

# Accelerating progress to end poverty in all of its dimensions

A Latin American and Caribbean perspective

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FOR SUSTAINABLE  
DEVELOPMENT WITH EQUALITY



# Challenges in Latin America and the Caribbean

## **Persistence of structural socio-economic and environmental imbalances**

- High poverty rates
- Income and wealth inequality
- Inequalities related to gender, age, race / ethnicity, territory, etc.
- Low level of diversification in the productive structure
- Vulnerability to climate change and disasters

## **The region lags behind**

- Slower economic growth than in the most dynamic regions in the world
- Trade is slowing down
- Low levels of investment in human capacities and in R & D
- Lag in the effort and performance of innovation
- External vulnerability is not reduced

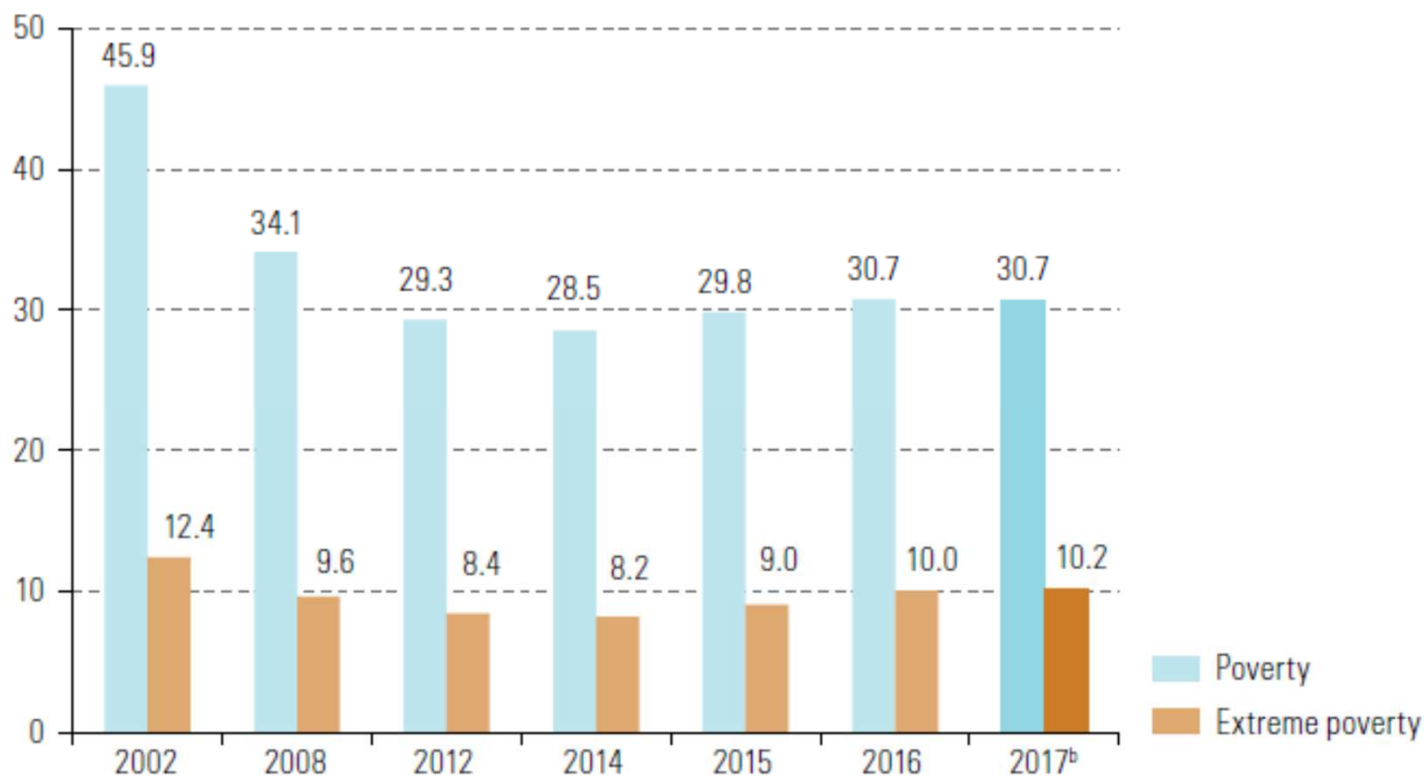
## **Multilateral cooperation is urgent for the region**

- Need to strengthen regional action and agreements
- Agree on a regional agenda within the framework of the 2030 Agenda



# Significant reduction of poverty and extreme poverty; but progress has stalled and achievements could be reversed

Latin America (18 countries): Poverty and extreme poverty, 2002-2017<sup>a</sup>  
(Percentages)



Source: ECLAC (2018), Social Panorama of Latin America 2017.

<sup>a</sup> Weighted average for: Argentina, the Plurinational State of Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and the Bolivarian Republic of Venezuela.

<sup>b</sup> Figures from 2017 are projections.



# Factors explaining progress in poverty reduction

- **Favorable economic context: boom in commodity prices and greater fiscal space**
- **Labour intensive growth, with better salaries and formalization**
- **Increases in female labour force participation**
- **Demographic transition: "demographic bonus"** (reduction of the dependency ratio)
- **Active policies in the social field and the labor market**
- **Political context:**
  - Goals of eradicating poverty and reducing inequality: high priorities on the public agenda
  - Vision of inclusive social development, based on rights
  - Criticism of the reductionist vision of targeted policies and promotion of universal policies in education, health, social protection

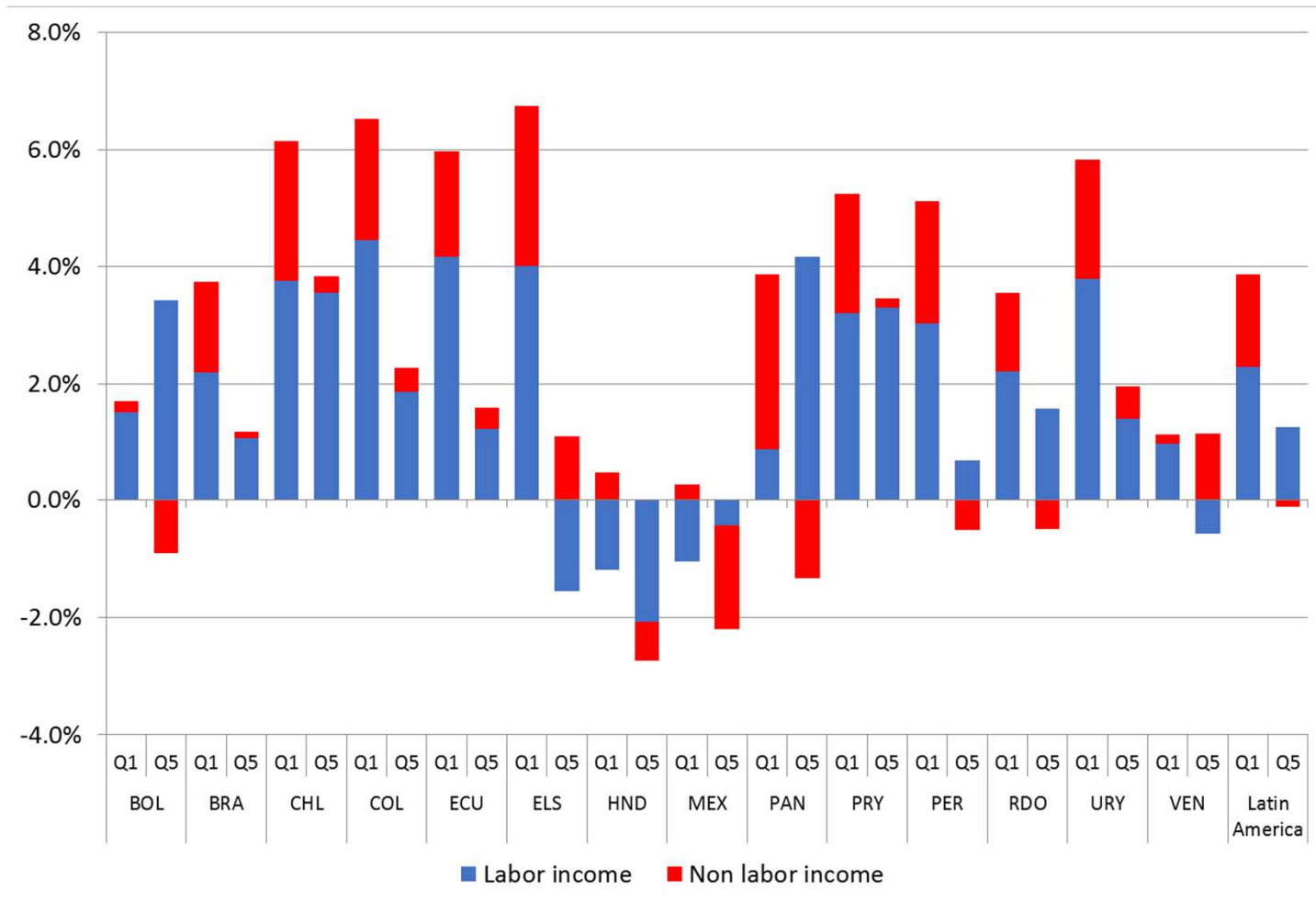


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# The decrease in income poverty and inequality was the result of both labour and non-labour income increases

**Latin America (14 countries): Annual variation of total income and participation in the variation of labour and non-labour income by household quintiles between 2008 and 2015 (Percentages)**



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



# Decent work: a master key for equality

**The world of work can be both a factor in the reduction of poverty and inequality as well as a space for the reproduction of these conditions**

- Labor income represents 80% of the total income of Latin American households, 74% in the case of poor households and 64% of the extreme poor

**The labour market links a highly heterogeneous productive structure with high weight of the low productivity sector with:**

- High inequality of household income (very unequal distribution of productivity gains)
- Inequality in the forms of labor insertion (high precariousness and informality)

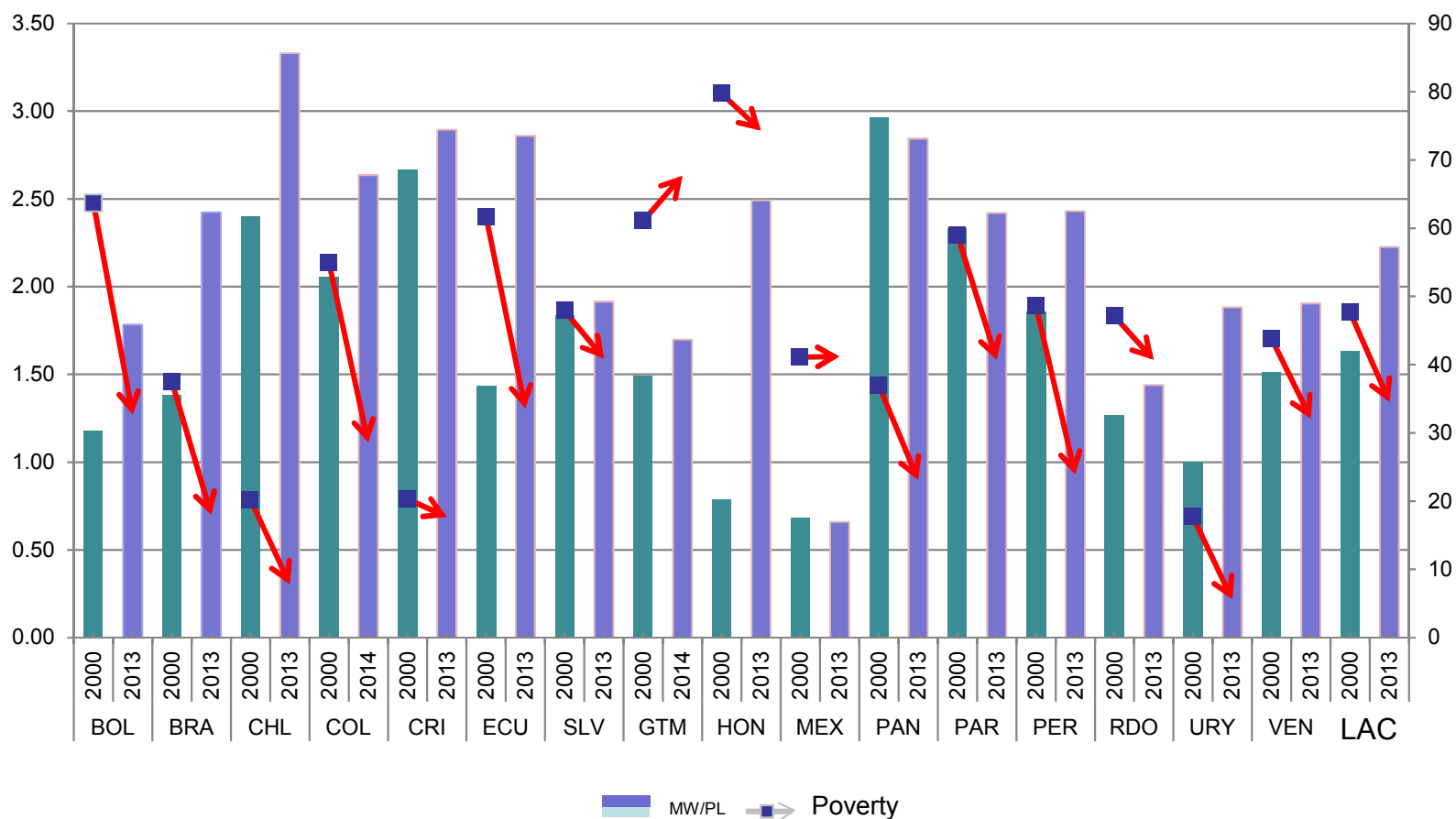


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# Labour market institutions and policies are critical to reduce poverty and inequality

Latin America (16 countries): Minimum wage impact on poverty (2000-2013/14)  
(Ratios and percentages)



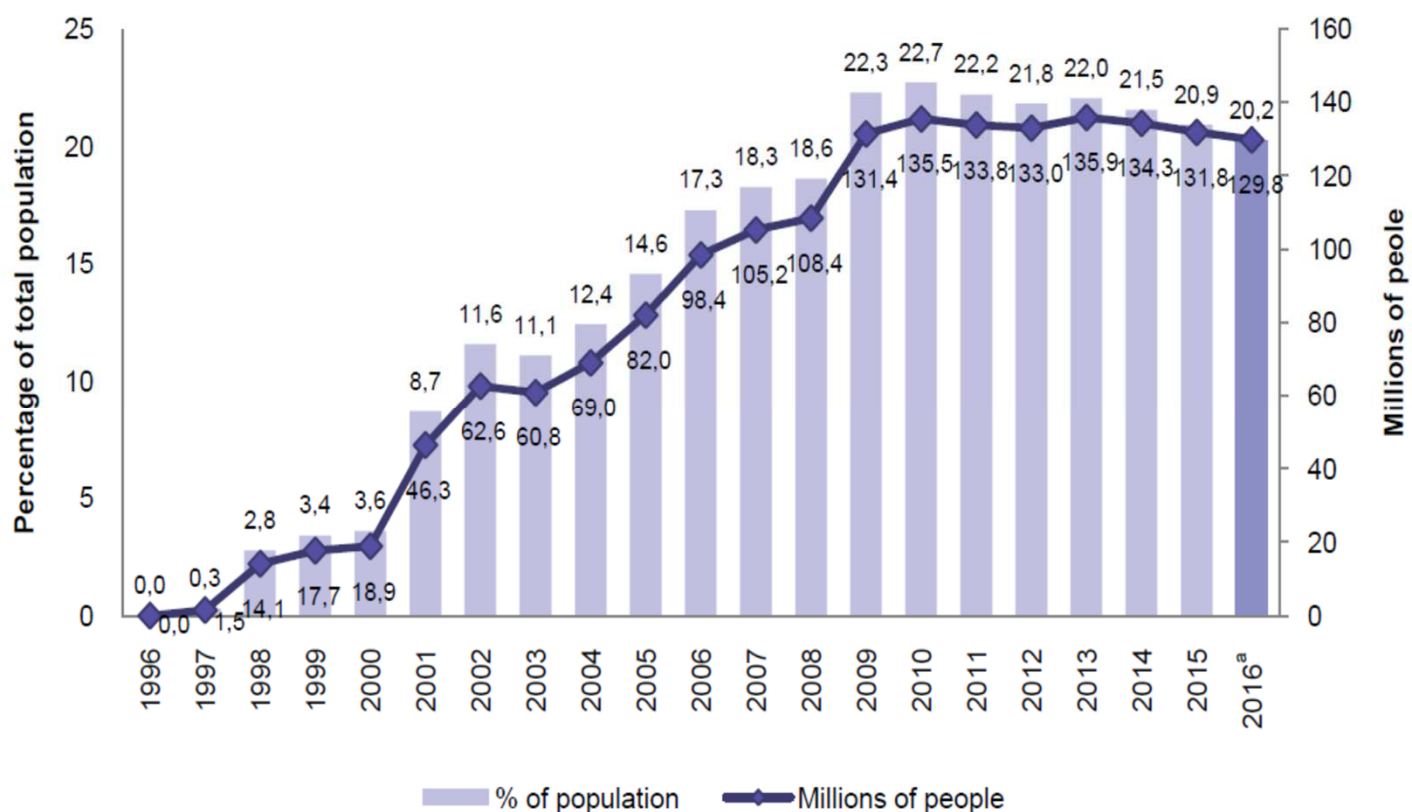
Source: ILO, based on official information from the countries and ECLAC, special processing of household surveys.





# The expansion of social protection has been key for poverty reduction efforts

**Latin America and the Caribbean: Population participating in Conditional Cash Transfer (CCT) programmes,**  
(Percentage of total population and millions of people)



Source: Cecchini and Atuesta, 2017.





## Confronting inequalities to reduce poverty

- **Inequality** is a concept that includes, but **transcends income** and relates to the uneven exercise of rights, and unequal access to opportunities and capacity development, and unequal results
- Inequality is a **multidimensional phenomenon** that acts as a formidable barrier for poverty eradication and sustainable development
- Poverty reduction - especially 'to reach the furthest behind first' - requires **equality-oriented policies**
- Promoting **greater equality** not only helps to safeguard the economic, social and cultural rights of all people, but also **fosters growth**, development and greater social cohesion, all necessary conditions to reduce poverty

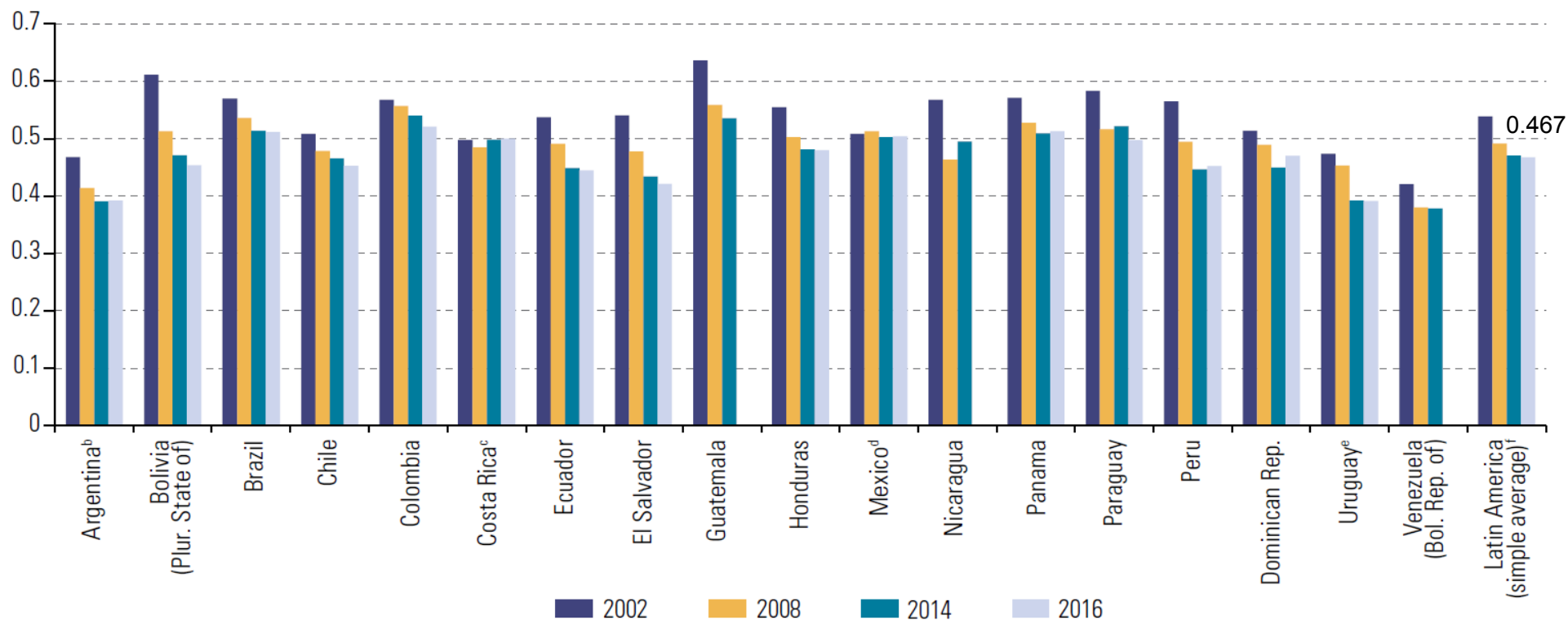


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# Between 2002 and 2014 Latin America has reduced inequality, but this reduction has slowed down in recent years

Latin America (18 countries): Gini coefficient, 2002-2016 <sup>a</sup>



Source: ECLAC (2017), Social Panorama of Latin America 2017, on the basis of the Household Survey Data Bank (BADEHOG).

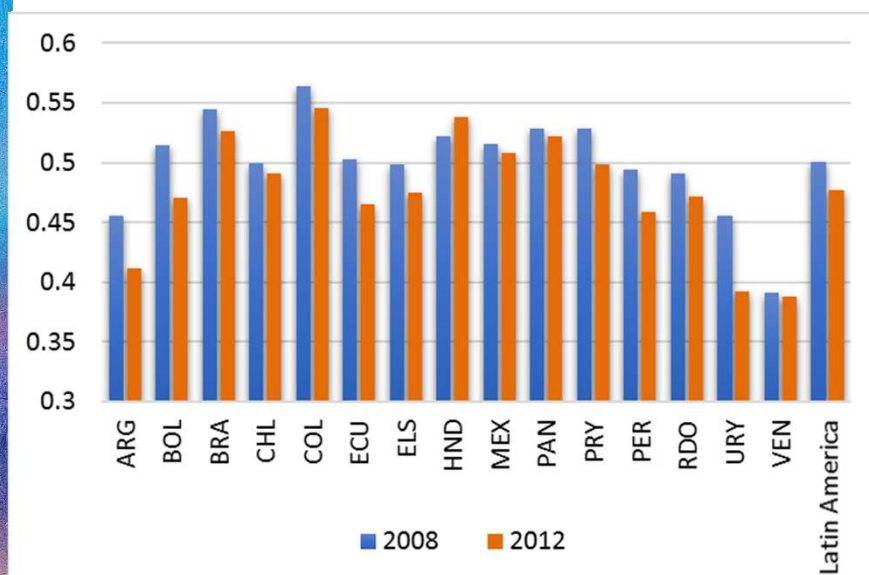
a The Gini index is calculated on the basis of income equal to zero; b Urban total; c Figures are not comparable with previous years; d 2016 figures are estimated on the basis of the 2016 statistical model for the continuation of the social conditions module of the national household income and

expenditure survey; e 2002 figures correspond to urban areas; f Average calculated on the basis of the most recently available data for each of the 18 countries.

# Reduction of income inequality (Gini coefficient) between 2008-2015: 6%, at a rate of 0.9% per year

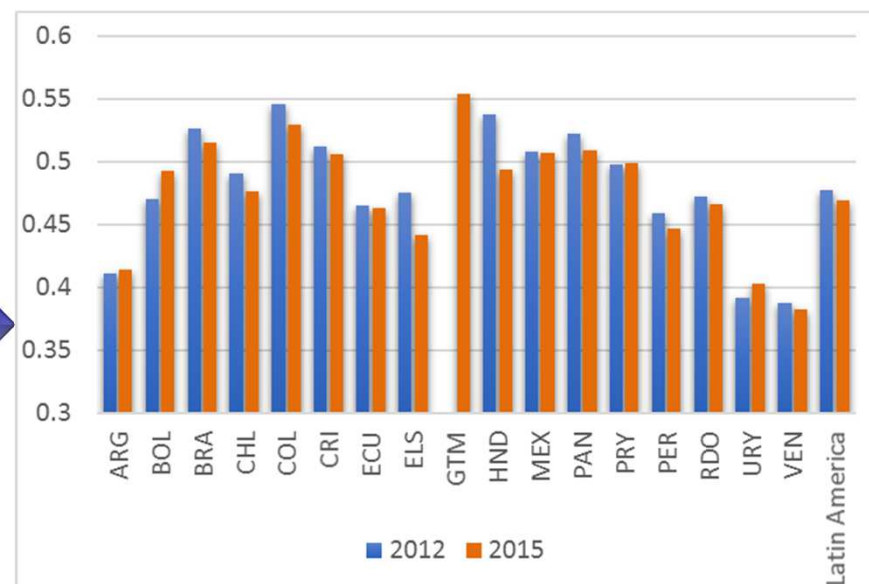
Latin America (16 countries): Gini coefficient, around 2008, 2012 and 2015

A. 2008-2012



Between 2008 and 2012 the average rate of decline of the Gini coefficient was higher, equivalent to 1.2% per year

B. 2012-2015



Between 2012 and 2015 the average rate of decline of the Gini coefficient was equivalent to 0.6% per year



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



# In order to accelerate poverty reduction and the implementation of the 2030 Agenda we need to address the social inequality matrix

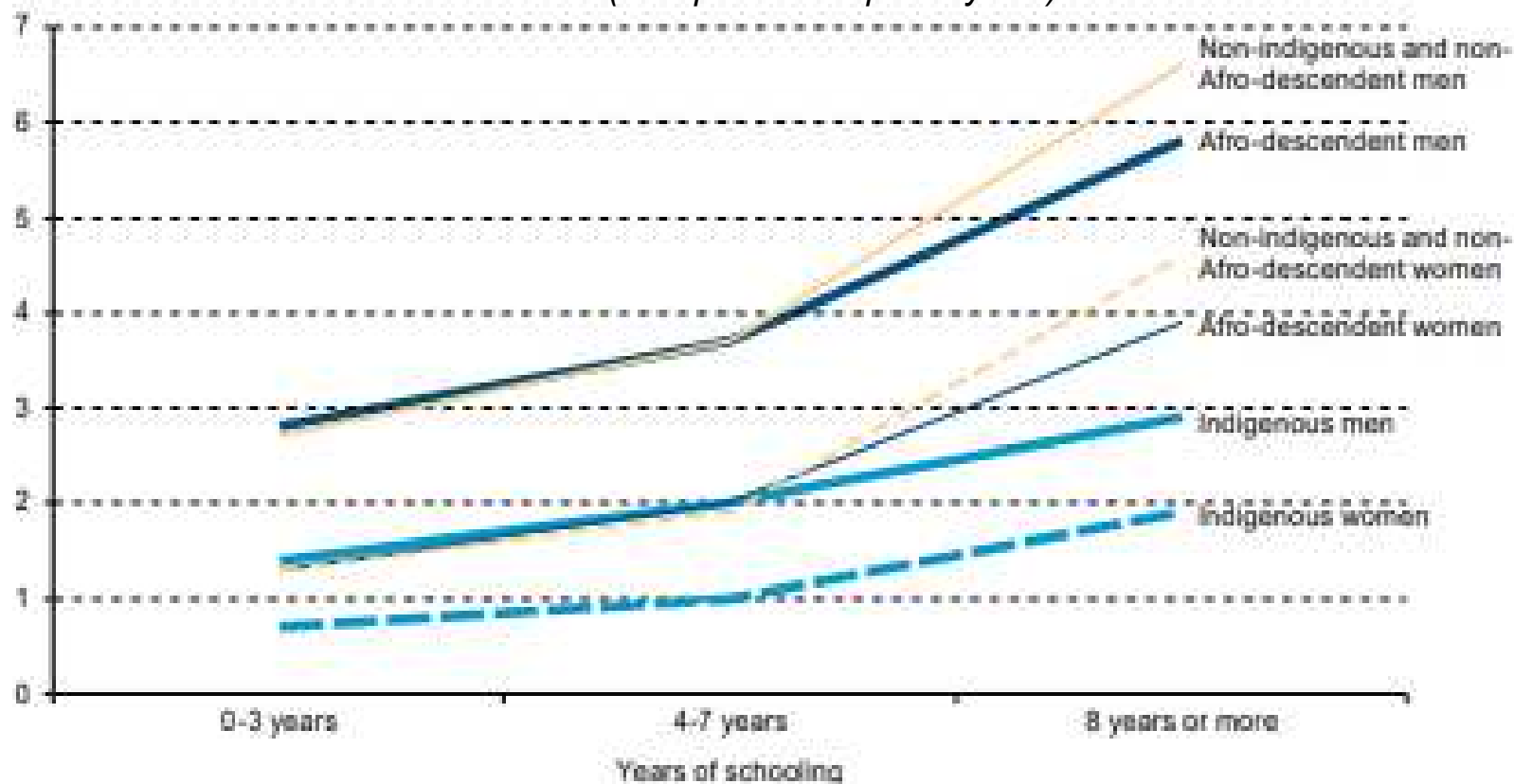
## Social inequality matrix

- Axes that structure social inequality
  - **Socio economic level**
  - **Gender**
  - **Race and ethnicity**  
(indigenous peoples and Afro descenents)
  - **Age (life cycle)**
  - **Territory**
- Areas where social inequality manifests and reproduces itself
  - **Income**
  - **Employment**
  - **Social protection and care**
  - **Education**
  - **Health and nutrition**
  - **Basic services** (water and sanitation, electricity, housing)
  - **Participation and decision-making**

# Intertwined inequalities: intersectionality of race, ethnicity and gender inequalities

Latin America (9 countries): Labour income by sex, race/ethnicity and years of schooling, national totals, around 2013

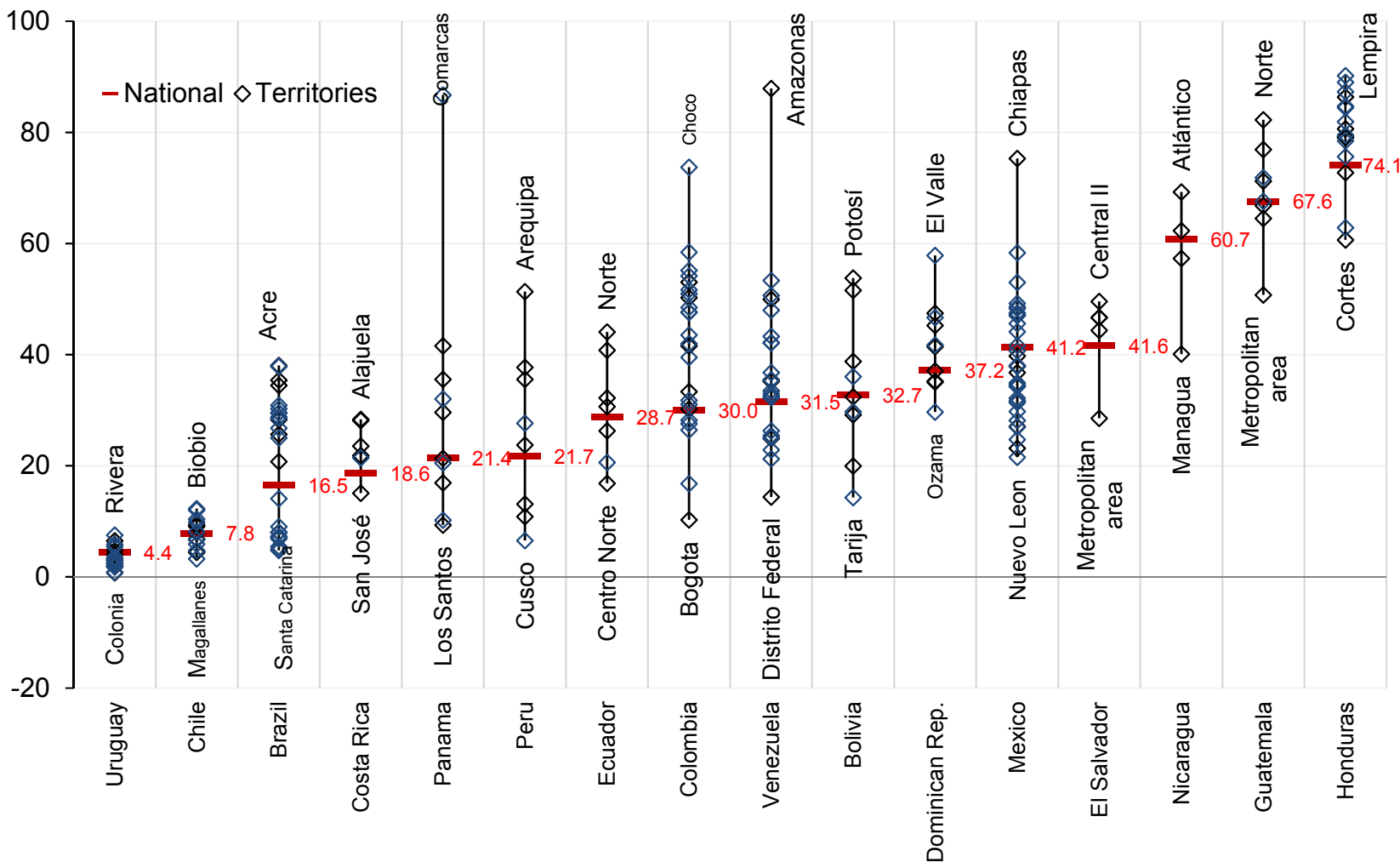
(Multiples of the poverty line)



Source: Social Panorama 2015 (ECLAC, 2017, p.105). On the basis of the Household Survey Data Bank (BADEHOG).

# The territorial dimension of social and economic inequalities

Latin America (18 countries): Population living in poverty by territory  
(Percentages)

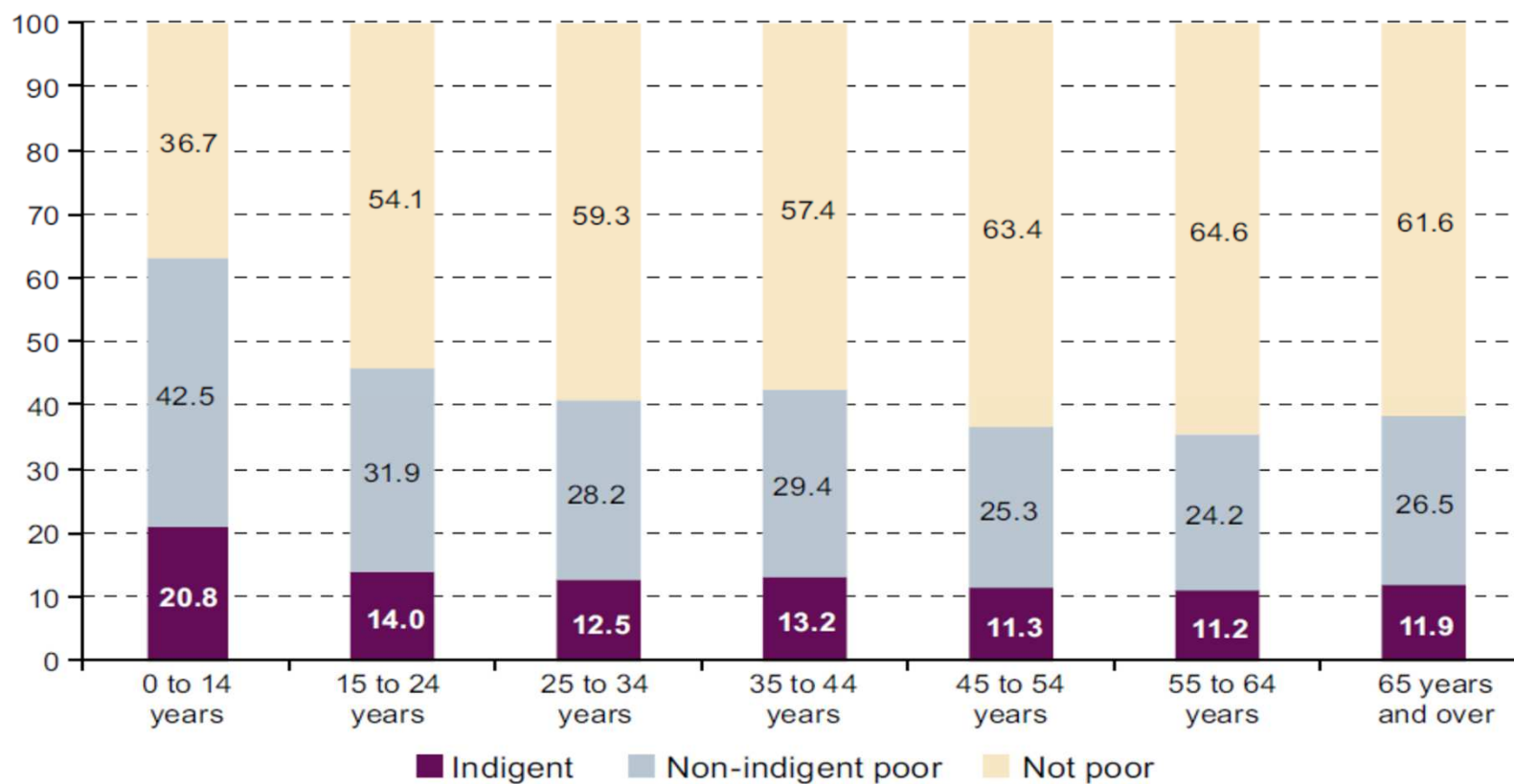


Source: ECLAC 2016, The Social Inequality Matrix in Latin America.



# Inequalities along the life course: poverty is higher among children and youth

Latin America (18 countries): income poverty by age group, 2014  
(Percentages)



Source: ECLAC 2016, The Social Inequality Matrix in Latin America.

## Main lessons learned

- To overcome poverty, advances in **rights-based public policies** with an integrated perspective to overcome the multiple and intertwined dimensions of inequality are critical
- Promote **decent work** and the construction and strengthening of **universal social protection systems** along the life course that are responsive to differences
- **Poverty reduction strategies** should be coordinated with social protection systems
- The role of the **State** is critical in advancing equality-centred development
- Protect **social spending** and **boost progressive tax revenues**
- Ground high-quality (effective, efficient, sustainable and transparent) social policy in stronger **institutions** and **social compacts**
- Generate systematic **statistical information** on poverty and the different dimensions of inequality



# Regional Conference on Social Development: fostering the eradication of poverty

- Currently working towards a **Regional Inclusive Social Development Agenda** so no one is left behind:
  - Eradicate poverty, hunger, malnutrition
  - Reduce intersected inequalities (socioeconomic, gender, ethnic-racial, territorial, by age)
  - Universalize health and education
  - Build universal social protection systems
  - Achieve gender equality and women's autonomy
  - Guarantee productive and quality employment and decent work
  - Promote public investment and execution of social spending
  - Consolidate a social institutional framework that allows the articulation of social and economic policies to achieve full social and labor inclusion



From a culture of privilege to a culture of equality



## Other ECLAC subsidiary bodies

- **Regional Conference on Women**
  - Promotes women's economic, physical and decision-making autonomy and rights at the regional and subregional levels
  - The **Montevideo Strategy** for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030 adopted in 2016
- **Regional Conference on Population and Development**
  - Monitors and reviews issues relating to population and development, international migration, indigenous peoples and Afro-descendent populations, population with disabilities and ageing
  - **Montevideo Consensus** and Implementation and Follow-up guide
- **Statistical Conference of the Americas**
  - Promotes the development and improvement of national statistics and ensures that they are internationally comparable, bearing in mind the recommendations of the United Nations Statistical Commission, as well as of specialized agencies and other relevant organizations
  - **Working Group on Poverty Statistics** and **Statistical Coordination Group for the Follow-up of the 2030 Agenda**



