31
	2001	86	79	97	96	77	46	36	55	61	36
	2005	84	74	95	95	79	44	32	53	59	34
Panama	2002	80	63	97	97	67	45	34	61	61	24
	2008	82	67	98	98	69	47	34	62	65	31
	2009	81	65	97	97	69	48	34	63	65	34
	2010	80	63	98	97	69	48	33	63	65	33
Paraguay	1999	85	73	96	96	80	48	39	59	60	38
	2001	85	76	96	97	77	53	46	64	64	42
	2008	85	73	97	97	78	55	46	65	67	44
	2009	85	77	96	96	76	56	50	67	67	45
	2010	83	71	96	97	75	54	44	66	67	42
Peru	1997	85	70	97	98	83	64	56	74	76	53
	2001	79	61	92	95	75	59	47	69	72	48
	2008	84	68	94	97	80	66	55	75	78	57
	2009	84	68	94	97	81	66	55	75	80	58
	2010	83	67	94	97	80	67	55	75	80	60
Uruguay	2007	75	64	96	97	58	54	46	76	77	35
	2008	75	61	95	96	59	54	45	78	78	36
	2009	75	61	96	97	60	55	45	79	78	36
	2010	75	61	95	97	59	55	45	79	80	36
Venezuela (Bolivarian Republic of)	1990	79	59	93	96	74	35	23	48	49	20
	1999	83	66	97	97	74	47	35	60	63	30
	2008	79	56	95	97	72	50	31	65	69	37
	2009	79	56	94	97	72	51	31	66	70	37
	2010	78	54	95	97	71	50	29	66	71	37

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

<sup>a</sup> Urban total.

<sup>b</sup> National Statistical Office (ONE) of Cuba, on the basis of tabulations of the National Occupation Survey.

Table A-7  
**LATIN AMERICA: BREAKDOWN OF THE EMPLOYED ECONOMICALLY ACTIVE POPULATION,  
 BY OCCUPATIONAL CATEGORY, 1990-2010**  
*(Population aged 15 years and over, in percentages)*

Country	Year	Employers	Wage or salary earners				Own-account and unpaid family workers	
			Total	Public sector	Private sector			
					Total <sup>a</sup>	Professional and technical	Non- professional, non-technical	
Argentina <sup>c</sup>	1999	4.4	72.6	15.5	57.1	10.7	46.3	23.0
	2002	4.0	72.0	21.7	50.3	10.5	39.8	24.0
	2006	4.1	75.8	16.2	59.5	9.4	50.2	20.1
	2009	4.4	75.9	15.9	60.0	10.3	49.7	19.7
	2010	4.5	76.4	16.0	60.4	10.9	49.5	19.1
Bolivia (Plurinational State of)	1997	5.2	28.5	6.7	21.8	3.7	18.1	66.3
	1999	2.8	29.8	6.6	23.2	4.1	19.1	67.4
	2002	4.3	30.4	6.7	23.7	3.3	20.4	65.3
	2007	5.2	36.2	8.3	27.9	5.4	22.5	58.5
Brazil	1990	4.7	65.5	...	65.5	17.2	48.2	29.9
	1999	4.1	58.8	11.1	47.7	8.8	39.0	37.1
	2002	4.2	61.9	11.0	50.9	7.1	43.8	33.8
	2008	4.5	65.8	11.3	54.5	8.0	46.5	29.7
	2009	4.3	66.4	11.6	54.8	8.2	46.6	29.3
Chile	1990	2.6	73.0	...	73.0	11.4	61.6	24.5
	1998	4.0	74.6	...	74.6	15.3	59.3	21.4
	2003	3.9	74.4	10.6	63.8	11.0	52.8	21.6
	2006	3.1	75.7	9.8	65.9	10.3	55.6	21.3
	2009	3.1	76.3	11.6	64.7	12.6	52.1	20.6
Colombia	1991	5.1	58.6	6.6	52.0	3.9	48.0	36.3
	1999	4.0	53.6	6.8	46.7	4.3	42.5	42.4
	2008	4.8	49.4	5.2	44.1	4.7	39.4	45.8
	2009	5.0	47.2	4.6	42.7	4.1	38.5	47.8
	2010	5.0	46.3	4.2	42.1	4.8	37.4	48.6
Costa Rica	1990	5.3	70.0	17.0	53.0	3.6	49.4	24.7
	1999	8.1	71.0	13.0	58.0	5.8	52.2	20.9
	2008	7.5	72.9	14.1	58.7	12.9	45.8	19.6
	2009	7.2	72.7	15.6	57.1	12.3	44.8	20.1
	2010	3.5	76.1	11.1	65.0	14.5	50.5	20.4
Dominican Republic	2002	3.2	53.1	12.0	41.1	7.0	34.1	43.8
	2008	4.0	51.9	11.2	40.7	8.3	32.4	44.1
	2009	4.8	50.8	12.2	38.6	7.1	31.6	44.3
	2010	3.7	50.4	13.0	37.4	6.8	30.5	45.9
Ecuador	2004	5.6	49.4	7.8	41.6	6.0	35.6	44.9
	2007	5.0	52.7	7.3	45.4	6.4	39.0	42.3
	2008	5.2	54.9	8.0	46.8	6.4	40.4	40.0
	2009	4.1	53.4	8.1	45.3	6.0	39.3	42.5
	2010	3.4	54.8	9.3	45.5	6.1	39.4	41.8
El Salvador	1995	6.1	56.2	8.7	47.5	4.6	42.8	37.7
	1999	4.4	59.8	9.1	50.7	6.1	44.6	35.8
	2001	4.6	56.4	8.5	48.0	5.6	42.4	39.0
	2009	4.1	55.4	7.6	47.8	5.8	42.1	40.5
	2010	3.9	56.5	7.7	48.8	5.4	43.4	39.6

Table A-7 (concluded)

Country	Year	Employers	Wage or salary earners				Own-account and unpaid family workers	
			Private sector		Total <sup>a</sup>	Professional and technical		
			Total	Public sector				
Guatemala	1989	1.5	48.6	7.3	41.3	2.8	38.4	49.9
	1998	3.2	49.8	4.5	45.3	4.8	40.6	47.1
	2002	6.5	42.3	3.3	39.0	4.2	34.8	51.2
	2006	3.5	48.5	5.0	43.5	5.8	37.6	48.1
Honduras	1990	1.0	48.2	8.5	39.7	2.4	37.3	50.8
	1999	4.6	46.1	6.6	39.6	4.1	35.5	49.3
	2007	2.3	47.5	6.5	41.0	6.6	34.4	50.2
	2009	2.3	45.6	6.0	39.6	5.9	33.6	52.1
	2010	2.5	43.1	6.0	37.1	5.9	31.2	54.4
Mexico	1989	3.0	67.0	...	67.0	6.2	60.8	30.0
	1998	4.7	62.0	10.9	51.1	4.3	46.8	33.4
	2002	3.9	65.1	11.2	53.9	4.5	49.4	31.0
	2008	5.0	71.9	11.3	60.6	6.5	54.1	23.1
	2010	9.6	72.9	11.0	57.4	9.5	47.9	17.5
Nicaragua	1993	0.5	50.9	14.2	36.7	4.2	32.5	48.6
	1998	3.6	52.4	...	52.4	9.3	43.1	44.1
	2001	5.0	49.6	7.6	42.0	5.1	37.0	45.4
	2005	4.5	48.5	6.9	41.5	4.8	36.8	47.1
Panama	2002	2.9	62.0	16.1	45.9	6.1	39.8	35.1
	2008	3.1	65.2	14.6	50.7	6.8	43.9	31.6
	2009	3.1	63.9	14.6	49.2	7.0	42.2	33.1
	2010	3.2	65.2	15.6	49.6	7.3	42.3	31.6
Paraguay	1999	5.2	46.4	8.0	38.4	3.2	35.2	48.4
	2001	5.8	44.9	7.1	37.8	4.7	33.1	49.3
	2008	5.2	50.8	9.2	41.6	5.4	36.2	44.1
	2009	5.5	48.1	8.4	39.7	4.5	35.2	46.3
	2010	5.1	51.6	8.8	42.7	4.5	38.3	43.4
Peru	1997	5.6	41.8	8.6	33.3	5.2	28.0	52.5
	2001	5.0	41.0	7.8	33.2	4.4	28.8	53.9
	2008	5.5	42.8	8.1	34.7	5.5	29.2	51.7
	2009	5.5	42.9	8.2	34.7	5.6	29.1	51.7
	2010	5.8	42.7	8.1	34.7	5.5	29.1	51.5
Uruguay	2007	4.9	69.8	15.0	54.8	6.5	48.3	25.3
	2008	4.8	70.1	15.0	55.2	6.6	48.6	25.0
	2009	4.8	70.4	14.5	56.0	6.9	49.1	24.7
	2010	4.8	71.7	14.6	57.1	7.1	50.0	23.5
Venezuela (Bolivarian Republic of)	1990	7.5	66.6	20.0	46.6	5.0	41.6	25.9
	1999	5.2	57.8	15.3	42.6	4.9	37.7	37.0
	2002	5.4	54.6	13.9	40.6	4.0	36.7	40.0
	2008	4.1	57.8	18.1	39.8	5.3	34.5	38.1
	2010	3.4	56.5	19.1	37.4	5.6	31.8	40.0

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

<sup>a</sup> The figures for Brazil (1990), Chile (1990, 1994 and 1998), Mexico (1989, 2004-2006) and Nicaragua (1998) include public sector wage-earners.

<sup>b</sup> Includes professional and technical workers.

<sup>c</sup> Urban total.

Table A-8  
**LATIN AMERICA: URBAN POPULATION EMPLOYED IN LOW-PRODUCTIVITY SECTORS OF THE LABOUR MARKET, 1990-2010**  
*(Percentages of the total urban employed population)*

Country	Year	Total	Employers	Microenterprises <sup>a</sup>			Domestic employment	Unskilled self-employed workers <sup>b</sup>			
				Wage or salary earners				Total <sup>c</sup>	Manufacturing and construction	Commerce and services	
				Total	Professional and technical	Non-professional, non-technical					
Argentina <sup>d</sup>	1990	44.1	3.8	11.7	0.4	11.4	5.7	23.0	6.9	16.1	
	1999	40.1	3.2	15.1	1.4	13.6	5.3	16.5	5.0	11.5	
	2006	40.2	2.7	14.7	1.0	13.3	7.5	15.2	5.0	10.1	
	2009	38.9	3.0	14.8	1.4	13.2	6.6	14.4	5.0	8.9	
	2010	37.8	3.0	14.4	1.6	12.6	6.4	14.0	4.9	8.5	
Bolivia <sup>e</sup> (Plurinational State of)	1989 <sup>e</sup>	56.5	...	10.1	0.9	9.2	5.2	41.2	9.8	30.0	
	1999	63.0	2.6	12.9	1.0	11.7	2.7	44.9	12.1	30.2	
	2002	66.0	3.4	14.7	0.9	13.0	3.7	44.2	12.4	28.2	
	2004	71.0	4.2	19.2	1.5	16.7	4.6	42.9	10.9	28.2	
	2007	61.8	5.4	15.5	1.6	13.6	5.3	35.5	8.4	24.0	
Brazil <sup>f</sup>	1990	47.9	...	20.9	5.4	15.5	5.8	21.3	3.5	15.7	
	1999	46.7	2.3	10.1	1.7	8.3	8.5	25.8	5.1	16.1	
	2002	44.4	2.3	10.6	1.1	9.5	8.6	23.0	6.7	12.2	
	2008	40.1	2.4	10.1	1.1	9.1	7.8	19.9	5.9	10.6	
	2009	41.0	2.4	10.3	1.2	9.2	8.4	19.8	6.1	10.6	
Chile	1990	38.9	0.8	10.3	0.9	9.4	7.0	20.9	5.7	14.0	
	1998	34.2	2.6	10.7	1.0	9.7	5.8	15.1	4.1	10.0	
	2003	31.9	2.4	8.0	0.8	7.1	6.5	14.9	4.9	9.1	
	2006	30.6	1.7	7.2	0.7	6.5	5.8	15.9	4.8	9.9	
	2009	30.0	1.1	7.1	0.8	6.3	5.0	16.8	4.1	11.7	
Colombia	1991	...	...	...	...	...	5.3	27.1	6.4	19.9	
	1999	...	...	...	...	...	5.2	35.5	7.5	26.6	
	2008	58.7	3.9	11.5	0.6	10.9	4.0	39.2	8.3	28.9	
	2009	59.9	4.1	11.2	0.5	10.7	4.2	40.4	8.2	29.7	
	2010	59.7	4.1	10.8	0.6	10.3	4.1	40.7	8.2	30.1	
Costa Rica	1990	37.3	4.4	11.1	0.8	9.6	4.3	17.5	6.4	10.1	
	1999	41.9	6.0	13.8	1.4	11.7	5.1	17.1	4.4	11.8	
	2008	37.2	5.7	12.1	1.6	10.0	4.4	15.0	3.4	11.0	
	2009	36.5	5.5	11.7	1.9	9.4	4.5	14.8	3.6	10.5	
	2010	36.0	2.4	12.2	1.8	10.2	7.1	14.3	2.9	10.4	
Dominican Republic	2002	46.1	2.4	6.9	0.7	6.2	4.3	32.5	7.4	21.8	
	2008	49.8	3.4	5.7	0.9	4.8	5.6	35.1	8.2	22.9	
	2009	49.8	3.5	5.9	0.6	5.3	5.8	34.6	7.6	22.9	
	2010	50.2	3.1	5.3	0.5	4.8	5.4	36.4	7.6	24.3	
Ecuador	1990	54.5	3.7	12.6	0.6	11.1	4.3	34.0	7.8	23.9	
	1999	57.4	7.2	14.9	1.0	13.8	5.4	30.0	5.6	22.4	
	2008	56.9	4.9	16.0	1.2	14.9	4.2	31.8	5.2	24.5	
	2009	56.4	3.6	15.9	1.1	14.8	4.1	32.8	5.6	24.6	
	2010	54.9	3.1	15.8	0.9	14.9	3.4	32.5	5.6	24.6	
El Salvador	1995	50.8	4.8	10.1	0.2	9.8	4.3	31.6	8.4	20.6	
	1999	51.5	4.2	14.3	0.7	13.4	4.2	28.8	6.5	19.8	
	2001	53.6	4.5	14.2	0.8	13.4	4.2	30.7	6.4	22.3	
	2009	56.4	4.0	14.7	0.8	13.8	4.6	33.0	6.1	23.7	
	2010	55.0	3.9	14.8	0.9	13.8	3.8	32.5	6.0	23.5	
Guatemala	1989	53.7	2.1	14.9	0.8	13.7	6.6	30.0	7.2	14.8	
	1998	56.0	3.7	24.5	3.0	19.2	3.7	24.0	7.1	12.1	
	2002	56.9	5.9	14.1	1.1	12.2	3.9	33.0	8.5	19.3	
	2006	55.9	4.5	16.1	1.5	13.7	3.9	31.4	7.5	18.4	
Honduras	1990	52.6	1.1	13.7	0.7	12.9	6.5	31.3	8.7	18.5	
	1999	53.4	5.3	12.0	0.7	11.3	4.6	31.5	7.1	20.7	
	2007	42.9	2.9	10.3	1.1	9.2	3.8	25.8	9.1	12.7	
	2009	46.8	3.3	12.7	1.2	11.5	3.6	27.2	9.6	13.1	
	2010	50.8	3.2	12.8	1.5	11.3	4.0	30.8	9.4	16.6	

Table A-8 (concluded)

Country	Year	Total	Microenterprises <sup>a</sup>				Domestic employment	Unskilled self-employed workers <sup>b</sup>			
			Employers	Wage or salary earners				Total <sup>c</sup>	Manufacturing and construction	Commerce and services	
				Total	Professional and technical	Non-professional, non-technical					
Mexico <sup>g</sup>	1989	...	...	...	...	...	2.7	18.6	2.9	12.5	
	1998	44.6	3.6	16.9	1.0	14.8	4.1	20.0	3.1	16.2	
	2002	46.8	3.3	18.3	1.3	16.9	4.0	21.2	4.1	16.5	
	2008	44.4	3.5	21.3	1.8	18.4	4.4	15.2	2.7	12.1	
	2010	45.1	6.4	22.9	3.0	17.7	3.7	12.1	2.1	9.8	
Nicaragua	1993	48.9	0.6	13.5	1.7	11.8	6.3	28.5	7.7	17.0	
	1998	59.4	3.1	16.3	1.8	14.5	6.2	33.8	4.4	25.4	
	2001	58.6	3.8	17.4	1.4	15.5	4.2	33.2	5.5	24.1	
	2005	57.6	4.7	14.8	0.7	14.1	4.1	34.0	7.8	22.4	
Panama	1991	32.3	1.8	5.9	0.8	5.1	7.4	17.2	3.9	11.5	
	1999	33.9	2.2	7.0	0.8	6.2	6.0	18.8	4.3	13.7	
	2008	35.2	2.7	7.9	0.9	7.0	6.3	18.4	3.8	13.8	
	2009	35.0	2.5	7.7	0.9	6.9	5.5	19.2	4.3	14.0	
	2010	34.3	2.5	8.1	1.2	7.0	5.1	18.6	4.1	13.8	
Paraguay	1990 <sup>h</sup>	54.9	7.0	16.6	1.1	15.4	10.0	21.4	5.3	15.5	
	1999	58.9	5.0	16.3	0.9	14.3	9.0	28.6	5.3	20.7	
	2008	54.7	5.4	15.0	1.4	12.7	9.0	25.3	4.6	18.1	
	2009	59.8	5.1	19.4	1.7	15.8	8.4	26.9	5.4	18.0	
	2010	54.3	4.8	15.8	1.3	13.5	9.5	24.2	4.7	17.1	
Peru	1997	60.3	4.9	13.0	1.3	11.7	4.3	38.2	5.4	28.6	
	2001	63.0	4.1	14.5	1.1	13.4	5.2	39.3	5.0	28.7	
	2008	59.5	4.6	12.9	1.0	11.9	4.4	37.6	5.0	27.9	
	2009	58.2	4.9	12.1	1.0	11.1	4.3	36.9	4.9	27.7	
	2010	58.9	5.2	12.1	1.0	11.1	4.1	37.6	4.8	28.4	
Uruguay	1990	35.2	2.8	8.1	1.3	6.4	6.9	17.4	5.5	11.6	
	1999	39.8	2.1	9.6	0.5	9.1	7.5	20.6	7.0	12.6	
	2008	39.1	2.9	11.9	0.6	11.2	7.4	17.0	6.0	9.5	
	2009	38.8	3.0	11.6	0.6	11.1	7.6	16.6	5.9	9.2	
	2010	38.0	2.9	11.9	0.6	11.3	7.5	15.7	5.7	8.6	
Venezuela (Bolivarian Republic of) <sup>i</sup>	1990	36.7	4.9	8.6	0.2	8.2	1.9	21.3	4.2	15.3	
	1999	53.4	3.9	12.2	0.5	11.7	2.1	35.2	6.7	23.9	
	2008	51.2	3.4	10.5	0.6	9.9	1.8	35.6	6.9	24.2	
	2009	51.7	3.2	10.4	0.6	9.8	1.5	36.5	7.6	24.5	
	2010	51.9	2.8	10.1	0.7	9.4	1.4	37.5	7.6	25.2	

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

<sup>a</sup> Refers to establishments employing up to five persons. In the case of the Bolivarian Republic of Venezuela, Chile (1996), the Dominican Republic, El Salvador, Panama (up to 2002), the Plurinational State of Bolivia (1999 and 2002) and Uruguay (1990), establishments with up to four employees were counted.

<sup>b</sup> Refers to own-account and unpaid family workers without professional or technical skills.

<sup>c</sup> Includes persons employed in agriculture, forestry, hunting and fishing.

<sup>d</sup> Greater Buenos Aires.

<sup>e</sup> Eight departmental capitals plus El Alto.

<sup>f</sup> In 1990, the category of "microenterprises" referred to wage-earners with no employment contract. Since 1993, however, this category refers to wage-earners in establishments employing up to five persons.

<sup>g</sup> In the 1989 and 1994 surveys, no information was gathered on the size of the establishments employing wage-earners.

<sup>h</sup> Asunción metropolitan area.

<sup>i</sup> Since 1997, the sample design for the survey does not distinguish between urban and rural areas. The figures therefore correspond to the national total.

Table A-9  
LATIN AMERICA: OPEN UNEMPLOYMENT RATES BY SEX AND AGE IN URBAN AREAS,  
AROUND 1990, 1999, 2008, 2009 AND 2010 <sup>a</sup>

Country	Sex	Age groups																								
		Total					15-24 years					25-34 years					35-44 years					45 years and over				
		1990	1999	2008	2009	2010	1990	1999	2008	2009	2010	1990	1999	2008	2009	2010	1990	1999	2008	2009	2010	1990	1999	2008	2009	2010
Argentina (Greater Buenos Aires)	Total	5.9	14.7	...	9.1	8.2	13.0	24.3	...	21.8	20.0	4.9	12.0	...	8.3	7.1	4.1	11.6	...	5.7	5.1	3.8	12.9	...	6.0	5.6
	Men	5.7	13.4	...	8.1	6.7	11.5	22.8	...	19.5	16.6	5.0	11.3	...	7.5	5.7	3.9	8.0	...	4.4	3.4	4.2	12.7	...	5.6	5.0
	Women	6.4	16.5	...	10.4	10.2	15.6	26.3	...	25.1	24.8	4.9	13.0	...	9.3	9.1	4.3	16.1	...	7.5	7.3	3.0	13.2	...	6.6	6.5
Bolivia (Plurinational State of)	Total	9.2	7.1	7.7	...	...	17.5	15.2	19.2	...	...	8.5	6.3	8.6	...	...	5.2	3.8	2.6	...	...	6.7	3.7	2.5	...	...
	Men	9.4	6.0	6.3	...	...	18.5	12.5	16.4	...	...	7.6	4.8	6.2	...	...	5.6	2.3	2.5	...	...	8.5	4.9	2.1	...	...
	Women	8.9	8.5	9.4	...	...	16.4	18.5	23.2	...	...	9.8	8.2	11.5	...	...	4.5	5.5	2.8	...	...	3.9	1.8	3.2	...	...
Brazil	Total	4.5	11.4	8.0	9.2	...	8.3	21.7	17.4	19.7	...	4.4	10.5	8.0	9.4	...	2.4	7.0	4.9	5.8	...	1.5	5.5	3.4	4.2	...
	Men	4.8	9.4	5.9	7.0	...	8.7	18.4	13.8	15.9	...	4.7	8.0	5.2	6.4	...	2.8	5.5	3.2	4.0	...	2.0	5.3	2.8	3.3	...
	Women	3.9	14.1	10.5	12.0	...	7.7	26.2	22.0	24.5	...	3.8	13.8	11.3	12.8	...	1.7	9.0	6.8	7.9	...	0.6	5.8	4.1	5.3	...
Chile	Total	8.7	10.1	...	10.5	...	17.9	21.9	...	25.5	...	8.3	9.9	...	11.5	...	5.1	7.3	...	7.4	...	5.3	6.3	...	5.8	...
	Men	8.1	9.3	...	9.2	...	17.0	20.5	...	23.3	...	7.4	9.2	...	10.6	...	4.6	6.3	...	6.1	...	5.6	6.6	...	5.0	...
	Women	9.7	11.2	...	12.3	...	19.3	23.8	...	28.5	...	9.7	10.9	...	12.6	...	5.8	8.9	...	9.1	...	4.7	5.6	...	7.1	...
Colombia	Total	9.3	19.2	12.1	13.2	12.7	19.7	36.6	24.6	26.3	25.7	8.3	17.8	12.5	12.9	12.7	4.2	13.2	8.3	9.4	9.0	3.8	10.3	7.0	8.1	7.7
	Men	6.7	16.2	10.2	11.1	10.6	15.3	32.0	21.2	22.6	22.2	5.5	14.0	9.9	9.8	9.5	2.8	10.5	6.3	6.8	6.6	3.7	10.6	7.1	8.3	7.5
	Women	13.0	23.0	14.4	15.7	15.2	24.8	41.6	28.8	30.9	30.0	11.8	22.1	15.6	16.5	16.3	6.2	16.4	10.7	12.3	11.5	3.9	9.7	7.0	7.9	7.9
Costa Rica	Total	5.3	6.1	4.8	7.7	7.1	10.5	14.8	11.3	18.0	17.1	4.9	5.3	5.1	7.7	5.9	2.5	3.0	2.5	4.9	5.3	2.9	2.3	1.9	3.2	3.5
	Men	4.9	5.3	4.3	6.5	6.0	9.8	14.8	10.8	16.0	15.6	4.1	3.8	3.8	6.5	3.9	2.3	2.1	2.1	3.7	4.3	3.1	1.9	1.9	2.7	3.2
	Women	6.2	7.4	5.6	9.3	8.8	11.6	14.9	12.0	21.0	19.3	6.2	7.4	6.6	9.4	8.4	2.8	4.2	3.0	6.2	6.6	2.3	2.9	2.0	4.2	4.0
Cuba <sup>b</sup>	Total	5.4	6.3	1.6	...	...	...	...	3.8	...	...	...	...	2.2	...	...	...	...	1.5	...	...	...	0.7	...	...	
	Men	3.6	4.3	1.5	...	...	...	...	3.5	...	...	...	...	1.9	...	...	...	...	1.4	...	...	...	0.7	...	...	
	Women	8.5	9.6	1.8	...	...	...	...	4.1	...	...	...	...	2.6	...	...	...	...	1.6	...	...	...	0.6	...	...	
Dominican Republic	Total	...	...	5.1	6.2	5.6	...	...	10.5	15.0	10.9	...	...	5.9	6.2	5.9	...	...	3.8	3.4	4.7	...	...	1.2	2.6	2.3
	Men	...	...	3.8	4.5	4.6	...	...	7.1	9.5	8.7	...	...	5.4	5.2	4.3	...	...	2.1	2.1	4.6	...	...	1.2	2.6	2.2
	Women	...	...	7.2	8.7	7.0	...	...	16.0	24.2	13.9	...	...	6.7	7.6	8.0	...	...	6.5	5.1	5.0	...	...	1.3	2.6	2.5
Ecuador	Total	6.1	14.2	7.3	7.9	6.1	13.5	25.9	18.0	17.9	15.3	6.4	13.6	6.7	9.6	7.0	2.7	9.0	3.9	4.3	3.9	1.3	8.3	3.9	3.5	2.7
	Men	4.2	10.5	5.6	6.5	5.3	11.2	20.0	15.2	15.3	13.9	3.2	8.0	4.8	7.1	4.9	1.7	5.5	1.6	2.9	3.0	1.3	8.6	3.3	3.3	2.8
	Women	9.2	19.5	9.6	9.8	7.2	17.2	33.9	22.1	21.8	17.4	11.3	21.3	9.2	13.0	9.7	4.5	13.6	6.7	6.0	5.0	1.4	7.7	4.7	3.7	2.6
El Salvador	Total	...	6.9	...	7.1	6.8	...	13.9	...	15.5	15.4	...	6.1	...	7.0	6.8	...	4.4	...	5.1	3.7	...	3.8	...	3.5	3.7
	Men	...	8.9	...	9.1	8.3	...	16.2	...	17.0	15.7	...	7.0	...	8.5	7.4	...	6.0	...	6.6	5.2	...	6.1	...	6.0	6.2
	Women	...	4.6	...	4.9	5.1	...	10.6	...	13.5	14.9	...	5.1	...	5.4	6.2	...	2.6	...	3.4	2.0	...	1.0	...	0.7	0.9
Guatemala	Total	3.5	2.8	...	...	...	7.1	4.8	...	...	...	2.9	3.8	...	...	...	1.6	1.8	...	...	...	1.2	0.9	...	...	...
	Men	3.3	3.6	...	...	...	7.2	6.0	...	...	...	2.6	4.5	...	...	...	1.5	2.4	...	...	...	1.4	1.3	...	...	...
	Women	3.8	1.9	...	...	...	7.0	3.4	...	...	...	3.4	2.8	...	...	...	1.8	1.0	...	...	...	0.9	0.4	...	...	...
Honduras	Total	6.9	5.3	3.9	5.0	6.5	11.2	9.0	7.6	9.8	12.7	7.0	4.7	3.7	5.5	7.3	4.3	2.9	2.3	2.9	3.7	3.7	3.0	1.8	1.6	2.4
	Men	7.6	6.2	4.0	4.7	5.9	11.5	10.3	7.4	8.3	10.6	6.6	5.3	3.6	4.7	5.9	6.0	3.6	2.4	3.1	3.5	5.3	4.3	2.5	2.4	3.2
	Women	5.9	4.0	3.7	5.3	7.2	10.7	7.4	7.9	12.0	15.7	7.6	4.1	4.0	6.5	9.0	2.0	2.2	2.2	2.7	3.9	0.7	1.1	0.7	0.6	1.4
Mexico	Total	3.3	3.2	4.8	...	6.3	8.1	7.4	10.7	...	12.8	2.4	2.8	4.6	...	6.2	0.7	1.5	2.5	...	3.6	0.8	1.1	2.8	...	4.4
	Men	3.4	3.6	5.7	...	7.6	8.4	8.1	11.8	...	14.3	2.5	3.1	5.1	...	6.9	0.9	1.8	2.8	...	4.2	1.0	1.5	4.1	...	6.3
	Women	3.1	2.6	3.5	...	4.3	7.6	6.2	9.0	...	10.1	2.0	2.3	3.9	...	5.4	0.2	0.8	2.0	...	2.9	0.1	0.4	0.7	...	1.3

Table A-9 (concluded)

Country	Sex	Age groups																								
		Total					15-24 years					25-34 years					35-44 years					45 years and over				
		1990	1999	2008	2009	2010	1990	1999	2008	2009	2010	1990	1999	2008	2009	2010	1990	1999	2008	2009	2010	1990	1999	2008	2009	2010
Nicaragua	Total	...	13.8	...	...	...	20.9	...	...	...	...	11.0	...	...	...	...	12.3	...	...	...	...	10.5	...	...	...	...
	Men	...	14.0	...	...	...	17.9	...	...	...	...	10.3	...	...	...	...	14.3	...	...	...	...	12.9	...	...	...	...
	Women	...	13.6	...	...	...	25.8	...	...	...	...	11.7	...	...	...	...	9.9	...	...	...	...	7.0	...	...	...	...
Panama	Total	20.0	13.6	6.5	7.9	7.7	38.8	28.3	16.6	18.8	18.0	21.7	13.5	6.7	8.3	8.5	10.4	8.4	3.6	5.3	5.5	8.1	5.9	2.3	3.6	3.4
	Men	17.9	11.4	5.4	6.3	6.5	37.0	24.3	14.1	15.7	15.2	17.8	9.7	4.9	5.6	6.7	8.4	6.5	2.4	3.7	4.9	9.1	6.8	2.3	3.6	2.9
	Women	22.8	16.7	7.9	9.9	9.3	41.0	33.6	20.9	23.8	22.3	26.5	19.0	9.1	11.7	10.9	12.7	10.5	5.0	7.4	6.3	6.4	4.5	2.4	3.6	4.1
Paraguay <sup>c</sup>	Total	6.3	9.1	7.1	8.3	6.9	15.5	16.7	15.2	17.1	15.8	4.8	6.7	5.1	6.0	5.3	2.3	5.9	3.2	3.5	3.1	1.4	6.8	4.5	5.1	3.8
	Men	6.2	9.0	6.2	7.9	6.2	14.7	17.3	13.5	16.0	14.0	5.0	5.5	2.7	4.3	3.8	3.2	6.2	2.8	4.3	2.7	2.0	7.5	5.5	5.5	4.1
	Women	6.5	9.2	8.3	8.8	7.8	16.5	16.1	17.4	18.5	18.5	4.7	8.4	8.1	8.1	7.2	1.1	5.4	3.6	2.5	3.6	0.0	5.8	3.3	4.6	3.3
Peru	Total	...	7.3	5.9	5.6	5.0	...	15.3	12.9	12.2	12.2	...	5.5	5.6	5.3	4.6	...	4.1	3.0	3.1	2.4	...	4.5	3.2	3.4	2.7
	Men	...	7.0	5.1	5.4	4.4	...	15.3	12.2	12.9	11.5	...	4.7	4.1	4.5	4.0	...	3.8	2.2	2.0	1.5	...	5.0	3.0	3.5	2.1
	Women	...	7.7	6.8	5.9	5.8	...	15.2	13.7	11.4	13.0	...	6.3	7.3	6.3	5.4	...	4.5	3.9	4.3	3.3	...	3.7	3.4	3.1	3.5
Uruguay	Total	8.9	11.2	7.8	7.6	7.0	24.4	25.8	21.5	20.8	20.4	8.2	10.0	7.5	7.8	6.6	4.3	7.2	4.8	4.6	4.4	3.5	6.1	3.9	3.8	3.2
	Men	7.3	8.6	5.7	5.5	5.2	22.2	21.4	17.6	16.8	16.7	6.0	7.2	4.3	4.7	3.9	2.5	3.7	2.5	2.3	2.5	3.0	4.9	2.8	2.8	2.3
	Women	11.1	14.5	10.4	10.0	9.1	27.5	32.0	26.9	26.2	25.6	11.0	13.5	11.2	11.0	9.4	6.4	11.2	7.4	7.1	6.4	4.4	7.7	5.2	4.9	4.3
Venezuela (Bolivarian Republic of) <sup>d</sup>	Total	9.6	14.4	6.8	8.0	8.4	17.8	25.8	13.6	16.1	17.2	10.7	14.5	7.3	8.1	9.0	5.6	9.9	4.6	5.5	5.6	4.1	7.8	3.9	5.2	5.0
	Men	10.2	13.5	6.4	7.4	7.7	17.8	22.1	12.4	13.7	15.1	11.3	12.6	6.3	6.7	7.2	6.5	9.8	4.3	5.2	5.3	4.9	9.4	4.3	5.6	5.4
	Women	8.2	15.8	7.3	8.9	9.3	17.8	32.5	15.9	20.4	21.2	9.4	17.5	8.6	9.9	11.4	3.9	10.1	5.0	5.8	6.0	1.7	4.6	3.2	4.6	4.5

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

<sup>a</sup> For the exact years of the surveys in each country, see table A-5.

<sup>b</sup> Based on special tabulations of data from the National Occupation Survey supplied by the National Statistical Office of Cuba. The figures for 1990-1999 relate to total unemployment (urban and rural); those for 2003-2008 relate to urban unemployment.

<sup>c</sup> Total for urban areas, with the exception of the figure for 1990, which relates to the Asunción metropolitan area.

<sup>d</sup> The sample design for the surveys conducted since 1997 does not distinguish between urban and rural areas. The figures therefore refer to the national total.

**Table A-10**  
**LATIN AMERICA: AVERAGE INCOME OF THE EMPLOYED ECONOMICALLY ACTIVE POPULATION**  
**BY OCCUPATIONAL CATEGORY, URBAN AREAS, 1990-2010**  
*(Multiples of the relevant per capita poverty line)*

Country	Year	Total	Employers	Wage or salary earners								Own-account and unpaid family workers		
				Total	Public sector	Private sector				Non-professional, non-technical			Total <sup>b</sup>	Non-professional, non-technical
						Total <sup>a</sup>	Professional and technical	Establishments employing more than 5 persons	Establishments employing up to 5 persons	Domestic employment				
Argentina <sup>c</sup>	1990	6.5	20.6	4.7	...	4.7	9.4	4.5	3.6	2.5	8.4	7.6		
	1999	7.0	23.8	5.6	6.9	5.3	9.4	4.8	3.5	2.4	8.5	6.5		
	2006	6.0	21.0	4.8	5.7	4.6	7.4	4.9	3.4	1.7	7.8	6.6		
	2009	9.5	28.6	7.8	11.1	7.2	11.9	7.2	5.0	2.7	12.1	10.1		
	2010	10.5	31.4	8.7	11.6	8.1	12.7	8.1	5.8	3.2	13.4	11.0		
Bolivia (Plurinational State of)	1989 <sup>d</sup>	4.6	16.6	3.8	4.2	3.6	8.0	3.6	2.7	1.5	4.9	4.5		
	1999	3.8	8.2	4.2	4.7	4.0	7.4	3.9	2.5	2.0	2.8	2.7		
	2002	3.6	7.3	4.1	5.2	3.8	9.3	3.2	2.4	2.1	2.6	2.4		
	2007	3.8	7.7	4.1	5.4	3.7	6.6	3.6	2.5	1.9	2.4	2.3		
Brazil	1990 <sup>e</sup>	4.9	16.1	4.2	...	4.2	7.5	3.3	2.5	1.0	4.3	3.9		
	1999	4.7	14.8	4.1	6.6	3.5	6.9	3.2	2.1	1.4	4.2	3.7		
	2002	4.5	14.3	4.0	6.6	3.4	8.4	3.0	2.1	1.4	3.8	3.0		
	2008	5.0	15.0	4.6	7.7	3.9	8.6	3.5	2.4	1.7	4.2	3.4		
	2009	5.1	15.0	4.7	7.9	4.0	8.7	3.6	2.6	1.8	4.1	3.3		
Chile	1990	4.9	26.2	4.0	...	4.0	7.7	3.6	2.5	1.8	5.7	5.3		
	1998	7.8	35.5	6.0	...	6.0	12.6	4.4	3.1	2.4	9.0	6.8		
	2003	7.8	38.1	6.0	8.3	5.6	13.1	4.2	3.1	2.6	8.1	6.0		
	2006	7.8	31.0	6.5	9.1	6.1	13.7	5.0	3.6	2.6	9.2	6.9		
	2009	8.7	38.3	7.1	10.2	6.6	13.2	5.2	3.7	2.9	10.4	7.9		
Colombia	1991	2.9	7.4	2.8	3.9	2.5	5.3	2.4	...	1.2	2.7	2.4		
	1999	3.4	9.5	3.7	6.3	3.2	6.8	2.8	...	2.1	2.3	2.0		
	2008	4.4	12.0	4.4	8.1	3.8	8.7	3.7	2.2	1.9	3.6	2.9		
	2009	4.2	10.9	4.2	8.1	3.8	9.0	3.7	2.1	1.8	3.3	2.8		
	2010	4.2	10.4	4.3	8.4	3.9	9.2	3.7	2.0	1.9	3.3	2.7		
Costa Rica	1990	5.3	6.8	5.4	7.3	4.5	9.0	4.4	3.2	1.5	4.2	3.9		
	1999	6.1	10.5	6.0	8.8	5.1	9.7	4.8	3.7	1.8	4.8	4.4		
	2008	6.0	12.2	5.9	8.9	5.0	8.5	4.1	3.2	1.7	4.0	3.0		
	2009	6.3	10.7	6.3	9.4	5.3	9.6	4.3	3.1	1.7	4.1	3.0		
	2010	5.8	10.7	5.9	9.2	5.3	9.8	4.2	3.2	2.1	4.2	3.1		
Dominican Republic	2002	4.3	15.6	4.0	4.7	3.7	7.8	3.1	2.2	1.3	3.6	3.4		
	2008	4.9	17.9	3.0	3.8	2.8	5.1	2.4	1.5	1.1	6.3	5.6		
	2009	5.4	21.1	3.2	4.2	2.8	5.3	2.4	1.8	1.2	6.9	5.9		
	2010	5.1	22.5	3.0	3.7	2.8	5.3	2.4	1.6	1.2	6.3	5.4		
Ecuador	1990	3.1	4.8	3.3	4.1	2.9	6.1	2.9	2.3	0.8	2.3	2.3		
	1999	3.1	7.6	2.8	3.8	2.6	5.6	2.6	1.7	0.9	2.2	2.0		
	2008	4.1	11.6	3.8	6.4	3.3	5.8	3.1	2.3	1.9	3.1	2.9		
	2010	4.2	14.0	4.1	6.7	3.5	6.0	3.4	2.5	2.2	2.9	2.7		
El Salvador	1995	3.7	9.2	3.6	5.3	3.2	6.9	2.9	2.1	1.0	2.6	2.5		
	1999	4.4	9.6	4.5	6.9	4.0	8.3	3.7	2.4	2.1	3.0	2.8		
	2001	4.4	10.5	4.4	6.7	3.9	8.7	3.5	2.3	2.0	3.2	3.0		
	2009	3.6	8.3	3.8	6.5	3.3	6.9	2.9	2.0	2.0	2.4	2.2		
	2010	3.4	7.4	3.6	6.3	3.0	5.6	3.0	2.0	2.0	2.4	2.2		
Guatemala	1989	3.8	17.7	3.1	4.8	2.6	5.2	2.7	1.8	1.4	4.0	3.7		
	1998	3.8	16.0	3.3	4.5	3.1	6.3	2.9	1.9	1.3	2.9	2.4		
	2002	4.1	11.2	3.6	5.8	3.2	6.5	2.8	1.6	1.7	3.1	2.8		
	2006	3.9	17.0	2.8	4.7	2.5	4.9	2.3	1.5	1.3	3.7	3.4		

Table A-10 (concluded)

Country	Year	Total	Employers	Wage or salary earners								Own-account and unpaid family workers			
				Total	Public sector	Total <sup>a</sup>	Professional and technical	Private sector			Establishments employing more than 5 persons	Establishments employing up to 5 persons	Domestic employment	Total <sup>b</sup>	Non-professional, non-technical
								Est	Establishments employing up to 5 persons	Domestic employment					
Honduras	1990	3.0	16.4	3.1	4.9	2.6	6.5		2.8	1.6	0.8	2.0	1.8		
	1999	2.1	5.1	2.1	2.9	1.9	3.7		2.0	1.2	0.5	1.6	1.5		
	2007	2.8	5.8	3.2	5.2	2.7	5.0		2.4	1.5	1.3	1.8	1.4		
	2009	2.8	6.0	3.3	5.3	2.8	4.8		2.7	1.6	1.4	1.7	1.5		
	2010	2.8	5.0	3.3	5.6	2.8	4.8		2.7	1.5	1.4	1.6	1.3		
Mexico	1989	4.5	21.7	3.4	...	3.4	6.8		3.1	...	1.4	5.8	5.4		
	1998	4.2	18.0	3.5	5.1	3.1	6.7		3.1	1.9	1.2	3.7	3.3		
	2002	4.3	15.7	3.6	5.3	3.2	6.9		3.3	2.1	1.4	4.4	4.0		
	2008	4.0	17.0	3.3	5.2	2.9	5.8		3.0	1.9	1.3	3.9	3.4		
	2010	3.3	6.0	3.2	5.0	2.8	5.5		2.5	1.7	1.2	2.6	2.4		
Nicaragua	1993	3.8	8.6	3.3	3.4	3.3	6.2		3.1	2.4	2.1	4.5	3.8		
	1998	3.5	11.1	3.3	...	3.3	6.3		2.7	2.0	1.7	2.8	2.7		
	2001	3.6	14.3	3.1	4.2	2.8	6.3		2.6	1.8	1.5	2.7	2.5		
	2005	3.1	9.9	3.0	4.2	2.7	5.6		2.6	1.7	1.6	2.2	2.1		
Panama	1991	5.9	15.4	6.0	8.0	4.8	9.9		4.3	2.9	1.3	3.5	3.2		
	1999	6.4	12.6	6.8	9.2	5.9	11.4		5.0	2.9	2.1	3.9	3.6		
	2008	6.0	19.2	5.4	7.5	4.8	8.5		4.6	3.1	1.9	5.7	5.2		
	2009	6.3	19.3	5.8	7.8	5.1	9.3		4.8	3.3	2.0	5.9	5.1		
	2010	6.2	18.4	5.7	7.3	5.1	9.2		4.7	3.3	2.1	6.1	5.2		
Paraguay	1990 <sup>f</sup>	3.5	10.3	2.5	3.4	2.3	4.7		2.6	1.8	0.8	3.9	3.7		
	1999	3.5	8.6	3.3	4.8	2.9	6.7		3.1	2.1	1.6	2.5	2.2		
	2008	2.9	6.7	2.8	4.0	2.5	4.4		2.6	1.9	1.4	2.0	1.8		
	2009	2.8	6.1	2.7	3.9	2.5	4.6		2.5	2.0	1.4	2.0	1.7		
	2010	3.1	8.9	2.8	3.9	2.5	4.5		2.6	2.0	1.5	2.5	2.3		
Peru	1997	3.5	7.9	3.8	4.2	3.7	6.5		3.8	2.3	2.4	2.3	2.1		
	2001	3.2	6.9	3.5	4.1	3.3	6.8		3.3	1.9	2.2	2.2	2.1		
	2008	3.6	7.8	3.9	4.9	3.7	6.6		3.8	2.1	2.0	2.3	2.2		
	2009	3.8	7.5	4.3	5.2	4.1	7.4		4.2	2.2	2.3	2.4	2.2		
	2010	3.7	7.3	4.1	5.1	3.8	6.7		3.9	2.2	2.2	2.3	2.2		
Uruguay	1990	4.5	18.0	3.7	4.0	3.5	5.4		3.4	2.3	1.5	3.4	3.1		
	1999	5.5	14.1	5.3	6.7	4.9	11.2		4.8	3.1	2.1	4.4	3.9		
	2008	4.3	11.8	4.2	5.7	3.8	8.1		3.8	2.2	1.8	3.0	2.0		
	2009	4.6	11.5	4.6	6.3	4.1	8.6		4.2	2.4	2.0	3.1	2.1		
	2010	4.6	10.8	4.6	6.4	4.1	8.3		4.4	2.5	2.1	3.2	2.2		
Venezuela (Bolivarian Republic of) <sup>g</sup>	1990	4.6	11.9	3.7	3.9	3.6	6.6		3.6	2.3	1.4	4.8	4.6		
	1999	3.6	9.2	3.2	3.7	3.0	6.4		2.9	2.0	1.4	3.6	3.4		
	2008	4.0	7.5	4.1	5.2	3.5	5.2		3.7	2.7	1.8	3.5	3.4		
	2009	4.0	7.4	4.1	5.3	3.5	4.9		3.6	2.7	1.9	3.7	3.5		
	2010	3.8	7.1	3.8	4.7	3.3	4.5		3.4	2.6	1.9	3.4	3.3		

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

<sup>a</sup> Figures for Argentina (1990-1997), Brazil (1990), Chile (1990, 1994 and 1998), Mexico (1989, 2004-2006) and Nicaragua (1998) include public-sector wage-earners. In addition, in the case of non-professional, non-technical workers, the figures for the following countries include establishments with up to four employees: Bolivarian Republic of Venezuela, Chile (1996), the Dominican Republic, El Salvador, Panama (up to 2002), the Plurinational State of Bolivia (1999 and 2002) and Uruguay (1990). Where no information is available on the size of establishments, no figures are given for the total number of employed in low-productivity sectors.

<sup>b</sup> Includes professional, technical and own-account workers.

<sup>c</sup> Greater Buenos Aires.

<sup>d</sup> Eight departmental capitals plus El Alto.

<sup>e</sup> No information is available on the size of establishments for 1990. Therefore the figure given for Brazil in the column for establishments employing more than five persons refers to wage-earners who have an employment contract ("carteira"), while the column for establishments employing up to five persons refers to workers who do not have such contracts.

<sup>f</sup> Asunción metropolitan area.

<sup>g</sup> The sample design for the surveys conducted since 1997 does not distinguish between urban and rural areas. The figures therefore correspond to the national total.

Table A-11  
**LATIN AMERICA: RATIO OF AVERAGE FEMALE INCOME TO AVERAGE MALE INCOME,  
 BY AGE GROUP, URBAN AREAS, 1990-2010**  
*(Percentages)*

Country	Year	Disparity in labour income by age group <sup>a</sup>					Wage disparity by age group <sup>b</sup>						
		Total	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 years or more	Total	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 years or more
Argentina <sup>c</sup>	1990	65	87	77	61	59	52	65	87	77	61	59	52
	1999	65	94	76	64	58	54	65	94	76	64	58	54
	2006	65	78	76	62	62	52	65	78	76	62	62	52
	2009	72	79	74	69	70	71	72	79	74	69	70	71
	2010	72	80	79	71	68	63	72	80	79	71	68	63
Bolivia (Plurinational State of)	1989 <sup>d</sup>	59	71	65	54	54	62	59	71	65	54	54	62
	1999	63	72	70	55	68	54	63	72	70	55	67	54
	2002	61	80	69	57	53	44	61	80	68	56	53	44
	2007	63	75	71	54	67	52	63	75	71	54	67	52
Brazil	1990	56	73	64	54	47	35	55	73	64	53	47	35
	1999	65	81	72	63	57	55	64	80	71	62	57	54
	2002	67	84	77	64	57	55	66	83	77	64	57	54
	2008	68	83	75	67	63	57	68	82	75	67	62	56
	2009	68	83	74	66	64	58	68	83	74	66	63	57
Chile	1990	62	87	70	61	57	51	62	87	70	61	57	51
	1998	66	90	76	68	59	54	66	90	76	68	59	54
	2003	64	88	79	64	55	55	64	88	79	64	55	55
	2006	68	89	78	66	63	60	68	89	78	66	63	60
	2009	64	85	81	62	63	50	64	85	81	62	63	50
Colombia	1991	69	88	77	64	56	55	68	88	77	64	56	55
	1999	75	101	87	69	68	56	75	101	86	69	68	55
	2008	73	90	84	71	67	53	72	89	83	70	67	54
	2009	75	92	83	71	70	60	75	91	83	71	70	61
	2010	72	90	84	69	63	58	72	89	83	69	63	58
Costa Rica	1990	72	86	75	66	60	61	72	86	75	66	60	61
	1999	70	87	75	67	64	58	70	87	75	67	64	59
	2008	70	94	82	59	66	51	70	94	82	59	66	51
	2009	76	91	81	75	75	57	76	91	81	75	75	57
	2010	79	86	86	74	73	77	79	86	86	74	73	78
Dominican Republic	2002	72	92	74	70	63	62	72	92	74	70	63	62
	2008	61	72	72	53	57	55	61	72	72	53	57	55
	2009	62	67	67	66	47	59	62	67	67	66	47	59
	2010	70	84	75	57	79	63	70	84	75	57	79	63
Ecuador	1990	66	80	70	61	60	64	66	80	70	61	60	64
	1999	67	99	82	61	51	55	67	99	82	61	51	55
	2008	69	90	80	62	65	64	69	90	80	62	65	64
	2009	71	91	74	72	64	64	71	91	74	72	64	64
	2010	74	93	82	68	69	68	74	93	82	68	69	68
El Salvador	1995	62	76	70	57	51	46	62	76	70	57	51	46
	1999	76	84	79	71	69	64	76	84	79	71	69	64
	2001	73	87	79	73	62	51	73	87	79	73	62	51
	2009	81	95	86	78	70	77	81	95	86	78	70	77
	2010	84	93	92	76	84	72	84	93	92	76	84	72

Table A-11 (concluded)

Country	Year	Disparity in labour income by age group <sup>a</sup>					Wage disparity by age group <sup>b</sup>						
		Total	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 years or more	Total	15 to 24 years	25 to 34 years	35 to 44 years	45 to 54 years	55 years or more
Guatemala	1989	68	80	81	65	62	55	68	78	80	65	61	55
	1998	55	88	76	51	34	39	55	87	74	51	34	39
	2002	56	80	60	54	41	45	56	78	59	54	41	46
	2006	58	91	64	55	55	42	58	89	65	55	55	42
Honduras	1990	59	77	68	51	56	43	59	77	68	51	56	43
	1994	63	80	73	69	48	42	63	80	73	69	48	42
	1997	60	81	72	58	47	37	60	81	72	58	47	37
	2007	81	96	84	75	76	64	81	96	84	75	76	64
	2009	80	97	87	78	66	65	80	97	87	78	66	65
	2010	84	104	85	82	64	86	84	104	85	82	64	86
Mexico	1989	55	72	64	53	45	48	55	72	64	53	45	48
	1998	58	84	73	51	54	40	58	84	73	51	54	40
	2002	62	83	66	62	56	42	62	83	66	62	56	42
	2008	62	83	69	66	48	49	62	83	69	66	48	49
	2010	70	85	74	68	63	60	70	85	74	68	63	60
Nicaragua	1993	77	107	87	62	64	67	77	107	87	62	64	67
	1998	65	93	73	61	47	43	65	93	73	61	47	43
	2001	69	87	85	72	34	85	69	87	85	72	34	85
	2005	71	87	73	80	48	53	71	87	73	80	48	53
Panama	1991	78	73	89	81	68	78	78	72	88	80	67	77
	1999	78	98	87	74	73	57	78	97	86	74	73	57
	2008	74	83	81	76	67	54	74	83	81	76	67	54
	2009	78	86	87	81	72	62	78	86	87	81	72	62
	2010	76	85	82	79	65	72	76	85	82	79	65	72
Paraguay	1990 <sup>e</sup>	55	63	68	52	50	60	55	63	68	52	50	60
	1999	71	96	84	67	69	43	71	96	84	67	69	43
	2008	71	83	79	68	68	54	71	83	80	68	67	53
	2009	75	85	82	65	76	69	75	85	82	64	75	68
	2010	71	89	75	69	75	44	70	89	75	69	75	44
Peru	1997	60	84	69	58	49	37	59	80	67	58	49	41
	2001	68	94	76	59	59	56	68	94	76	59	59	56
	2008	61	76	73	55	55	48	61	76	73	55	55	48
	2009	63	73	66	65	62	46	63	73	66	65	62	46
	2010	60	79	63	58	53	55	60	79	63	58	53	55
Uruguay	1990	44	63	60	46	37	30	44	63	60	46	37	30
	1999	68	81	78	64	65	55	67	79	77	63	65	54
	2008	68	84	76	67	65	58	67	80	75	66	63	57
	2009	69	83	77	68	65	58	68	80	75	67	65	57
	2010	71	81	78	69	68	61	70	78	76	68	67	61
Venezuela (Bolivarian Republic of)	1990	66	81	72	65	57	48	66	80	72	64	57	48
	1994	70	95	75	64	56	56	69	95	75	64	56	56

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

<sup>a</sup> Refers to the income differential in the total employed population. This differential is calculated as the quotient of average female income and average male income, multiplied by 100.

<sup>b</sup> Refers to the income differential in total income among wage-earners. This differential is calculated as the quotient of average female income and average male income, multiplied by 100.

<sup>c</sup> Greater Buenos Aires.

<sup>d</sup> Eight departmental capitals plus El Alto.

<sup>e</sup> Asunción metropolitan area.

**Table A-12**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): PER CAPITA PUBLIC SOCIAL SPENDING, 1990-2010**  
*(In dollars at constant 2005 prices)*

Country	Period										
	1990-1991	1992-1993	1994-1995	1996-1997	1998-1999	2000-2001	2002-2003	2004-2005	2006-2007	2008-2009	2010 <sup>a</sup>
Argentina	680	823	906	903	982	954	757	885	1 153	1 493	...
Bolivia (Estado Plurinacional de) <sup>b</sup>	...	...	115	138	157	168	186	184	186	211	...
Brazil	661	640	831	850	934	936	986	1 052	1 203	1 371	...
Chile	486	584	638	758	875	953	967	936	933	1 213	1 266
Colombia <sup>c</sup>	168	209	324	441	384	344	349	399	454	520	539
Costa Rica	498	529	580	621	667	745	792	795	876	1 097	1 224
Cuba	944	851	690	615	620	722	843	1 122	1 523	1 946	1 876
Dominican Republic	85	108	117	130	162	213	218	236	326	362	347
Ecuador <sup>d</sup>	92	90	103	97	86	88	106	124	200	261	314
El Salvador <sup>e</sup>	...	61	120	149	203	258	287	322	351	379	...
Guatemala	66	85	87	95	136	143	155	156	168	172	...
Honduras	73	77	66	68	76	104	123	137	150	176	183
Jamaica <sup>f</sup>	339	327	343	373	...	383	356	367	404	450	...
Mexico	393	505	544	527	619	686	697	739	810	879	943
Nicaragua	47	44	49	48	60	67	78	95	107	119	...
Panama	247	328	310	339	406	400	353	371	493	609	...
Paraguay	42	88	107	119	120	99	108	98	123	133	147
Peru <sup>g</sup>	78	103	151	169	208	222	246	266	279	332	378
Trinidad and Tobago <sup>h</sup>	405	417	393	406	...	783	970	1 170	1 219	1 770	...
Uruguay	677	832	950	1 061	1 038	1 057	944	992	1 195	1 434	...
Venezuela (Bolivarian Republic of) <sup>i</sup>	483	536	433	479	475	613	530	610	795	...	...
Latin America and the Caribbean <sup>j</sup>	315	350	375	404	438	473	478	526	616	748	...
Latin America and the Caribbean <sup>k</sup>	459	494	581	600	655	678	685	740	853	981	...

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

<sup>a</sup> Biennial series with official data from the ministries of finance or social development or from the budgeting departments of the countries of Latin America and the Caribbean.

<sup>b</sup> The figure for the biennium 1994-1995 is from 1995 and the figure for the biennium 2008-2009 is from 2008.

<sup>c</sup> The Ministry of Finance figures from the year 2000 are not comparable with those from earlier years. The previous series is from the National Planning Department (DNP) and the National Administrative Department of Statistics (DANE).

<sup>d</sup> The data on social spending do not include information on social security spending. The figures up to the biennium 2006-2007 correspond to the central government and those for the period 2008-2010 correspond to the overall State budget.

<sup>e</sup> The figure listed for 1992-1993 corresponds to 1993. Series adjusted to reflect methodological changes introduced since 2004.

<sup>f</sup> The figure listed for 1996-1997 is from 1996.

<sup>g</sup> The figures for 1990 to 1998 correspond to data from the budgetary central government, while those from 1999 onwards correspond to the general government. The figure for 1998-1999 is from 1999.

<sup>h</sup> The figure for 1996-1997 corresponds to 1996.

<sup>i</sup> The figure for 2006-2007 is from 2006.

<sup>j</sup> Simple average of the countries; includes estimates in cases where information on certain countries is missing.

<sup>k</sup> Weighted average of the countries; includes estimates in cases where information on certain countries is missing.

**Table A-13**  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): PUBLIC SOCIAL SPENDING**  
**AS A PERCENTAGE OF GDP, 1990-2010**  
*(Percentages)*

Country	Period										
	1990-1991	1992-1993	1994-1995	1996-1997	1998-1999	2000-2001	2002-2003	2004-2005	2006-2007	2008-2009	2010 <sup>a</sup>
Argentina	19.1	20.1	21.1	20.0	21.0	21.8	19.4	19.4	21.8	25.9	...
Bolivia (Plurinational State of) <sup>b</sup>	...	...	12.4	14.4	15.8	17.1	18.8	17.9	17.1	18.4	...
Brazil	16.6	16.1	19.5	19.4	21.6	21.2	22.1	22.4	24.1	25.9	...
Chile	12.0	12.4	12.2	12.8	14.3	15.1	14.8	13.2	12.2	15.4	15.6
Colombia <sup>c</sup>	5.9	7.0	10.2	13.6	12.2	11.1	11.1	11.9	12.4	13.5	13.6
Costa Rica	15.6	15.2	15.8	16.8	16.4	18.0	18.7	17.6	17.2	20.9	22.9
Cuba	27.6	32.8	28.5	23.1	22.4	23.7	26.5	31.0	34.5	40.7	38.2
Dominican Republic	3.9	4.5	4.6	4.6	5.2	6.4	6.4	6.7	8.0	8.1	7.3
Ecuador <sup>d</sup>	3.9	3.8	4.3	4.0	3.6	3.7	4.2	4.5	6.8	8.3	9.8
El Salvador <sup>e</sup>	...	2.9	5.4	6.3	8.2	10.0	10.8	11.6	11.8	12.7	...
Guatemala	3.7	4.6	4.6	4.8	6.7	6.8	7.3	7.3	7.5	7.5	...
Honduras	6.3	6.3	5.5	5.5	6.2	8.4	9.5	9.9	10.0	11.5	12.0
Jamaica <sup>f</sup>	8.4	8.0	8.2	9.0	...	9.5	8.7	8.8	9.4	10.7	...
Mexico	5.9	7.4	8.1	7.7	8.4	8.9	9.1	9.3	9.6	10.6	11.3
Nicaragua	6.6	6.5	7.2	6.5	7.6	8.1	9.3	10.8	11.5	12.6	...
Panama	7.5	8.9	8.3	8.8	9.7	9.5	8.3	8.0	9.2	9.9	...
Paraguay	3.2	6.6	7.8	8.7	9.1	8.0	8.9	7.7	9.2	9.7	11.0
Peru <sup>g</sup>	3.9	5.1	6.5	6.9	8.5	9.0	9.5	9.6	8.9	9.4	10.0
Trinidad and Tobago <sup>h</sup>	6.9	7.3	6.6	6.4	...	9.1	9.7	9.9	8.7	12.1	...
Uruguay	16.8	18.9	20.2	21.3	20.0	21.6	21.8	19.6	21.2	...	...
Venezuela (Bolivarian Republic of) <sup>i</sup>	8.8	9.2	7.8	8.6	8.8	11.6	11.7	11.7	13.5	...	...
Latin America and the Caribbean <sup>j</sup>	9.3	10.3	10.8	11.0	11.6	12.3	12.7	12.8	13.5	15.2	...
Latin America and the Caribbean <sup>k</sup>	11.3	11.9	13.5	13.5	14.5	14.6	14.9	15.2	16.1	17.9	...

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

<sup>a</sup> Biennial series with official data from the ministries of finance or social development or from the budgeting departments of the countries of Latin America and the Caribbean.

<sup>b</sup> The figure for the biennium 1994-1995 corresponds to 1995, and the figure for 2008-2009 corresponds to 2008.

<sup>c</sup> Figures since 2000 are from the Ministry of Finance and are not comparable with earlier figures. The previous series is from the National Planning Department (DNP) and the National Administrative Department of Statistics (DANE).

<sup>d</sup> The data on social spending do not include information on social security spending. The figures up to the biennium 2006-2007 correspond to the central government and those for the period 2008-2010 correspond to the overall State budget.

<sup>e</sup> The figure listed for 1992-1993 corresponds to the year 1993. Series adjusted to reflect methodological changes introduced since 2004.

<sup>f</sup> The figure for 1996-1997 corresponds to 1996.

<sup>g</sup> From 1990 to 1998, the figures correspond to the budgetary central government, and from 1999 onwards, to the general government. The figure for 1998-1999 corresponds to 1999.

<sup>h</sup> The figure for 1996-1997 corresponds to 1996.

<sup>i</sup> The figure listed for 2006-2007 is the 2006 figure.

<sup>j</sup> Simple average of the countries; includes estimates in cases where information on certain countries is missing.

<sup>k</sup> Weighted average of the countries; includes estimates in cases where information on certain countries is missing.

Table A-14  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): PUBLIC SOCIAL SPENDING  
 AS A PERCENTAGE OF TOTAL PUBLIC SPENDING, 1990-2010<sup>a</sup>**  
*(Percentages)*

País	Period										
	1990-1991	1992-1993	1994-1995	1996-1997	1998-1999	2000-2001	2002-2003	2004-2005	2006-2007	2008-2009	2010 <sup>b</sup>
Argentina	62.2	63.4	65.7	65.6	64.4	62.9	66.3	64.2	63.7	63.5	...
Bolivia (Plurinational State of) <sup>c</sup>	...	...	36.3	43.4	43.9	45.6	51.3	52.6	45.1	40.8	...
Brazil	48.9	47.2	58.6	51.0	55.8	62.1	70.4	73.2	73.4	73.6	...
Chile	61.2	63.0	64.5	65.5	66.4	68.4	68.1	67.3	66.3	67.0	66.7
Colombia <sup>d</sup>	28.8	32.2	36.5	...	...	...	...	74.8	71.5	69.5	68.7
Costa Rica	38.9	41.2	38.2	42.0	40.7	40.5	37.8	36.1	36.0	37.2	39.2
Cuba	35.6	34.7	39.4	45.7	44.8	47.0	51.4	53.0	52.4	53.0	54.5
Dominican Republic	40.4	39.9	42.9	41.2	42.1	48.7	47.1	44.7	47.5	44.4	44.2
Ecuador <sup>e</sup>	25.3	26.0	24.0	20.0	16.2	15.6	19.2	20.5	30.3	23.9	26.3
El Salvador <sup>f</sup>	...	22.2	23.2	28.1	32.5	46.6	39.5	45.4	45.0	42.9	...
Guatemala	29.9	33.3	41.3	42.7	45.1	47.3	50.4	53.8	51.8	54.1	...
Honduras	40.7	36.6	40.6	40.5	39.5	45.4	49.9	52.8	53.6	49.2	51.9
Jamaica <sup>g</sup>	26.8	23.2	20.6	19.2	...	17.1	17.3	17.1	20.9	21.3	...
Mexico	41.3	50.2	53.1	52.7	60.5	61.3	56.6	58.8	57.9	54.4	55.9
Nicaragua	34.0	38.5	39.9	37.0	37.1	38.4	42.0	47.9	50.2	54.4	...
Panama	45.7	52.4	52.0	48.3	50.8	46.8	44.9	42.1	46.8	48.5	...
Paraguay	39.9	42.9	43.3	47.1	44.5	38.3	40.4	39.3	47.8	51.3	50.9
Peru <sup>h</sup>	33.0	35.0	39.4	39.6	54.3	48.6	48.2	48.7	49.4	47.4	46.3
Trinidad and Tobago <sup>i</sup>	40.6	40.6	42.8	40.7	...	43.5	44.6	37.9	29.4	34.4	...
Uruguay	62.3	67.7	70.8	70.8	67.3	68.1	61.4	61.8	67.5	79.4	...
Venezuela (Bolivarian Republic of) <sup>j</sup>	32.8	40.1	35.3	35.4	36.6	37.8	38.6	41.0	44.0	...	...
Latin America and the Caribbean <sup>k</sup>	39.4	41.7	44.3	45.3	46.2	47.5	48.3	49.0	50.1	50.3	...
Latin America and the Caribbean <sup>l</sup>	44.9	47.2	54.2	52.0	55.7	58.3	61.2	62.8	63.0	62.2	...

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

<sup>a</sup> The official public spending totals are based on a functional classification of countries' public spending, but may differ from other official reports based on different classifications.

<sup>b</sup> Biennial series with official data from the ministries of finance or social development or from the budgeting departments of the countries of Latin America and the Caribbean.

<sup>c</sup> The figure for the biennium 1994-1995 corresponds to 1995, and the figure for 2008-2009 is from 2008.

<sup>d</sup> Figures since 2000 are from the Ministry of Finance and are not comparable with earlier figures. The previous series is from the National Planning Department (DNP) and the National Administrative Department of Statistics (DANE). Discontinued series. The figure for the biennium 1994-1995 corresponds to 1994 and the figure for the biennium 2004-2005 to 2005.

<sup>e</sup> The figures up to the biennium 2006-2007 correspond to the central government and those for the period 2008-2010 correspond to the overall State budget.

<sup>f</sup> The figure for 1992-1993 corresponds to 1993. Series adjusted to reflect methodological changes introduced since 2004.

<sup>g</sup> The figure for 1996-1997 is from 1996.

<sup>h</sup> From 1990 to 1999, the figures correspond to the budgetary central government, and from 2000 onwards, to the general government.

<sup>i</sup> The figure for 1996-1997 corresponds to 1996.

<sup>j</sup> The figure listed for 2006-2007 is the 2006 figure.

<sup>k</sup> Simple average of the countries; includes estimates in cases where information on certain countries is missing.

<sup>l</sup> Weighted average of the countries; includes estimates in cases where information on certain countries is missing.

**Table A-15**  
**LATIN AMERICA AND THE CARIBBEAN: PUBLIC SOCIAL SPENDING ON EDUCATION**  
**AS A PERCENTAGE OF GDP, 1990-2010**  
*(Percentages)*

Country	Period										
	1990-1991	1992-1993	1994-1995	1996-1997	1998-1999	2000-2001	2002-2003	2004-2005	2006-2007	2008-2009	2010 <sup>a</sup>
Argentina	3.6	4.0	4.2	4.2	4.7	5.1	4.2	4.5	5.3	6.3	...
Bolivia (Plurinational State of) <sup>b</sup>	...	...	5.3	5.8	6.2	6.6	7.7	7.4	7.5	8.0	...
Brazil	3.4	2.8	5.1	4.3	5.5	5.0	4.7	4.6	5.0	5.6	...
Chile	2.3	2.4	2.6	3.0	3.6	3.9	4.0	3.6	3.3	4.4	4.4
Colombia <sup>c</sup>	2.4	2.9	3.0	4.2	4.1	3.3	3.8	3.2	3.0	2.9	3.1
Costa Rica	3.9	4.2	4.2	4.6	4.4	5.1	5.7	5.5	5.2	6.4	7.5
Cuba	10.8	11.9	9.0	7.3	7.7	9.1	11.1	13.3	14.6	17.9	17.1
Dominican Republic	1.1	1.3	1.6	1.8	2.2	2.5	2.6	1.8	2.3	2.5	2.5
Ecuador <sup>d</sup>	2.6	2.8	2.6	2.5	2.4	2.0	2.6	2.6	4.3	4.5	5.5
El Salvador <sup>e</sup>	...	1.8	2.0	2.5	3.0	3.4	3.5	3.2	3.1	3.5	...
Guatemala	1.8	2.0	1.9	1.9	2.5	2.9	2.9	2.9	3.0	3.2	...
Honduras	3.6	3.6	3.1	3.3	3.8	5.2	6.0	6.6	6.7	7.6	7.7
Jamaica <sup>f</sup>	4.1	4.0	4.1	4.9	...	5.8	5.1	5.2	5.6	6.5	...
Mexico	2.4	3.2	3.6	3.4	3.5	3.6	3.5	3.4	3.5	3.7	3.8
Nicaragua	2.6	2.2	2.8	2.9	3.4	3.7	4.4	4.7	5.1	5.8	...
Panama	3.6	3.7	3.5	4.0	4.1	4.2	4.1	3.8	4.0	3.9	...
Paraguay	1.3	2.9	3.6	4.2	4.4	4.3	4.0	3.9	4.0	4.3	4.7
Peru <sup>g</sup>	1.6	2.0	2.7	2.5	2.9	2.8	3.0	3.0	2.8	3.0	3.1
Trinidad and Tobago <sup>h</sup>	3.2	3.3	3.0	3.0	...	4.1	4.4	4.4	3.8	5.0	...
Uruguay	2.5	2.5	2.5	3.0	3.0	3.0	3.3	3.3	3.9	4.7	...
Venezuela (Bolivarian Republic of) <sup>i</sup>	3.5	4.0	3.8	3.2	4.0	5.1	5.1	5.0	5.5	...	...
Latin America and the Caribbean <sup>j</sup>	3.2	3.5	3.6	3.7	4.0	4.3	4.6	4.5	4.8	5.5	...
Latin America and the Caribbean <sup>k</sup>	3.1	3.2	4.1	3.8	4.4	4.3	4.2	4.1	4.4	4.9	...

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

<sup>a</sup> Biennial series with official data from the ministries of finance or social development or from the budgeting departments of the countries of Latin America and the Caribbean.

<sup>b</sup> The figure for the biennium 1994-1995 corresponds to 1995, and the figure for 2008-2009 corresponds to 2008.

<sup>c</sup> Figures since 2000 are from the Ministry of Finance and are not comparable with earlier figures. The previous series is from the National Planning Department (DNP) and the National Administrative Department of Statistics (DANE).

<sup>d</sup> The data on social spending do not include information on social security spending. The figures up to the biennium 2006-2007 correspond to the central government and those for the period 2008-2010 correspond to the overall State budget.

<sup>e</sup> The figure listed for 1992-1993 corresponds to the year 1993. Series adjusted to reflect methodological changes introduced since 2004.

<sup>f</sup> The figure for 1996-1997 corresponds to 1996.

<sup>g</sup> From 1990 to 1998, the figures correspond to the budgetary central government, and from 1999 onwards, to the general government. The figure for 1998-1999 corresponds to 1999.

<sup>h</sup> The figure for 1996-1997 corresponds to 1996.

<sup>i</sup> The figure listed for 2006-2007 is the 2006 figure.

<sup>j</sup> Simple average of the countries; includes estimates in cases where information on certain countries is missing.

<sup>k</sup> Weighted average of the countries; includes estimates in cases where information on certain countries is missing.

Table A-16  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): PUBLIC SOCIAL SPENDING ON HEALTH  
AS A PERCENTAGE OF GDP, 1990-2010**  
(Percentages)

Country	Period										
	1990-1991	1992-1993	1994-1995	1996-1997	1998-1999	2000-2001	2002-2003	2004-2005	2006-2007	2008-2009	2010 <sup>a</sup>
Argentina	4.3	4.6	4.9	4.6	4.9	5.0	4.4	4.3	4.7	5.7	...
Bolivia (Plurinational State of) <sup>b</sup>	...	...	3.1	2.5	2.8	3.1	3.3	3.5	3.3	3.2	...
Brazil	3.3	2.4	4.1	3.8	3.8	4.1	4.0	4.3	4.6	5.0	...
Chile	1.8	2.1	2.3	2.4	2.7	2.9	3.0	2.8	2.9	3.7	3.9
Colombia <sup>c</sup>	0.9	1.1	2.6	2.9	3.3	2.2	1.8	2.0	1.9	1.9	1.9
Costa Rica	4.9	4.5	4.7	4.7	4.8	5.2	5.7	5.0	5.0	6.2	6.6
Cuba	5.0	6.6	5.6	4.9	5.4	5.6	5.7	6.5	8.5	10.8	9.7
Dominican Republic	0.9	1.0	1.0	1.1	1.2	1.6	1.4	1.2	1.4	1.4	1.8
Ecuador <sup>d</sup>	1.0	0.8	0.8	0.9	0.7	0.8	1.1	1.1	1.3	1.7	2.1
El Salvador <sup>e</sup>	...	1.1	2.6	2.8	3.2	3.3	3.4	3.7	3.9	3.9	...
Guatemala	1.0	1.1	1.0	0.8	1.2	1.2	1.1	1.1	1.2	1.3	...
Honduras	2.4	2.4	2.2	2.0	2.0	2.8	3.2	3.0	2.8	3.1	3.5
Jamaica <sup>f</sup>	2.2	2.4	2.2	2.3	...	2.2	2.3	2.3	2.3	2.8	...
Mexico	2.7	3.1	2.1	2.0	2.1	2.1	2.2	2.3	2.4	2.6	2.7
Nicaragua	2.8	2.5	2.8	2.5	2.7	2.9	3.3	3.3	3.6	3.9	...
Panama	1.6	1.9	1.8	1.9	2.0	2.3	2.0	2.3	2.1	2.2	...
Paraguay	0.3	1.1	1.2	1.3	1.4	1.2	1.4	1.2	1.7	1.9	2.3
Peru <sup>g</sup>	0.9	0.9	1.3	1.4	1.2	1.4	1.5	1.4	1.3	1.5	1.6
Trinidad and Tobago <sup>h</sup>	2.6	2.8	2.2	2.0	...	2.1	2.3	2.6	2.3	3.4	...
Uruguay	2.9	3.0	3.4	2.5	3.2	3.5	3.4	3.3	3.8	4.7	...
Venezuela (Bolivarian Republic of) <sup>i</sup>	1.6	1.7	1.1	1.1	1.4	1.5	1.6	1.6	1.8	...	...
Latin America and the Caribbean <sup>j</sup>	2.2	2.4	2.5	2.4	2.6	2.7	2.8	2.8	3.0	3.4	...
Latin America and the Caribbean <sup>k</sup>	2.7	2.6	3.0	2.8	3.0	3.0	3.0	3.1	3.3	3.7	...

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

<sup>a</sup> Biennial series with official data from the ministries of finance or social development or from the budgeting departments of the countries of Latin America and the Caribbean.

<sup>b</sup> The figure for the biennium 1994-1995 corresponds to 1995, and the figure for 2008-2009 corresponds to 2008.

<sup>c</sup> Figures since 2000 are from the Ministry of Finance and are not comparable with earlier figures. The previous series is from the National Planning Department (DNP) and the National Administrative Department of Statistics (DANE).

<sup>d</sup> The data on social spending do not include information on social security spending. The figures up to the biennium 2006-2007 correspond to the central government and those for the period 2008-2010 correspond to the overall State budget.

<sup>e</sup> The figure listed for 1992-1993 corresponds to the year 1993. Series adjusted to reflect methodological changes introduced since 2004.

<sup>f</sup> The figure for 1996-1997 corresponds to 1996.

<sup>g</sup> From 1990 to 1998, the figures correspond to the budgetary central government, and from 1999 onwards, to the general government. The figure for 1998-1999 corresponds to 1999.

<sup>h</sup> The figure for 1996-1997 corresponds to 1996.

<sup>i</sup> The figure listed for 2006-2007 is the 2006 figure.

<sup>j</sup> Simple average of the countries; includes estimates in cases where information on certain countries is missing.

<sup>k</sup> Weighted average of the countries; includes estimates in cases where information on certain countries is missing.

**Table A-17**  
**LATIN AMERICA AND THE CARIBBEAN (20 COUNTRIES): PUBLIC SOCIAL SPENDING ON SOCIAL SECURITY AND WELFARE**  
**AS A PERCENTAGE OF GDP, 1990-2010**  
*(Percentages)*

Country	Period										
	1990-1991	1992-1993	1994-1995	1996-1997	1998-1999	2000-2001	2002-2003	2004-2005	2006-2007	2008-2009	2010 <sup>a</sup>
Argentina	9.6	9.9	10.3	9.8	9.9	10.3	9.7	9.2	10.0	12.0	...
Bolivia (Plurinational State of) <sup>b</sup>	...	...	1.4	4.0	5.2	5.6	6.0	5.3	4.7	5.7	...
Brazil	8.5	9.7	10.0	10.6	11.7	11.2	12.0	12.1	12.8	13.4	...
Chile	7.7	7.6	7.1	7.1	7.6	7.9	7.5	6.5	5.8	6.9	7.0
Colombia <sup>c</sup>	2.3	2.6	4.0	5.4	3.8	4.8	4.9	6.0	7.0	7.8	7.8
Costa Rica	4.9	4.7	5.2	5.8	5.7	6.1	5.5	5.3	5.2	6.0	6.6
Cuba	7.0	9.9	8.6	7.0	7.0	6.5	7.1	8.2	8.7	9.2	8.7
Dominican Republic	0.3	0.3	0.3	0.5	0.6	1.1	1.3	2.1	2.2	2.4	1.8
Ecuador <sup>d</sup>	0.3	0.2	0.4	0.4	0.3	0.5	0.4	0.5	0.9	1.5	1.9
El Salvador <sup>e</sup>	...	0.0	0.8	0.9	1.1	1.1	2.2	3.8	3.9	4.4	...
Guatemala	0.8	0.9	0.8	0.8	1.0	1.2	1.3	1.2	1.1	1.1	...
Honduras	0.3	0.3	0.2	0.3	0.4	0.4	0.3	0.3	0.5	0.8	0.6
Jamaica <sup>f</sup>	0.6	0.4	0.4	0.3	...	0.4	0.4	0.4	0.4	0.5	...
Mexico	0.1	0.1	1.2	1.7	2.0	2.3	2.1	2.2	2.3	2.8	3.1
Panama	1.2	1.8	1.5	1.0	1.9	1.6	1.2	1.1	1.5	1.6	...
Paraguay	1.2	2.3	2.4	2.7	3.1	2.1	3.3	2.5	3.2	3.3	3.9
Peru <sup>g</sup>	1.3	2.2	2.5	2.8	3.5	4.0	4.4	4.4	3.7	3.2	3.4
Trinidad and Tobago <sup>h</sup>	0.1	0.1	0.1	0.1	...	1.4	1.8	1.5	1.2	1.8	...
Uruguay	11.2	13.1	13.9	15.3	12.6	13.7	13.6	11.7	12.0	11.3	...
Venezuela (Bolivarian Republic of) <sup>i</sup>	2.0	2.1	2.3	3.0	2.5	3.7	4.1	4.1	4.6	...	...
Latin America and the Caribbean <sup>j</sup>	3.0	3.5	3.7	4.0	4.1	4.3	4.4	4.4	4.6	5.1	...
Latin America and the Caribbean <sup>k</sup>	4.4	4.9	5.6	6.0	6.3	6.4	6.6	6.7	7.1	7.9	...

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

<sup>a</sup> Biennial series with official data from the ministries of finance or social development or from the budgeting departments of the countries of Latin America and the Caribbean.

<sup>b</sup> The figure for the biennium 1994-1995 corresponds to 1995, and the figure for 2008-2009 corresponds to 2008.

<sup>c</sup> Figures since 2000 are from the Ministry of Finance and are not comparable with earlier figures. The previous series is from the National Planning Department (DNP) and the National Administrative Department of Statistics (DANE).

<sup>d</sup> The data on social spending do not include information on social security spending. The figures up to the biennium 2006-2007 correspond to the central government and those for the period 2008-2010 correspond to the overall State budget.

<sup>e</sup> The figure listed for 1992-1993 corresponds to the year 1993. Series adjusted to reflect methodological changes introduced since 2004.

<sup>f</sup> The figure for 1996-1997 corresponds to 1996.

<sup>g</sup> From 1990 to 1998, the figures correspond to the budgetary central government, and from 1999 onwards, to the general government. The figure for 1998-1999 corresponds to 1999.

<sup>h</sup> The figure for 1996-1997 corresponds to 1996.

<sup>i</sup> The figure listed for 2006-2007 is the 2006 figure.

<sup>j</sup> Simple average of the countries; includes estimates in cases where information on certain countries is missing. Does not include Nicaragua.

<sup>k</sup> Weighted average of the countries; includes estimates in cases where information on certain countries is missing. Does not include Nicaragua.

Table A-18  
**LATIN AMERICA AND THE CARIBBEAN (21 COUNTRIES): PUBLIC SOCIAL SPENDING ON HOUSING  
 AND OTHER ITEMS AS A PERCENTAGE OF GDP, 1990-2010**  
*(Percentages)*

Country	Period										
	1990-1991	1992-1993	1994-1995	1996-1997	1998-1999	2000-2001	2002-2003	2004-2005	2006-2007	2008-2009	2010 <sup>a</sup>
Argentina	1.7	1.6	1.6	1.4	1.5	1.4	1.1	1.5	1.8	1.9	...
Bolivia (Plurinational State of) <sup>b</sup>	...	...	2.5	2.0	1.6	1.9	1.7	1.8	1.6	1.5	...
Brazil	1.4	1.3	0.4	0.8	0.6	1.1	1.5	1.4	1.7	1.9	...
Chile	0.2	0.2	0.2	0.3	0.4	0.3	0.3	0.3	0.3	0.4	0.4
Colombia <sup>c</sup>	0.5	0.5	0.7	1.0	1.0	0.9	0.6	0.7	0.5	0.9	0.8
Costa Rica	1.9	1.8	1.7	1.8	1.5	1.6	1.8	1.8	1.8	2.2	2.3
Cuba	4.8	4.4	5.3	4.0	2.3	2.6	2.6	3.0	2.8	2.8	2.7
Dominican Republic	1.6	1.9	1.8	1.3	1.2	1.2	1.2	1.7	2.0	1.9	1.2
Ecuador <sup>d</sup>	0.5	0.5	0.4	0.2	0.1	0.4	0.2	0.2	0.3	0.7	0.4
El Salvador <sup>e</sup>	0.0	0.0	0.0	0.2	0.8	2.1	1.7	0.9	0.9	0.9	...
Guatemala	0.1	0.6	0.8	1.3	1.9	1.6	1.9	2.1	2.2	1.9	...
Honduras	...	...	...	...	...	...	...	...	...	...	0.3
Jamaica <sup>f</sup>	1.5	1.2	1.6	1.4	...	1.1	0.9	0.9	1.1	0.9	...
Mexico	0.8	1.1	1.2	0.7	0.8	1.0	1.2	1.3	1.4	1.4	1.6
Nicaragua	1.2	1.8	1.5	1.2	1.5	1.5	1.6	2.7	2.8	3.0	...
Panama	1.1	1.4	1.4	1.9	1.7	1.3	1.0	0.8	1.5	2.1	...
Paraguay	0.5	0.3	0.6	0.4	0.2	0.5	0.2	0.2	0.4	0.3	0.2
Peru <sup>g</sup>	0.1	0.1	0.1	0.2	0.9	0.8	0.6	0.7	1.1	1.7	1.9
Trinidad and Tobago <sup>h</sup>	1.0	1.1	1.3	1.3	...	1.5	1.3	1.4	1.3	1.8	...
Uruguay	0.3	0.4	0.5	0.5	1.2	1.4	1.5	1.4	1.6	1.8	...
Venezuela (Bolivarian Republic of) <sup>i</sup>	1.7	1.4	0.6	1.3	0.9	1.3	0.9	1.0	1.4	...	...
Latin America and the Caribbean <sup>j</sup>	1.1	1.2	1.2	1.2	1.1	1.3	1.2	1.3	1.4	1.5	...
Latin America and the Caribbean <sup>k</sup>	1.2	1.2	0.9	0.9	0.9	1.1	1.2	1.3	1.4	1.6	...

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

<sup>a</sup> Biennial series with official data from the ministries of finance or social development or budgeting departments of the countries of Latin America and the Caribbean.

<sup>b</sup> The figure for the biennium 1994-1995 corresponds to 1995, and the figure for 2008-2009 corresponds to 2008.

<sup>c</sup> Figures since 2000 are from the Ministry of Finance and are not comparable with earlier figures. The previous series is from the National Planning Department (DNP) and the National Administrative Department of Statistics (DANE).

<sup>d</sup> The data on social spending do not include information on social security spending. The figures up to the biennium 2006-2007 correspond to the central government and those for the period 2008-2010 correspond to the general State budget.

<sup>e</sup> The figure listed for 1992-1993 corresponds to the year 1993. Series adjusted to reflect methodological changes introduced since 2004.

<sup>f</sup> The figure for 1996-1997 corresponds to 1996.

<sup>g</sup> From 1990 to 1998, the figures correspond to the budgetary central government, and from 1999 onwards, to the general government. The figure for 1998-1999 corresponds to 1999.

<sup>h</sup> The figure for 1996-1997 corresponds to 1996.

<sup>i</sup> The figure listed for 2006-2007 is the 2006 figure.

<sup>j</sup> Simple average of the countries; includes estimates in cases where information on certain countries is missing. Does not include Honduras.

<sup>k</sup> Weighted average of the countries; includes estimates in cases where information on certain countries is missing. Does not include Honduras.

Table A-19  
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>  
(Percentages)

Country	Goal 1 Eradicate extreme poverty and hunger					
	Target 1.A Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day					
	Indicator 1.1 Population living in extreme poverty according to national poverty lines <sup>b</sup>		Indicator 1.2 Extreme poverty gap ratio		Indicator 1.3 Share of poorest quintile in national consumption	
	Level 1990	Level 2008	Level 1990	Level 2008	Level 1990	Level 2008
<b>Latin America and the Caribbean<sup>c</sup></b>	22.5	12.9	8.6	4.4	3.2	3.5
<b>Latin America<sup>c</sup></b>	22.5	12.9	8.6	4.4	3.2	3.5
Argentina <sup>d</sup>	8.2	5.8	1.6	2.6	4.2	3.7
Bolivia (Plurinational State of)	39.5	32.4	9.7	4.5	3.2	4.3
Brazil	23.4	7.3	9.7	3.3	2.1	2.6
Chile	13.0	3.7	4.4	1.1	3.5	4.1
Colombia	26.1	22.9	13.8	8.3	2.0	2.9
Costa Rica	10.1	5.5	4.8	2.2	4.3	4.4
Cuba	...	...	...	...	...	...
Dominican Republic	...	22.6	8.8	8.8	3.2	2.9
Ecuador <sup>d</sup>	26.2	14.2	9.2	4.7	4.8	4.4
El Salvador	27.7	18.2	9.1	8.1	3.4	3.4
Guatemala	41.8	29.3	18.5	11.3	2.7	2.8
Haiti						
Honduras	60.9	47.1	31.5	23.9	2.3	1.9
Mexico	18.7	11.2	5.9	3.2	3.9	4.0
Nicaragua	51.4	33.8	24.3	12.3	2.1	3.5
Panama	16.2	13.5	5.2	1.6	3.2	4.6
Paraguay	35.0	30.8	3.6	5.7	5.2	5.0
Peru	25.0	12.6	10.1	4.0	3.0	4.0
Uruguay <sup>d</sup>	3.4	3.5	0.9	0.9	4.8	4.9
Venezuela (Bolivarian Republic of)	14.4	9.9	5.0	3.5	4.3	5.2
<b>The Caribbean<sup>c</sup></b>	...	...	...	...	...	...
Anguila	...	...	...	...	...	...
Antigua and Barbuda	...	...	...	...	...	...
Aruba	...	...	...	...	...	...
Bahamas	...	...	...	...	...	...
Barbados	...	...	...	...	...	...
Belize <sup>e</sup>	13.4	...	...	...	...	...
British Virgin Islands	...	...	...	...	...	...
Cayman Islands	...	...	...	...	...	...
Dominica	...	...	...	...	...	...
French Guiana	...	...	...	...	...	...
Grenada	...	...	...	...	...	...
Guadeloupe	...	...	...	...	...	...
Guyana <sup>e</sup>	5.8	7.7	...	...	...	...
Jamaica <sup>e</sup>	2	2	...	...	...	...
Martinique	...	...	...	...	...	...
Montserrat	...	...	...	...	...	...
Netherlands Antilles	...	...	...	...	...	...
Puerto Rico	...	...	...	...	...	...
Saint Kitts and Nevis	...	...	...	...	...	...
Saint Vincent and the Grenadines	...	...	...	...	...	...
Saint Lucia <sup>e</sup>	20.9	...	...	...	...	...
Suriname <sup>e</sup>	15.5	...	...	...	...	...
Trinidad and Tobago <sup>e</sup>	4.2	...	...	...	...	...
Turks and Caicos Islands	...	...	...	...	...	...
United States Virgin Islands	...	...	...	...	...	...

Source: United Nations, *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean: progress and challenges* (LC/G.2460), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included.

<sup>b</sup> Does not include the Dominican Republic. The figures for 1990 are not comparable with those for 2000 and onwards.

<sup>c</sup> Weighted averages.

<sup>d</sup> The figures refer to urban areas.

<sup>e</sup> Corresponds to the proportion of the population with income below one purchasing power parity (PPP) dollar per day. Data available on the official United Nations site for Millennium Development Goals Indicators [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

Table A-20  
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>  
(Percentages)

Country	Goal 1 Eradicate extreme poverty and hunger							
	Target 1.B Achieve full and productive employment and decent work for all, including women and young people							
	Indicator 1.4 Growth rate of GDP per person employed		Indicator 1.5 Employment-to- population ratio		Indicator 1.6 Proportion of employed people living in extreme poverty according to national poverty lines <sup>b</sup>		Indicator 1.7 Proportion of own- account and contributing family workers in total employment <sup>c</sup>	
	Level 1992-1997	Level 2003-2008	Level 1990	Level 2008	Level 1990	Level 2008	Level 1990	Level 2008
<b>Latin America and the Caribbean<sup>d</sup></b>	0.3	2.2	54.3	59.5	17.8	11.3	32.0	31.1
<b>Latin America<sup>d</sup></b>	0.3	2.2	54.5	59.6	17.8	11.3	32.0	31.2
Argentina <sup>c</sup>	3.5	6.0	52.5	57.0	...	...	25.6	19.3
Bolivia (Plurinational State of)	0.1	1.1	53.5	58.7	30.7	43.7	36.0	
Brazil	-0.5	1.8	61.1	63.7	15.8	3.9	28.9	29.1
Chile	5.8	2.7	47.7	53.1	6.5	1.2	24.5	21.3
Colombia	0.9	1.7	58.6	56.9	18.7	13.3	44.6	45.6
Costa Rica	1.8	3.0	54.7	57.9	4.5	1.9	24.3	19.5
Cuba	...	5.3	70.1	73.6	...	...	2.8	
Dominican Republic	1.4	4.1	52.9	54.5	10.7	41.7	43.8	
Ecuador <sup>c</sup>	-1.4	2.3	57.1	61.1	12.1	35.6	36.2	
El Salvador	3.5	1.0	55.8	55.5	13.4	11.9	36.2	35.3
Guatemala	3.9	-1.1	56.5	64.9	30.4	20.2	48.0	44.5
Haiti	-6.1	-1.7	56.0	55.9	...	...	...	
Honduras	-0.4	4.0	56.1	58.0	49.6	37.0	49.6	48.9
Mexico	-0.6	1.5	52.1	59.4	12.9	7.1	29.4	22.6
Nicaragua	0.8	-0.2	49.6	60.4	34.4	24.5	46.5	44.9
Panama	0.6	4.2	48.1	60.3	11.4	8.0	33.8	30.7
Paraguay	-1.2	0.3	61.4	63.8	...	22.5	22.9	26.4
Peru	2.4	4.0	67.9	71.3	19.5	10.8	52.4	51.4
Uruguay <sup>c</sup>	3.0	6.9	52.6	58.8	...	1.5	20.1	24.9
Venezuela (Bolivarian Republic of)	-1.2	2.5	51.6	60.8	5.4	4.3	25.7	37.5
<b>The Caribbean<sup>d</sup></b>	0.9	2.0	47.3	51.2	...	...	32.2	27.1
Anguilla	...	...	...	...	...	...	...	
Antigua and Barbuda	...	...	...	...	...	...	14.6	
Aruba	...	...	...	...	...	...	3.9	
Bahamas	-0.6	0.0	63.0	66.6	...	...	...	
Barbados	-0.9	1.9	56.9	66.9	...	...	11.7	
Belize <sup>e</sup>	-1.2	0.9	47.6	56.8	...	...	...	23.5
British Virgin Islands	...	...	...	...	...	...	...	
Cayman Islands	...	...	...	...	...	...	...	
Dominica	...	...	...	...	...	...	29.1	
French Guiana	...	...	...	...	...	...	...	
Grenada	...	...	...	...	...	...	...	
Guadeloupe	...	...	44.5	43.1	...	...	...	
Guyana <sup>e</sup>	5.1	1.6	51.7	58.9	...	...	...	
Jamaica <sup>e</sup>	1.7	0.1	61.5	58.2	...	...	42.3	35.4
Martinique	...	...	46.2	42.5	...	...	...	
Montserrat	...	...	...	...	...	...	12.6	
Netherlands Antilles	...	...	49.0	53.5	...	...	8.1	11.2
Puerto Rico	...	...	38.1	42.4	...	...	...	
Saint Kitts and Nevis	...	...	...	...	...	...	12.1	
Saint Vincent and the Grenadines	...	...	...	...	...	...	20.2	
Saint Lucia <sup>e</sup>	...	...	...	...	...	...	23.5	
Suriname	-0.3	4.3	44.6	44.7	...	...	15.6	
Trinidad and Tobago	-2.4	5.7	45.0	61.5	...	...	21.7	15.6
Turks and Caicos Islands	...	...	...	...	...	...	...	
United States Virgin Islands	...	...	...	...	...	...	...	

Source: United Nations, *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean: progress and challenges* (LC/G.2460), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included.

<sup>b</sup> Does not include the Dominican Republic. Figures for 1990 are not comparable with those for 2000 and onwards.

<sup>c</sup> The figures refer to urban areas.

<sup>d</sup> Weighted averages.

<sup>e</sup> Corresponds to the proportion of the population with income below one purchasing power parity (PPP) dollar per day. Data available on the official United Nations site for Millennium Development Goals Indicators [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

Table A-21  
**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>**  
*(Percentages)*

Country	Goal 1 Eradicate extreme poverty and hunger			
	Target 1.C Halve, between 1990 and 2015, the proportion of people who suffer from hunger			
	Indicator 1.8 Prevalence of underweight children under 5 years of age		Indicator 1.9 Proportion of the population below minimum level of dietary energy consumption	
	Level 1989-1999	Level 1996-2008	Level 1990-1992	Level 2007
<b>Latin America and the Caribbean<sup>b</sup></b>	10.1	7.3	15.7	12.2
<b>Latin America<sup>b</sup></b>	10.1	7.6	18.1	13.9
Argentina <sup>c</sup>	1.9	3.8	<=5	<=5
Bolivia (Plurinational State of)	11.2	5.9	24	27
Brazil	7.0	4.6	10	6
Chile	0.9	0.6	7	<=5
Colombia	10.1	6.9	15	9
Costa Rica	2.8	4.0	<=5	<=5
Cuba	6.1	4.0	5	<=5
Dominican Republic	10.3	4.3	27	24
Ecuador <sup>c</sup>	14.6	8.6	24	15
El Salvador	11.2	8.6	9	9
Guatemala	26.6	22.7	14	22
Haiti	26.8	22.2	63	57
Honduras	18.0	11.4	19	12
Mexico	7.5	5.0	<=5	<=5
Nicaragua	11.0	6.9	52	19
Panama	6.1	6.8	18	15
Paraguay	3.7	4.2	16	10
Peru	10.8	7.6	28	16
Uruguay <sup>c</sup>	4.4	6.0	5	<=5
Venezuela (Bolivarian Republic of)	7.7	4.6	10	7
<b>The Caribbean<sup>b</sup></b>	9.7	6.0	11.8	9.7
Anguilla	...	...	...	...
Antigua and Barbuda	...	1.6	...	21
Aruba	...	...	...	...
Bahamas	...	...	9	6
Barbados	...	...	...	<=5
Belize	6.2	6.1	7	<=5
British Virgin Islands	...	...	...	...
Cayman Islands	...	...	...	...
Dominica	...	...	4	<=5
French Guiana	...	...	...	...
Grenada	...	...	9	21
Guadeloupe	...	...	...	...
Guyana	18.3	12.4	21	8
Jamaica	4.6	4.0	11	<=5
Martinique	...	...	...	...
Montserrat	...	...	...	...
Netherlands Antilles	...	...	14	<=5
Puerto Rico	...	...	...	...
Saint Kitts and Nevis	...	...	13	16
Saint Vincent and the Grenadines	...	...	22	<=5
Saint Lucia	...	...	8	8
Suriname	...	...	13	15
Trinidad and Tobago	...	5.9	11	11
Turks and Caicos Islands	...	...	...	...
United States Virgin Islands	...	...	...	...

**Source:** United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>; *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean: progress and challenges* (LC/G.2460), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included.

<sup>b</sup> Simple averages.

<sup>c</sup> The figures refer to urban areas.

Table A-22  
**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>**  
*(Percentages)*

Country	Goal 2 Achieve universal primary education					
	Target 2.A Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling					
	Indicator 2.1 Net enrolment ratio in primary education		Indicator 2.2 Proportion of pupils starting grade 1 who reach last grade of primary		Indicator 2.3 Literacy rate of 15-24 year- olds, women and men	
	Level 1991	Level 2007-2009	Level 1992-1999	Level 2004-2008	Level 1991	Level 2007-2009
<b>Latin America and the Caribbean<sup>b</sup></b>	84.8	94.3	78.8	88.7	90.4	96.1
<b>Latin America<sup>b</sup></b>	81.0	95.1	78.2	90.2	89.5	95.8
Argentina	...	99.1	97.1	97.8	98.3	99.2
Bolivia (Plurinational State of)	...	95.0	67.1	96.4	93.9	99.1
Brazil	85.4	95.1	82.2	94.7	91.8	97.8
Chile	89.4	95.1	95.5	98.7	98.4	98.9
Colombia	69.5	93.1	85.6	93.6	90.5	97.9
Costa Rica	87.6	...	84.6	94.1	97.4	98.2
Cuba	98.6	99.3	96.0	99.3	96.2	100.0
Dominican Republic	54.6	82.4	76.3	88.3	87.5	96.0
Ecuador	99.2	97.4	89.8	96.2	96.2	96.8
El Salvador	...	95.6	69.0	76.1	84.9	95.0
Guatemala	...	96.4	52.2	62.6	76.0	86.5
Haiti	22.0	...	38.4	...	54.8	81.7
Honduras	87.6	97.2	61.7	79.2	79.7	93.9
Mexico	98.6	99.5	86.7	95.7	95.4	98.5
Nicaragua	69.0	93.4	60.2	70.8	68.2	87.0
Panama	...	97.5	89.3	94.6	95.1	96.4
Paraguay	92.8	85.6	78.3	95.0	95.6	98.8
Peru	...	97.3	85.4	93.9	95.4	97.4
Uruguay	92.4	99	96.2	96.7	98.6	99.0
Venezuela (Bolivarian Republic of)	88.9	93.9	88.3	93.5	95.4	98.4
<b>The Caribbean<sup>b</sup></b>	91.4	93.4	79.8	86.1	93.3	96.6
Anguilla	...	92.9	77.4	...	...	...
Antigua and Barbuda	...	89.7	...	...	...	...
Aruba	...	96.8	95.6	91.4	...	99.4
Bahamas	90.3	91.6	...	90.7	...	...
Barbados	84.3	...	91.2	95.8	99.8	99.8
Belize	94.4	99.6	74	94.7	76.4	84.2
British Virgin Islands	...	95	...	...	...	...
Cayman Islands	...	82.2	...	...	...	99.9
Dominica	...	97.5	80.9	88.9	...	...
French Guiana	...	...	...	...	...	...
Grenada	...	98.5	...	...	...	...
Guadeloupe	...	...	93.4	...	...	99.9
Guyana	95.4	98.8	65.1	83.5	...	...
Jamaica	97.1	80.5	85.4	81	91.2	95.2
Martinique	...	...	...	...	...	99.8
Montserrat	...	...	...	...	...	...
Netherlands Antilles	...	...	82.2	...	97.0	98.4
Puerto Rico	...	...	...	...	96.1	87.2
Saint Kitts and Nevis	...	93.7	...	67.4	...	...
Saint Vincent and the Grenadines	...	98.3	...	...	...	...
Saint Lucia	96.4	93.1	88.4	92.8	...	...
Suriname	82.1	90.1	...	67.8	...	99.4
Trinidad and Tobago	91.1	95.8	...	93.1	99.3	99.5
Turks and Caicos Islands	...	...	44	...	...	...
United States Virgin Islands	...	...	...	...	...	...

**Source:** United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>; *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean: progress and challenges* (LC/G.2460), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included.

<sup>b</sup> Simple averages.

Table A-23  
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>  
(Percentages)

Country	Goal 3 Promote gender equality and empower women									
	Target 3.A Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015									
	Indicator 3.1 Ratio of girls to boys in primary education		Indicator 3.1 Ratio of girls to boys in secondary education		Indicator 3.1 Ratio of girls to boys in tertiary education		Indicator 3.2 Share of women in wage employment in the non-agricultural sector		Indicator 3.3 Proportion of seats held by women in national parliament	
	Level 1991	Level 2008-2009	Level 1991	Level 2008-2009	Level 1991	Level 2008-2009	Level 1990-2002	Level 2008-2009	Level 1990-1992	Level 2011
<b>Latin America and the Caribbean<sup>b</sup></b>	0.98	0.97	1.14	1.06	1.02	1.75	40.95	45.34	9.20	18.01
<b>Latin America<sup>b</sup></b>	0.98	0.97	1.12	1.07	1.01	1.37	38.18	41.46	9.17	21.10
Argentina	...	0.99	...	1.14	...	1.52	37.1	...	6.3	38.5
Bolivia (Plurinational State of)	0.92	0.99	...	0.98	...	...	35.2	...	9.2	25.4
Brazil	...	0.93	...	1.11	1.11	...	35.1	...	5.3	8.6
Chile	0.98	0.95	1.07	1.03	...	1.03	34.7	36.9	7.5	14.2
Colombia	1.02	1.00	1.19	1.10	1.07	1.05	41.8	47.5	4.5	12.7
Costa Rica	0.99	0.99	1.06	1.06	...	...	37.2	41.3	10.5	38.6
Cuba	0.92	0.95	1.10	0.90	1.34	1.72	39.6	42.6	34.3	43.3
Dominican Republic	1.00	0.86	...	1.13	...	...	31.0	...	7.5	20.8
Ecuador	0.99	1.01	...	1.03	...	1.15	34.1	...	4.5	32.3
El Salvador	1.01	0.97	1.22	1.02	...	1.09	45.6	...	11.7	19.0
Guatemala	0.87	0.94	...	0.93	...	...	36.8	...	7.0	12.0
Haiti	0.95	...	0.94	...	...	...	44.2	...	3.6	11.1
Honduras	1.04	1.00	1.23	1.27	0.79	1.51	33.3	...	10.2	18.0
Mexico	0.97	0.98	0.99	1.06	0.74	0.97	36.5	39.4	12.0	26.2
Nicaragua	1.06	0.98	1.20	1.13	0.96	...	...	...	14.8	20.7
Panama	...	0.97	...	1.08	...	1.54	45.4	42.1	7.5	8.5
Paraguay	0.97	0.97	1.05	1.05	...	1.43	41.0	39.5	5.6	12.5
Peru	0.97	1.00	0.94	0.99	...	...	37.2	...	5.6	27.5
Uruguay	0.99	0.97	...	1.13	...	1.75	42.3	...	6.1	15.2
Venezuela (Bolivarian Republic of)	1.03	0.97	1.38	1.09	...	1.69	35.2	41.6	10.0	17.0
<b>The Caribbean<sup>b</sup></b>	0.98	0.97	1.16	1.05	1.03	2.08	43.4	49.2	9.3	13.3
Anguilla	...	1.00	...	0.95	...	5.01	42.8	...	...	...
Antigua and Barbuda	...	0.94	...	1.00	...	2.21	...	50.6	0.0	10.5
Aruba	...	0.97	...	1.03	...	1.40	43.9	...	...	...
Bahamas	1.03	1.00	...	1.03	...	...	49.6	50.2	4.1	12.2
Barbados	1.00	...	...	...	1.24	...	46.8	50.7	3.7	10.0
Belize	0.98	0.97	1.15	1.08	...	1.85	33.9	...	0.0	0.0
British Virgin Islands	...	0.94	...	1.03	...	1.64	49.9	...	...	...
Cayman Islands	...	0.94	...	1.10	...	2.16	50.0	50.5	...	...
Dominica	...	0.99	...	1.06	...	3.22	39.7	...	10.0	12.5
French Guiana	...	...	...	...	...	...	36.1	...	...	...
Grenada	0.85	0.94	1.16	1.01	...	1.36	40.4	...	20.0	13.3
Guadeloupe	...	...	...	...	...	...	46.6	...	...	...
Guyana	0.99	0.99	1.06	1.01	...	0.96	38.5	...	36.9	30.0
Jamaica	0.99	0.97	1.06	1.04	0.74	2.22	46.2	48.2	5.0	13.3
Martinique	...	...	...	...	...	...	45.4	50.8	...	...
Montserrat	...	...	...	...	...	...	43.4	...	...	...
Netherlands Antilles	...	...	1.19	...	...	...	42.7	51.0	...	...
Puerto Rico	...	...	...	...	...	1.56	46.5	41.7	...	...
Saint Kitts and Nevis	1.02	1.02	1.11	1.08	...	2.10	...	...	6.7	6.7
Saint Vincent and the Grenadines	0.98	0.93	1.24	1.04	...	...	...	...	9.5	14.3
Saint Lucia	0.94	0.97	1.45	1.03	1.35	2.58	51.8	...	0.0	11.1
Suriname	1.03	0.95	1.16	1.28	...	...	39.5	...	7.8	9.8
Trinidad and Tobago	1.00	0.96	1.04	1.07	0.78	...	35.6	...	16.7	28.6
Turks and Caicos Islands	...	...	...	...	...	0.90	43.1	...	...	...
United States Virgin Islands	...	...	...	...	...	...	...	...	...	...

Source: United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>; *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean: progress and challenges* (LC/G.2460), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included.

<sup>b</sup> Simple averages.

Table A-24  
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>

Country	Goal 4 Reduce child mortality					
	Target 4.A Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate					
	Indicator 4.1 Under-five mortality rate (per 1,000 live births)		Indicator 4.2 Infant mortality rate (per 1,000 live births)		Indicator 4.3 Proportion of 1 year-old children immunized against measles (percentages)	
	Level 1991	Level 2009	Level 1990	Level 2009	Level 1990	Level 2007
<b>Latin America and the Caribbean<sup>b</sup></b>	45.9	23.4	34.4	18.3	79.7	90.9
<b>Latin America<sup>b</sup></b>	57.3	27.4	42.9	21.0	77.6	90.1
Argentina	30.1	14.9	25.8	12.9	93.0	99.0
Bolivia (Plurinational State of)	114.6	57.1	82.6	42.6	53.0	81.0
Brazil	60.1	27.6	47.5	22.5	78.0	99.0
Chile	19.1	8.5	16.3	7.0	97.0	91.0
Colombia	42.5	25.3	31.5	18.7	82.0	95.0
Costa Rica	18.4	11.2	16.0	9.7	90.0	90.0
Cuba	13.4	6.1	10.7	4.5	94.0	100.0
Dominican Republic	64.2	31.3	55.3	28.0	96.0	96.0
Ecuador	65.5	24.4	49.9	20.0	60.0	99.0
El Salvador	64.8	24.6	47.1	20.0	98.0	98.0
Guatemala	85.5	36.5	61.0	27.6	68.0	93.0
Haiti	137.3	68.2	92.7	46.6	31.0	58.0
Honduras	70.8	40.2	48.0	27.2	90.0	89.0
Mexico	44.2	18.9	36.3	15.6	75.0	96.0
Nicaragua	75.9	23.8	56.5	20.0	82.0	99.0
Panama	35.9	22.9	28.3	17.5	73.0	89.0
Paraguay	57.8	37.0	44.8	31.0	69.0	80.0
Peru	85.1	30.7	57.8	18.5	64.0	99.0
Uruguay	24.3	15.8	21.4	12.7	97.0	96.0
Venezuela (Bolivarian Republic of)	31.6	21.1	25.0	16.4	61.0	55.0
<b>The Caribbean<sup>b</sup></b>						
Anguilla	31.7	18.8	24.4	15.3	83.1	92.3
Antigua and Barbuda	...	...	...	...	...	...
Aruba	...	13.4	16.1	12.4	...	...
Bahamas	21.2	17.4	18.3	14.9	...	...
Barbados	24.7	11.2	16.6	8.0	86.0	96.0
Belize	17.8	10.1	15.1	9.5	87.0	75.0
British Virgin Islands	...	...	...	...	...	...
Dominica	38.5	19.8	30.6	15.9	86.0	96.0
French Guiana	20.4	8.7	15.6	6.7	...	...
Grenada	...	...	...	...	88.0	96.0
Guadeloupe	40.5	14.1	33.0	12.8	85.0	98.0
Guyana	26.3	14.4	22.5	13.0	...	...
Cayman Islands	90.2	52.4	64.9	40.3	73.0	96.0
Jamaica	18.3	9.7	15.8	8.8	...	...
Martinique	33.9	27.1	27.8	22.5	74.0	76.0
Montserrat	12.4	7.7	9.8	6.5	...	...
Netherlands Antilles	...	...	...	...	89.0	99.0
Puerto Rico	...	...	...	...	...	...
Saint Kitts and Nevis	14.9	8.7	12.7	6.9	...	...
Saint Vincent and the Grenadines	...	...	...	...	99.0	99.0
Saint Lucia	39.3	26.8	32.3	22.3	96.0	99.0
Suriname	24.4	15.1	18.5	12.0	82.0	94.0
Trinidad and Tobago	49.4	30.4	36.5	21.7	65.0	85.0
Turks and Caicos Islands	...	...	...	...	...	...
United States Virgin Islands	...	...	...	...	...	...

**Source:** United Nations, Millennium Development Goals Indicators database [online] <http://unstats.un.org/unsd/mdg/Data.aspx>; *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean: progress and challenges* (LC/G.2460), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included.

<sup>b</sup> Simple averages.

**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>**  
**(Percentages)**

Country	Goal 5											
	Improve maternal health						Target 5.B Achieve, by 2015, universal access to reproductive health					
	Target 5.A Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio		Indicator 5.1 Maternal mortality ratio		Indicator 5.2 Proportion of births attended by skilled health personnel		Indicator 5.3 Contraceptive prevalence rate		Indicator 5.4 Adolescent birth rate		Indicator 5.5 Antenatal care coverage (at least one visit)	
	Level	2000-2001	Level	1984-2005	Level	1999-2008	1990-2001	Level	1990-1995	Level	1994-2006	1993-2008
<b>Latin America and the Caribbean<sup>b</sup></b>	71.2	66.9	78.3	88.9	59.5	69.6	77.5	70.4	83.6	95.0	77.6	87.2
<b>Latin America<sup>b</sup></b>	71.2	66.9	78.1	88.8	59.4	69.7	77.7	70.7	83.4	95.0	77.6	87.2
Argentina	35.0	43.7	95.8	99.4	65.3	68.3	62.6	59.0	95.0	99.2	89.3	12.9
Bolivia (Plurinational State of)	...	...	37.8	65.8	45.3	60.6	88.0	52.5	77.0	...	72.1	...
Brazil	73.3	77.2	81.0	97.0	60.6	76.7	56.0	85.7	79.4	75.9	87.0	...
Chile	18.7	18.2	99.4	99.8	60.7	64.2	64.8	48.8	...	95.0	...	...
Colombia	104.9	75.6	93.7	96.4	66.1	78.2	92.0	96.2	82.7	93.5	83.1	7.7
Costa Rica	35.8	19.1	97.0	98.5	75.0	80.0	91.1	62.7	95.0	91.7	86.0	...
Cuba	40.4	46.5	98.9	99.9	74.5	77.6	77.5	41.8	100.0	100.0	...	28.0
Dominican Republic	69.0	86.3	92.4	97.8	56.4	72.9	115.0	98.0	96.9	99.0	93.5	94.5
Ecuador	...	...	66.3	99.1	56.6	72.7	101.0	74.7	84.2	66.5	65.5	12.5
El Salvador	...	...	52.0	92.4	53.3	72.5	102.0	67.0	68.7	94.0	71.2	10.0
Guatemala	...	...	35.0	41.4	41.4	43.3	119.6	92.1	52.5	84.3	...	27.6
Haiti	...	...	23.0	26.1	18.0	32.0	79.0	68.6	67.7	84.5	53.8	39.8
Honduras	...	...	40.5	66.9	46.7	65.2	136.0	107.9	87.8	91.7	...	11.2
Mexico	72.6	57.2	83.8	93.4	63.1	70.9	97.8	82.1	86.1	...	80.8	18.0
Nicaragua	87.0	76.5	61.0	73.7	54.5	72.4	158.0	108.5	71.5	90.2	71.6	...
Panama	...	...	85.8	91.0	...	...	88.0	84.8	...	72.2	77.8	14.7
Paraguay	164.0	127.3	66.0	77.1	48.4	79.4	107.0	65.0	83.9	96.0	78.8	...
Peru	...	...	52.5	71.0	59.0	71.3	68.0	59.0	63.9	91.0	87.0	...
Uruguay	...	...	99.6	99.6	...	77.0	64.7	61.0	94.0	97.1	...	...
Venezuela (Bolivarian Republic of)	60.1	56.8	95.3	95.0	58.0	70.3	104.6	91.3	94.1	...	...	...
<b>The Caribbean<sup>b</sup></b>	...	...	88.3	95.2	62.8	67.1	79.2	57.1	94.6	92.1	...	...
Anguilla	...	...	100.0	100.0	...	43.0	43.4	40.1	...	...	...	...
Antigua and Barbuda	0.0	0.0	100.0	99.9	...	...	82.5	66.8	82.0	100.0	...	...
Aruba	...	...	...	...	...	...	57.0	43.0	...	...	...	...
Bahamas	...	...	99.0	99.0	...	...	67.0	44.2	98.0	98.0	...	...
Barbados	0.0	100.0	100.0	100.0	...	...	46.7	47.7	100.0	100.0	...	...
Belize	...	...	83.8	95.8	46.7	34.3	135.2	94.1	95.9	94.0	76.4	...
British Virgin Islands	...	...	100.0	100.0	...	...	28.3	43.2	...	...	...	...
Cayman Islands	...	...	99.9	99.0	...	...	88.7	58.7	...	...	...	...
Dominica	...	...	...	...	...	...	105.5	51.0	90.0	100.0	...	...
French Guiana	...	...	...	...	...	...	67.6	44.2	...	...	...	...
Grenada	0.0	99.0	100.0	100.0	54.3	54.3	55.1	47.7	100.0	100.0	...	...
Guadeloupe	...	...	99.4	100.0	...	77.7	84.1	52.9	...	...	...	...
Jamaica	112.5	95.0	83.3	38.2	34.2	94.8	90.0	80.9	81.4	...	87.2	...
Maritime	95.0	79.0	96.7	62.0	69.0	93.6	58.2	98.0	90.5	...	...	...
Montserrat	12.8	100.0	100.0	100.0	...	...	...	53.6	33.7	...	...	...
Netherlands Antilles	...	...	...	...	...	...	55.5	40.0	...	...	...	...
Puerto Rico	...	...	99.3	100.0	...	...	82.1	68.1	...	...	...	...
Saint Kitts and Nevis	...	...	99.4	100.0	...	...	96.7	57.4	91.8	95.0	...	...
Saint Vincent and the Grenadines	...	...	99.3	100.0	...	...	99.9	52.7	100.0	99.2	...	...
Saint Lucia	...	99.7	100.0	100.0	48.0	42.1	74.8	63.4	91.0	89.9	...	...
Suriname	184.3	91.0	89.8	97.8	38.2	42.5	56.3	32.0	92.4	95.7	...	...
Trinidad and Tobago	...	97.9	97.8	...	...	...	78.4	53.9	...	...	...	...
Turks and Caicos Islands	...	...	...	...	...	...	...	...	...	...	...	...
United States Virgin Islands	0.0	...	...	...	...	...	...	...	...	...	...	...

**Source:** United Nations, *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean*; progress and challenges (LC/G.2460), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included.

<sup>b</sup> Weighted averages.

Table A-26  
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>  
(Percentages)

Country	Goal 6 Combat HIV/AIDS, malaria and other diseases											
	Target 6.A Have halted by 2015 and begun to reverse the spread of HIV/AIDS						Indicator 6.4 Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years					
	Indicator 6.1 HIV prevalence among population aged 15-24 years (series available for persons aged 15 to 49)		Indicator 6.2 Condom use at last high-risk sex (women)		Indicator 6.2 Condom use at last high-risk sex (men)		Indicator 6.3 Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS (women)		Indicator 6.3 Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS (men)		Level	
	Level 1990-2006	Level 2007	Level 1996-2000	Level 2001-2007	Level 1996-2000	Level 2003-2007	Level 1996-2000	Level 2000-2007	Level 1996-2000	Level 2003-2007	Level 1994-1998	Level 1996-2006
<b>Latin America and the Caribbean<sup>b</sup></b>												
Argentina	0.3	0.5	18.6	29.2	19.9	22.2	27.4	38.1	25.3	36.8	0.9	0.8
Bolivia (Plurinational State of)	0.2	0.5	18.6	29.2	19.9	22.6	25.9	37.6	25.3	36.8	0.9	0.8
Brazil	0.1	0.2	...	...	...	...	...	...	...	...	...	...
Chile	0.1	0.3	...	...	18.0	...	...	...	...	...	...	...
Colombia	0.1	0.6	...	...	...	22.0	30.0	31.0	...	...	...	...
Costa Rica	0.1	0.4	...	...	11.0	15.0	15.0	...	...	...	...	...
Cuba	0.1	0.1	3.4	33.0	7.9	41.0	60.8	61.6	30.4	54.9	1.0	1.0
Dominican Republic	0.6	1.1	19.0	33.0	9.0	42.0	36.0	41.0	23.0	34.0	0.96	0.77
Ecuador	0.1	0.3	...	...	...	...	...	...	...	...	...	...
El Salvador	0.1	0.8	...	...	...	...	...	...	...	...	...	...
Guatemala	0.1	0.8	...	...	...	...	...	...	...	...	...	...
Haiti	1.2	2.2	30.0	21.0	...	21.0	34.0	15.0	34.0	28.0	0.76	0.86
Honduras	1.3	0.7	...	32.0	...	...	38.0	30.0	...	...	...	1.08
Mexico	0.2	0.3	...	...	...	...	20.0	...	...	...	...	...
Nicaragua	0.1	0.2	...	...	19.0	...	...	...	22.0	...	...	0.81
Panama	0.4	1.0	...	...	...	...	...	...	...	...	...	...
Paraguay	0.1	0.6	...	...	...	...	...	...	...	...	...	...
Peru	0.1	0.5	15.0	31.0	...	...	...	...	...	19.0	...	0.86
Uruguay	0.1	0.6	...	65.0	...	...	...	...	...	...	...	...
Venezuela (Bolivarian Republic of)	...	...	...	...	...	...	...	...	53.0	50.0	...	...
<b>The Caribbean<sup>b</sup></b>												
Anguilla	0.6	1.8	...	...	...	...	...	...	...	...	...	...
Antigua and Barbuda	...	...	...	...	...	...	...	...	...	...	...	...
Aruba	...	...	...	...	...	...	...	...	...	...	...	...
Bahamas	3.8	3.0	...	...	...	...	...	...	...	...	...	...
Bahados	0.5	1.2	...	...	...	...	...	...	...	...	...	...
Belize	0.1	2.1	...	...	...	...	...	...	...	40.0	...	...
British Virgin Islands	...	...	...	...	...	...	...	...	...	...	...	...
Cayman Islands	...	...	...	...	...	...	...	...	...	...	...	...
Dominica	...	...	...	...	...	...	...	...	...	...	...	...
French Guiana	...	...	...	...	...	...	...	...	...	...	...	...
Grenada	...	...	...	...	...	...	...	...	...	...	...	...
Guadeloupe	...	...	...	...	...	...	...	...	...	...	...	...
Guyana	1.3	2.5	...	...	...	...	...	...	53.0	50.0	47.0	...
Jamaica	0.3	1.6	...	...	...	...	...	...	67.0	60.0	...	...
Martinique	...	...	...	...	...	...	...	...	...	...	...	...
Montserrat	...	...	...	...	...	...	...	...	...	...	...	...
Netherlands Antilles	...	...	...	...	...	...	...	...	...	...	...	...
Puerto Rico	...	...	...	...	...	...	...	...	...	...	...	...
Saint Kitts and Nevis	...	...	...	...	...	...	...	...	...	...	...	...
Saint Vincent and the Grenadines	...	...	...	...	...	...	...	...	...	...	...	...
Saint Lucia	0.1	2.4	...	...	...	...	...	...	52.0	...	...	...
Suriname	0.2	1.5	...	...	...	...	...	...	39.0	48.0	41.0	...
Trinidad and Tobago	...	...	...	...	...	...	...	...	...	54.0	54.0	...
Turks and Caicos Islands	...	...	...	...	...	...	...	...	...	...	...	...
United States Virgin Islands	...	...	...	...	...	...	...	...	...	...	...	...

Source: United Nations, *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean: progress and challenges (LC/G.2460)*, Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included.

<sup>b</sup> Weighted averages.

**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>**  
**Table A-27**  
**Target 6.C Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases**  
**(Percentages)**

Country	Goal 6 Combat HIV/AIDS, malaria and other diseases											
	Target 6.B Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it						Target 6.C Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases					
	Indicator 6.5 Proportion of population with advanced HIV infection with access to antiretroviral drugs		Indicator 6.8 Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs		Indicator 6.9 Incidence rates associated with tuberculosis		Indicator 6.9 Prevalence rates associated with tuberculosis		Indicator 6.10 Proportion of tuberculosis cases detected under directly observed treatment short course		Indicator 6.10 Proportion of tuberculosis cases cured under directly observed treatment	
Level	2006	2009	Level	2000-2001	2006	Level	1990	2009	Level	1990	2009	Level
<b>Latin America and the Caribbean<sup>b</sup></b>												
Argentina	46.5	49.1	47.2	...	...	60.5	40.7	123.4	66.2	14.7	53.2	77.3
Bolivia (Plurinational State of)	71	70	18	...	...	101.5	56.2	76.3	16.2	5.8	36.6	80.8
Brazil	78	60	63	...	...	255	140	290	74	9.1	1.8	44
Chile	68	34	17	...	...	84	45	98	50	12	2.1	4
Colombia	95	68	100	...	...	38	11	11	15	3	1.4	72
Costa Rica	24	47	30	...	...	53	35	59	49	7.5	2.7	74
Cuba	24	24	53	...	...	5.1	1.8	10	35	11	4	89
Dominican Republic	54	54	40	...	...	5.1	9.8	58	140	81	1.3	81
Ecuador	26	40	37	...	...	11.7	1.8	61	17	17	7.4	85
El Salvador	42	37	25	...	...	306	74	308	280	28	30.0	2
Guatemala	41	33	37	...	...	317	113	450	126	53	5.2	82
Haiti	55	49	42	...	...	35	28	22	23	18	1.0	83
Honduras	44.5	58.5	44.5	...	...	35	33	32	48	4.3	3.1	83
Mexico	19.4	24.4	26	...	...	19.4	10.8	44	130	19	15	86
Nicaragua	24	21	10	...	...	47	48	44	54	53	17	75
Panama	5.1	5.1	10	...	...	60	47	47	13	66	5.7	82
Paraguay	37	37	31	...	...	317	113	450	126	53	3.7	83
Peru	37	37	37	...	...	35	28	22	23	18	1.0	83
Uruguay	...	...	...	...	...	35	33	32	48	4.3	3.1	83
Venezuela (Bolivarian Republic of)	...	...	...	...	...	19.4	10.8	44	130	19	15	86
<b>The Caribbean<sup>b</sup></b>												
Anguilla	...	...	...	...	...	24	21	...	53	53	7.9	77.6
Antigua and Barbuda	...	...	...	...	...	10	5.1	...	8.8	8.8	8.5	...
Aruba	...	...	...	...	...	44	15	...	14	13	1.3	...
Bahamas	...	...	...	...	...	7	0.9	16	0.8	0.8	0.1	...
Barbados	67	40	40	...	...	40	40	51	51	3.1	12.0	...
Belize	42	40	40	...	...	19	9.9	...	94	94	3.4	...
British Virgin Islands	...	...	...	...	...	7	1.3	...	20	20	0.8	...
Cayman Islands	...	...	...	...	...	15	1.3	...	13	13	0.7	...
Dominica	...	...	...	...	...	5	4.1	...	4.7	4.7	0.3	...
French Guiana	...	...	...	...	...	27	112	200	127	127	14.0	...
Grenada	...	...	...	...	...	9.5	6.6	5.2	7.7	1	0.7	...
Guadeloupe	37	46	33	...	...	7	0.9	1.4	1.4	2	1	...
Guyana	...	...	...	...	...	10	9.2	...	11	11	0.6	...
Jamaica	...	...	...	...	...	27	24	25	25	25	1.2	...
Martinique	...	...	...	...	...	16	14	16	16	16	0.6	...
Netherlands Antilles	...	...	...	...	...	9	7.8	...	474	474	17.0	0
Puerto Rico	...	...	...	...	...	14	1.8	1.8	0	0	0.0	...
Saint Kitts and Nevis	...	...	...	...	...	11	1.8	1.4	2	1	0.1	...
Saint Vincent and the Grenadines	...	...	...	...	...	10	9.2	...	11	11	0.6	...
Suriname	35	53	53	...	...	27	24	25	25	25	1.2	...
Trinidad and Tobago	53	...	...	...	...	16	13	13	17	17	0.6	...
Turks and Caicos Islands	...	...	...	...	...	11	23	23	23	23	2.7	...
United States Virgin Islands	...	...	...	...	...	19	13	13	33	33	4.9	...

**Source:** United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mndg/Data.aspx?ChallengeID=G240>; Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included.  
<sup>b</sup> Simple averages.



Table A-29  
**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>**  
*(Percentages)*

Country	Goal 7 Ensure environmental sustainability					
	Target 7.C Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation				Target 7.D By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	
	Indicator 7.8 Proportion of population using an improved drinking water source		Indicator 7.9 Proportion of population using an improved sanitation facility		Indicator 7.10 Proportion of urban population living in slums	
	Level 1990-1995	Level 2008	Level 1990-1995	Level 2008	Level 1990	Level 2001-2007
<b>Latin America and the Caribbean<sup>b</sup></b>	86.4	92.9	77.1	82.5	32.2	25.1
<b>Latin America<sup>b</sup></b>	80.5	89.9	67.7	75.1	42.4	28.7
Argentina	94.0	97.0	81.0	90.0	30.5	23.5
Bolivia (Plurinational State of)	72.0	86.0	33.0	25.0	70.0	48.8
Brazil	83.0	97.0	71.0	80.0	45.0	28.0
Chile	91.0	96.0	84.0	96.0	4.0	9.0
Colombia	89.0	92.0	68.0	74.0	26.0	16.1
Costa Rica	96.0	97.0	94.0	95.0	11.9	10.9
Cuba	78.2	92.4	88.7	96.1	...	0.6
Dominican Republic	84.0	86.0	68.0	83.0	56.4	16.2
Ecuador	73.0	94.0	71.0	92.0	28.1	21.5
El Salvador	69.0	87.0	73.0	87.0	44.7	28.9
Guatemala	79.0	94.0	70.0	81.0	65.8	40.8
Haiti	52.0	63.0	29.0	17.0	84.9	70.1
Honduras	72.0	86.0	45.0	71.0	24.0	34.9
Mexico	88.0	94.0	56.0	85.0	23.1	14.4
Nicaragua	70.0	85.0	42.0	52.0	80.7	45.5
Panama	90.0	93.0	72.0	69.0	30.8	23.0
Paraguay	52.0	86.0	60.0	70.0	36.8	17.6
Peru	75.0	82.0	55.0	68.0	60.4	36.1
Uruguay	100.0	100.0	100.0	100.0	...	...
Venezuela (Bolivarian Republic of)	89.0		83.0		40.7	32.0
<b>The Caribbean<sup>b</sup></b>	92.7	97.2	87.7	93.4	18.0	20.1
Anguilla	60.0	...	99.0	99.0	40.6	36.7
Antigua and Barbuda	91.0	...	96.0		6.9	4.8
Aruba	100.0	100.0	...	...	...	...
Bahamas	96.0		100.0	100.0	...	...
Barbados	100.0	100.0	100.0	100.0	...	...
Belize	91.0	99.0	47.0	90.0	54.2	47.3
British Virgin Islands	98.0	98.0	100.0	100.0	...	...
Cayman Islands	...	95.0	...	96.0	...	...
Dominica	97.0	...	83.0	...	16.6	14.0
French Guiana	84.0	...	78.0	...	12.9	10.5
Grenada	95.0	...	97.0	97.0	6.9	6.0
Guadeloupe	98.0	...	64.0	...	6.9	5.4
Guyana	83.0	94.0	69.0	81.0	4.9	33.7
Jamaica	92.0	94.0	83.0	83.0	29.2	60.5
Martinique	...	...	...	...	2.0	1.6
Montserrat	100.0	100.0	96.0	96.0	...	...
Netherlands Antilles	...	...	...	...	...	...
Puerto Rico	...	...	...	...	...	...
Saint Kitts and Nevis	99.0	99.0	96.0	96.0	...	...
Saint Vincent and the Grenadines	...	...	...	...	...	...
Saint Lucia	98.0	98.0	89.0	...	11.9	11.9
Suriname	91.0	93.0	92.0	84.0	6.9	3.9
Trinidad and Tobago	88.0	94.0	93.0	92.0	34.7	24.7
Turks and Caicos Islands	100.0	100.0	96.0	...	...	...
United States Virgin Islands	...	...	...	...	...	...

**Source:** United Nations, Millennium Development Goals Indicators database [online] <http://unstats.un.org/unsd/mdg/Data.aspx>; *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean: progress and challenges* (LC/G.2460), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included.

<sup>b</sup> Simple averages.

Table A-30  
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>

Country	Goal 8 Develop a global partnership for development					
	Target 8.F In cooperation with the private sector, make available the benefits of new technologies, especially information and communications					
	Indicator 8.14 Fixed telephone lines per 100 inhabitants		Indicator 8.15 Mobile cellular subscriptions per 100 inhabitants		Indicator 8.16 Internet users per 100 inhabitants	
	Level 1990-1992	Level 2010	Level 2000	Level 2010	Level 2000	Level 2010
<b>Latin America and the Caribbean<sup>b</sup></b>	14.4	25.3	11.1	110.6	6.4	35.6
<b>Latin America<sup>b</sup></b>	5.2	15.0	9.5	97.9	3.8	27.9
Argentina	9.3	24.7	17.6	141.8	7.1	36.0
Bolivia (Plurinational State of)	2.7	8.5	7.0	72.3	1.4	20.0
Brazil	6.3	21.6	13.3	104.1	2.9	40.7
Chile	6.6	20.2	22.1	116.0	16.5	45.0
Colombia	6.9	14.7	5.4	93.8	2.1	36.5
Costa Rica	9.2	31.8	5.4	65.1	5.8	36.5
Cuba	5.6	10.4	0.1	8.9	0.5	16.0
Dominican Republic	4.8	10.2	8.5	89.6	4.0	39.5
Ecuador	4.8	14.4	3.9	102.2	1.5	24.0
El Salvador	2.5	16.2	11.8	124.3	1.1	15.0
Guatemala	2.1	10.4	7.7	125.6	0.7	10.5
Haiti	0.7	0.5	0.7	40.0	0.3	8.4
Honduras	1.8	8.8	2.4	125.1	1.2	11.1
Mexico	6.4	17.5	14.1	80.6	5.1	31.0
Nicaragua	1.2	4.5	1.8	65.1	1.0	10.0
Panama	9.0	15.7	13.9	184.7	6.6	42.8
Paraguay	2.7	6.3	15.0	91.6	0.7	23.6
Peru	2.6	10.9	4.9	100.1	3.1	34.3
Uruguay	13.4	28.6	12.3	131.7	10.5	43.4
Venezuela (Bolivarian Republic of)	7.5	24.4	22.3	96.2	3.4	35.6
<b>The Caribbean<sup>b</sup></b>	22.8	34.7	12.7	124.0	9.2	43.3
Anguilla	30.5	41.0	19.3	156.3	22.3	48.0
Antigua and Barbuda	25.2	47.1	28.8	184.7	6.5	80.0
Netherlands Antilles	24.7	44.9	...		1.1	
Aruba	28.2	32.6	16.3	122.6	15.2	42.0
Bahamas	27.4	37.7	10.5	124.9	4.4	43.0
Barbados	28.1	50.3	10.7	128.1	3.8	70.2
Belize	9.3	9.7	6.9	62.3	6.2	14.0
British Virgin Islands	39.3	86.5	...	105.4	...	39.0
Cayman Islands	46.9	66.4	27.0	177.6	44.4	66.0
Dominica	16.2	22.9	1.5	144.9	7.7	47.5
French Guiana	...	...	...	...	...	
Grenada	15.8	27.2	4.2	116.7	4.1	33.5
Guadeloupe	...	...	...	...	...	
Guyana	2.2	19.9	5.4	73.6	6.7	29.9
Jamaica	4.4	9.6	14.2	113.2	3.1	26.1
Martinique	...	...	...	...	...	
Montserrat	34.5	43.8	12.5	70.8	...	35.0
Puerto Rico	27.8	23.8	24.2	78.3	10.4	45.3
Saint Kitts and Nevis	23.9	39.3	3.0	161.4	6.7	32.9
Saint Vincent and the Grenadines	12.0	19.9	2.0	120.5	3.0	69.6
Saint Lucia	12.4	23.6	1.6	102.9	5.2	36.0
Suriname	9.1	16.2	9.5	169.6	2.7	31.6
Trinidad and Tobago	13.6	21.9	12.6	141.2	7.8	48.5
Turks and Caicos Islands	24.8	9.7	...	...	...	
United States Virgin Islands	45.6	69.5	31.6		13.5	27.4

**Source:** United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>; *Achieving the Millennium Development Goals with Equality in Latin America and the Caribbean: progress and challenges* (LC/G.2460), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included.

<sup>b</sup> Simple averages.



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