

Progress, gaps and challenges in poverty eradication: the case of Latin America and the Caribbean

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ACCELERATING GLOBAL ACTIONS FOR A WORLD WITHOUT POVERTY:
GAPS, CHALLENGES AND PROGRESS

Inter-agency expert group meeting on the implementation of the Third United Nations Decade for the Eradication of Poverty (2018-2027)

United Nations Economic Commission for Africa (UNECA), 10-12 May 2023

Challenges in eradicating poverty are directly related to lack of growth and existing multiple structural inequalities

- Over the last 10 years, GDP growth in LAC has averaged only 0.8% per year
- This is about half the growth the region experienced in the “lost decade” of the 1980s
- Cascading crises: effects of the COVID-19 pandemic and the war in Ukraine
- Around half of workers are informal, with very low incomes and no access to social protection; high social vulnerability
- Inequality of income and wealth
- Matrix of social inequality: gender, ethnic, racial, territorial and other inequalities manifest themselves in different areas of development
- Inequality has economic and sociocultural roots

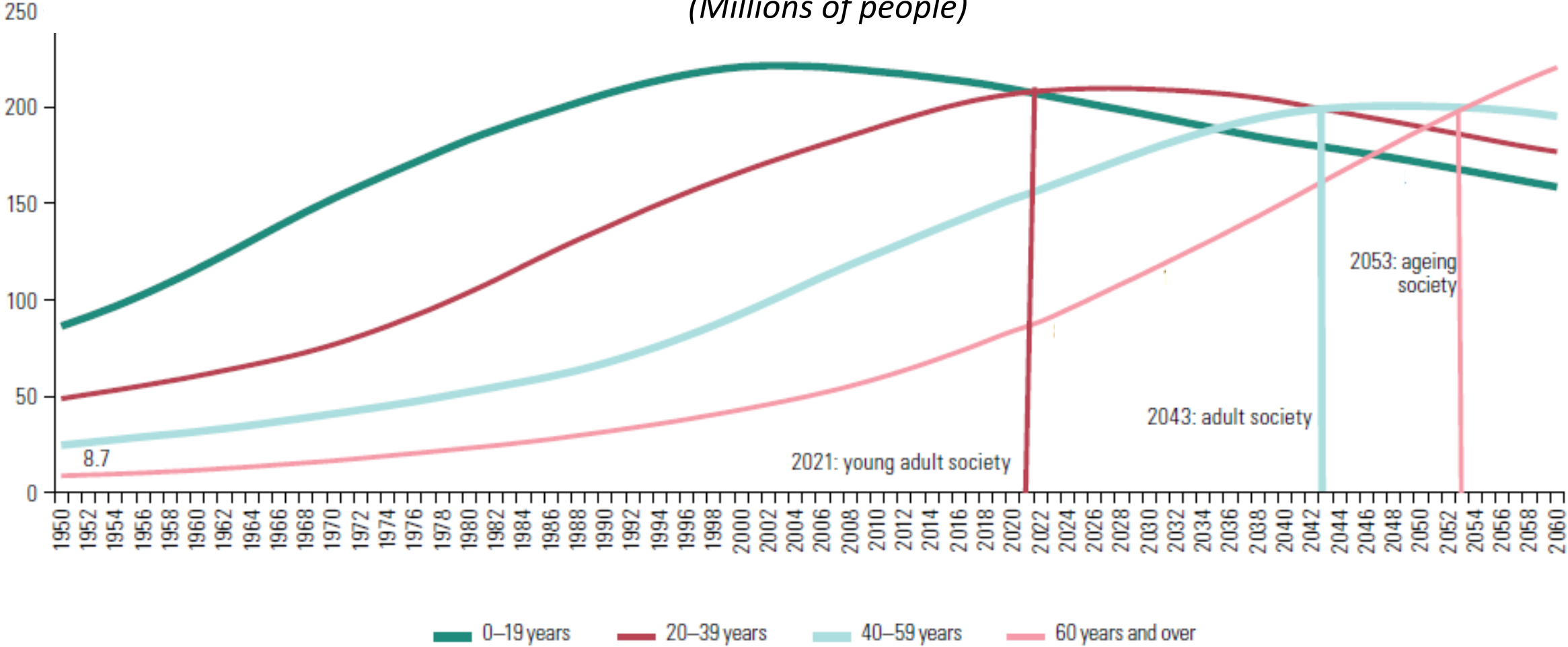
Longer-term economic and demographic trends underlie this complex situation

- Poorly diversified economies, largely based on exports of raw materials
- Overexploitation of natural resources continues to be the main driver of economic growth in many countries
- LAC is the most urbanized developing region: 81% of the population is urban
- Total fertility rate in 2023: 1.8 children per woman
- Life expectancy for both sexes: 75.8 years
- Many countries have benefited from the demographic dividend, but regionally it is coming to a close in 2029
- Growth of irregular and intraregional migration

Currently Latin America and the Caribbean is a “young adult” society, but is on the way to an aging society

Latin America (50 countries and territories): population by major age group, 1950–2060

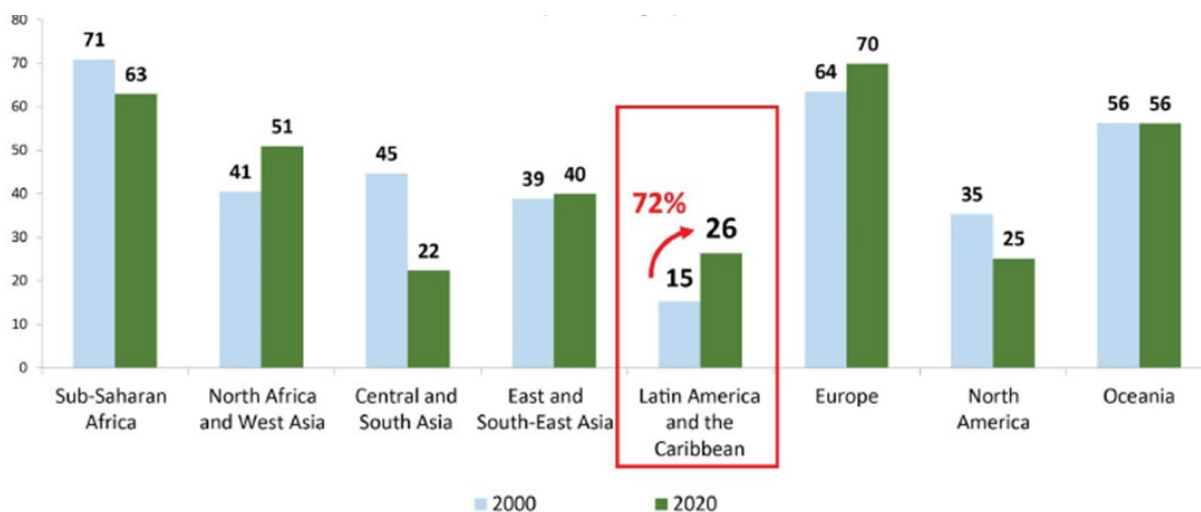
(Millions of people)



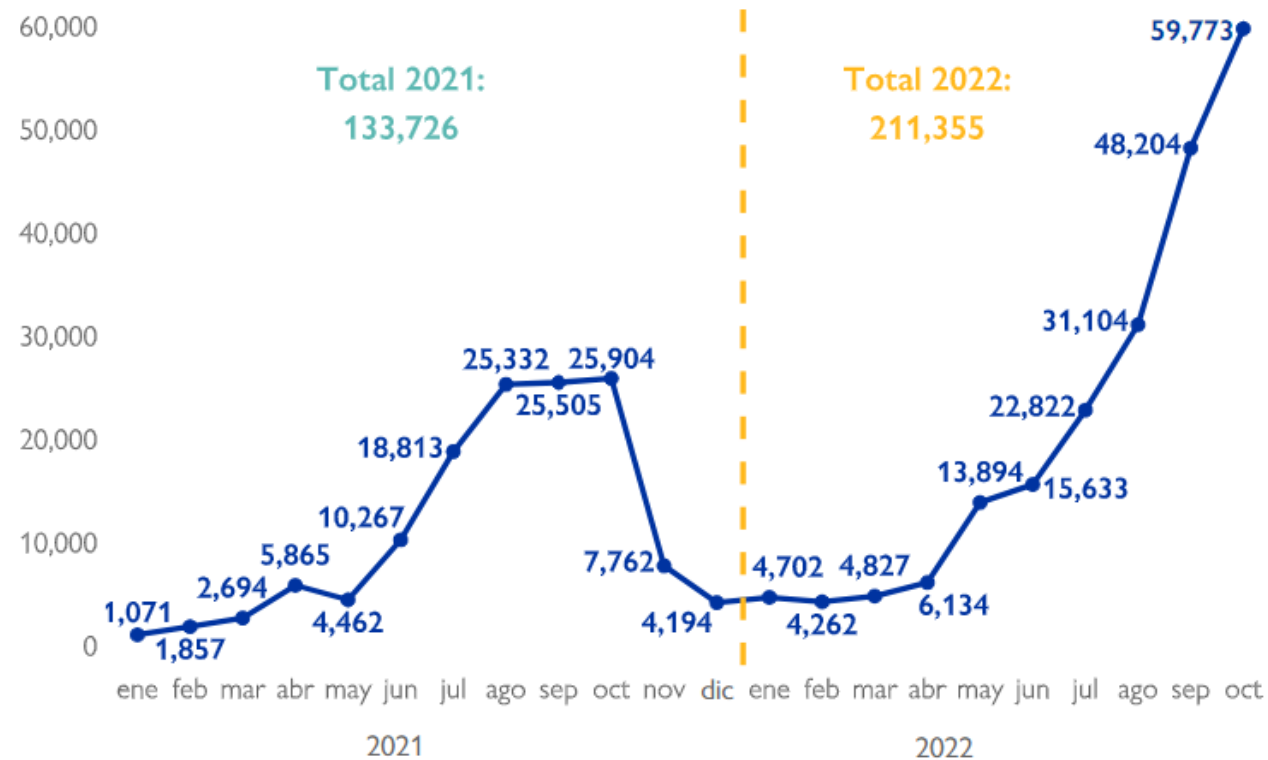
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, World Population Prospects 2022, New York, 2022.

Latin America and the Caribbean recorded the largest increase in intraregional migration in the world between 2000 and 2020

Proportion of intraregional migrants among total migrants, by region of origin, 2000 and 2020
(Percentages)



Irregular entries of migrants into the Darién Gap, 2021-2022 (January - October)

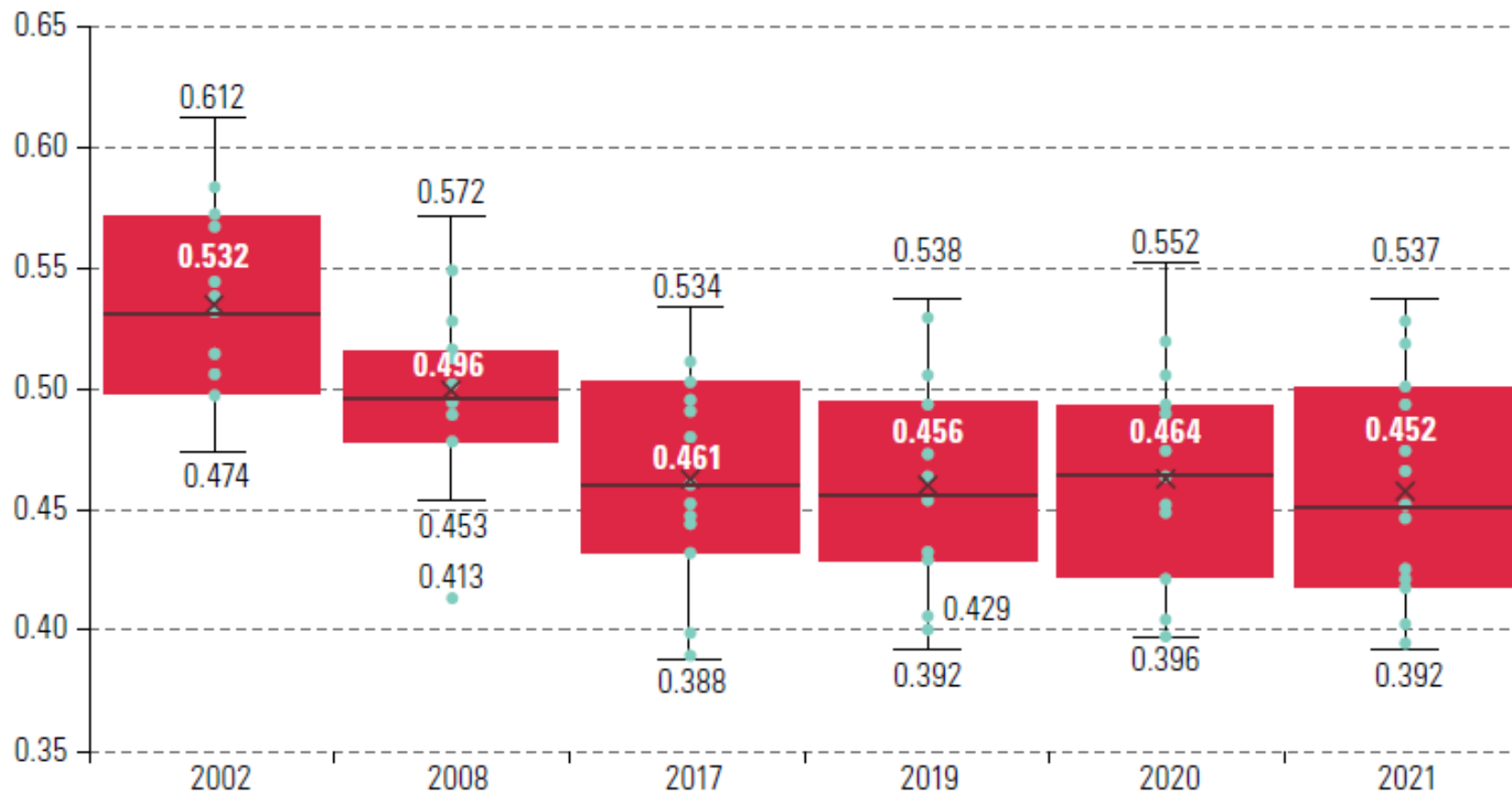


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, "International Migrant Stock 2020" [online]
<https://www.un.org/development/desa/pd/es/content/international-migrant-stock>.

Source: Servicio Nacional de Migración de Panamá, Irregulares en tránsito frontera Panamá-Colombia.

The Gini coefficient diminished rapidly in the 2000s, but the decline has since then slowed. In 2020, the Gini coefficient increased

Latin America (15 countries): Gini index of inequality, 2002–2021
(Values from 0 to 1, where 0 = no inequality and 1 = maximum inequality)

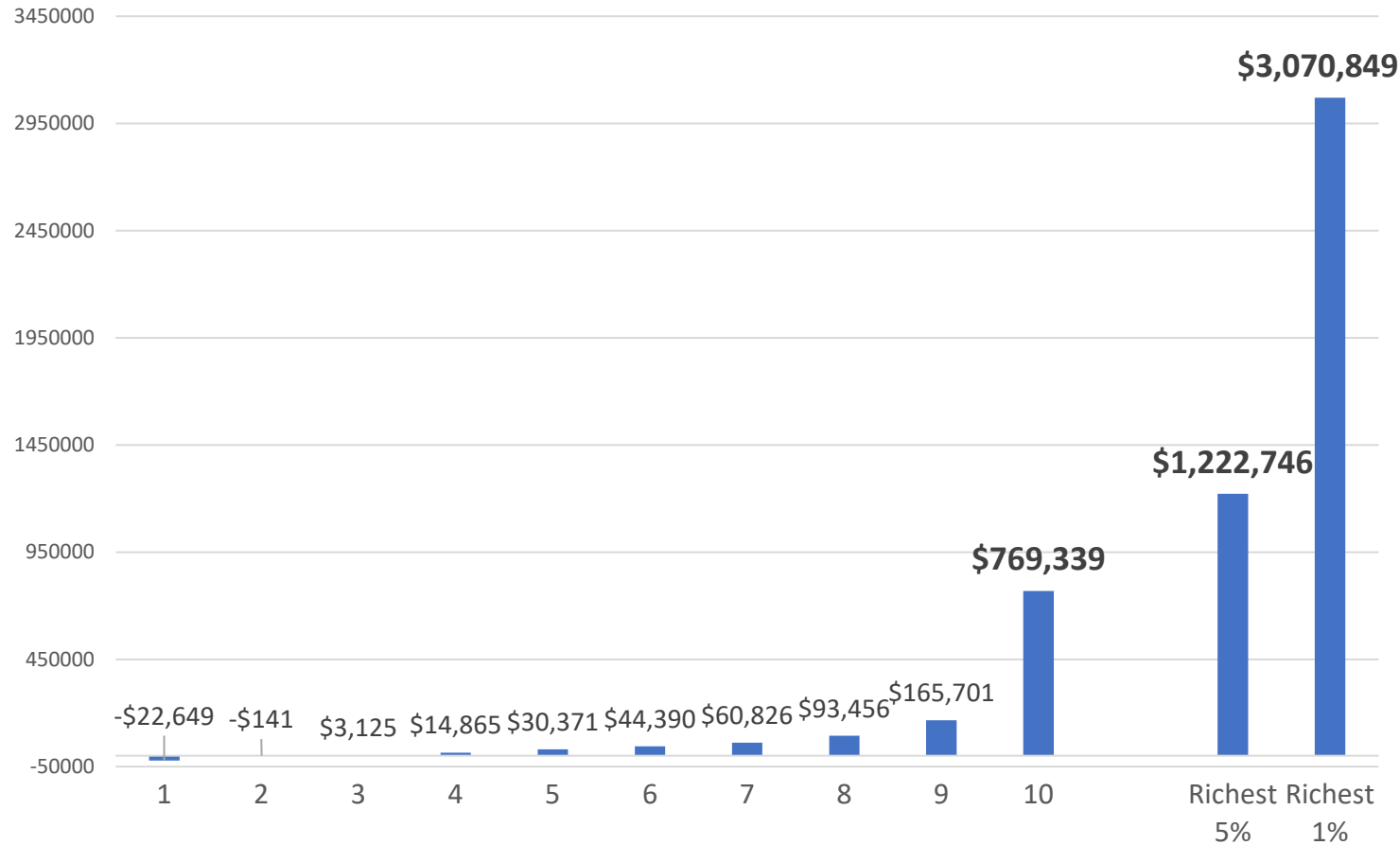


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Household Survey Data Bank (BADEHOG).

Note: Incomes equal to 0 were taken into account in calculating the Gini index. The data are for the year shown or the closest earlier year available. The horizontal line within each box shows the median of the data, X marks the mean and the circles represent country values. The upper and lower edges of each box represent the Gini index values for the top 25% and the bottom 25% of the countries ranked by this indicator.

Wealth is concentrated at the very top of the distribution

Chile: distribution of adjusted net household wealth, by decile, richest 5% and richest 1%, 2017 ^a
(US Dollars)

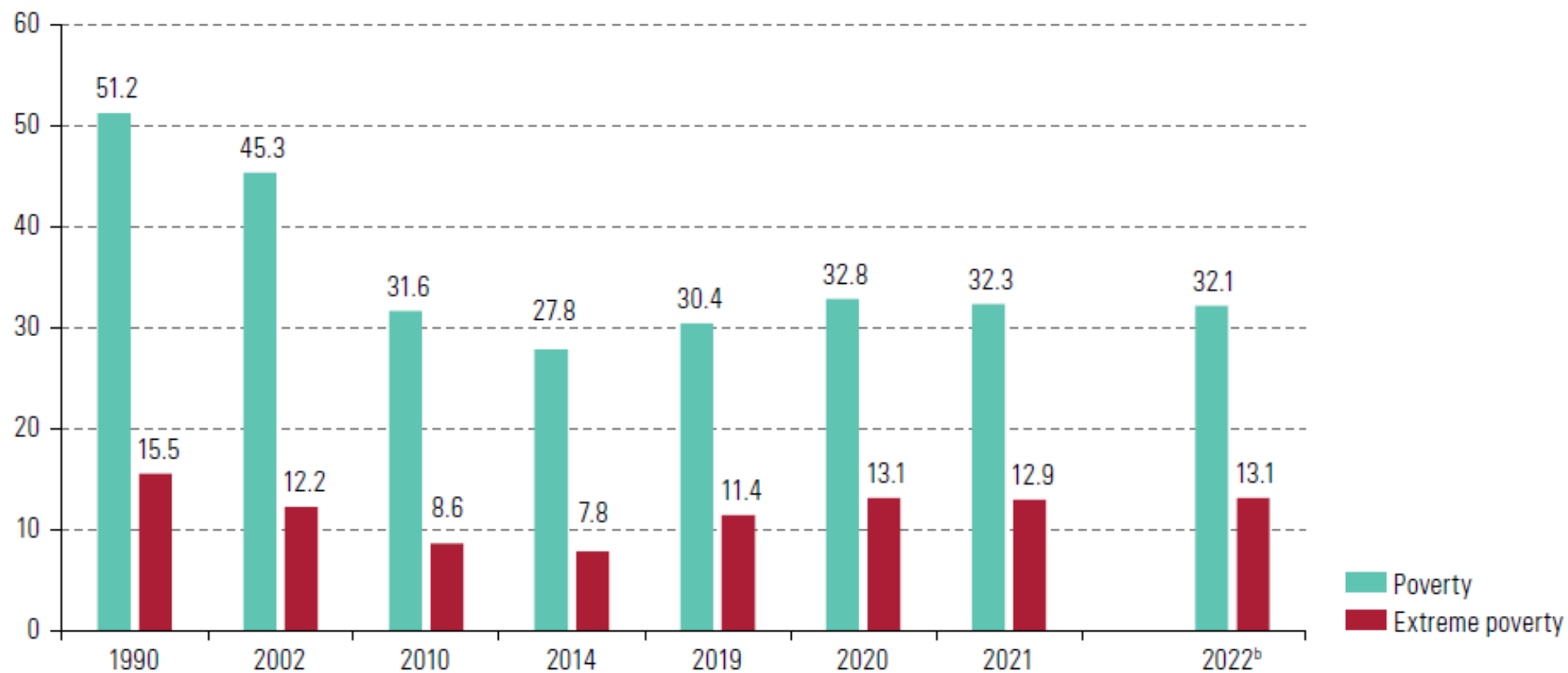


Source: : Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Central Bank of Chile, 2017 Household Financial Survey.

Note: ^a Figures adjusted in line with the national accounts.

In the 2002-2014 period, the region managed to reduce poverty. Since then, poverty has increased

Latin America (18 countries):^a poverty and extreme poverty rates, 1990–2021 and projections for 2022
(Percentages)

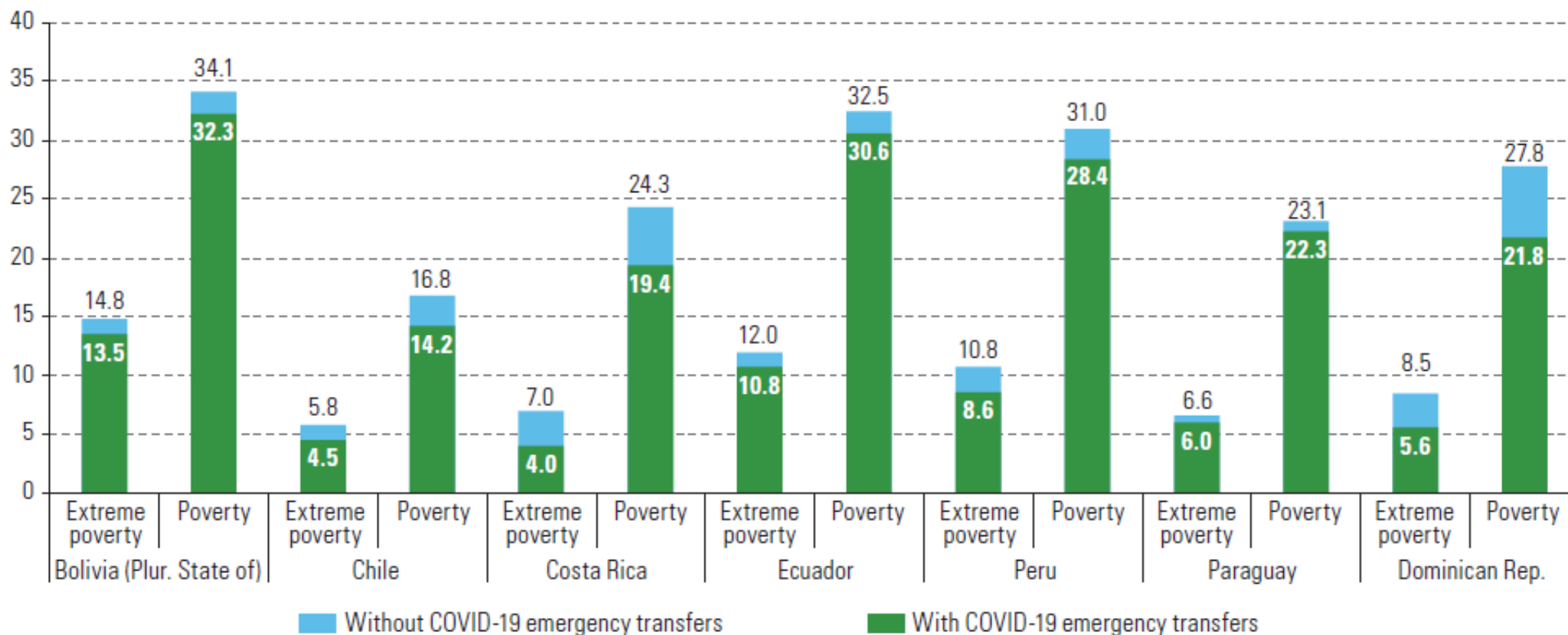


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the Household Survey Data Bank (BADEHOG).

Note: ^a Weighted average for the following countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. ^b Projections.

Emergency cash transfers reached 50% of the population and prevented further increases in poverty during the pandemic

Latin America (7 countries): incidence of extreme poverty and poverty, with and without COVID-19 emergency transfers, 2020
(Percentages)



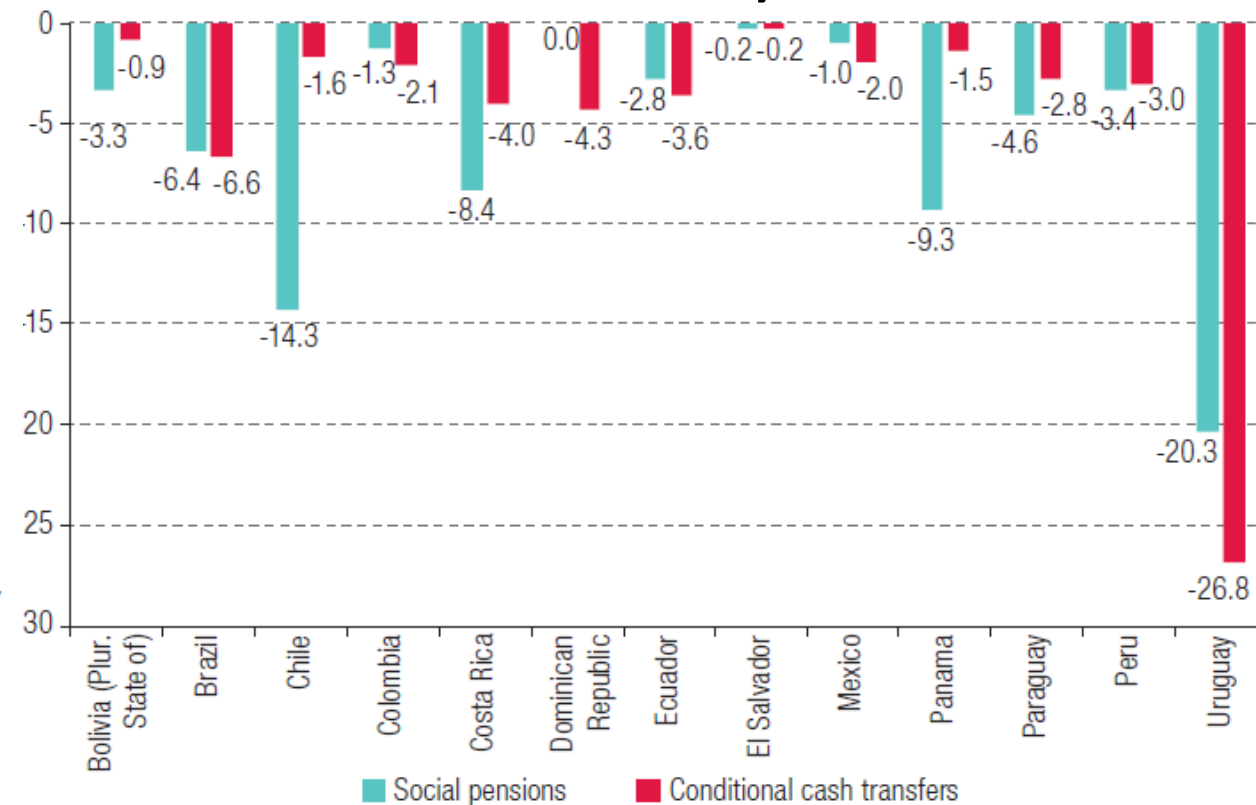
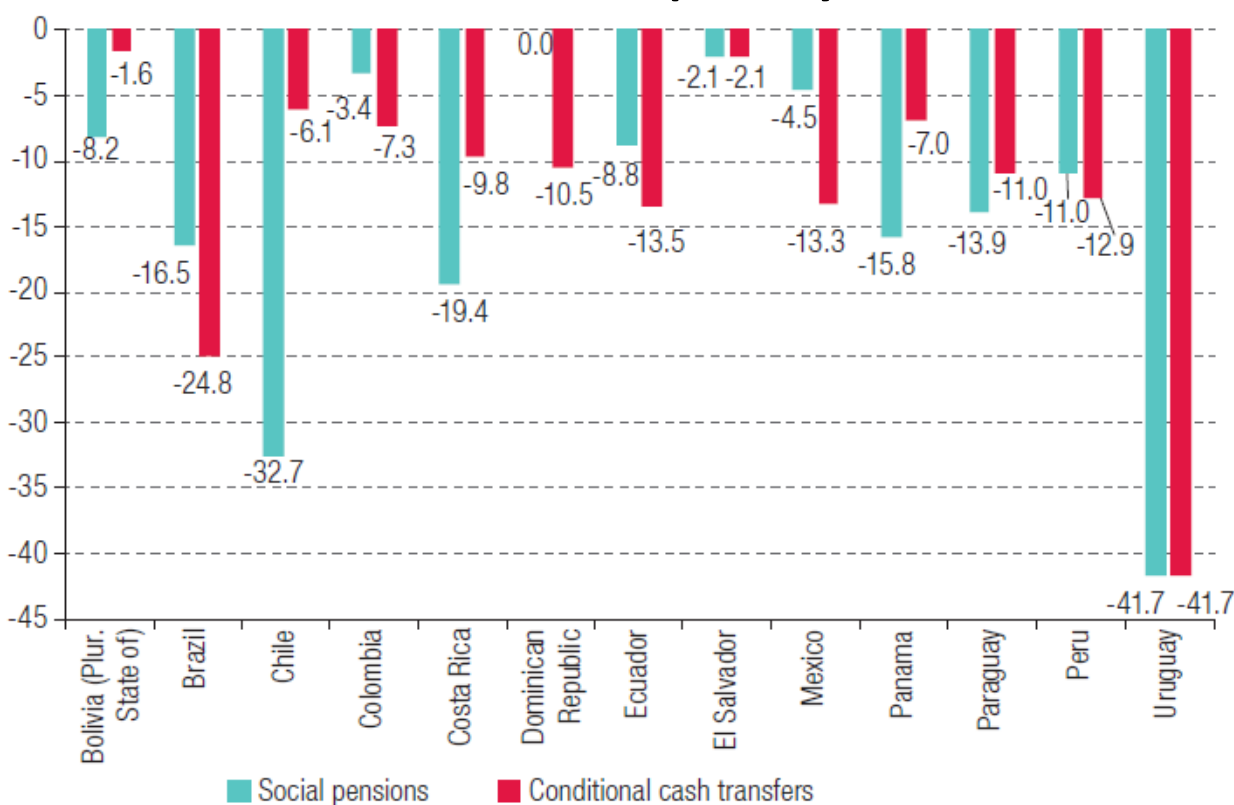
Continuous social protection programmes contribute to reduce poverty

Latin America (13 countries): reduction in the headcount ratios for poverty and extreme poverty owing to the effect of conditional cash transfers and social pensions, around 2016 and 2017

(Relative values, averages of the last two survey rounds)

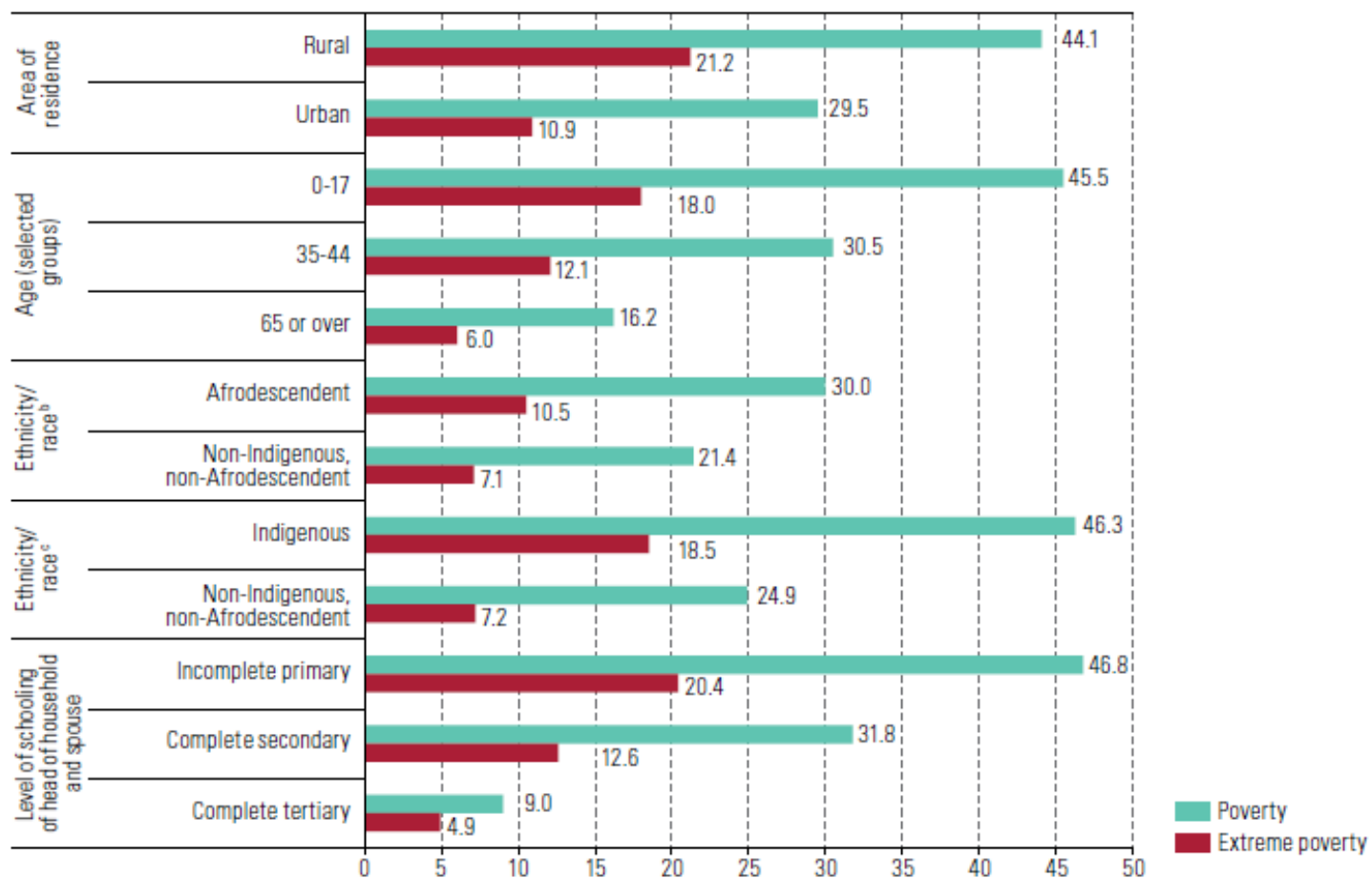
Extreme poverty

Poverty



The incidence of poverty and extreme poverty varies by territory, age, ethnicity, race and education level

Latin America (18 countries):^a people living in poverty and extreme poverty by area of residence, age, ethnicity or race and educational level of head of household and of spouse, 2021 (Percentages)



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

^a Weighted average for the following countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. ^b Refers to 8 countries: Brazil, Colombia, Ecuador, Guatemala, Nicaragua, Panama, Peru and Uruguay. ^c Refers to 11 countries: Brazil, Chile, Colombia, Ecuador, Guatemala, Mexico, Nicaragua, Panama, Peru, Plurinational State of Bolivia and Uruguay.

Combating poverty requires bold, innovative actions and a transformation of the development model

- Increase productivity
- Turn education systems into true drivers of social mobility and growth
- Create more and better jobs
- End gender gaps
- Build an inclusive digital society
- Advance towards universal social protection, in the framework of solid welfare states
- Social dialogue to integrate historically excluded social groups to achieve social and fiscal pacts