



## Chapter I

**THE MILLENNIUM DEVELOPMENT GOALS AND THE EQUALITY AGENDA  
FOR LATIN AMERICA AND THE CARIBBEAN**

**A. PROGRESS IN THE REGION DURING THE 2000s: TOWARDS AN EQUALITY AGENDA**

Progress towards the Millennium Development Goals over the past decade has taken place in a context characterized as exceptional in terms of the economic dynamism achieved by the region as a whole and most of its individual countries. Beginning in 2003, with the ending of the recessionary cycle that had affected the region since the late 1990s, six years of growth created the conditions for faster progress towards the Goals.

This period of growth, preceding the energy and food crisis that gave way in turn to the global financial crisis, meant that faster progress could be made in reducing extreme and total poverty in the countries. The incidence of poverty fell by 11 percentage points between 2003 and 2008 (from 44% to 33%), while extreme poverty fell from about 19% to 13%. This was a breakthrough that put the region and several individual countries on track to achieve target 1.A of the first Millennium Development Goal.

During those six years, Latin America and the Caribbean achieved a remarkably high and fairly sustained GDP growth rate: average annual growth of 2.6% between 1990 and 2002 rose to 4.9% between 2003 and 2008 (see table I.1). To find a comparable period of economic expansion it is necessary to go back to the 1970s. By contrast with the 1990-2002 period, economic growth in the years preceding the crisis led to a large reduction in unemployment and an increase in real incomes for the working population. This, the entry of women into the labour market and a reduction in the demographic dependency rate were the main factors behind the improvement in the poverty situation.

Income distribution improved in a number of Latin American countries over the same period. In 10 of 20 countries, the Gini concentration index fell by between 3% and 10% or, in the case of one outlier, the Bolivarian Republic of Venezuela, by an even larger 18%. This factor obviously contributed to the reduction of extreme and total poverty as well, since improved distribution meant a rise in the income share of the poorest 20% of households in a context of rising employment and earnings in this stratum. This progress needs to be qualified, however, by pointing out that half the countries did not make any significant progress with inequality and only three of the seven least-developed countries saw a reduction in their Gini values. Latin America and the Caribbean still has the worst income distribution of any region in the world.

Poverty reduction was also aided, albeit to a lesser degree, by the rise in remittances from abroad in certain countries (particularly Mexico, El Salvador and the Dominican Republic) and income from monetary transfer programmes, whose coverage and benefit amounts improved in a number of countries.<sup>1</sup>

Meanwhile, the economic dynamism of these six years meant that the trend towards higher public-sector social spending that had begun as long ago as the early 1990s could continue. Per capita social spending in Latin America and the Caribbean increased by an average annual rate of 6.1% between 2003 and 2008, giving cumulative growth of 43%. This increase was seen in most countries and was made possible by the greater fiscal resources yielded by growth and the higher priority given to the social sectors in public spending.

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<sup>1</sup> Another factor in these achievements have been the respective programmes (Bolsa Familia and Oportunidades) applied in Brazil, which has already met the extreme poverty target, and Mexico, which is on course to do so given the reduction achieved so far.

Table I.1  
**LATIN AMERICA AND THE CARIBBEAN: SELECTED ECONOMIC, SOCIAL AND FISCAL INDICATORS**

Country or territory	Per capita GDP (dollars at constant 2000 prices)	Average annual GDP growth rate		GDP growth rate <sup>a</sup>		Gini concentration index <sup>b</sup>		Annual growth in per capita public-sector social spending (percentages)	Central government tax revenues, including social insurance contributions (percentages of GDP) <sup>c</sup>	
		(percentages)							2000	2008
	2008	1990-2002	2003-2008	2009	2010	2002	2008	2003-2008	2000	2008
Latin America and the Caribbean <sup>d</sup>	4 922	2.6	4.9	-1.9	5.2	0.55	0.52	6.1	19.8	22.6
Latin America <sup>d</sup>	4 909	2.6	4.9	-1.9	5.2	0.55	0.52	6.1	19.7	22.5
Medium-low and low human development countries <sup>b</sup>	1 122	2.7	3.8	0.7	0.5	0.58	0.57	4.2	13.7	16.1
Haiti	391	-0.1	0.9	2.9	-8.5	...	...	...	7.9	9.5
Nicaragua	897	3.1	3.7	-1.5	2.0	0.58	0.53	8.9	17.5	21.7
Guatemala	1 699	3.9	4.1	0.6	2.0	0.54	0.59	1.5	10.9	11.6
Bolivia (Plurinational State of) <sup>e</sup>	1 173	3.5	4.5	3.4	4.5	0.61	0.57	0.6	17.9	21.7
Honduras	1 452	3.3	5.6	-2.1	2.5	0.59	0.58	5.9	14.3	15.9
Medium human development countries <sup>b</sup>	2 408	3.4	4.6	0.1	4.3	0.54	0.53	4.6	11.8	15.0
El Salvador	2 677	4.2	3.1	-3.5	1.5	0.53	...	2.8	12.4	14.6
Paraguay	1 521	1.6	4.6	0.0	7.0	0.57	0.53	0.2	12.0	13.7
Dominican Republic	3 688	5.7	5.7	3.5	6.0	0.54	0.55	6.7	11.3	15.0
Ecuador	1 745	2.3	5.1	0.4	2.5	0.51	0.50	8.5	11.6	16.5
Medium-high human development countries <sup>b</sup>	4 385	2.9	6.4	0.0	4.0	0.55	0.52	6.2	17.8	20.4
Peru	2 924	3.8	7.0	0.9	6.7	0.51	0.48	2.5	14.1	17.4
Colombia <sup>e</sup>	2 983	2.7	5.3	0.4	3.7	0.57	0.58	5.2	14.9	18.4
Brazil <sup>e</sup>	4 448	2.4	4.1	-0.2	7.6	0.61	0.59	6.0	30.4	35.5
Panama	5 688	4.4	8.4	2.4	5.0	0.57	0.52	7.1	16.0	16.5
Venezuela (Bolivarian Republic of)	5 884	1.2	7.0	-3.3	-3.0	0.50	0.41	10.2	13.6	14.2
High human development countries <sup>b</sup>	6 821	2.6	6.1	-0.7	4.7	0.53	0.49	7.4	20.1	22.1
Costa Rica <sup>e</sup>	5 189	4.7	5.9	-1.1	4.0	0.49	0.47	3.3	18.9	23.1
Mexico	7 092	2.9	3.1	-6.5	4.1	0.51	0.52	5.3	11.0	9.4
Cuba	4 363	-0.8	7.3	1.4	1.9	...	...	15.4	27.5	25.2
Uruguay	8 161	1.2	7.3	2.9	7.0	...	0.45	6.3	22.5	23.3
Argentina <sup>e</sup>	9 885	2.0	8.5	0.9	6.8	0.58	0.52	11.4	21.5	30.6
Chile	6 235	5.8	4.7	-1.5	4.3	0.55	0.52	2.5	18.9	20.9
Caribbean countries <sup>d</sup>	6 095	2.4	4.3	-2.2	0.9	...	...	3.5	22.7	27.2
Anguilla	...	...	...	...	...	...	...	...	...	...
Antigua and Barbuda	11 601	3.0	6.4	-10.9	-6.5	...	...	...	15.8	21.3
Netherlands Antilles	...	...	...	...	...	...	...	...	...	...
Aruba	...	...	...	...	...	...	...	...	...	...
Bahamas	18 340	2.1	1.2	-3.9	-0.5	...	...	...	15.5	15.5
Barbados	7 712	0.7	2.9	-3.6	1.0	...	...	...	31.1	34.1
Belize	3 950	4.7	4.4	0.0	1.5	...	...	...	23.9	21.2
Dominica	4 843	1.3	4.4	-0.8	-0.7	...	...	...	24.9	28.9
Grenada	4 765	3.3	2.7	-7.7	-1.8	...	...	...	22.7	23.7
Guadeloupe	...	...	...	...	...	...	...	...	...	...
French Guiana	...	...	...	...	...	...	...	...	...	...
Guyana	902	4.4	2.0	3.3	4.3	...	...	...	29.1	32.0
Cayman Islands	...	...	...	...	...	...	...	...	...	...
Turks and Caicos Islands	...	...	...	...	...	...	...	...	...	...
British Virgin Islands	...	...	...	...	...	...	...	...	...	...
United States Virgin Islands	...	...	...	...	...	...	...	...	...	...
Jamaica	3 713	0.8	1.6	-3.0	0.5	...	...	-0.3	22.6	26.5
Martinique	...	...	...	...	...	...	...	...	...	...
Montserrat	...	...	...	...	...	...	...	...	...	...
Puerto Rico	...	...	...	...	...	...	...	...	...	...
Saint Kitts and Nevis	8 560	3.8	4.3	-8.0	-1.3	...	...	...	21.2	27.0
Saint Vincent and the Grenadines	4 445	3.1	5.1	-1.2	-1.0	...	...	...	24.0	28.1
Saint Lucia	4 996	1.9	3.8	-3.8	1.3	...	...	...	22.5	27.1
Suriname	...	...	...	3.5	2.4	...	...	...	34.1	22.8
Trinidad and Tobago	10 964	4.7	8.1	-0.9	2.0	...	...	11.2	25.3	33.8

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online] <http://www.cepal.org/estadisticas/default.asp?idioma=IN>.

<sup>a</sup> The 2009 figures are estimates and the 2010 figures projections.

<sup>b</sup> Simple average.

<sup>c</sup> The figures for the Caribbean countries do not include social contributions.

<sup>d</sup> Weighted average.

<sup>e</sup> Fiscal years. The figures do not include social security contributions.

Something it is important to highlight as a positive characteristic of this period that contributed to the growth of resources for social spending was the rise in tax pressure right across the region. Central government tax revenues (including social insurance contributions) increased as a proportion of gross domestic product (GDP) in all the countries of Latin America other than Mexico and Cuba, rising from 19.8% to 22.6% between 2000 and 2008. In a context of economic growth, this led to a very substantial rise in public-sector resources.<sup>2</sup> The tax burden also grew in the Caribbean subregion, from 15.8% to 21.3% on average. In eight of 12 countries and territories, tax pressure increased by between 3 and 8 percentage points of GDP (see table I.1).

These strongly positive developments in the region's main economic aggregates were the context in which many countries succeeded in accelerating their progress towards the targets of the Millennium Development Goals. The last chapter of the present report (table IX.1) provides a synthesis of the region's progress towards the main targets. Nonetheless, there are certain points that reveal differences in attainment between countries. On the whole, the least-developed countries in the region have continued to lag the others, showing the persistence of the structural problems that have characterized the development of Latin America and the Caribbean.

The first thing to note is the general loss of economic dynamism in the least-developed countries. There, with the exception of Honduras and the Dominican Republic, the average annual GDP growth rate was below the regional average and considerably lower than that of countries with higher per capita incomes. Haiti, Nicaragua, Guatemala, the Plurinational State of Bolivia, El Salvador and Paraguay all grew by less than the 4.9% a year that was the regional average (see table I.1). This largely explains why these countries, which have the highest levels of extreme poverty, are the very ones that had not progressed quickly enough towards target 1.A of the Millennium Development Goals as of 2008 to achieve it by 2015. Per capita growth in these countries in the six years from 2003 to 2008 was well below the level needed to reach this target.<sup>3</sup>

Where the rise in the tax burden is concerned, while this increased the fiscal resources available and thus allowed public-sector social spending to be expanded in most of the countries, the tax structure in Latin America and the Caribbean is still characterized by major shortcomings in terms of efficiency and even more serious problems of equity. As a rule, just a third of all tax revenues collected come from direct taxes, a pattern that persisted during the period from 2003 to 2008 when the tax burden was rising. There is thus a need to move towards a more efficient taxation structure, with greater control of evasion and avoidance. Most importantly, though, this structure needs to be made more progressive, which means increasing the relative share of personal (especially income) and business taxes (ECLAC, 2010a).

A third thing that reveals differences of attainment during the 2003-2008 period is that in several countries much public-sector social spending includes social security, so that higher spending tends to benefit those higher-income sectors with access to formal employment and thence to social security coverage. The employment share of the informal sector did not change much during the recent period of economic dynamism, which shows how vital it is to move towards social security and protection systems that include a non-contributory solidarity pillar to reduce the inequalities between the different strata of the population.

This is compounded by the situation of uncertainty and the difficulties the countries will have to confront over the coming five years in consequence of the recent global financial crisis which, while it has not reversed the positive trends described earlier, does look like producing a major shift. While expectations for the coming years are not too negative where growth is concerned (it is likely to be stimulated by demand for commodities, especially from the Asian countries, although the crisis has led to uncertainties about pricing),<sup>4</sup> it is well known that when economic indicators recover, social indicators do not recover at anything like the same pace, and they will probably take much longer to return to pre-crisis levels. It is safe to say that the crisis has heightened employment problems in the region (higher open unemployment, more informal working and reduced coverage in social security systems)

<sup>2</sup> This allowed many countries to reduce their fiscal deficits, leaving a number of them better placed to cope with the crisis whose effects began to be felt in mid-2008.

<sup>3</sup> See figure II.10 in the next chapter.

<sup>4</sup> The most recent projections prepared by the Economic Commission for Latin America and the Caribbean (ECLAC) are for average regional growth of 5.2% in 2010.



and in many cases fiscal budgets have been constrained, making it harder to strengthen social policies. Furthermore, remittances from abroad have fallen and the global resources available for official development assistance (ODA) have diminished, affecting the whole region but the poorest countries most of all.

Despite these negative effects, a number of the countries were better placed than they would have been earlier to cope with the global crisis that struck from outside the region because they had more fiscal leeway and less procyclical macroeconomic management, lower inflation and a social safety net that, in some cases, has cushioned at least the worst effects of the drop in employment and incomes.

A more detailed review of what was achieved in 2003-2008, then, reveals inequality to be a core problem in the region, making it relevant to examine the different equality aspects of the Millennium Development Goals with a view to continuing the effort to adapt these to Latin America and make the evaluation of progress towards their targets meaningful. Identifying the main areas of inequality in relation to each of the Goals will provide a better idea of how successfully these are being met in the region and make it possible to single out the policy areas where public-sector action could have the most impact in terms of progress on the agenda for growth with equality and rights. Most States in the region have ratified the International Covenant on Economic, Social and Cultural Rights and must consequently comply with the obligations laid down therein. At the same time, the Millennium Declaration places its development goals within a context of human rights and the principles of freedom and equality. Accordingly, each Millennium Development Goal, target and indicator needs to be interpreted in a human rights context.

## **B. ASPECTS OF EQUALITY AND HOW THEY RELATE TO THE MILLENNIUM DEVELOPMENT GOALS**

Progress towards the Millennium Development Goals in Latin America and the Caribbean needs to be analysed in the context of proposals for the region's development made by different United Nations bodies. The Economic Commission for Latin America and the Caribbean (ECLAC) has emphasized equality as a core value on the basis that "the market/State/society equation prevailing for the past three decades has proved incapable of responding to the global challenges of today and tomorrow" (ECLAC, 2010a). Even though the region has gone through periods of some economic dynamism and has made gradual progress in improving people's living conditions, as happened in the six years prior to the global crisis, there are still large gaps as regards the exercise of rights, levels of well-being and recognition of the need for a balance between equality of opportunity and respect for differences, particularly those deriving from cultural and gender differences.

Accordingly, this second assessment of progress towards the targets of the Millennium Development Goals in Latin America and the Caribbean<sup>5</sup> has been carried out in the light of this new proposal for development in the region, arguing as it does for the need to reconcile social equality and economic dynamism, which implies a more preponderant role for the State in the coordination of market and society. The aim, then, is to respond to the recommendation, explicitly articulated in the Millennium Declaration,<sup>6</sup> that the Goals and the targets proposed should be adapted to the peculiarities of Latin America and the Caribbean, thus helping to ensure that governments incorporate the goals laid down in the Declaration into their countries' legislation and public policies and programmes.

The purpose of this first chapter, then, is to spell out the link between the Millennium Development Goals and the different dimensions of equality identified by ECLAC for a new development agenda. The thinking behind this is that, to a greater or lesser degree, achieving each of the Millennium Development Goals means addressing three basic aspects of equality: equal rights (as a normative framework for equal opportunities), the closing of divides to achieve effective equality, and consideration for the welfare of future generations in the form of sustainable development. These are the three pillars of socially and environmentally sustainable development.

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<sup>5</sup> The first was conducted by ECLAC in 2005 with the collaboration of the United Nations organizations, funds and programmes represented in the region. See United Nations (2005).

<sup>6</sup> See resolution 55/2, "United Nations Millennium Declaration", adopted by the General Assembly at its fifty-fifth session.

The change in development approach urged in this document is guided primarily by the consideration that the economic system needs to be subordinated to broad, comprehensive social objectives that allow dynamic economic growth and trade to be reconciled with environmental sustainability and satisfactory levels of welfare and social cohesion for the whole population. The targets laid down in the Millennium Declaration are the basic minimum that needs to be achieved if progress is to be made within a set time frame towards the Goals contained in that Declaration. Meeting these targets, however, does not necessarily ensure that equality, a fundamental component of the new development agenda recently proposed by ECLAC, will be achieved in all its dimensions. The principles contained in the Millennium Declaration require a more in-depth examination of the strategic areas involved in the promotion of equality, in a region that still presents the world's highest levels of inequality. It is therefore necessary to examine the different Millennium Development Goals from the perspective of equal rights, effective equality and the welfare of future generations as contemplated by Goal 7. This will make it possible to identify the challenges entailed by each of the goals, the relationships between them and the main policy areas involved.

### 1. Social inequalities: a major stumbling block to sustained poverty reduction

The **first Millennium Development Goal** addresses the need for comprehensive, effective and efficient progress in the shortest possible time towards the solution of basic human needs associated with the most extreme situations of poverty and hunger. The first target associated with this Goal (target 1.A, which is to halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day) holds a central place in the intentions that guided the Millennium Declaration, as it provides the background to all the other targets and progress towards it thus largely sums up much of what may or may not have been achieved with all the other goals. Achieving the goal of eradicating extreme poverty means satisfying people's basic needs, particularly the right to food.

Equality of rights as a basic normative framework implies, however, a minimum standard of welfare for the whole population, something that cannot be assured merely by meeting the first target, as this does not guarantee that all basic needs have been met. Consequently, the main challenge for Latin America and the Caribbean is to **steadily reduce total poverty**, whose main cause is the great inequality in the distribution of wealth and income, an area in which the need for "concrete achievements in terms of narrowing existing gaps" (ECLAC, 2010a) is especially clear, with particular emphasis on the empowerment and participation of marginalized groups. The affirmation that steady progress with poverty reduction is a core development goal is a reference to the fact that this can only be achieved by comprehensively addressing the needs and deficiencies addressed in the other Millennium Development Goals, particularly those relating to equalitarian access to high-quality education and to productive employment and decent work. This is why the present report, like that of 2005, treats the first Goal, in its application to the region, as entailing not just the eradication of extreme poverty but also the halving of total poverty by 2015, at least for some countries.

At the same time, progress with poverty reduction in many of the region's countries over the six years preceding the crisis laid bare the want that has traditionally affected specific population groups, such as female household heads, children, indigenous peoples and populations living in the least-developed territories within countries. One of the main consequences of this is that State action and public policies need to reconcile the principles of universality and solidarity<sup>7</sup> with policies and programmes designed especially to meet the needs of these disadvantaged groups.

### 2. Hunger: how inequalities prevent the right to food from being realized

Together with poverty, the first Millennium Development Goal identifies the need to **eradicate hunger** in the region. The setting of a specific target for hunger is based on the consideration that while progress towards the

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<sup>7</sup> The principle of universality means that all citizens should be guaranteed certain basic protections or benefits, in keeping with each country's level of development, that are deemed necessary for full participation in society. The principle of solidarity means that different people should participate to differing degrees in funding and drawing upon social protection benefits, depending on their economic capacity and risk level.

eradication of extreme poverty makes a central contribution to the struggle against hunger, anti-poverty efforts do not in themselves guarantee that the right to food will be realized, at least within a reasonable time period. Hunger is the result of food and nutritional insecurity and takes the form, first, of a food intake insufficient to meet energy requirements and, second, of malnutrition. This is why progress towards its eradication needs to be examined by looking at undernourishment due to inadequate food intake among both the population at large and the child population, as revealed by the prevalence of underweight children under 5 and of chronic malnutrition (stunting). In summary, this consideration requires recognition of specific hunger prevention policies to guarantee the **right to food**. This is because the eradication of hunger is the result of effective implementation of the right to food, which is enshrined in article 11 of the International Covenant on Economic, Social and Cultural Rights. This creates an obligation for countries to develop concrete, effective measures to guarantee this right without discrimination of any kind by ensuring that acceptable food is available and accessible to the population.

Apart from the fact that the existence of hunger represents a failure to honour one of the most basic of rights, it needs to be stressed that Latin America and the Caribbean is home to people who do not have adequate access to proper food when they need it and therefore suffer from food insecurity, and that the basic cause of this is not the overall availability of food in relation to the nutritional requirements of the population but the inability to meet food requirements through the market, largely because of inequality in income distribution. The result is chronic malnutrition, particularly among children from the very earliest ages, while the educational inequities that ensue tend in turn to reproduce the inequality of distribution.

In the case of hunger, inequalities are very clearly manifested in geographical segregation of the population and different levels of access to food. Information on chronic malnutrition indicates that there are major differences between different regions and zones within countries, which can be as great or greater than those between countries. The situation with hunger thus very clearly reveals how necessary it is that policies to reduce effective inequalities should take account of the specific characteristics of the different types of need in the regions and territories of countries. Although the guiding principles of policies may be similar, the territorial specificities of inadequate food access need to be considered. This is an essential part of the effort to guarantee equitable access to available food resources and progress along the path of equality in the region's countries.

### **3. Full and productive employment and decent work for all: a precondition for meeting the other Millennium Development Goal targets**

Because most family income comes from earnings in the labour market, inadequate household income and poverty are mainly caused by the inability of economies to generate enough high-quality jobs. Accordingly, progress towards targets 1.B and 1.C of the first Millennium Development Goal (eradicating extreme poverty and hunger) is closely linked to **employment**.<sup>8</sup> This new target, which is important enough to merit the status of a Millennium Development Goal within the Millennium Declaration, encompasses two of the main dimensions of equality. The first is the full application of rights, since employment is a human right that plays a key role in social integration while being vital for participation and personal meaning in people's lives. The second are the numerous divides created by the huge structural heterogeneity of the Latin American and Caribbean economies as a result of "the large productivity differences—much larger than those found in developed countries— among sectors, within sectors and among companies within a given country" (ECLAC, 2010b).

These divides are manifestations of the lack of effective equality and are to be found mainly in three vital areas: large pay differences (the main source of income inequality in the region), differences in access to social security coverage and clear deficiencies as regards respect for workers' rights and opportunities for public representation of their interests. The core of the problem is that these productivity differences between sectors or

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<sup>8</sup> Despite their importance for the attainment of most of the targets, productive employment and decent work for all were not among either the Goals or the targets contained in the Millennium Declaration approved in 2000 by 189 United Nations Member States. Only in 2008 was employment given greater importance and included in target 1.B of Goal 1, but no quantitative targets were established for the four official indicators proposed.

production strata are not only very marked but have tended to persist over time, as have the percentages of the population employed in each of the strata.<sup>9</sup>

The very nature of the problems of inequality and employment divides indicates that solving them will require action to address one of the core issues, which is the persistence of structural heterogeneity in the region's economies. Dealing with this will mean implementing public policies whose results can only be achieved over relatively long time periods. This is one of the reasons why no quantitative targets were set, by contrast with most of the other goals included in the Millennium Declaration.

Progress on employment will mean developing public policies in four main areas. First, policies to close internal and external productivity divides, operating in the areas of industrial development, technological innovation and support, financing and measures to develop less productive sectors. These are policy areas that have come to the fore because of the urgent need to begin closing the energy gap and move towards environmentally sustainable and lower-carbon production and consumption models.

A second area is that of macroeconomic policies to support growth with a view to generating more and better jobs that can absorb the growing supply of labour (now with better skills), thereby meeting the growing demand for jobs from women and young people, who have tended to be the worst affected by unemployment and low job quality, particularly in periods of global crisis like the present one.

The third area, connected to the two foregoing, is the need to build or enhance social protection networks. As well as providing for a solidarity pillar, these networks or systems need to include in their contributory component a pension system which is sustainable over time, unemployment insurance jointly financed by employers and workers, and health insurance that makes adequate provision for the main risks facing the economically active population. This sphere of social protection also includes policies to reconcile the growing participation of women in the workplace with the requirements of the care economy. Such policies are essential to address women's need for financial independence and the fact that their participation in the labour market is currently one of the main mechanisms keeping many households out of poverty, given their growing contribution to household income.

The fourth policy area relates to improvements in working skills and citizen participation and to capacity-building with the threefold purpose of raising educational standards with a view to defeating poverty in the long term, adapting educational attainments and content to the growing skill requirements of technological development, and preventing education from continuing to operate as one of the mechanisms that perpetuate inequalities originating precisely in the large divides in access to high-quality education between different social groups.

#### 4. Education: a right and a precondition for development

All the above indicates that adapting the **second Millennium Development Goal (achieving universal primary education)** to Latin America and the Caribbean will mean dealing with a much greater and more complex array of problems than that of achieving a minimum basic standard of education. Where educational equality is concerned, the third chapter of the present report addresses a number of these problems and highlights the need to adopt a rights-based approach in this area. Understanding education as a right not only gives it a status that implies progress towards legal enforceability for all citizens without discrimination, but also places it in the context of other social rights (particularly the right to health and a decent job) with which it is strongly related. Again, it highlights the fact that as well as improving factors crucial to economic development and the distribution of social welfare opportunities, education opens the way to the construction of citizenship, the promotion of democratic values and, in short, stronger social cohesion.

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<sup>9</sup> Between 1990 and 2008, taking the average for the region, the percentage employed in the high-productivity sector (mining, electricity and the financial sector) remained at about 8%, while employment in the medium-productivity sector (industry and transport) as a share of the total fell by 3 percentage points over the period and employment in low-productivity sectors (agriculture, construction, trade and community and personal services) rose from 69% to 72% (ECLAC, 2010b).

Where effective equality in education is concerned, the vision adopted by ECLAC and all United Nations organizations represented in the region stresses the need to universalize completion of the upper secondary education cycle. Given that primary education access has been almost universalized in Latin America and the Caribbean, the transmission mechanism for intergenerational inequalities has shifted towards secondary education and, naturally, higher education, and completion of secondary education is considered to be a basic precondition (or minimum educational capital) for access to jobs that pay enough to keep people out of poverty during their working lives.

Lastly, raising the requirement from completion of basic (primary) education to completion of secondary education is an adaptation of the second Millennium Development Goal that is appropriate for many countries in the region. However, the process of educational devaluation that accompanies the move towards mass provision in each cycle means that in some countries even completing the upper secondary cycle is now insufficient to provide access to jobs that pay enough to lift people out of poverty. While a number of countries are a long way from universalizing complete primary education, in others it is low education quality and the social inequalities that operate in this area, at both the primary and secondary levels, that have become the main stumbling blocks to progress towards greater effective equality.

### 5. Autonomy, participation and empowerment for women: requirements for gender equality

Where the **third Millennium Development Goal (promoting gender equality and empowering women)** is concerned, there is a particularly large gap between the formulation of the Goal and the corresponding target, which is to eliminate gender disparity at all three levels of education by 2015. States have undertaken to guarantee women's rights beyond the educational sphere. These rights are mentioned, for example, in the Convention on the Elimination of all Forms of Discrimination against Women.

This is the only goal to call explicitly for equality in an area that is crucial to the full exercise of rights: equality between the sexes. Because progress towards this cuts almost right across all the Millennium Development Goals, attaining the third Goal involves all the aspects of equality mentioned in previous paragraphs. Failure to achieve equal rights in accordance with this Goal translates more obviously into effective inequalities than is the case with the other Goals.

Consequently, the present report incorporates a much broader set of targets, the basis for which is the idea that gender equality is rooted in the concept of autonomy for women in private and public life as a fundamental goal for the secure exercise of their human rights. To address the complex interaction of the factors entrenching gender inequalities, an approach has been adopted in which three pillars of gender and citizen equality are distinguished. They are: the ability of women to generate their own income and control assets and resources (**economic autonomy**), control over their bodies (**physical autonomy**) and full participation in decisions that affect their lives and their community, i.e., **decision-making autonomy**.

Where the first pillar of gender equality is concerned, the main aspect to highlight is that equal access for both sexes to all levels of education, as per target 3.A, is a precondition for the attainment of economic autonomy by women. However, attaining it does not guarantee better access to high-quality jobs and the same pay as men. Nor does equal access to higher education for men and women assure the latter of the same opportunities to work in high-level executive positions in the public and private sectors. This restricts their capacity for participating in decision-making and makes it harder to deactivate the mechanisms that reproduce inequality between the sexes in employment.

Again, while women in Latin America have achieved greater access than men to intermediate and particularly higher education, women continue to be over-represented (albeit to an ever-lessening extent) in professions and trades involving work traditionally done by women. All this calls for affirmative action policies, particularly ones aimed at helping women into the labour market, and for strict enforcement of the principle of equal pay for men and women.<sup>10</sup>

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<sup>10</sup> The principle of equal pay for men and women has been recognized since the 1919 Treaty of Versailles, and is also found in the Preamble to the 1940 International Labour Organization (ILO) Constitution. It has since been recognized in other

One tendency that has contributed to gender inequality where economic autonomy is concerned is the increase in the incidence of poverty among women relative to men: the relative disadvantage of women has increased as the percentage of the population in poverty has diminished. The rise of female-headed households is closely connected to this. Indeed, if the gender dimension of poverty is specifically examined, a revealing paradox appears: despite the substantial and sustained reduction in poverty over the past 15 years (up to the start of the global crisis), households with female heads are still poorer than those headed by men.

Attaining gender equality means not just enforcing the rights enshrined in numerous international treaties, but developing public policies as well. Two are particularly important: those aimed at removing stereotypes regarding male and female roles at every level of the education system, and those designed to create conditions and mechanisms for replacing unpaid work, thereby doing away both with double working days and the disincentive for women to seek work and enter the labour market.

The physical autonomy aspect includes the right to live a life free of the physical, sexual and psychological violence whose main victims are women, plus issues relating to the right to sexual and reproductive health. Albeit less directly than in the previous example, failure to enforce equal rights on both issues also makes gender inequality manifest. Lack of physical autonomy often follows from a lack of economic autonomy, as is very clear in the case of physical violence against women, which is more frequent among those who do not have their own incomes and depend on a partner for subsistence.

Lack of access to sexual and reproductive health is an area that more clearly reflects effective inequality in society. This is expressed by divides in access to pre- and postnatal care, knowledge and use of modern contraceptives and differences between women in different socio-economic strata regarding unmet family planning needs. Recognition of the importance of this dimension, both for achieving access to maternal health and for promoting the physical autonomy of women, led in 2008 to the inclusion of a specific target (target 5.B) for universal access to reproductive health in the Millennium Development Goals.

The third area to which the goal of equality between the sexes relates is crucial precisely because it is the empowerment of women that opens up the prospect of achieving this equality through female participation in decision-making in critical spheres of representation, both public and private. The importance of equal participation for women in public life (the executive, parliament, political parties, local and municipal government) is emphasized because, while female participation has risen, it is still low and this is itself a factor that reproduces gender inequalities. In other words, this lack of participation makes it harder for women's interests to be expressed and embodied in laws and policies to reverse these inequalities, which are to be found in all spheres. Thus it is that **effective gender equality** finds its clearest expression in equal parliamentary representation. However, continuing male majorities here are "evidence of the need to continue developing mechanisms to reduce the entrenched obstacles that prevent women from taking on positions of political leadership. Women have yet to achieve half the level of political participation of men" (ECLAC, 2010c). Quota laws have been the main mechanism for empowering women in the public sphere, by enabling them to increase their representation in parliaments. This has also had a positive symbolic effect insofar as increased participation in high-level public affairs has helped to do away with prejudices and stereotypes.

Although the emphasis has been on participation in public affairs, and rightly so given the need to empower women, it is a fact that female access to executive positions in private-sector firms and organizations plays an important role, since this is another sphere that offers scope for changes to make it easier for women to obtain paid work outside the home, including action against pay discrimination, proper enforcement of laws on pre- and postnatal leave, and childcare facilities in the workplace.<sup>11</sup>

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international treaties such as the Universal Declaration of Human Rights, ILO Convention No. 100 and the Covenant on Economic, Social and Cultural Rights.

<sup>11</sup> The presence of women in executive positions in firms can bring about change in the "organizational culture" and prevent legislation from becoming a dead letter when, for example, it makes the provision of workplace childcare facilities conditional on there being a minimum number of female employees in the firm, thereby discouraging recruitment of women.

## 6. Priority tasks for enforcing the right to health

Goals 4, 5 and 6 of the Millennium Declaration (reducing child mortality, improving maternal health, and combating HIV/AIDS, malaria and other diseases) address the **right to health**. This is a social right whose legal basis is expressed in a number of obligations States have to fulfil in accordance with the international instruments they have ratified. In Latin America and the Caribbean, failure to enforce the right to health is often ultimately due to inequities that exist in this sphere and that are not only unnecessary and unfair, but avoidable. On the whole, when it comes to meeting this basic need there is perhaps a larger gap between legal equality and social inequality than in other instances, i.e., between the formal possession of rights and the ineffectiveness of public policies in enforcing them.

Consequently, progress towards effective equality in access to health and thorough enforcement of this right depends heavily on policies to close divides between different population groups. These divides may result from situations of geographical segregation, social exclusion of specific population groups such as indigenous peoples, and socio-economic inequalities. Such divides in access to health have become harder to close as out-of-pocket spending has increased, making income inequalities a larger factor, added to which the provision of basic health services demands large and increasing volumes of resources and a strong State capacity to provide and manage these.

The health-related Millennium Development Goals only cover **the most basic contents of this right**, in that fulfilment is related to different dimensions of well-being. The enjoyment of health —understood as a state of physical, mental and social well-being and not merely the absence of disease or infirmity— is subject to fulfilment of the right to proper food and access to sanitation, water and housing and healthy surroundings generally, so that it is closely related to the other Millennium Development Goals.

When examining inequality, it is necessary to distinguish between the Goals and targets whose aim is the realization of the right to health, as formulated in the Millennium Declaration. Respect for the basic right to life associated with the child and maternal mortality reduction targets and efforts to combat HIV/AIDS and other diseases require State policies to guarantee minimum standards and access to basic services. In countries with high mortality and morbidity rates, these policies serve to close gaps by bringing these services to groups that have been excluded as a result of inequality in its different manifestations.

In the case of the new target 5.B (universal access to reproductive health), conversely, the aim is to realize a right whose ramifications involve differences in access not just to modern contraceptives and high-quality prenatal care but also to more subjective things, reflected in the failure to meet family planning needs. State action to achieve effective equality in this case is more difficult because there are cultural and value issues at stake.

Where child mortality is concerned, State action to prevent avoidable child deaths in less-developed countries with high mortality rates requires large-scale programmes to address what are known as “exogenous causes”, since deaths tend to be concentrated in the post-neonatal stage. Among the panoply of policies to prevent death from these causes, however, it is necessary to distinguish those that involve more costly investments (basic services infrastructure, drinking water and sanitation coverage, expansion of primary health-care networks) or are longer-term in their effects (such as policies to raise mothers’ educational standards, a factor with a high impact on child mortality) from those that require the investment of more modest resources and that most countries have already implemented, such as high-coverage vaccination programmes, oral rehydration therapies and media education campaigns that can produce results over shorter time frames. It is important to emphasize that official development assistance (ODA) ought to play an important role in investments of the first type, in accordance with the general guidelines set out in this document for channelling ODA resources to middle- and low-income countries in the region.

As child mortality comes down, however, endogenous causes come more strongly to the fore. Public action in this case should address what is typically the hardest core of such mortality in more developed countries. This is neonatal infant mortality, particularly the early mortality that occurs during the first six days of life. Preventing death in these cases requires more costly and complex interventions. Nonetheless, the right to life requires that the State in less-developed countries should have policies to deal with causes of both types, and progress with mother

and infant health programmes based mainly on primary care and medical check-ups for healthy children should also form part of the strategy for achieving a rapid reduction in child mortality.

Emphasis should also be put on the link that exists between child mortality reduction targets and the target of universal access to reproductive health. A number of child mortality risk factors (particularly during the perinatal and neonatal period) relate directly to the mother's reproductive health. Children whose mothers are adolescent (particularly if they are under 18) or over 40 and whose birth is separated from the previous one by a short interval are more likely to die. These risk factors are more common when fertility is high or there is little access to family planning services. In this field, access to modern contraceptives and measures of all kinds to meet family planning needs contribute to faster progress in reducing child mortality.

Maternal mortality and the morbidity associated with its determinants are serious public health issues that reflect some of the deepest inequalities in living conditions. Women in low socio-economic groups are the worst affected because of their limited access to comprehensive, high-quality health services and the shortcomings of health policies targeted at sexual and reproductive health care. With maternal mortality, access is once again an issue but so is service quality, since while a very high proportion of births are attended by skilled personnel in most of the region's countries (some 90% or more), this achievement has not always ensured a reduction in maternal deaths. Thus, as well as increasing coverage, it is necessary to raise the quality and effectiveness of health services.

Where efforts to combat HIV/AIDS are concerned, inequalities are expressed not only in disparities in access to treatment, prevention and care services, but also in the discrimination and stigmatization that affect those living with HIV, particularly men who have sex with men, sex workers, transgender individuals, drug users, immigrants and persons deprived of liberty. The complexity in this case comes from the need to implement strategies combining biomedical interventions with others designed to change people's behaviour. This is why achieving effective equality in this area entails not just increased financial resources but greater political commitment too, as well as more thorough knowledge of the infected and at-risk population and the mechanisms whereby the disease is transmitted.

## 7. Changing production and consumption patterns to achieve environmentally sustainable development

The **seventh Goal** of the Millennium Declaration is to **ensure environmental sustainability**. Today more than ever, as a result of climate change and the systematic degradation of ecosystems and biodiversity, it is impossible to conceive of an inclusive economic and social development strategy without also contemplating the implementation of public policies and programmes to respond effectively to present human needs without destroying the capacity of the environment to meet these needs in the long term. Accordingly, **solidarity with future generations** needs to be placed at the heart of the equality agenda, and this means substantive alterations to today's production and consumption patterns and greater regulation of activities that contribute to the destruction of the environment.

Although this is a global concern, there are certain specific features and urgent problems to be addressed in Latin America and the Caribbean. The region's economies are characterized by their close connection to the environment, since the production activities that predominate in the region are natural resource-intensive and are thus affected by damage to ecosystems and biodiversity, particularly if proper management practices are not followed. Furthermore, growing demand for natural resources and energy is now accompanied by greater uncertainty about their availability, largely because of the effects of climate change. Fossil energy sources, which are heavily used in the region, tend to generate environmental problems and are contributing to climate change, albeit marginally when compared to other regions. Consequently, the transition to economies that produce fewer carbon emissions and use less fossil energy is a fundamental pillar of sustainable development.

Because of this, the environmental sustainability of development can no longer be treated as an aspiration for the future that can only be afforded once the basic needs of the population have been met. On the contrary, the sustainable development paradigm needs to have a central place on the development with equality agenda, since what is at issue is not just the intrinsic value of ecosystems and biodiversity, but also their importance to the other



components of human welfare. Consideration should be given to including environmental sustainability in the Millennium Declaration, with targets covering the incorporation of sustainable development principles into national policies and programmes, the slowing of biodiversity loss, reduction of the number of people without access to drinking water and sanitation, and better lives for the inhabitants of marginal areas (shanty towns). These targets would have strong synergies with the other Goals, especially the reduction of extreme poverty in the case of the last targets mentioned.

From an equal rights perspective, sustainable development thinking emphasizes the realization of certain rights that are fundamental to the promotion of a good quality of life in healthy surroundings, particularly for those more vulnerable and deprived groups that tend to live in conditions of geographical segregation and without access to basic services. Also being considered is the need to improve accountability systems and guarantee access to information on environmental matters for the whole population. Among the rights directly linked to the seventh Millennium Development Goal are: the right to environmental health, the right to water and sanitation, and the right to housing (all of which derive from the International Covenant on Economic, Social and Cultural Rights and are additionally provided for in numerous national constitutions and laws). Thus, extending and improving drinking water and basic sanitation services and improving quality of life in deprived areas requires effective State action to ensure that these rights are given effect.

The challenges thus associated with the development of social inclusion policies are particularly important in Latin America and the Caribbean, as the region has the highest levels of urbanization in the developing world but also a high degree of geographical segregation that expresses and at the same time reproduces social inequalities. Many of the region's cities, and major conurbations in particular, are characterized by residential segregation whose distinctive feature is the concentration of the poor on the city outskirts, where they suffer from lack of access to basic services and major difficulties of connectivity with the rest of the city, mainly because of transport costs (ECLAC, 2010b). There is consequently a need to develop territorial convergence policies to promote social inclusion of poor and vulnerable groups through more appropriate urban land use systems and improved provision of basic services for the whole population.

Again, while the deterioration of ecosystems is bad for the whole population, not just in the present but in the long term as well since it undermines the development opportunities of future generations, major social inequalities are manifested in this area too. It has been shown that the poorest are those who suffer most from environmental damage, since in a number of the region's countries the lack of resources has led to their progressively occupying marginal land where they not only inhabit makeshift urban settlements, but intensify land degradation and desertification by their presence. This is compounded by lack of access to drinking water and basic sanitation services, which not only increases infection and disease, but creates problems for progress with other aspects of human welfare, such as access to education and the empowerment of women.

To summarize, the seventh Millennium Development Goal articulates the different dimensions of equality that have been mentioned here and reaffirms the importance of taking a longer-term view of the equality agenda to preserve the environmental conditions future generations will need for inclusive economic and social development. An essential part of this is to move towards the effective incorporation of sustainable development principles into national policies and programmes, strengthening the resources and political capabilities of the institutions created for this purpose, while also (and especially) moving towards a development model that not only includes the external costs of environmental degradation and the external benefits of activities that do not harm ecosystems, but is based on lower-carbon production and consumption patterns that promote what is known as "green enterprise".

In short, this is a strategic area for a development with equality agenda in the region's countries, since "this shift could have major impacts from the point of view of equality and production convergence, inasmuch as it would imply providing better-quality public services, which are essential well-being tools for the most disadvantaged strata" (ECLAC, 2010b).

## 8. The global partnership for development: the gap between commitments and reality

The eighth Millennium Development Goal establishes the general conditions for the creation of a **development partnership between countries**. Thus, for one thing it specifies a number of commitments needed from developed countries to support the efforts of developing ones. For another, it establishes some guidelines for correcting international trade asymmetries by helping the least-developed countries to participate fully and sustainably in international trade and finance.

Thus, Goal 8 of the Millennium Declaration seeks to **correct inequalities between countries** via the development of a fair, open trading system with clear and predictable rules for all, increased ODA for the poorest countries and measures to give the least-developed countries access to the new information and communication technologies that are now indispensable for full participation in the “knowledge society”. The aim of this last measure is to close the “digital divide”, both in its external aspect (inequalities in technology access between countries with different levels of development) and within countries (between different population groups).

Where **market access** is concerned, despite having considerably improved its access to major markets through trade agreements, Latin America and the Caribbean still faces major domestic constraints that are preventing the region from participating more fully in international trade. These include inadequate information about trade opportunities, excessive bureaucracy for exporters and importers, inadequate financing for small and medium-sized enterprises (SMEs) and logistical and infrastructure problems. The aim of the Aid for Trade initiative that arose in 2005 under the auspices of the World Trade Organization is precisely to deal with these constraints.

The continuation by developed countries of high levels of tariff protection in sectors of particular concern to Latin American and Caribbean exporters, particularly agriculture, has created **a core of inequality in access to international trade**. Likewise, non-tariff barriers such as rules of origin and strict sanitary and technical standards can prevent the region’s exporters from taking advantage of the tariff preferences available to them, something that also places the region at a disadvantage. Indeed, while the level of assistance developed countries provide to their farm sectors has diminished of late, it is still high both in absolute terms and in relation to the ODA provided by these countries. These subsidies are still distorting competition in international markets in a sector that is of particular importance to Latin America and the Caribbean because of the large share of export revenues it accounts for.

The preferential tariffs applied by developed countries to imports from developing ones are largely explained by the commercial interests of the developed countries themselves. In the case of farm produce, the export profile of developing countries tends to be dominated by so-called tropical products, which do not usually compete strongly with the agricultural output of developed countries. This accounts for their low most-favoured-nation and preferential tariff levels. Conversely, the export profile of Latin America and the Caribbean is more weighted towards temperate agriculture, which competes more with the output of the industrialized countries, explaining the higher tariffs (both most-favoured-nation and preferential) the region has to cope with there.

The reason it is so important to deal with these inequalities is that, for all that it declined sharply in 2009 as a result of the crisis, international trade will continue to be a source of opportunities for economic growth and sustainable development in the region in the medium and long term, especially if the quality of its interaction with the world economy can be improved. Despite progress with market access, the region still needs to make the transition from a pattern dominated by inter-industry trade and based on exports of natural resources with a low level of processing to one of increasing participation in intra-industrial global value chains. To achieve this, the great challenge is still to progress towards greater production and export diversification by strengthening the links between export and production development and by incorporating more know-how and technology into exports. In addition, Latin America and the Caribbean should take a far more proactive and coordinated approach to its relationship with Asia, the region expected to be the most dynamic in the global economy over the coming decades. There is also the urgent need to incorporate the issue of environmental sustainability, including climate change, into national and regional growth, competitiveness and innovation agendas.

Lastly, the financial and economic crisis, whose epicentre was the United States, was transmitted to the real economy of Latin America and the Caribbean via a number of channels that obstructed the region's access to international markets. In late 2008 and the first half of 2009, the value of the region's exports fell at an annualized rate of some 25%, chiefly because of lower commodity export prices. At the same time, as a result of the same crisis, a large number of countries, both developed and developing, have adopted measures with an anti-trade impact, reflecting the emergence of protectionist signals.

In summary, the rise in protectionist pressures since late 2008 implies that the gap between reality and the goal of creating a predictable and non-discriminatory rules-based international trading system has widened since the global crisis broke out. Despite an incipient recovery in the global economy, this gap could continue to grow over the coming months if high unemployment persists in the industrialized countries and these try to address the problems of competitiveness associated with efforts to combat climate change by means of unilateral actions with a punitive intent. All this would be highly damaging to developing countries, including those in the region. A rapid conclusion to the Doha Round could be very helpful in reversing this negative tendency and promoting more equitable access to international trade.

Levels of official development assistance (ODA), financing in the form of donations or soft loans whose **goal is to help deal with the problems and meet the needs of developing countries, thereby reducing global disparities and inequities in the interests of solidarity**, are still well below the agreed target. As early as 1970, a resolution by the United Nations General Assembly called for donors to spend 0.7% of gross national income on ODA. This commitment was endorsed on a number of occasions, notably at the International Conference on Financing for Development held in Monterrey, Mexico in 2002. Currently, however, ODA amounts to less than half this figure and has declined. Despite a modest increase in the wake of Monterrey, the financial resources needed to fulfil this commitment have yet to be mobilized.

Furthermore, the logic of ODA allocation by donor countries and multilateral institutions has shifted over the past two decades, and one major change is that a higher proportion is being channelled towards economies classified as low-income (including countries classed as least developed) to the detriment of middle-income economies. This trend has intensified since the late 1990s. Thus, the share of total ODA going to Latin America and the Caribbean fell from 9% in 1990 to 7% in 2008.

Considerations of greater equity and efficiency in the allocation of ODA indicate that per capita income in the countries should not be the main or sole criterion for allocating ODA. If the needs of countries were judged by the relative and absolute size of their populations in extreme need,<sup>12</sup> and if ODA were to be put into productive investment and not just welfare-type assistance, then a number of countries in the region ought to receive much larger shares of these flows.

Given all the above, it would be natural for ODA to be allocated in accordance with a logic of specific country needs in both medium-high- and medium-low-income countries, and to be directed to the worst-affected sectors within these.

What matters is not only the volume of ODA received, however, but the form it takes. In some cases, a large proportion of ODA received by the countries has taken the form of action on their external debt (such as debt forgiveness) rather than fresh funding for other sectors. The corollary of this is that there is less ODA for social services and social infrastructure.

Although channelling ODA into social sectors and directly to areas associated with the Millennium Development Goals is obviously essential if the Goals are to be met, the importance of assisting production sectors and others with strong job creation potential should not be overlooked. ODA resources should be allocated following a strategy that focuses not just on the social sectors but also on those sectors that have a large multiplier effect. Thus, for example, ODA devoted to trade (aid for trade) is designed to enhance the countries' capabilities so

<sup>12</sup> For example, the incidence of poverty in Latin American countries classified as having medium-low incomes is between 15% and 35%, and even some with medium-high incomes have poverty rates as high as 20% or so.

that they can reap the greatest benefit from the funding available and make an impact not just in the short term but in the medium and long term as well.

For progress towards the Millennium Development Goals, it is not enough just to increase resources. Their efficiency and effectiveness also need to be enhanced, and this requires a balanced allocation of ODA to production and social sectors and enhanced institutional arrangements to coordinate efforts and interests and achieve the goals laid down in the Millennium Declaration agenda.

Where **debt sustainability and relief** are concerned (target 8.D), the external debt dynamic of the Latin American countries has evolved positively since 2002, so that by 2008 external debt averaged about 32% of gross national income, the lowest figure since 1990. Furthermore, both debt service and interest payments as a proportion of exports also dropped to their lowest levels in 2008. Total external debt in the Caribbean subregion likewise underwent a change in tendency in the early years of the present decade, although total debt in relation to gross national income returned to levels similar to those of the second half of the 1990s (some 67%). The debt service dynamic has been more irregular in recent years, averaging 12% of exports between 2000 and 2008, while interest payments were more stable at an average of 5% of exports in the same period.

It should be noted that only five countries in the region (Bolivia, Guyana, Haiti, Honduras and Nicaragua) have signed up to the joint World Bank and International Monetary Fund (IMF) Heavily Indebted Poor Countries (HIPC) initiative. This initiative was created in 1996 with the intention of ensuring the long-term sustainability of external debt and reducing poverty in the poorest and most heavily indebted countries, on condition that they undertook major macroeconomic adjustment programmes and structural reforms. While Haiti qualified for the debt relief programmes in 2006, the other four reached the “decision point”<sup>13</sup> in 2000. As in the rest of the region, then, debt level indicators in these countries have evolved favourably. With the exception of Haiti, total debt as a share of gross national income began to fall substantially once the countries entered the programme, especially in the cases of Guyana and Honduras. Much the same occurred with debt service as a share of exports.

While relief programmes have certainly played their part in improving the external debt conditions of the countries joining them, they are not the only factor. In 2002-2008, the region's countries generally experienced high rates of economic and reserves growth, accompanied by domestic macroeconomic policies that improved both their domestic and external debt positions.

Regarding **access to new information and communication technologies (ICTs)** (target 8.F of the eighth Millennium Development Goal), lastly, the key issue is the extent to which the countries benefit from these technologies and the particular conditions under which they make the transition to the information society, i.e., the advances, difficulties and challenges that arise as they are incorporated fully into this society through the spread of the productive and social benefits associated with access to and use of the technologies characteristic of the so-called digital revolution.

The degree to which a country's information and communications infrastructure is developed is a cross-cutting determinant of its ability to carry out all activities involving information sharing and management, from those oriented towards production to those of a social character that centre on improving people's quality of life and human capital formation. ICTs have a strong impact on the production, education and health sectors, among others, which means that access to and use of these technologies can provide new opportunities not just for employment but also for social interaction and integration. In other words, ICTs have a contribution to make to the economic and social development of the region's countries and thus to the entire effort to attain the Millennium Development Goals and deal with poverty and inequality.

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<sup>13</sup> To get to the “decision point”, a country must have a track record of economic stability, have prepared its provisional Poverty Reduction Strategy Paper and have paid off any debt arrears. At this point, World Bank and IMF officials carry out a loan-by-loan analysis of the sustainability of the debt to determine the country's level of indebtedness and the amount of debt relief it needs to receive.

As ICTs become more important in every area of society but do not become equally accessible to all, a **new form of social exclusion** known as the digital divide appears. This divide needs to be narrowed because access to ICT infrastructure is a basic prerequisite for using the information and innovation available in today's society, so that heterogeneous and unequal access leads to inequalities within and between societies, thereby affecting the scope for equitable development. In summary, **the digital divide does not just reflect economic, geographical, social and cultural inequalities, but further exacerbates them.**

To ensure the effective spread of the economic and social benefits associated with ICTs, it is necessary not only for people to have access to them (access divides) but for high-quality access to be available on equitable terms (quality divides) and for these technologies to be used efficiently by being incorporated into both production and social activities, for example, within a public policy management framework (usage divides). It is important to emphasize this multifaceted character of the digital divide, because it is a constantly moving target: those who already have access to a technology have the readiest access to the next innovation, so that the frontier of the divide is continually shifting forward.

This is particularly important for the countries of Latin America and the Caribbean, since whereas they have caught up to some degree with the developed countries over recent decades as regards access to telephone lines, mobile telephony and Internet connectivity, the gap has actually widened for new technologies with better transmission quality, such as broadband Internet.

The following chapter examines progress in the region with extreme poverty and hunger (targets 1.A and 1.C of Goal 1), after which the third chapter discusses the new target 1.B relating to full and productive employment and decent work for all.

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### Quotation appearing on back cover

Ban Ki-moon, Secretary-General, opening remarks at the launch of the *2010 Millennium Development Goals Report*, 23 June 2010.

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### Notes and explanations of symbols

The following symbols have been used in this study:

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

A minus sign (-) indicates a deficit or decrease, unless otherwise indicated.

A full stop (.) is used to indicate decimals.

Use of a hyphen between years, e.g. 2000-2002, signifies an annual average for the calendar years involved, including the beginning and ending years.

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

Figures and percentages in tables may not necessarily add up to the corresponding totals due to rounding.

In this publication, the term “country” is used to refer to territorial entities, whether these are States as understood by international law and practice or simply territories for which statistical data are maintained on a separate and independent basis.

The boundaries and names shown on the maps in this document do not imply official endorsement or acceptance by the United Nations.



# MILLENNIUM DEVELOPMENT GOALS

ACHIEVING THE MILLENNIUM  
DEVELOPMENT GOALS WITH  
EQUALITY IN LATIN AMERICA  
AND THE CARIBBEAN:  
PROGRESS AND CHALLENGES



UNITED NATIONS



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## FOREWORD

In accordance with the guidelines handed down by the Secretary General and the United Nations General Assembly following adoption of the Millennium Declaration in September 2000, all the United Nations bodies with operations in Latin America and the Caribbean have, from their respective perspectives and mandates, sought to assist the countries of the region in fulfilling the Millennium Development Goals by 2015.

Within the framework of the Regional Coordination Mechanism, the Economic Commission for Latin America and the Caribbean (ECLAC) and the United Nations specialized agencies, funds and programmes have prepared various proposals and reports that provide a common vision of the problems facing the countries in their efforts to advance with the development agenda and to formulate policy guidelines and concrete proposals that help to overcome these problems, bearing in mind the specific realities in the different countries of the region.

The first regional report, which represented the first phase of this joint study was entitled: *The Millennium Development Goals: A Latin American and Caribbean Perspective* and was published in September 2005 at the meeting of the United Nations General Assembly. Since that date the document was adopted by the national authorities and agencies as the conceptual framework for their operational actions in the context of the United Nations Development Group. In response to their appraisal, the United Nations system in the region has continued to promote activities for monitoring fulfilment of the Goals.

More detailed, specific reports have been prepared on each of the internationally agreed development goals contemplated in the Millennium Declaration. Since 2006, four documents were prepared on the Goals and targets relating to gender equity, the right to health, environmentally sustainable development and the need to generate productive employment and decent work.<sup>1</sup>

This regional inter-agency report, which was started in August 2009, is a second comprehensive assessment of the region's progress towards the Millennium Development Goals. With ECLAC as the coordinator, this study, like the 2005 report, was prepared with the close collaboration of 17 agencies: Office of the United Nations High Commissioner for Human Rights (UNHCHR), International Labour Organization (ILO), Food and Agriculture Organization of the United Nations (FAO), United Nations Educational, Scientific and Cultural Organization (UNESCO), Pan American Health Organization/World Health Organization (PAHO/WHO), World Tourism Organization (UNWTO), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), Office of the United Nations High Commissioner for Refugees (UNHCR), United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA), World Food Programme (WFP), United Nations Human Settlements Programme (UN-Habitat), United Nations Development Fund for Women (UNIFEM), Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Office for Project Services (UNOPS) and Office for the Coordination of Humanitarian Affairs (OCHA).

The joint work and exchange of ideas throughout the preparation of the document enabled the agencies to make substantive contributions from their respective areas of specialization and in each of the chapters, which revealed the synergies between the different Millennium Development Goals. In this way, it has been possible to include the most up-to-date information on the different Millennium indicators and to construct databases for evaluating progress and lags in the region in relation to each of the goals.

The preparation of this second report coincided with that of the ECLAC session document entitled: *Time for Equality: closing gaps, opening trails*, which was presented in Brasilia at the thirty-third session of the Commission, which took place from 30 May to 1 June 2010. The central idea underlying this document is that social equality and economic vibrancy which transform production patterns are not mutually exclusive and that the major challenge for the countries of the region is to find synergies between these two fundamental dimensions of development. This assertion is based on the conviction that "the market/State/society equation prevailing for the past

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<sup>1</sup> These inter-agency reports and other publications on the different Goals may be viewed at the Commission's webpage on the Millennium Development Goals: <http://www.eclac.org/mdg/>.



three decades has proved incapable of responding to the global challenges of today and tomorrow” ECLAC, 2010b).<sup>2</sup> In this way, the first regional UNDP report on human development in Latin America and the Caribbean, *Actuar sobre el futuro: romper la transmisión intergeneracional de la desigualdad* maintains that it is not sufficient to tackle poverty: the focus must be on eliminating inequality. These two reports argue that the region’s political priority must be to reduce inequality through policies that break down the mechanisms that perpetuate it. Such policies would include redistribution strategies, improving the quality and efficacy of political representation, consensus-building, fiscal reform and policies that give hope to the most underprivileged groups in society.

The consensus emerging from this vision of development resulted in more weight being given in the document to the issue of equality in all its different dimensions: equality of rights —as the normative framework for equal opportunities— reducing gaps in order to achieve effective equality and consideration for the well-being of future generations through sustainable development. The latter refers to the dimension of intergenerational equality which calls for structural changes in patterns of production and consumption and in public policies.

With respect to the first dimension, an explicit effort was made to include the rights perspective in the document. The contributions of the Office of the United Nations High Commissioner for Human Rights (UNHCHR) were instrumental in achieving this. As indicated in chapter I, this rights perspective compels us to consider equality in terms of guaranteeing minimum criteria for the entire population in respect of each of the dimensions of well-being contemplated in the Goals.

Bearing in mind that Latin America is still the region with the most acute income inequalities in the world, this report underscores the need to take steps to close the gaps that exist in various dimensions in all countries in the region and which result in the exclusion of indigenous peoples, in instances of territorial segregation, in inequality between the sexes and in socio-economic inequalities in general. All of these inequalities are a consequence of inherited inequalities as well as the main mechanism whereby they are passed on from one generation to the next.

The second thread running through this document concerns the six-year period 2003-2008, which was characterized by an accelerated pace of progress towards fulfilment of the Goals thanks to high economic growth, a moderate reduction in the high levels of income inequality and a sustained increase in social public spending, aided in most countries by more abundant fiscal revenues. The macroeconomic policies implemented in that period were geared towards reducing fiscal deficits and funding social programmes, which helped in varying degrees to speed up progress towards the Millennium Development Goals.

The complex situation ushered in by the global crisis put paid to this boom period and the pace of progress it had sustained. The drastic change in external conditions observed in 2008 and the different scale of the repercussions in different countries make it difficult to project medium-term scenarios and unrealistic to imagine that the pre-crisis trends could be prolonged up to 2015. In the next five years, shortage of liquidity at the international level, weaker inflows of official development assistance and the contraction in external demand due to constraints in the developed countries will hamper progress towards the targets. The prospect of attaining the Goals agreed in 2000 and of enforcing the rights contemplated in the global development commitment embodied in the Millennium Declaration is becoming increasingly uncertain.

For the above reasons and since the full impact of the crisis, especially on extreme poverty and hunger, was not known at the time of writing, caution must be exercised in reviewing progress up to 2008. The more uncertain outlook means that equality must be the central concern in the development agenda and that the region must consider forging closer trade ties with other international partners on the basis of environmentally sustainable development. At the same time it must advance unreservedly towards more effective South-South cooperation.

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<sup>2</sup> See the document at <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/publicaciones/xml/0/39710/P39710.xml&xsl=/ps33/tpl/p9f.xsl&base=/ps33/tpl/top-bottom.xsl>.

The development prospects of the countries of the region are contingent on fulfilment of the Millennium Development Goals and targets. We at the United Nations have put our heart into monitoring advancement of this cause and proposing alternative public policies for addressing the difficulties inherent in the challenge. It is therefore with great pride that we submit this Report 2010, which, we are sure, will be a valuable input for our countries.

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## INTRODUCTION

### **LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS AND MAIN CONCLUSIONS OF THE REPORT**

The assessment based on the review of progress in Latin America and the Caribbean in meeting the various targets of the Millennium Development Goals is by no means overwhelmingly optimistic, nor is it, as is often the case, completely pessimistic. The overall results are positive and suggest that the region as a whole has made significant strides towards some targets, but the situation varies considerably from one country to the next. These findings reflect essentially the increasing ownership of the Goals by Governments and their gradual adjustment to the realities in each country; they also reflect the efforts deployed by Governments when conditions were favourable, that is, during the boom years that preceded the crisis. The region's achievement is clearly in contrast with the scant effort made by the developed countries to live up to their commitments by releasing funds for official development assistance (ODA).

Other results of this review raise doubts as to whether most countries will manage to fulfil the different targets. Indeed, some will be far from achieving them if the pace of progress towards 2008 does not pick up. Notwithstanding the significant advances made by others, these countries will, as the year 2015 draws near, continue to show considerable lags. This is clear from the very high level of extreme poverty recorded in the least developed countries of the region. Indeed, between 1990 and 2008, some of the countries of the region with the lowest per-capita income had progressed more slowly than the relatively more developed countries. Another source of concern is the fact that, in five of the seven countries with the lowest per capita income in Latin America, the pace of progress with respect to Goal 2 —achieve universal primary education- has been so slow that they will be unable to reach this basic target by 2015. In both cases, the results are not reflected in the aggregate regional figures owing to the heavy weighting attributed to Brazil and Mexico, the most populous countries in the region.<sup>1</sup>

In light of the general framework of the region's agenda for development with equality, of which the strategic objective is "that we must grow to equalize and equalize to grow" (ECLAC, 2010b),<sup>2</sup> the different dimensions of inequality take on varying degrees of importance in the different countries of the region depending on their level of development. Thus, once the lags have been assessed, the policy guidelines for overcoming them are established in the report with due regard to each country's per capita income level. In other words, while these dimensions of inequality are present in all countries, in some the challenge of social inclusion urges a faster pace of progress towards fulfilment of the targets of the Millennium Development Goals and guarantee of minimum levels of well-being. This is the case of the least-developed countries, where, notwithstanding the progress achieved since 1990, very high levels of extreme poverty still persist. Since the guarantee of rights is equally important, effective inequalities existing in countries with medium and high levels of development in the region must be addressed as a matter of urgency in order to progress towards fulfilment of the Goals. Inequalities between different groups and strata of the population show up clearly in the labour market and in education and must be eliminated bearing in mind that a good education is a right and a prerequisite for access to quality jobs. Given the relative importance of overcoming the different forms of inequalities within countries, the latter are ranked on the basis of their level of relative development and this ranking is used for the organization of statistical information as well as for monitoring progress towards the Goals.

Based on this approach and a review of recent trends, the following broad conclusions and policy guidelines are presented, together with an assessment of the successes and lags recorded by the Latin American and Caribbean countries with respect to the different Goals:

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<sup>1</sup> Clearly, nor are these findings evident in world assessments of the progress attained by the different regions of the globe, which naturally mask huge differences between the countries that comprise them.

<sup>2</sup> Economic Commission for Latin America and the Caribbean (ECLAC), *Time for equality: closing gaps, opening trails* (LC/G.2432(SES.33/3)), Santiago, Chile, June 2010.

- The importance of **overcoming poverty in a sustained manner**, bearing in mind the strategies and policies geared to the effective social inclusion of excluded and vulnerable groups, above and beyond providing goods and services for satisfying their basic needs. To this end, public policies, without neglecting the necessary social programmes that target the most disadvantaged strata and while seeking to enhance their efficiency and efficacy, should follow a universalist and solidarity-based (non-contributory) approach to social protection and social security systems. This is a central component of the public policies designed to break down the mechanisms through which inequality is passed on from one generation to the next. In this framework, it is crucial not only to generate productive, decent employment but also to promote access to, and the effective completion of, the different levels of education, which are a passport out of poverty; above all, equal access to good-quality education must be guaranteed at the same time as its positive synergies with the dynamic and emerging demands of the labour market in the region.
- Given their relevance for sustainable poverty alleviation and for providing the population access to production networks and social security, **decent, productive employment** is central to the promotion of an agenda for development with equality. On the one hand, it will be necessary to promote strategies for productive convergence so as to reduce wage and job-quality disparities between the different production strata in Latin American and Caribbean economies. On the other hand, and as a substantive precondition for the above, steps must be taken to generate decent employment and to promote the effective respect of participation and collective-bargaining rights enshrined in international agreements; in addition, forums for social dialogue between stakeholders in the labour world must be strengthened so that productivity gains go hand in hand with social protection and benefits for workers.
- The countries in the region must develop policies and programmes that enable them to **reverse, in the shortest possible time, the loss of environmental resources and the degradation of ecosystems**. While climate change is an extremely important phenomenon and warrants specific policies, the core issue environmentally sustainable development is inseparable from the need to halt the loss of biodiversity associated with some of the main economic activities conducted in the region. Thus, ultimately, steps must be taken to bring about a structural change in production and consumption patterns, so as to move towards a “green economy” which can reverse the degradation of ecosystems and the depletion of non-renewable resources. All of this requires, awareness among private stakeholders and civil society, and a more robust State endowed with effective regulatory instruments and whose national policies and programmes embrace the principles of sustainable development.
- This report underscores the need to do away with gender-based inequalities in order to pursue a development agenda that incorporates not only the principle of equality but also the value of difference which permits **the establishment of affirmative action for eliminating gender-based inequities and discrimination**. Public policy in this area must be geared to three complementary directions. First, it must seek to achieve the effective economic autonomy of women by promoting non-discrimination in the labour market as regards access to employment as well as wages and job quality. Second, physical autonomy must be guaranteed; this is closely linked to the elimination of violence against women in all its forms and to the fulfilment of new target 5B on access to sexual and reproductive health. Lastly, a crucial objective is that of empowering women through effective participation in different decision-making spheres, both in the private sector and in government agencies. Quota laws must continue to be implemented since they are crucial for raising women's participation in national parliaments.
- Access to information and communications technologies (ICTs) have been shaping a new sphere in which inequalities between and within countries are becoming evident. The fact that certain sectors of the population do not have access to these new tools or, if they do, face clear differences in quality gives rise to a new form of social exclusion: the “digital divide”. In order to achieve **effective and egalitarian dissemination of the economic and social benefits of ICTs in the framework of the “knowledge society”**, policies are needed that guarantee universal access, together with equity in terms of ICT quality and promotion of ICTs particularly in education and the different levels of e-government (central, regional, provincial and local).

- Lastly, the report underscores the importance of forging a social covenant in the countries of the region to advance in this new development agenda and to fulfil the Goals with equality. This partnership between key social and political actors should generate the minimum conditions for a fiscal covenant for equitable distribution which will help to boost fiscal revenue and, hence, strengthen the capacity of the State to **guarantee universal access** to basic levels of well-being and move towards closing social gaps. Thus, towards the end of chapter IX, the authors point out that Latin American and Caribbean countries do not all have the same capacity to generate sufficient funds on the basis of this fiscal covenant. Indeed, the lower-income countries will depend on ODA flows to supplement these funds.

## STRUCTURE OF THE DOCUMENT

Like the assessment done in 2005, this second regional report follows the order set out in the Millennium Development Goals, which derive from the Millennium Declaration, for each of the Goals and their respective targets. Chapters II and VIII address the different Goals. Chapter III, in particular, focuses on the new target relating to achieving full and productive employment and decent work for all, including women and young people, given the central role that such employment and work will play in promoting development with equality. Meanwhile, chapter VI presents the set of Goals (4, 5 and 6) relating to the right to health.

Chapter 1 presents the overall context in which the recent progress by the countries of Latin America and the Caribbean towards fulfilment of the Goals has taken place, and points to the linkage between these and the different dimensions of equality contained in the new agenda for development proposed recently by the Economic Commission for Latin America and the Caribbean. Lastly, chapter IX recapitulates the progress achieved in the region towards fulfilment of the principal Millennium Development Goals and presents some policy guidelines for moving forward decidedly towards the 2015 deadline. Emphasis is placed on the need to forge a fiscal covenant for redistributive equity that will place the value of equality at the heart of development policies in the countries of the region.

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## Chapter II

## ERADICATE EXTREME POVERTY AND HUNGER: AN URGENT TASK

## A. PROGRESS TOWARDS ERADICATING EXTREME POVERTY

Goal	Target	Indicators
<b>Goal 1</b>	<b>Target 1.A</b>	<b>1.1</b> Proportion of population below US\$ 1 (PPP) per day
Eradicate extreme poverty and hunger	Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	<b>1.2</b> Poverty gap ratio <b>1.3</b> Share of poorest quintile in national consumption

By late 2008, Latin America had progressed 85% of the way towards fulfilling target 1.A of Millennium Development Goal 1. Despite the uncertainty and volatility prevailing across the region since then, Latin American countries as a whole could still attain the target. In fact, three countries (Brazil, Chile and Peru) have already done so.

The chances of halving total poverty in the region seem more remote, however, since 18 of the 25 years (72% of the time allotted) have elapsed, and only 63% of the gains needed to attain this target by 2015 have been achieved.

Nonetheless, the progress made and the possibilities for halving extreme poverty vary greatly between countries; and at least four of them (including three with lowest per capita incomes) are unlikely to attain the target, while in many others (Guatemala, Honduras, Nicaragua, Paraguay and the Plurinational State of Bolivia) the proportion of people living in extreme poverty will still be very high (close to 20% or above) even if they achieve target 1.A of Goal 1 by halving it from its 1990 level.

Moreover, all countries have population groups that are being left behind in the poverty-reduction process, particularly children, women and indigenous peoples, thereby accentuated the glaring inequalities that characterize Latin America.

It is crucial and urgent for the region to make greater efforts to raise living standards among the poorest groups. For that purpose, policies to reduce extreme poverty should not be limited to monetary transfers, but also need to address the multi-dimensional needs and deficits that are covered by the other Millennium Development Goals, particularly policies to achieve the target of full and productive employment and decent work for all.

## 1. Introduction

Target 1.A of Goal 1: “Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day”, addresses the extreme deprivation affecting people’s basic capacity to participate adequately in society. This target has a key place in the Millennium Development Goals, because extreme poverty<sup>1</sup> is closely related to deficiencies such as malnutrition, mortality, lack of education and poor access to water and sanitation, among others, which are reflected in the other targets. Moreover, the targets set for the eighth Millennium Development Goal call for policies to alleviate extreme poverty by increasing the region’s in official development assistance, together with greater and more equitable access to international markets.

<sup>1</sup> As noted below, this report prefers to use measures of extreme poverty and total poverty based on the cost of purchasing basic country-specific shopping baskets, instead of the dollar-a-day threshold (see box II.2).

This report firstly describes past experience in reducing extreme and total poverty, both in the aggregate and at the country level. Until 2008, Latin America as a whole was making sufficient progress to attain target 1.A, although several countries were lagging far behind. Poverty reduction has been assisted by a number of factors, some of which are discussed briefly below; but the trend of poverty has not benefited the whole population equally, as children, women and indigenous groups are trailing behind.

The report then analyses future prospects for attaining target 1.A of Goal 1. The current situation is particularly unhelpful in this regard, owing to the great uncertainty generated by the financial crisis and the fact that region is in a growth- and employment- recovery process whose effects in the coming years are hard to predict. Although 2009 ended with higher expectations of a swifter exit from the crisis, previous experience shows that a recovery in social indicators—particularly poverty incidence—tends to lag behind economic growth, so it is unrealistic to expect a rapid resumption of the pace of progress displayed in the second half of the 2000s. The conclusion is that the region as a whole can achieve the target, but not all countries may be in the same situation. Moreover, halving total poverty does not seem possible at the regional level, although a few countries will have done so.

Lastly, it should be noted that the analysis does not cover the entire region, because it does not include most Caribbean countries. As the content of this section is based on the processing of data obtained from household surveys, the fact that such data are not available in those countries is a significant limitation. Section 3 provides poverty estimates for some countries in that sub-region. Although they are not comparable with those used by ECLAC for Latin American countries, the available information gives an overview of the magnitude and in some cases the trend of poverty in Caribbean countries.

#### Box II.1

#### INCOME IN INTERNATIONAL, REGIONAL AND NATIONAL INSTRUMENTS

A number of economic and social rights are directly linked to income security, such as the right to an adequate standard of living, the right to fair and equal pay for equal work and the right to social security. All these rights may be found in the Universal Declaration of Human Rights and in many international and regional accords on human rights, as well as in national constitutions. Some instruments speak of income discrimination (such as the International Convention on the Elimination of All Forms of Racial Discrimination and the Convention on the Elimination of All Forms of Discrimination against Women), while the International Covenant on Civil and Political Rights prohibits forced labour, which is often associated with extreme poverty.

**Source:** Office of the United Nations High Commissioner for Human Rights.

## 2. Magnitude and trend of extreme and total poverty

In this report, the terms “extreme poverty” or “indigence” refer to a situation where resources are insufficient to satisfy even basic food needs. In other words, the extremely poor, or indigent, are people living in households who cannot purchase a basic food basket, even if their income is used entirely for that purpose. “Total poverty” is understood as a situation in which income is less than the cost of a basic basket of goods and services, containing both food and non-food items.

Although this indicator is essentially the same as that used officially to monitor progress towards target 1.A of the Millennium Development Goals, calculation methods do not necessarily coincide. The basic difference stems from the fact that the sufficiency threshold used in the official indicator is defined as a dollar amount which is identical for all countries in terms of purchasing power parity (see box II.2). In contrast, the basic shopping baskets used by ECLAC to define poverty thresholds are specific to each country and reflect their prevailing consumption structures.

The most recent ECLAC estimates show that 12.9% of the Latin American population was living in extreme poverty in 2008, equivalent to roughly 71 million people. This group is a subset of the more broadly defined poor, whose incomes are insufficient to purchase a basic shopping basket that includes both food and non-food items. This latter group comprises 33.0% of the region’s population, or some 180 million people (see figure II.1).



Box II.2  
THE “ONE DOLLAR A DAY” POVERTY LINE

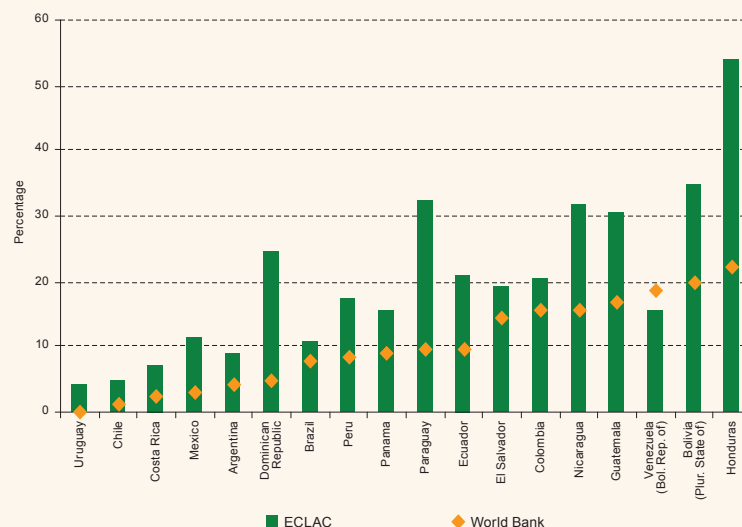
Target 1.A of the Millennium Development Goal 1 is formulated in terms of an extreme poverty line equivalent to “one dollar a day”. This common international poverty threshold was developed by the World Bank to provide an absolute measure of poverty that lends itself to comparison across regions and developing countries. The value used refers to the average of the national poverty lines adopted by the countries with the lowest per capita income levels in the world.

To equalize the purchasing power of income, local currency is expressed in terms of its purchasing power equivalence, using “purchasing power parity” (PPP) dollars. An international poverty line equivalent to US\$ 1 PPP per day at 1985 prices was estimated in 1991; this line became known as “US\$ 1 per day”. In 2000 the line was recalculated at 1993 prices and set at US\$ 1.08 PPP. Subsequently, on the basis of the new PPP indexes generated by the 2005 International Comparison Programme, a new threshold of US\$ 1.25 PPP per day was established.

In this report, national poverty lines estimated by ECLAC are used instead of the international lines, for a number of reasons. First of all, the indigence lines developed by ECLAC represent the cost of a basic food basket. Their value is, therefore, clearly linked to national realities, and the results are easier to interpret. Besides, the use of purchasing power parity indexes to measure poverty has drawn considerable criticism in recent years (see UNDP International Policy Centre for Inclusive Growth, “Poverty in Focus”, September 2004). Moreover, because the 2005 International Comparison Programme did not generate PPP indexes for the countries of Central America and the Caribbean, poverty lines could not be calculated for these countries.

It should be stressed that measurements used by ECLAC are based on the region’s own poverty standards, which are higher than for the poorest countries in the world. World Bank figures, then, tend to be lower. Note, too, that the order of the countries by poverty level varies when different methodologies are used.

**LATIN AMERICA (18 COUNTRIES): POPULATION IN EXTREME POVERTY, WORLD BANK<sup>a</sup>  
AND ECLAC<sup>b</sup> MEASUREMENTS, AROUND 2005**  
(Percentages)



<sup>a</sup> Data refer to 2002 for Guatemala; to 2003 for the Bolivarian Republic of Venezuela, Chile, Colombia and El Salvador; and to 2004 for Mexico and Nicaragua. The figures shown for Argentina and Uruguay refer to urban totals.

<sup>b</sup> Indicates the percentage of the population below the indigence line. Data refer to 2002 for Guatemala; to 2003 for Chile and Honduras ; and to 2004 for El Salvador and the Plurinational State of Bolivia. The figures shown for Argentina and Uruguay refer to urban totals.

Despite the differences between the two methods, they yield similar assessments of progress towards achievement of target 1.A of the Millennium Development Goals. If progress as at 2005 is compared under the two schemes, for a regional aggregate composed of a similar number of countries, the World Bank data produce a progress percentage in line with the figures estimated by ECLAC. The similarity of the results at the regional level does not necessary carry over to the national level, however, where significant differences may appear.

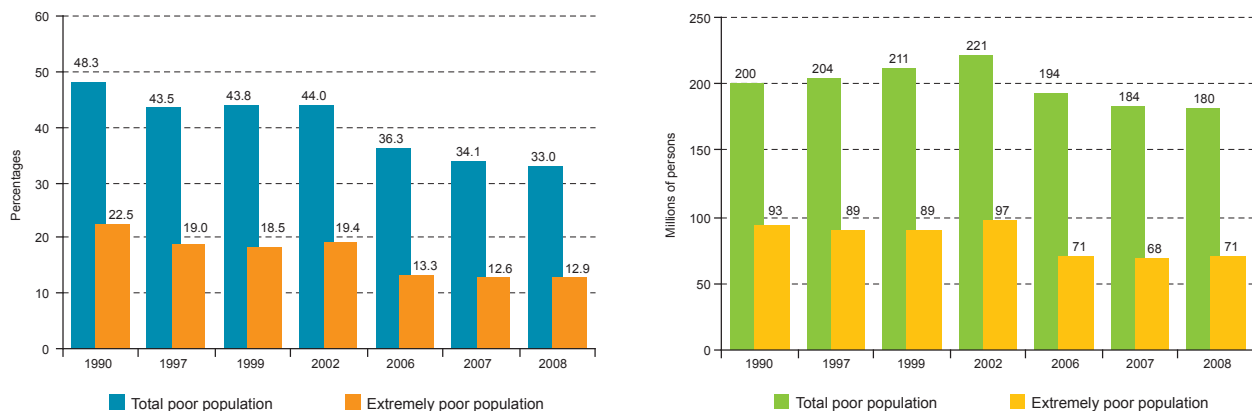
Box II.2 (concluded)

**LATIN AMERICA: PROGRESS TOWARDS ACHIEVEMENT OF TARGET 1.A OF THE MILLENNIUM DEVELOPMENT GOALS, ACCORDING TO WORLD BANK AND ECLAC DATA**

	Rate in 1990	Rate in 2005	Target	Progress at 2005 (Percentages)
<b>World Bank data</b>				
US\$ 1.25 per day	11.3	8.2	5.7	55
US\$ 2.50 per day	28.3	23.0	14.2	38
<b>World Bank data for countries included in the ECLAC measurements</b>				
US\$ 1.25 per day	11.0	7.1	5.5	71
US\$ 2.50 per day	27.3	21.1	13.7	46
<b>ECLAC data</b>				
Indigence	22.5	15.4	11.3	63
Poverty	48.3	39.8	24.2	35

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Shaohua Shen and Martin Ravallion, “The developing world is poorer than we thought, but not less successful in the fight against poverty”, *Policy Research Working Paper*, No. 4703, Washington, D.C., World Bank, 2008; World Bank, *Global Purchasing Power Parities and Real Expenditures. 2005 International Comparison Program*, Washington D.C., 2008, and World Bank, PovcalNet [online database] <http://iresearch.worldbank.org/PovcalNet/povDuplic.html>.

**Figure II.1**  
**LATIN AMERICA: POPULATION LIVING IN POVERTY AND EXTREME POVERTY, 1990-2008<sup>a</sup>**  
(Percentages and millions of persons)

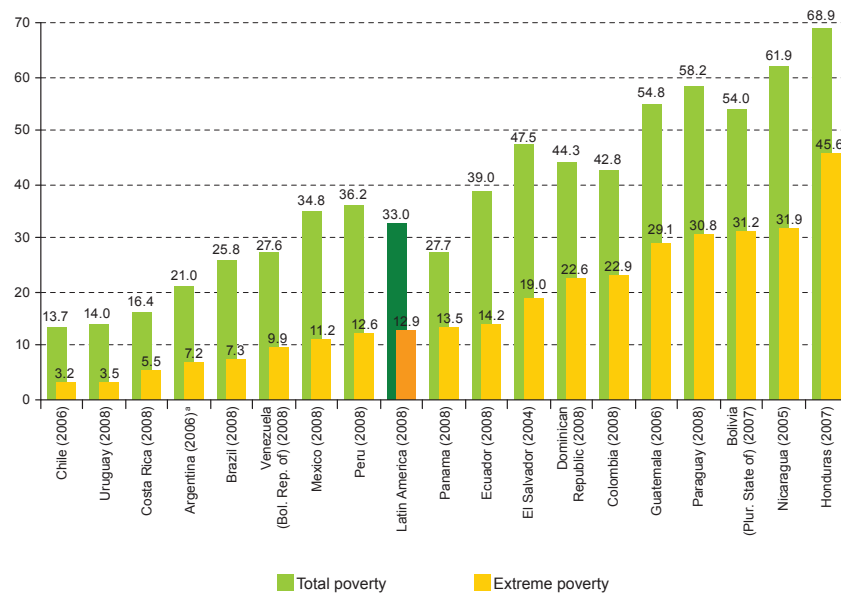


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> Estimate for 19 Latin America countries plus Haiti.

As is the case with total poverty, the scale of indigence differs widely between Latin American countries. Chile, Costa Rica and Uruguay have the lowest rates at under 6%; while Argentina, the Bolivarian Republic of Venezuela, Brazil, Ecuador, Mexico, Panama and Peru all display medium-low rates of extreme poverty, of up to 50%. Countries with medium-high indigence levels include Colombia, Dominican Republic, Ecuador, El Salvador, and Peru, with rates between 19% and 29%; while those with the highest rates, above 30%, are Honduras, Nicaragua, Paraguay and the Plurinational State of Bolivia (see figure II.2).

Figure II.2  
**LATIN AMERICA (18 COUNTRIES): POPULATION LIVING IN POVERTY AND  
 EXTREME POVERTY, AROUND 2008**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> Urban areas.

Considering the region as a whole, the percentages of extreme and total poverty are below those prevailing in 1990, when almost half of all Latin American people were unable to meet their basic needs out of their income, whereas in 2008 one in every three people were in that situation. Moreover, the number of indigent or extremely poor people in 2008 was about 22 million less than in 1990. These are very significant reductions in poverty, given that the Latin American population grew by nearly 130 million people during that 18-year period.

Poverty reduction between 1990 and 2008 was mainly concentrated in final six years of that period, between 2003 and 2008. In 2002, 19.4% of the population was extremely poor, while 44.0% were poor but not indigent. These figures are just 3.1 and 4.3 percentage points less, respectively, than the levels recorded in the early 1990s (see figure II.1). Despite a succession of economic upswings and downswings in that period, the bottom line is that extreme poverty decreased at a rate of just 0.26 percentage points per year, while total poverty declined by 0.36 points per year.

In contrast, between 2003 and 2008, poverty retreated much faster. By the end of that period, rates of extreme poverty and total poverty were 6.4 and 11 percentage points below their 2002 levels, equivalent to a reduction of 1.08 and 1.83 percentage points per year, respectively. When these figures are expressed as percentage changes in rates, indigence decreased faster, a rate of 6.6% per year, whereas total poverty declined by 4.7% per year. Rapid progress was made towards target 1.A in those six years; and, as shown below, not only thanks to the quicker pace of economic growth in the region from 2003 onwards.

This period also saw a reduction in the total numbers of poor and indigent people, by 21 million and 26 million, respectively—clearly different from previous periods, when the numbers of people living in poverty and indigence rose steadily.

Poverty reduction between 1990 and 2008 was based on four pillars, which operated with different levels of intensity in different periods: economic growth, distributive improvements, a vigorous expansion of social spending, and the demographic effect of reductions in fertility, dependency and average family size (ECLAC, 2009a). Some of these factors are discussed in greater detail in the next section.

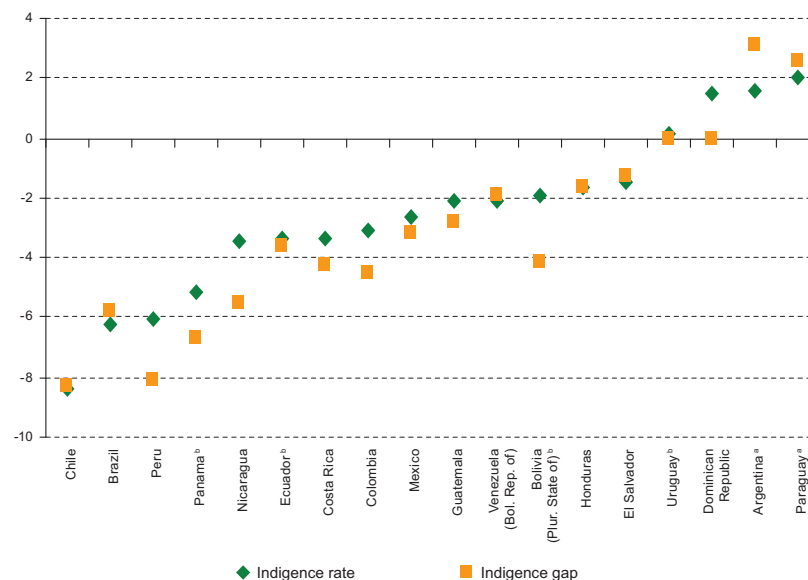
It should be noted that 2008 was the only year in which the indigence and poverty rates moved in opposite directions. This was mainly due to the rapid rise in food prices between 2007 and 2008, which caused a sharp increase in the cost of the basic food basket.

Simulations made by ECLAC show that the hike in food prices had a significant impact on poverty. The cumulative rise in food prices from late 2006 until late 2008 added over 11 million to the number of poor and indigent people, compared to what would have been the case if food prices had risen in line with those of other goods. This means that the indigence rate projected for 2008 would have been nearly 1 percentage point below the 2007 figure, rather than 0.3 points higher (ECLAC, 2008a).

The reduction in extreme poverty between 1990 and 2008 can be measured not only by the percentage of the population living in that situation, but also through the poverty gap index. This latter indicator provides a more complete view of conditions of extreme poverty by measuring not only the percentage of indigent people, but also the gap between their average income and the indigence threshold (the cost of the basic food basket). It thus considers how poor the extremely poor are.

In most countries, this indicator fell at least as much, in percentage terms, as the indigence rate. In other words, not only did the proportion of people with incomes below the threshold fall, but the average income of the extremely poor also rose (see figure II.3). On average, the income of extremely poor families moved closer to the amount needed to cover the food needs of their members.

Figure II.3  
**LATIN AMERICA (18 COUNTRIES): ANNUAL VARIATION IN  
EXTREME POVERTY INDICES, 1990-2008**  
(Percentages)



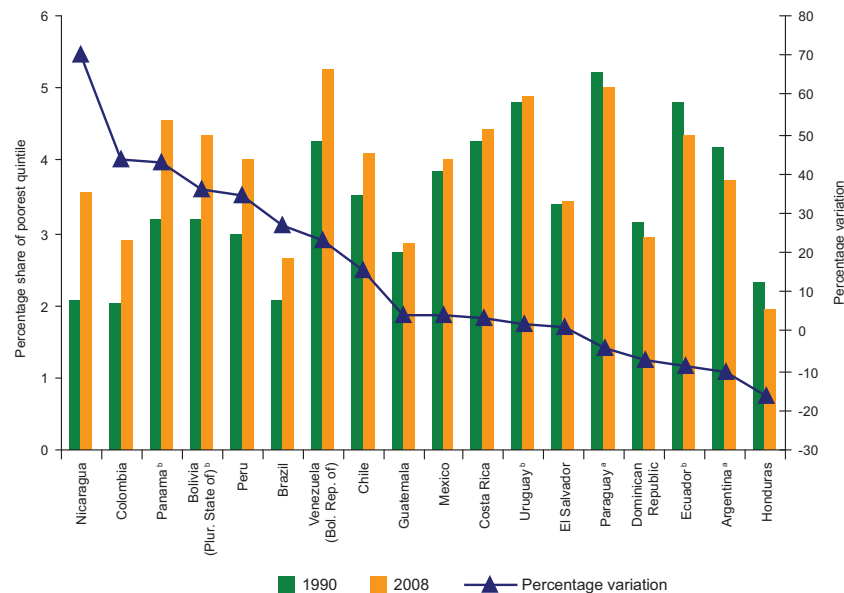
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> Metropolitan areas.

<sup>b</sup> Urban areas.

Complementing this, the trend of the share of the poorest quintile in national consumption (the third official indicator monitoring progress towards target 1.A)<sup>2</sup> shows that the income gap between this group and the rest of society has tended to narrow in most of the region. The countries where this did not happen are the same as those in which extreme poverty increased during the period under analysis —plus Ecuador and Honduras, where poverty reduction does not seem to have benefited the lowest-income groups. Although the changes recorded are small in most countries, they are in the direction of a reduction in both poverty and inequality, as corroborated below by other indicators (see figure II.4).

Figure II.4  
**LATIN AMERICA (18 COUNTRIES): SHARE OF POOREST QUINTILE IN NATIONAL CONSUMPTION, 1990-2008**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> Metropolitan areas.

<sup>b</sup> Urban areas.

### 3. Background information on poverty in the Caribbean

In the Caribbean it is difficult to monitor progress towards target 1.A of the Millennium Development Goals, by comparing the countries and territories comprising that sub-region, because data on the magnitude and trend of poverty are lacking in many cases. Despite efforts being made to close this information gap, evaluating progress towards fulfilment of Millennium Development Goal 1 remains a major challenge in the Caribbean.

The estimates of extreme poverty contained in the official database (see table II.1) only cover a few countries (Guyana, Jamaica, Saint Lucia, Suriname, and Trinidad and Tobago). Nonetheless, these account for just over 75% of the sub-region's population and a large proportion of its indigent population.<sup>3</sup>

<sup>2</sup> Indicator 1.3: Share of poorest quintile in national consumption.

<sup>3</sup> Based on the poverty estimates using national poverty lines shown in table II.2, it is possible to estimate that around 2000, these five countries accounted for about 80% of extreme poverty and over 80% of total poverty in the Caribbean. It is not possible to make a similar estimate based on the 1 and 2 PPP dollars-a-day poverty lines, because indigence and poverty rates are not available for the other countries and territories in the sub-region.

Table II.1  
**CARIBBEAN COUNTRIES: POPULATION LIVING ON LESS THAN US\$ 1 AND US\$ 2 PER DAY,  
 PPP VALUES (WORLD BANK)**  
*(Percentages of the total population)*

	Population living on less than US\$ 1 per day <sup>a</sup>								
	1990	1992	1993	1995	1996	1998	1999	2002	2004
Guyana <sup>b</sup>	...	...	5.80	...	...	7.70	...	...	...
Jamaica <sup>b</sup>	0.20	...	3.80	...	1.70	...	1.30	0.40	0.20
Saint Lucia <sup>b</sup>	...	...	...	20.90	...	...	...	...	...
Suriname <sup>b</sup>	...	...	...	...	...	...	15.50	...	...
Trinidad and Tobago <sup>b</sup>	...	4.20	...	...	...	...	...	...	...
Latin America and the Caribbean <sup>c</sup>	11.30	...	10.10	...	10.90	...	10.90	10.70	...
	Population living on less than US\$ 2 per day <sup>d</sup>								
	1990	1992	1993	1995	1996	1998	1999	2002	2004
Guyana <sup>b</sup>	...	24.20	...	...	...	24.10	...	...	...
Jamaica <sup>b</sup>	15.60	...	23.40	...	16.10	...	11.50	15.00	11.80
Saint Lucia <sup>b</sup>	...	...	...	52.50	...	...	...	...	...
Suriname <sup>b</sup>	...	...	...	...	...	...	34.30	...	...
Trinidad and Tobago <sup>b</sup>	...	20.70	...	...	...	...	...	...	...
Latin America and the Caribbean <sup>c</sup>	28.30	...	27.40	...	28.80	...	28.50	28.30	...

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of World Bank, PovcalNet [online database].

<sup>a</sup> The World Bank poverty line of US\$ 1 is equivalent by default to US\$ 1.25 per day and US\$ 38 per month (US\$ 1.25=US\$ 38\*12/365 in 2005 PPP).

<sup>b</sup> Based on estimated PPP.

<sup>c</sup> Includes 23 countries: Argentina, the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Saint Lucia, Trinidad and Tobago, and Uruguay.

<sup>d</sup> The US\$ 2 poverty line has been calculated on the basis of data from the World Bank, as follows: US\$ 2.50=US\$ 76\*12/365 in 2005 PPP).

Lack of information on poverty in the Caribbean, compounded by heterogeneous sources and measurement methodologies, pose major obstacles when comparing and analysing the trend of poverty both between and within countries. Unlike Latin American countries, in the Caribbean it is impossible to identify progress in reducing extreme poverty between 1990 and a more recent year and thus evaluate the chances of attaining target 1.A of Goal 1 by 2015. Nonetheless, scattered information is available on poverty incidence based on national poverty lines.<sup>4</sup> Table II.2 attempts to gather that information, including the figures published in table 3.1.1 of the 2010 preliminary report of progress by Caribbean countries towards the Millennium Development Goals,<sup>5</sup> indicating in each case the year to which the data refer. Most of the figures are estimates made by various countries and institutions in the sub-region with a view to strengthening MDG monitoring capacity. In view of this, the figures need to be treated with care.

Moreover, the significant differences between the percentage of the population with income below one dollar per day, and the percentage of people living in extreme poverty as measured by national poverty lines, also shows how inadequate it is for the Caribbean to define extreme poverty solely on the basis of the official indicator. According to the official figures (see table II.1), 5.8% of the population of Guyana had income below one dollar a day in 1993—in stark contrast to the indigence rate obtained from national poverty lines, which report 29% of the population living in extreme poverty in the same year. In Suriname, one of the countries with the highest poverty rates in the Caribbean, over half of the total population was below the indigence line in 1993; yet the official indicator suggests that in 1999 only 15% of the population was living with incomes below one dollar a day.

<sup>4</sup> In its exercise for 2005, the World Bank did not estimate PPP indices for Central American and Caribbean countries, so it is impossible to calculate internationally comparable poverty lines for those countries.

<sup>5</sup> See ECLAC (2010a).

Bearing in mind the difficulties involved in comparing estimates of the magnitude of poverty between Caribbean countries (and in using data based on national poverty lines), the countries (for which information is available) reporting the highest poverty rates most recently are Suriname, with 65.9% according to figures for 1999; Dominica with 39% in 2002; and Guyana and Belize with 35% (1999) and 33.5% (2003), respectively (see table II.2). In terms of progress, Guyana reduced poverty incidence from 43% in 1993 to 35% in 1999.

Information reported in Jamaica's latest national report on the Millennium Development Goals (Government of Jamaica, 2009) suggests that this country has achieved target 1.A. On the basis of national poverty lines, the report shows that 28.4% of the population was living below the poverty line in 1990, and the proportion had fallen to 18.7% in 2000 and to 9.9% by 2007.

Suriname has managed to reduce poverty by 10 percentage points in six years—from 76.5% in 1993 to 65.9% in 1999—based on national poverty lines. More recent information from the latest report on the Millennium Development Goals produced by the Government of the Republic of Suriname in 2009, show that between 2000 and 2008 extreme poverty (based on the dollar-a-day poverty line) increased by 7.1 percentage points (from 44.2% to 51.3%). These latter figures are closer to the indigence rate of 65.9% in 1999 published in the 2005 report (see table II.2). Nonetheless, they diverge significantly from the 15.5% rate of extreme poverty reported by the official United Nations Millennium Development Goals Indicators database.<sup>6</sup> Owing to these discrepancies, the figures for 2000 and 2008 have not been included in table II.2.

Trinidad and Tobago report a smaller reduction in poverty: between 1992 and 2005, the proportion decreased by just over four percentage points, from 21.0% to 16.7% (see again table II.2).

Table II.2  
SUMMARY OF POVERTY INDICATORS IN THE CARIBBEAN

Country or territory	Total population (thousands, mid-year)		Per capita GDP (PPP US\$ 2007)	Year of indicator estimate	Poverty rate (percentage of persons)	Indigence rate (percentage of persons)	Poverty gap (percentage of the poverty line)	Share of poorest quintile in consumption/ national income
	2005	2010						
Anguilla	12	13	...	2002	21.0	2.0	6.9	6.5
Antigua and Barbuda	83	88	18 691	1990	12.9	...	...	...
				1997	...	...	...	12.0
				2005-2006	18.3	3.7	6.6	4.5
Netherlands Antilles	186	199	...	...	...	...	...	...
Aruba	103	103	...	...	...	...	...	...
Bahamas	323	343	20 253	1993	...	...	...	3.5
				2001	9.3	...	...	...
Barbados	292	297	17 956	1997	13.9	1.0	2.3	...
Belize	276	306	6 734	1996	33.0	...	...	...
				2000	33.0	...	8.7	...
				2002	...	10.8	...	...
				2003	33.5	...	11.1	...
				2009	43.0 <sup>a</sup>	16.0 <sup>a</sup>	...	...
Dominica	68	67	7 893	2002	39.0	15.0	10.2	7.6
Grenada	105	105	7 344	1999	32.1	12.9	15.3	...
Guyana	739	731	2 782	1993	43.0	29.0	16.2	4.4
				1998	...	...	...	4.5
				1999	35.0	19.0	12.4	...
Cayman Islands	...	...	...	2007	1.9	...	0.4	5.8

<sup>6</sup> Despite the diversity of poverty estimates for that country, the available data show that, following a period of reduction, poverty increased again from 2000 onwards.



Table II.2 (concluded)

Country or territory	Total population (thousands, mid-year)		Per capita GDP (PPP US\$ 2007)	Year of indicator estimate	Poverty rate (percentage of persons)	Indigence rate (percentage of persons)	Poverty gap (percentage of the poverty line)	Share of poorest quintile in consumption/ national income
	2005	2010						
Turks and Caicos Islands	24	26	...	1999	25.9	...	5.7	...
British Virgin Islands	22	23	...	2002	...	...	...	10.0
			...	2003	22.0	1.0	4.1	...
United States Virgin Islands	111	111	...	...	...	...	...	...
Jamaica	2 682	2 756	6 079	1990	28.4	...	...	6.0
				2000	18.7	...	...	6.7
				2005	12.7	...	...	...
				2007	9.9	...	...	6.8
Montserrat	6	6	...	...	...	...	...	...
Saint Kitts and Nevis	49	52	14 481	2000	30.5 Saint Kitts	11.0	8.2	...
				2007	23.7 Saint Kitts	1.4	6.4	...
				2000	32.0 Nevis	17.0	2.8	...
				2007	15.9 Nevis	0.0	2.7	6.3 Saint Kitts and Nevis
Saint Vincent and the Grenadines	119	122	7 691	1996	37.5	25.7	12.6	...
Saint Lucia	161	171	9 786	1995	25.1	7.1	8.6	5.2
				2005	28.8	1.6	9.0	...
				2007	...	...	...	5.7
Suriname	452	465	7 813	1993	76.5	63.1	...	...
				1999	65.9	...	28.2	3.0
Trinidad and Tobago	1 324	1 348	23 507	1992	21.0	11.2	7.3	5.5
				1997	24.0	...	...	...
				2005	16.7	...	...	...

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Caribbean Development Bank (CARIBANK), *Economic Growth, Poverty and Income Inequality*, September 2008; Caribbean Development Bank (CARIBANK)/Kairi Consultants Limited *Country Poverty Assessment St. Kitts y Nevis 2007/08. Living Conditions in a Caribbean Small Island Developing State. Volume 1: Living Conditions in St. Kitts and Nevis*, 2009; CARIBANK, *The Caiman Islands National Assessment of Living Conditions (2006/07). Volume I: Main Report*, September 2008; CARIBANK, *Living Conditions in Antigua and Barbuda: Poverty in a Services Economy in Transition. Volume I: Main Report*, 2007; CARIBANK, *Trade Adjustment and Poverty in Saint Lucia 2005/06. Volume I: Main Report*, June 2007; Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2009* (LC/G.2423-P), Santiago, Chile, 2009; ECLAC subregional headquarters for the Caribbean, *Gender Equality, Poverty and Achievement of the Millennium Development Goals (MDGs) in the Caribbean Subregion*, 2009; Government of Guyana, *Guyana. Millennium Development Goals, 2007*; Government of Jamaica, *National Report of Jamaica on Millennium Development Goals for the UN Economic and Social Council Annual Ministerial Review. Geneva, July 2009*, Planning Institute of Jamaica and Ministry of Foreign Affairs and Foreign Trade, 2009; Government of Suriname (2005), *Millennium Development Goals. Baseline Report*; United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>; United Nations, *The Millennium Development Goals: A Latin American and Caribbean Perspective* (LC/G.2331), Santiago, Chile, June 2005; Organization of Eastern Caribbean States (OECS)/United Nations Development Programme (UNDP), *Saint Lucia, Millennium Development Goals. A Plan of Action for Localising and Achieving the Millennium Development Goals (MDGs)*, 2008; OECS/UNDP, *British Virgin Islands, Millennium Development Goals. A Plan of Action for Localising and Achieving the Millennium Development Goals (MDGs)*, 2008; OECS/UNDP, *Dominica, Millennium Development Goals. A Plan of Action for Localising and Achieving the Millennium Development Goals (MDGs)*, 2006; OECS/UNDP, *Saint Kitts and Nevis. Millennium Development Goals. A Plan of Action for Localising and Achieving the Millennium Development Goals (MDGs)*, 2006; United Nations Development Programme (UNDP), *Human Development Report, 2009*; UNDP/Ministry of Human Development and Social Transformation of Belize, *First Millennium Development Goals Report. Belize 2004*, July 2005; ECLAC, “2010 Report of Progress of Caribbean countries toward Millennium Development Goals with related issues and policy recommendations”, document prepared in the framework of the project “Strengthening the Capacity of National Statistical Offices in the Caribbean Small Island Developing States to fulfil the Millennium Development Goals and other Internationally Agreed Development Goals” (ROA-1062 8036 6875), 2010, unpublished.

<sup>a</sup> This figure was taken from Report of Progress of Caribbean countries towards Millennium Development Goals (ECLAC, 2010a).



The high levels of poverty recorded in Caribbean countries do not necessarily mean deeper poverty or a smaller share of national consumption for the poorest quintile. The latter indicator shows that the Caribbean has lower levels of inequality than Latin America: whereas in the latter the poorest quintile's share in national consumption is no more than 6%, in the Caribbean it averages roughly 6% in a range fluctuating between 3% and 10%. Guyana is in the worst situation, with the highest rates of poverty and indigence, the deepest poverty and the smallest share of the poorest quintile in national consumption.

The types of economy that predominate in the Caribbean (small and open, so highly susceptible to crises and external shocks), which depend heavily on developed countries for trade, tourism and remittances, compounds the vulnerability of the countries in the sub-region. Moreover, constant exposure to natural disasters in the Caribbean is a major factor that constantly puts poverty-reduction achievements at risk, since the poorest population groups suffer most from such episodes.

The largest number of poor people is concentrated in the rural sector and among children and women. The vulnerability of living conditions among these groups makes them the main face of poverty in most Caribbean countries—for example in Belize, where rural dwellers are almost twice as likely to be poor as people living in urban areas (44.2% compared to 23.7%) (UNDP/Ministry of Human Development and Social Transformation of Belize, 2005). In Dominica, over 50% of children between five and 14 years of age were living in poverty in 2006 (OECS/UNDP, 2006a), as was the case also in Saint Kitts and Nevis, where poverty mostly afflicts young people and women, who account for 59% and 62%, respectively of the total population living in poverty (OECS/UNDP, 2006b). The same is true in Jamaica, where nearly half of all poor people were under 18 years of age, and 66% of families headed by women were living below the poverty line (Government of Jamaica, 2004).

This makes it possible to briefly review an issue that is gaining importance in Caribbean countries, namely the idea that greater gender equality and empowerment of women would help reduce poverty levels. This point of view—an effort to adapt and mainstream the third Millennium Development Goal—responds to the concept of the feminization of poverty, which considers the prevalence of households headed by women as a significant factor underlying poverty in countries. This is because women, who are more vulnerable, are more likely to be led along with their family into a worsening quality of life, thereby raising the national poverty rate (ECLAC, 2009b). The fact that women are more vulnerable can be partly explained by the inequalities they are subject to, particularly in terms of employment, where they earn lower pay than men for the same work, have higher unemployment rates and are more likely to be in precarious jobs.

Thus, given the inequality suffered by women and the prevalence of women heads of household, progress towards gender equality in Caribbean countries, particularly in the labour market and the occupation of positions of power, also means progress in poverty reduction throughout the country generally, and for children and women in particular.

#### **4. Factors underlying poverty trends**

##### **(a) Growth and distribution**

The reduction of extreme poverty and total poverty in Latin America can be analysed from two different points of view. One of these consists of distinguishing how much of the change in the poverty rate stems from a variation in income levels and how much from a change in the income distribution. The second approach evaluates the role played by the various sources of household income, placing special emphasis on labour market factors that explain the variation in labour incomes.

Variations in poverty and indigence rates stem either from a change in people's average income (the growth effect) or from a change in the way this income is distributed (the distribution effect).<sup>7</sup> This breakdown makes it

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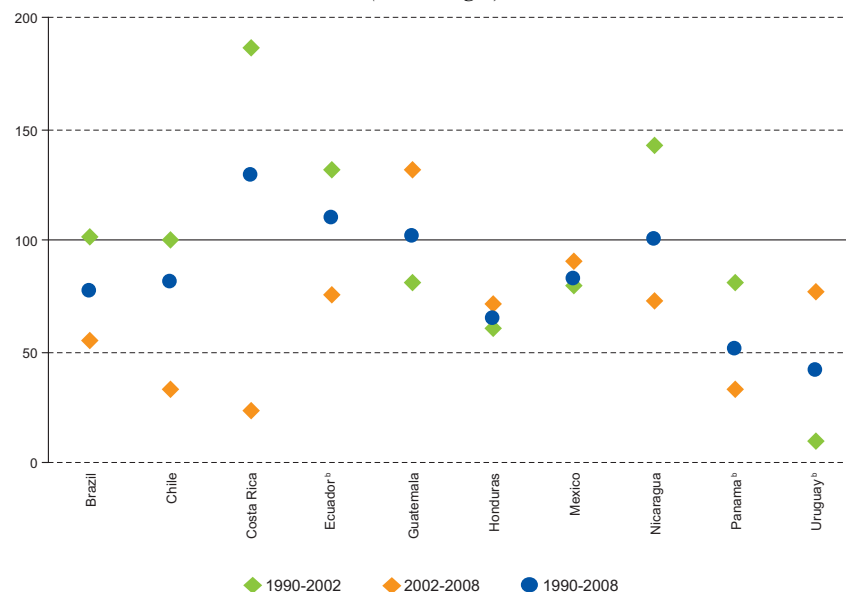
<sup>7</sup> Formally, the poverty rate as a whole is determined by three elements: the poverty line, average income and the shape of the income distribution. Accordingly, while holding the poverty line constant in real terms, any change in the poverty indicator

possible to analyse, for example, whether an increase in income giving rise to a reduction in poverty is part of a widespread trend among all income groups, or benefited the poorest groups more intensively.

This type of analysis shows that the fall in poverty rates that occurred between 1990 and 2008 is mainly explained by the growth effect. As about 85% of the variation stemmed from an increase in average household income, a much smaller percentage reflected improvements in the income distribution.

Nonetheless, the contributions made by the growth and distribution effects differ between the sub-periods 1990-2002 and 2002-2008. In the first case, not only did the growth effect predominate over the distribution effect, but the latter was actually negative in some countries, thus tending to increase poverty. Although the growth effect was also the predominant factor in poverty reduction between 2002 and 2008, it yielded part of its influence to redistribution, which made a positive contribution to poverty reduction in most countries (see figure II.5).

Figure II.5  
SELECTED COUNTRIES: CONTRIBUTION OF THE “GROWTH EFFECT”  
TO POVERTY REDUCTION, 1990-2008<sup>a</sup>  
(Percentages)



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

<sup>a</sup> The survey year differs from one country to another. The period 1990 corresponds to the available survey closest to that year, 2002 to the most recent available survey between 2000 and 2002, and 2008 to the most recent available between 2004 and 2008.

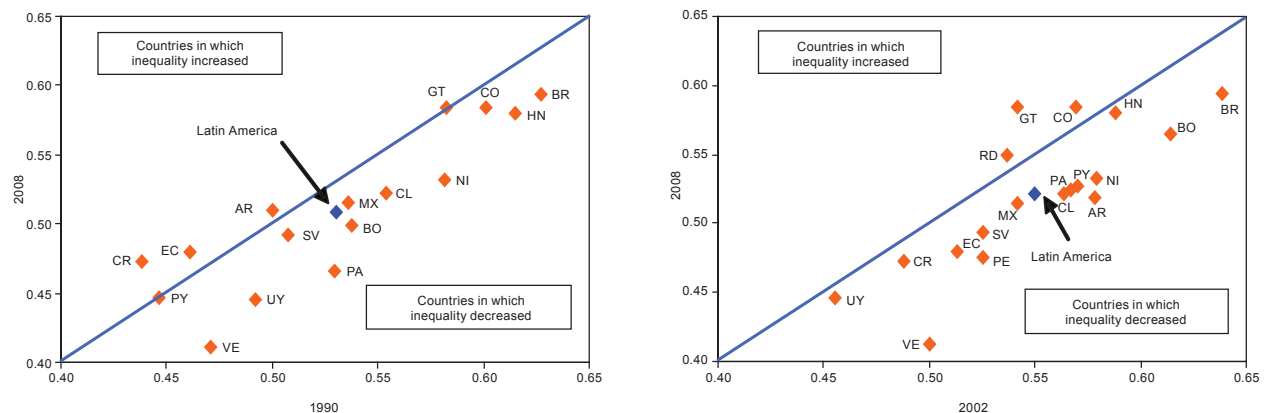
<sup>b</sup> Urban areas.

can be analysed in terms of changes in average income and the income distribution. Following Datt and Ravallion (1992), the poverty rate is calculated taking the income distribution in the initial year and the level of average income in the final year; the difference between this indicator and the poverty rate observed in the initial year can be interpreted as the “growth effect”. The poverty rate is also calculated in relation to average income in the initial year, but with an income distribution equal to that prevailing in the final year. The difference between this indicator and the initial poverty rate is the “distribution effect”. As the two effects depend on the year chosen as the base for comparison, the calculated effects are averaged, exchanging the initial and final years.

Although the region's distributive inequality has traditionally been highly rigid, it tended to decrease between 2002 and 2008. The Gini index, one of the most widely used indicators for measuring inequality, fell on average by 5% during that period, with sharp falls in several countries, including the Bolivarian Republic of Venezuela (-18%), Argentina (-10%), Peru (-9%), and Nicaragua, Panama, Paraguay and the Plurinational State of Bolivia (-8% in all cases). The only countries where the income distribution became more concentrated in this period are Colombia, the Dominican Republic and Guatemala (see figure II.6).<sup>8</sup>

The trend towards a better income distribution can also be seen in relation to 1990, with an average 4% reduction in the Gini index. In this case, the sharpest falls occurred in the Bolivarian Republic of Venezuela, Nicaragua, Panama (urban area) and Uruguay, whereas Argentina (figures for greater Buenos Aires), Costa Rica and Ecuador recorded rises.

Figure II.6  
LATIN AMERICA (18 COUNTRIES): GINI CONCENTRATION INDEX, AROUND 1990, 2002 AND 2008<sup>a</sup>



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> The survey year differs from one country to another. The period 1990 corresponds to the available survey closest to that year, 2002 to the most recent available survey between 2000 and 2002, and 2008 to the most recent available between 2004 and 2008. Geographical coverage varies subject to availability of information. The comparison between 1990 and 2008 uses data from Greater Buenos Aires for Argentina, the Metropolitan Areas of Asunción for Paraguay and urban areas for Ecuador, Panama, the Plurinational State of Bolivia and Uruguay. The comparison between 2002 and 2008 is based on data from urban areas for Argentina, Ecuador and Uruguay. The figure for Latin America corresponds to the simple average of the Gini indices for each country.

## (b) Income sources: labour incomes and transfers

From a complementary perspective, it is worth looking more closely at labour incomes, since these account for most of the monetary resources received by a household, whether or not it is poor. For that purpose, it is useful to express such income as the product of labour income per employed person, the employment rate (number of employed persons divided by the number of economically active persons) and the percentage of household members who are economically active.<sup>9</sup>

<sup>8</sup> As the income distribution figures for Colombia refer to 2005 and those for Guatemala are for 2006, they may not be representative of the 2002-2008 period.

<sup>9</sup> The trend of these factors at the aggregate level is analysed in greater detail in the next chapter.

This approach provides an additional explanation of why poverty fell rapidly in the period 2002-2008 but not in 1990-2002. In the first of these periods, labour income per employed person fell in the vast majority of countries, except for those that achieved the largest reductions in poverty, whereas the employment rate generally remained unchanged or declined. Instead, it was the relative growth of the economically active population that enabled labour incomes per person to rise, or at least not fall by so much in the period.

In contrast, in the latter six-year period (2003-2008) there was a sharp increase in labour income per employed person, which was also accompanied by a reduction in unemployment. The proportion of the population who are economically active did not change significantly in this period, and in many cases changes were negative, even in countries that achieve the largest reductions in poverty.

In the evaluation for the entire 1990-2008 period, the fall in the demographic dependency rate (or demographic dividend) played a positive role in nearly all countries, by allowing for a reduction in the number of people dependent upon incomes generated by those of working age.<sup>10</sup> Moreover, in nearly all countries there was a significant increase in the activity rate, irrespective of the results achieved in terms of poverty reduction.<sup>11</sup>

Transfers are another very important source of income in raising the living standards of poor people. In countries with the largest poverty reduction in the period analysed, such as Chile, Panama, Brazil and Ecuador, this income source amounts to about 20% of the increase in total income. Monetary transfers consist of subsidies and pensions, assistance from relatives in the country and abroad (remittances) and public programmes to overcome poverty, among others. Although surveys have limited capacity to quantify the poverty-reduction effect of changes in each of these household income sources, their effect is quite heterogeneous across the region and naturally depends on the characteristics of each individual country. One of the tools that has aroused most attention are conditioned transfer programmes (CTPs), which are analysed in box II.3.

#### Box II.3 CONDITIONAL TRANSFERS

Conditional transfers have become one of the foremost poverty reduction policy tools in Latin America. These programmes, which in 2009 covered more than 22 million families in 17 of the region's countries at an average cost equivalent to 0.25% of GDP, have good targeting performance and are highly progressive. Impact assessments have shown that these schemes are effective in alleviating poverty in the short run (principally by narrowing the gap between average income for the poor and the poverty threshold), promoting access to and use of education and health services and fostering greater autonomy for the poorest women. As a result, they not only help reduce poverty but also advance other development goals, including those established further to the Millennium Declaration.

Conditional transfers were initially conceived as tools for breaking the intergenerational reproduction of poverty. The strategies the poorest members of society are forced to adopt in response to economic shocks can lead to wasted human capital and perpetuate poverty; accordingly, it was thought that investment in human capital (especially in education, health, and nutrition) could prevent the intergenerational reproduction of poverty. This policy stance, which led to the first generation of conditional transfer programmes, differs somewhat from more recent initiatives that have used transfers to connect the poorest families to generally available programmes and to alleviate and reduce existing poverty.

<sup>10</sup> The status of the demographic transition, which explains part of the trend of poverty levels in the period under study, differs both between individual countries and within them. Countries with the highest rates of indigence are also those with the highest demographic dependency rates; and both rural populations and indigenous peoples are lagging behind in the transition process. The achievement of universal access to reproductive health care, as proposed in the new target 5B of Goal 5, would help decrease fertility in these population groups, thereby making the benefits arising from more advanced demographic transitions available also to these groups.

<sup>11</sup> The status of the demographic transition, which explains part of the trend of poverty levels in the period under study, differs between individual countries and also within them. Both rural populations and indigenous peoples are lagging behind in the transition process. The achievement of universal access to reproductive healthcare, as proposed in the new target 5B of Goal, would help decrease fertility in these population groups, thereby making the benefits arising from more advanced demographic transitions available also to these groups.

## Box II.3 (concluded)

On the whole, the conditional transfer programmes in place in the region share the following features: (i) they link short-term poverty alleviation goals and long-term human capital development goals (with varying emphasis on one or the other, depending on the country); (ii) their multidimensional focus requires the coordination of an array of institutional agents and sectors; (iii) they define the intervention unit as the family and give female beneficiaries a central role; and (iv) there is a relationship of co-responsibility between beneficiaries and programmes, with differences between countries as to monitoring and sanctioning non-compliance.

Despite the positive outcomes of conditional transfer programmes in reducing extreme poverty in the short run and in promoting access to services, it is still too early to determine whether these interventions will have a large enough impact on human capital (and capabilities) to break the cycle of poverty. In fact, the few evaluations that have been conducted of the impacts of programmes on childhood learning have been inconclusive. Moreover, the educational returns tend to depreciate as the population's schooling level increases. Questions remain as to the ability of these tools to address the other link in the poverty chain: how the poorest are connected to the labour market.

Not all of the problems affecting the extremely poor can be resolved with conditional transfers, and such programmes cannot replace social policies. Strictly speaking, better ex ante analyses are needed to identify local specificities in order to resolve tensions between programme goals and between the programmes and the intervention modalities used. Multiple trade-offs must be negotiated in the design and implementation of conditional transfer schemes. One of the largest is between coverage and impact on well-being. This is no small matter, because governments are naturally inclined to maximize programme coverage at the lowest cost, and this is exacerbated by the fact that, historically, spending on social welfare programmes in the region has been residual.

The overarching question has to do with the role that conditional transfers can play within the framework of policies aimed at universalizing a set of rights for the entire population. Here, conditional transfers can play an important role by connecting the poorest to services and institutional social networks that can afford them access to basic social guarantees, thus complementing State action. For this to happen, however, conditional transfers schemes need to be better integrated and coordinated with traditional social security programmes and with other social policy sectors and actors and, above all, efforts must be made to raise the quality of the benefits delivered by sectoral institutions.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of *Social Panorama of Latin America, 2009* (LC/G.2423-P), Santiago, Chile, 2009; E. Cohen and R. Franco, *Transferencias con corresponsabilidad. Una mirada latinoamericana*, Mexico City, Latin American Faculty of Social Sciences (FLACSO)/Social Development Secretariat (SEDESOL), 2006; A. De Janvry and E. Sadoulet, "Conditional cash transfer programs: Are they really magic bullets?" [online] <http://are.berkeley.edu/~sadoulet/papers/ARE-CCTPrograms.pdf>; "When to use a CCT versus a CT approach?", presentation at the Third International Conference on Conditional Cash Transfers, Istanbul, 26-30 June 2006; P. Villatoro, "Las transferencias condicionadas en América Latina. Luces y sombras", document presented at the International Seminar on Evolution and Challenges Facing Conditioned Transfer Programmes, Brasilia, 20 and 21 November 2007; E. Valencia Lomeli, "Conditional cash transfers as social policy in Latin America: an assessment of their contributions and limitations", *Annual Review of Sociology*, No. 34, 2008; and A. León, "Progresos en la reducción de la pobreza extrema en América Latina. Dimensiones y políticas para el análisis de la primera meta del Milenio" (LC/R.2147), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2008.

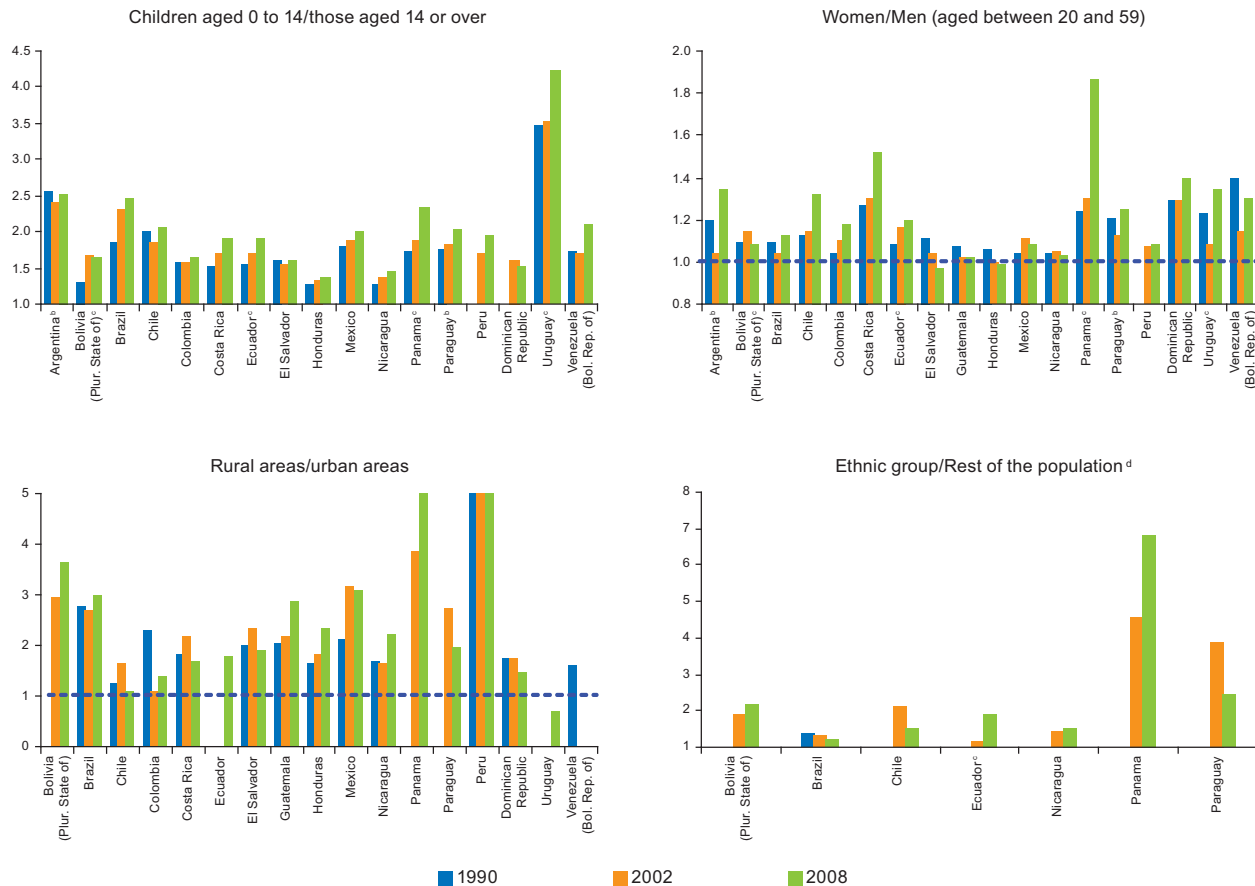
## 5. Poverty in different population groups

Exposure to poverty differs according to the personal characteristics of the individuals concerned or those of the place in which they live. It is therefore useful to complement aggregate analyses at the national level with a breakdown that takes account of the place of residence of the population, its age (particularly in the case of boy or girl children), gender and ethnic or racial origin.

These dimensions are relevant not only because they illustrate the disparities between certain population groups in terms of poverty incidence, but also because they are often considered when designing poverty reduction policies and programmes.

One of the key determinants of poverty is the condition of being a child. On average in the region, the incidence of extreme poverty among children under 15 is around double the rate for older people. Although all countries share this characteristic, there are significant differences in degree: in Uruguay the corresponding poverty-rates quotient is above 4, whereas in Honduras and Nicaragua is no higher than 1.4 (see figure II.7).

Figure II.7  
**LATIN AMERICA (18 COUNTRIES): RATIOS BETWEEN EXTREME POVERTY RATES IN DIFFERENT POPULATION GROUPS, AROUND 1990, 2002 AND 2008<sup>a</sup>**



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

<sup>a</sup> The survey year differs from one country to another. The period 1990 corresponds to the available survey closest to that year, 2002 to the most recent available survey between 2000 and 2002, and 2008 to the most recent available between 2004 and 2008.

<sup>b</sup> Metropolitan area.

<sup>c</sup> Urban areas.

<sup>d</sup> Identified on the basis of information obtained from household surveys, according to the following categories: Bolivia, “Quechua, Aimara, Guarani, Chiquitano, Mojeño and others”; Brazil, “Indigenous or black skin”; Chile, “Aimara, Rapa Nui, Quechua, Mapuche, Atacameño, Coya, Kawaskar, Yagán, Diaguita”; Ecuador, “indigenous, and negroes and mixed race (mulatos)”; Panama, “Indigenous”, and Paraguay: Guarani is only language spoken.

The interpretation of these results cannot ignore the fact that the difference in poverty incidence between two subgroups tends to narrow as the extent of poverty in a country increases. This is because the higher the poverty rate, the less room exists for the profile of poor households to differ significantly from that of non-poor households. It is therefore unsurprising that countries with the least “infantilization” of poverty are precisely those with the highest poverty rates.<sup>12</sup> Nonetheless, this is not the only factor, because countries with similar poverty rates also display

<sup>12</sup> Obviously in those countries the number of children in poor or extremely poor families is larger in relation to the total population. Hence the urgent need to target additional resources on poverty reduction in those countries where, in addition, fertility rates are very high among low-income groups.

different degrees of “infantilization” of poverty. Although Chile and Uruguay have similar levels of extreme poverty, in the former the extent of child poverty is 2.1 times that of adult poverty, compared to 4.2 times in the latter.

Between 1990 and 2008, poverty among children decreased by less than in the rest of population. The quotient between the child and adult poverty rates increased in all of the region’s countries (except El Salvador where it remained constant), with the largest increases occurring in Brazil, Panama and Uruguay. The fact that it is mainly households with children that do not have enough income to satisfy their basic needs should be a key public policy concern. Efforts must be made to ensure fulfilment of the rights of the child, in this case providing access to basic goods and services that cannot be obtained with the household’s own resources. In other words, as progress has been made in reducing extreme poverty in the region, it has become increasingly clear that poverty-reduction policies need to seek synergies with the other Millennium Development Goals that aim to protect children and improve living standards in households that remain among the most neglected groups.

The evidence shows, however, that the region has a long way to go to fulfill the rights of the child. An ECLAC-UNICEF study (2010) evaluated the child-poverty situation through deprivation indicators in six dimensions of well-being, linked to the specific fundamental rights of children: nutrition, access to drinking water, access to sanitation, housing conditions, access to education and access to information. For each of these indicators, thresholds were chosen for severe and moderate-severe deprivation, and then a synthetic index was constructed to reflect the number of extremely poor children (one or more severe deprivations) and children living in a situation of child poverty (one or more moderate or severe deprivations).

The results show that one in every five children in Latin America is extremely poor (over 32 million children),<sup>13</sup> and nearly half are poor because they live with moderate or severe deprivation. Child poverty affects a total of 80.9 million children in the region. As in the case of extreme monetary poverty (or indigence), the situation varies greatly between countries, with severe deprivation levels in terms of at least one basic need varying between 8% and 42%.

Children with at least one basic need unsatisfied are not necessarily those living in households below the poverty line, and vice versa. On average, 29% of children in Latin America are poor, according to both measurement methods; 16% are poor exclusively according to deprivation indicators, while 18% are poor exclusively as a result of insufficient income, and 37% are non-poor under both methods (see figure II.8) (Espíndola and Rico, 2010).

Poverty affects women more than men. In most countries in the region the poverty feminization index is above 1.0, with the highest levels in Argentina, the Bolivarian Republic of Venezuela, Chile, Costa Rica, the Dominican Republic, Panama and Uruguay, where female poverty is 1.3 times the male rate or more. Moreover, the gaps between men and women have been growing wider in several countries, including Panama, which currently has the highest index of extreme-poverty feminization in the region.

It is important to note that the differences in the exposure of women and men to poverty are not fully captured in these figures. The method normally used to measure poverty uses household per capita income to measure people’s well-being, and thus does not take account of the allocation of resources within the household, which is precisely one of the domains in which gender disparities are greatest.<sup>14</sup> Moreover, the method does not make it possible to quantify the contribution made by women to overcoming poverty, since it does not count the unpaid work done by women in domestic chores as part of household resources, even though this substitutes for goods and services purchased in the market. This topic is discussed in greater detail in chapter V.

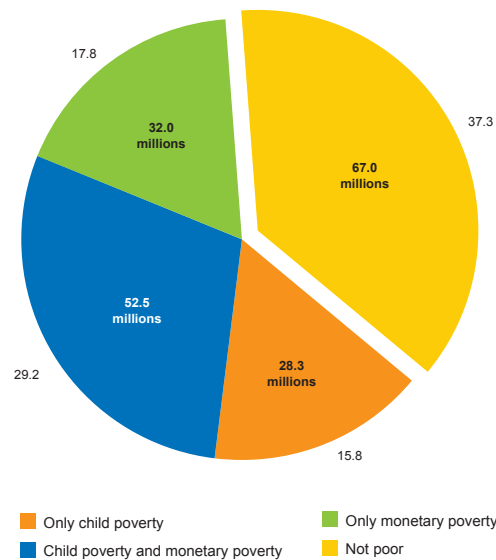
One of the best-known regularities of poverty is the fact that it affects rural dwellers to a greater extent and more intensively than people living in urban areas. The rural poverty indigence rate is on average 2.8 times the urban rate, although the gap between the two rates varies widely from one country to another. One extreme includes Uruguay, the only country in which extreme poverty is less in rural areas than in urban ones, and Chile where incidence rates are similar in both areas. The other extreme includes the rural areas of Panama and Peru, where

<sup>13</sup> Encompassing the 0-17 year age range, according to the Convention on the Rights of the Child (1990).

<sup>14</sup> This also applies to child poverty.

poverty rates are over six times higher those in urban areas. These gaps varied between 1990 and 2008 in different directions: six countries reported an increase and five a reduction. Progress towards achieving target 1.A has not ensured a reduction of inequality in living conditions between urban and rural areas within countries.

Figure II.8  
**LATIN AMERICA (18 COUNTRIES): CHILD POVERTY IN HOUSEHOLDS WITH INSUFFICIENT INCOME (MONETARY METHOD)<sup>a</sup>**  
*(Percentages and millions)*



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

<sup>a</sup> Includes children who are indigent or belong to indigent households.

Membership of an indigenous population group is highly correlated with the likelihood of being poor. In the seven countries that have information available, the poverty rate among indigenous or Afro-descendant groups can range between 1.2 and 6.8 times the rate prevailing in the rest of the population. Although household surveys do not have information on the poverty situation of indigenous population groups around 1990, a comparison of more recent figures with those around 2002 shows that the gap between the two groups has widened in most of the countries analysed, but it has narrowed in Brazil, Chile and Paraguay.

## 6. Achievements and prospects for fulfilling target 1.A of the Millennium Development Goals

In view of the above, as of 2008, Latin America was well on the way to achieving target 1.A. At 12.9%, the proportion of indigent people in the region is less than two percentage points from the target (11.3%). In other words, the region had made 85% of the necessary gains, in 72% of the time allotted (see figure II.9).

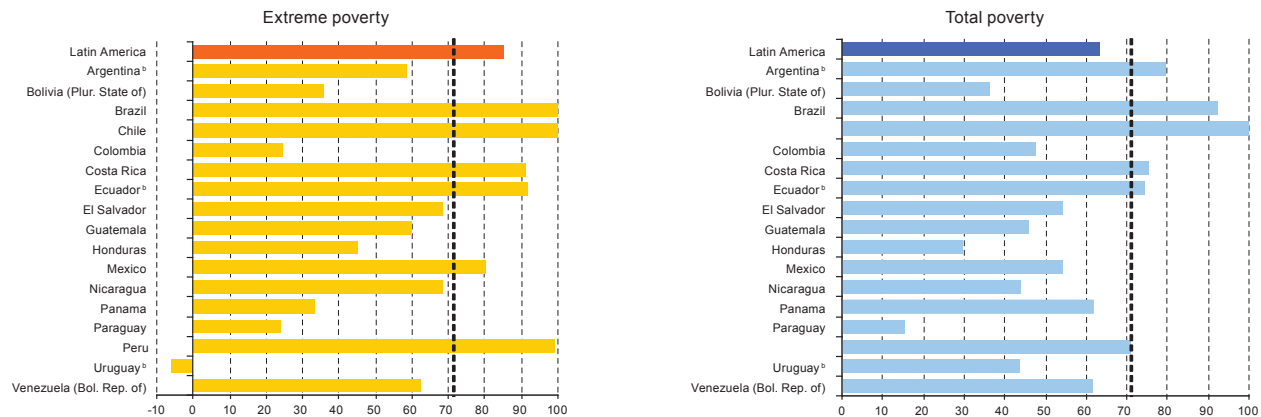
Reducing extreme poverty is a challenge that the countries in the region have faced with widely differing degrees of success. Brazil and Chile are the only countries which in 2008 had achieved target 1.A, and Peru had very nearly done so.<sup>15</sup> Costa Rica, Ecuador (urban area) and Mexico have also made significant progress, of 72% or

<sup>15</sup> With a view to standardizing the comparison periods, projections of extreme poverty to 2008 are used in countries whose most recent survey is earlier than that year. These projections assume that the variation in average household income is similar to per capita GDP growth, and in some cases they include certain distributive changes.



more.<sup>16</sup> In contrast, progress has been insufficient in several countries, including Colombia, Panama, Paraguay and the Plurinational State of Bolivia, where less than 50% of the gains have been achieved thus far. Uruguay is a special case, for although its indigence rate was higher in 2008 than in 1990, it is only 1.8 percentage points away from the target.

Figure II.9  
**LATIN AMERICA (17 COUNTRIES): PROGRESS IN REDUCING EXTREME POVERTY AND TOTAL POVERTY BETWEEN 1990 AND 2008<sup>a</sup>**  
(Percentages)



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

<sup>a</sup> The percentage of progress is calculated by dividing the reduction (or increase) in indigence, expressed in percentage points, observed in the period by half of the indigence rate for 1990. The broken lines represent the percentage of progress expected by 2008 (72%). The figures reflect a projection to 2008 for those countries whose most recent survey is earlier than that year.

<sup>b</sup> Urban areas.

The 2005 regional report on the Millennium Development Goals (United Nations, 2005) raised the possibility of using a more ambitious target, which would probably be more relevant for countries that have already achieved low levels of extreme poverty. This would be to halve the percentage of the population living in total poverty; and it is considered particularly relevant in the Latin American context, since it occupies a predominant place in debates on social well-being in the region.

Progress (63%) towards this more demanding target is less than that made in terms of indigence. Meeting this challenge would require regional poverty rate to fall to 24%, in other words by nearly nine percentage points with respect to the situation prevailing in 2008 (see figure II.9).

The countries best placed to attain this new target are the same as those mentioned above, although their progress rates may be less than those achieved in terms of extreme poverty: Chile, which has achieved the goal; Brazil which is very close to doing so; and Costa Rica, Ecuador and Peru where progress is running ahead of the proportion of time elapsed. These countries are joined by Argentina, which despite having made little progress on extreme poverty, has made 80% of the gains needed to halve total poverty.

<sup>16</sup> Evaluation of progress in three countries is based on data from urban areas. Although in Argentina and Uruguay major differences are not expected between the status at national and urban level, in Ecuador there could be significant variations owing to the greater relative size of the rural population in that country.

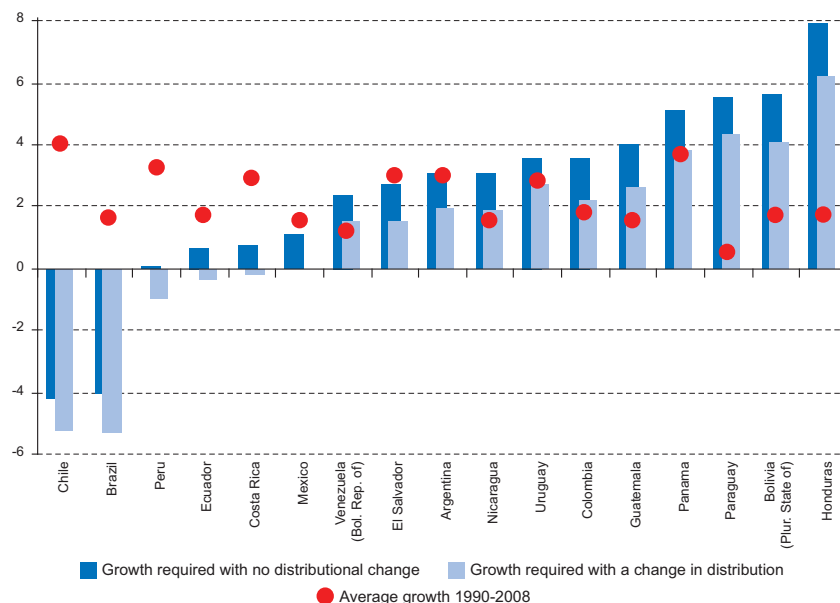
To assess the chances of the region's countries achieving this target, simulations have been performed to determine the required per capita income growth rate.<sup>17</sup> On that basis, countries can be classified into three broad groups.

The first, consisting of Chile, Brazil, Costa Rica, Ecuador, Mexico and Peru have high possibilities of achieving, a percentage of extreme poverty in 2015 that is no more than half of that recorded in 1990. These countries, which are precisely those displaying the highest rate of progress, require annual per capita income growth of 1% or less to achieve the target. Although the growth rates produced by the simulation are higher for Argentina and Uruguay, they should also be considered as part of the group for which achievement is highly feasible, since their extreme poverty levels are less than two percentage points above the target rate.

The group consisting of the Bolivarian Republic of Venezuela, Colombia, El Salvador, Nicaragua and Panama need to raise their growth rates to attain the target, but the required rates seem feasible in relation to their performance in previous years. In some of the countries mentioned, the required growth rate is above their historical average. Nonetheless, if economic growth is accompanied by an improvement in the income distribution, equivalent to a reduction in the Gini index of roughly 5%, achieving the target would also be possible.

Lastly, Guatemala, Honduras, Paraguay and the Plurinational State of Bolivia are in the least favourable situation in the region, requiring per capita income growth rates of around 4% per year. As in the other countries, the rate required to achieve the target would be less if it was accompanied by a better income distribution. Nonetheless, even with a 5% reduction in the Gini index, as simulated in figure II.10, these countries have little chance of raising their population's income at the required rate.

Figure II.10  
**LATIN AMERICA (16 COUNTRIES): PER CAPITA GDP GROWTH RATES NEEDED TO HALVE THE 1990 EXTREME POVERTY RATE BY 2015**



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

<sup>17</sup> The simulation is based on a similar abstraction to that used to calculate the “growth” and “distribution” effects; in other words, the poverty rate is determined exclusively by the level and shape of the income distribution. Both the growth rate required and the distributive changes needed are the result of the various economic, social and environmental policies that countries may adopt and therefore should not be interpreted as separate.

## 7. The international crisis and poverty in 2009

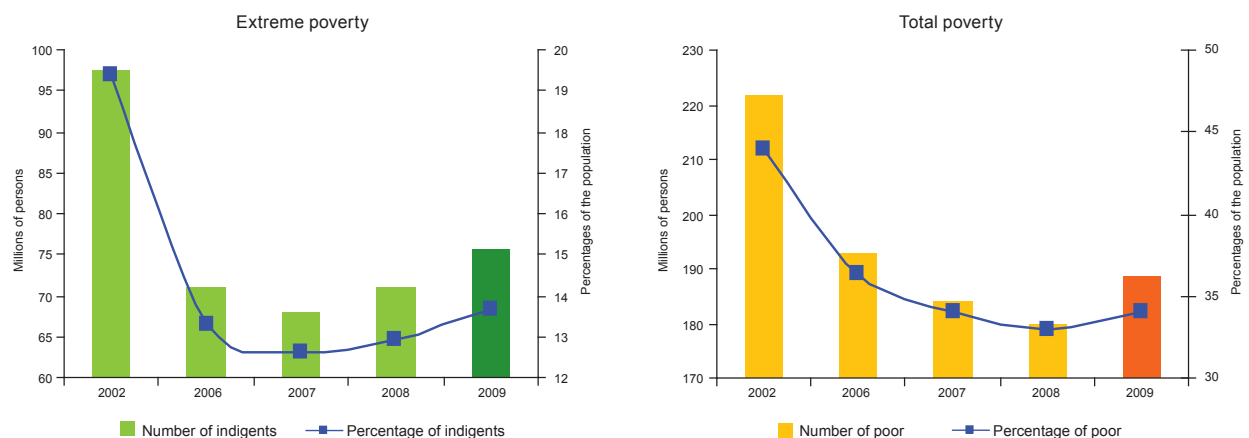
Over the last two decades, the region has gone through three periods when per capita GDP has fallen across the board. In 1995 there was the “Mexican crisis”, when per capita output declined by 1.2%. Another contraction, this time of 1.2%, occurred in 1999, as a result of the “Asian crisis”. The region’s per capita GDP shrank again in 2001 and 2002, by 1.1% and 1.8% respectively, in the wake of international financial difficulties (the so-called “dot.com” and “Turkish” crises), compounded by the Argentine crisis. What happened in those episodes showed that crises affect poor and vulnerable households more<sup>18</sup> than the rest of the population.

The second half of 2008 was dominated by the outbreak of the international financial crisis that halted the upswing that had begun in the region in 2003, and which had been the longest and most intensive since the 1970s. This impacted financial systems throughout the world and also had a significant impact on the goods and labour markets, particularly from September 2008 onwards. The financial crisis rapidly spread to the real sector and became international owing mainly to the drying up of credit, destruction of wealth, retreat of world trade and deteriorating expectations for the trend of economic activity.

Latin America and the Caribbean were not immune from the adverse effects of these developments, and the region’s GDP growth began to slow in the third quarter of 2008 before turning negative in early 2009. Although clear signs of recovery could be discerned in the second half of 2008, a 1.7% drop in regional activity levels is estimated for that year, which would mean a decrease of about 2.8% in per capita terms (ECLAC, 2009b).

Simulations of the likely trends of indigence and poverty in 2009, based on household survey data, show that between 2008 and 2009 poverty regionwide may have increased by between 1.1 and 1.5 percentage points, with indigence rising by between 0.7 and 0.9 points (ECLAC, 2009a). This would have meant an increase of between 9 million and 11 million in the number of poor, of whom just over half would be living in extreme poverty (see figure II.11).

Figure II.11  
LATIN AMERICA: EXPECTED EFFECT OF THE ECONOMIC CRISIS ON EXTREME POVERTY AND TOTAL POVERTY



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

<sup>18</sup> Persons are considered “vulnerable to poverty” if their income is barely above the poverty line (up to 1.5 times the threshold level), so a marginal loss in income earning capacity could push them into a poverty situation.

These results also make it harder to achieve target 1.A, because the projections suggest that progress towards that target would slip back to 78%, which is virtually the same as the proportion of allotted time that has elapsed between 1990 and the end of 2009 (76%). Although the setback is not so significant on aggregate, several countries have seen their chances of achieving the target drastically reduced (as a reference, see the study by Sánchez and Vos, 2009, regarding the impact of the crisis on the chances of attaining various targets). Even those with the best prospects will need to redouble their efforts to improve living standards among their lowest-income populations.

The region is forecast to return to growth in 2010 at rates in many cases similar to those of the pre-crisis period. On aggregate, the region is expected to grow by 4.3%, with higher rates in South American countries than in the other sub-regions. Nonetheless, the outlook for the future is not risk-free, and there are doubts as to whether this recovery will lead to a resumption of sustained growth. The post-crisis scenario differs in several ways from the regional situation between 2003 and 2008, including a slump in aggregate demand in developed countries and possible restrictions on access to international capital markets. These and other factors make it essential for countries to face the challenge of regaining the growth path by strengthening policy financing and coordination (ECLAC, 2009b).

## **8. The challenges for entering a sustained poverty reduction path**

Sustained poverty reduction is the result of a set of factors including the type and pace of economic development, the functioning of the labour market, demographic transformations and changes both in the family and in public policies, particularly those affecting social protection and promotion systems. In 2002-2008, the region achieved positive results in those domains: high rates of economic growth, a more inclusive labour market, countries that benefited from the demographic dividend, and an expansion of social spending making it possible to strengthen social protection and promotion systems.<sup>19</sup> Despite these achievements, the contain elements that tend to undermine the fight against poverty. Firstly, although the employment rate increased, it failed to keep pace with GDP growth. This is partly explained by a growth model that depended heavily on the commodity boom, which permeated the structure and dynamic of demand for labour by less than the desired amount.

Moreover, the good news in terms of more inclusive labour markets needs to be tempered by three persistent characteristics: the creation of formal jobs increased but at a very slow pace and not in every country; wage gaps between skilled and unskilled workers narrowed slightly, but remain very wide; and unemployment decreased but, at the same time, gaps between the higher and less skilled sectors persisted, along with high levels of youth unemployment.

Secondly, a number of family transformations have occurred, widening the gaps between lower- and higher-income families. Although women's labour-market participation has clearly risen in all family-income quintiles, those from lower-income families have not succeeded in entering the labour market at the same rate as those from higher family-income sectors. Both participation rates and unemployment rates among women, by quintile, underscore this reality.

In addition, the demographic dynamic that helped to reduce poverty is coming to an end in much of the region. Although dependency rates will not increase in the near future, their fall will cease to act as a gravitating and almost automatic factor for reducing or containing poverty. It is also worrying to note that the sharp fall in dependency and fertility that has occurred since the 1980s was hardly exploited for poverty reduction, having been more clearly achieved only in recent years.

Lastly, while higher social spending is a positive factor, it should be remembered that a significant part of this targeted the contributory pension system, which represents monetary transfers that are less progressive, if not directly regressive.

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<sup>19</sup> As noted above, in this six-year period, several countries also reduced the inequality of their income distribution, which helped to lower poverty rates. Nonetheless, the region remains highly unequal in distributive terms, and recent progress in some cases has only been sufficient to claw back the distributive losses of the 1980s.

In addition to the elements that temper the achievements of the 2002-2008 period, there are others that cast a shadow over any self-complacency. Poverty reduction was accompanied by a worrying infantilization and feminization of the groups affected by poverty. This represents an inter-temporal mortgage in the fight against poverty since these two population groups drive its inter-generational reproduction. Moreover, the brief period of vigorous poverty reduction means that many people have been lifted out of poverty only recently, so they generally lack the larger stock of resources and insurance systems enjoyed by those that have lived free extreme deprivation. For that reason, the families and individuals concerned are more likely to slip back into their previous poverty situation in the face of external or life-cycle shocks.

In view of the specific features outlined above, it is worth noting a number of policy keys that are crucial for producing a permanent change in the mechanisms that reproduce poverty and vulnerability, which are not confined to social and employment policies, but also, and mainly, affect the very heart of economic policy.

In the macroeconomic domain, efforts must be made to maintain the achievements of the 1990s (essentially low inflation and reasonable fiscal balances), while reducing the volatility of growth and bringing it closer to the potential GDP frontier. This can be achieved partly through greater government willingness to regulate capital flows and control exchange-rate appreciation, which undermines activity rates and exports. Countries also need to move forward from the current state of generally cycle-neutral fiscal responsibility towards a more overtly countercyclical macro policy (Ffrench Davis, 2005 and 2008).

In terms of industrial and productive development policy, Latin America is far from the international productivity frontier and displays huge disparities in productivity between sectors and productive agents. Governments need to work on this twin front, promoting investment in technological innovation and infrastructure, and improving conditions of access to technology and the capital market for small and medium-sized enterprises (Cimoli, Dosi and Stiglitz, 2009). This should lead directly to better-quality jobs in the sectors that generate most employment in the region.

The institutional framework of the labour market and the architecture of social protection also need a radical rethink. A household in the two poorest quintiles of the region in which the main income earner loses his or her job,<sup>20</sup> loses not only its main source of sustenance, but also often its access to other contributory social benefits (health coverage, unemployment subsidies, monetary benefits for the family, etc). As these population groups generally have no savings, they also lack that basic form of insurance. Job loss in many cases also means the closure of access to private consumer credit. When a household in this sector is also in the process of acquiring basic family capital goods (housing and means of transport) through credit, it also tends to lose that private investment. Moreover, and partly because they lose these forms of insurance and access to monetary sources, they tend to cut back on medical consultations or the purchase of medicines. They also use children and young people as income sources in family survival strategies, with their consequent dropout from the formal education system; and they take on debts in informal credit markets under usurious conditions. If the region's main problem is the type and pace of growth and its impact on employment, the second is that its low-income sectors lack a basic social safety net against external or life-cycle shocks, since the existing network depends either on participation in the formal labour market, or else on capacity for out-of-pocket spending, or on targeted and low-coverage emergency programmes that are also often of low quality (Huber, 2006).

Creating a larger number of quality jobs is one way to improve the situation, but the other, which is both necessary and fundamental, involves constructing a social protection network consisting of at least three components: a system of non-contributory income transfers to complement labour incomes and cushion exogenous or life-cycle shocks; a health system where at least a guaranteed basic package does not depend either on formality or out-of-pocket spending capacity; and the expansion of a basic care system for early childhood and old age (preschool, social housing for the retired and pensioners) which liberates the female workforce and guarantees basic benefits to the dependent population (Filgueira, 2005).

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<sup>20</sup> Or where the income-earner dies or the family breaks up —events that have increased and will continue to increase in the future as a result of population ageing and the increasing frequency of separation between couples with children.

Lastly, the third key element for overcoming poverty in the long-term involves the population's human capital and thus requires a significant reform of the education system. Despite the major fiscal and reforming efforts of the 1990s, the region's education systems tend to reproduce original inequalities at a clearly higher rate than in developed countries and also many other developing countries. It is therefore necessary not only to increase educational coverage and expenditure, but to target it so as to effectively contribute to overcoming the original inequalities as quickly as possible.

Although none of these changes will occur overnight, they serve to direct public action in the medium and long terms: towards closing gaps and moving towards equality. To proceed along this road requires a fiscal and social covenant that makes it possible to redesign the tax system, progressively increasing the tax burden, while at the same time making it possible to build an architecture of social protection and development to replace the stratified "contributory" and residualist" targeted private model (ECLAC, 2010b).

## 9. Conclusions

Although Latin America has made satisfactory progress towards achieving target 1.A of the Millennium Development Goals, the positive regional balance reflects progress made in a small number of countries, particularly the more populated ones which have a major effect on the aggregate results for the region. Several other countries have not made much progress and cannot be expected to reduce extreme poverty significantly by 2015. These include Latin America's lowest per-capita-income countries.

Just as regional progress conceals disparities between countries, so national progress conceals disparities between different subgroups. Being a child or a woman, or belonging to indigenous groups, significantly increases the chance of being poor. Moreover, the gaps between these groups and the rest of the population have been widening, because they have benefited less than average from poverty reduction.

Greater efforts are therefore needed to achieve a substantial reduction in extreme poverty. Although the economic backdrop for the region is less favourable than in 2003- 2008, the progress made by a number of countries shows that it is possible to improve living standards among the most deprived.

A significant reduction in extreme poverty in the region also requires policies that go beyond monetary transfers. Although the analysis of poverty and progress towards eradicating it are based on a quantification of household monetary resources, poverty can only be overcome by addressing the shortcomings and backlogs in the various dimensions covered by the other Millennium Development Goals. Thus, correcting the major disparities in access to goods and services and ensuring protection for groups suffering the greatest deficiencies in nutrition, health and education —particularly children— are key elements in formulating policies to eradicate extreme poverty. Similarly, policies to reduce the incidence of extreme poverty in the region cannot overlook problems of underemployment and precarious jobs, and must promote employment and social protection. Lastly, account needs to be taken of the major disparities that exist in access to reproductive health care among different population groups, and the consequences of these imbalances for the intergenerational reproduction of poverty. These are necessary conditions for overcoming extreme poverty on a sustainable basis and avoiding social exclusion (ECLAC, 2010b).

## B. PROGRESS IN ERADICATING HUNGER

Objective	Target	Indicators
<b>Goal 1</b>	<b>Target 1.C</b>	<b>1.8</b> Prevalence of underweight children under-five years of age
Eradicate extreme poverty and hunger	Halve, between 1990 and 2015, the proportion of people who suffer from hunger	<b>1.9</b> Proportion of population below minimum level of dietary energy consumption

Target 1.C on hunger, established further to the Millennium Declaration is not only part of the Millennium Development Goals but has also been reiterated in several forums and documents, thus highlighting the importance the problem holds for countries, and the urgent need to overcome it. Hunger is the result of food and nutritional insecurity, which is expressed, firstly, in terms of insufficient consumption of food to satisfy energy requirements, and secondly, in terms of undernutrition. Hence, progress in eradicating it should be measured both in terms of its relation to undernourishment arising from insufficient food for the population as a whole, and in terms of its manifestation among children, which is expressed in terms of children under five years of age who are underweight and small for their age.

Latin American and Caribbean countries vary widely in terms of their hunger situation; there is marked heterogeneity between countries, and glaring inequalities between population groups within them. Thus, although all countries have produced a food surplus, in recent years, according to the Food and Agriculture Organization of the United Nations (FAO), in the 2004-2006 triennium, 8.6% of the regional population was suffering from undernourishment —and this proportion that has since grown substantially as a result of the rise in food prices. Progress towards the target has also varied between countries: whereas progress in the region as a whole until 2005 was slightly lagging the proportion of the allotted time that had elapsed, 15 out of 30 countries have achieved above average progress, 10 have made insufficient or no progress, and five countries have regressed in terms of their aggregate availability of food between 1990-1992 and 2004-2006, the latest period for which information is available.

In terms of undernutrition, the latest national studies estimate 7.5 million children under five years of age who are small for their age and 4 million who are underweight. The most vulnerable are children of mothers with low levels of schooling, of indigenous or afro-descendant origin, and those living in rural or marginal urban areas of Andean and Central American countries.

The policies that have proven most effective in protecting populations from vulnerability to food insecurity include the following: the promotion of maternal breast feeding; food fortification and supplementation; raising the education level of mothers; health check/ups during the first two years of life; and basic sanitation.

### 1. Introduction

Target 1.C of the first Millennium Development Goal is “Halve, between 1990 and 2015, the proportion of people who suffer from hunger”. Nonetheless, achieving adequate food for all is not just a Millennium Development Goal, but also formed part of the objectives of the World Food Summit in 1996, and is a right enshrined in Article 11 of the International Covenant on Economic, Social and Cultural Rights. Thus, in various mechanisms, ensuring quality food has been a concern reiterated in different forums and documents, thus making it a priority for countries.

Hunger is the result of food and nutritional insecurity, which is expressed, firstly, in terms of insufficient consumption of food to satisfy energy requirements, and secondly, in terms of undernutrition. While a major cause of this insecurity is extreme poverty, a direct consequence is child undernutrition.

Thus, the two indicators defined to monitor progress towards the target are related precisely to the consumption of food (Proportion of population below minimum level of dietary energy consumption, or undernourishment, estimated by FAO)<sup>21</sup> and child undernutrition (Prevalence of underweight children under-five years of age).

Latin America and the Caribbean vary greatly in terms of their food and nutritional security (FNS) indicators, and there are very pronounced inequalities within them. Whereas the availability of food for human consumption exceeds the requirements of its population by over 40%, around 2004-2006 there were 45 million people (8.6% of the regional population) that did not have sufficient access; and this figure is likely to have risen significantly as a result of the crisis (FAO, 2009e). Factors explaining the magnitude of the hunger problem in the region, and its fluctuations, include the fact that the increase in aggregate supply of food has gone hand-in-hand with the persistence of inequality and the occurrence of natural disasters, mainly in Central America and the Caribbean, compounded by the impact of social and economic policies particularly in a number of Central and South American countries.

In terms of undernutrition, low height for age affected 7.5 million children under five (13.7%) around 2004, according to the standard published by the National Centre for Health Statistics (NCHS), Centres for Disease Control and Prevention (CDC) and World Health Organization (WHO), and 9 million children when measured by the new WHO standard (16.8%). Meanwhile, 4 million were underweight for their age (6.2%) under the NCHS standard (2.3% according to WHO), which makes this indicator a regional characteristic, particularly in Central and South America. But not all countries suffer the same extent; whereas half of all Guatemalan children suffer from stunting (chronic undernutrition) and almost one quarter of Guatemalans and Haitians are underweight (global undernutrition), the former is considered practically eradicated<sup>22</sup> in Chile, and the second is deemed eradicated in Antigua and Barbuda, Chile and Grenada. Heterogeneity is even greater within countries, the most vulnerable groups being children living in extreme poverty, with illiterate mothers, of indigenous origin, in the rural areas of Central American and Andean countries. Nonetheless, in absolute terms the population suffering from undernutrition is growing rapidly in the outlying sectors of the large cities.

The consequences of the regional situation not only affect persons suffering from undernutrition, but also society as a whole, given the high costs involved for the countries' economies. Undernutrition in the last few decades is estimated to have generated a cost of around US\$ 10.54 billion in Andean countries and Paraguay, and US\$ 6.66 billion in Central America and the Dominican Republic. Over 90% of these costs reflect the loss of human capital caused by the higher probability of death and lower levels of schooling among persons suffering from child undernutrition (Martínez and Fernández, 2007; Martínez, 2008).

A complementary view of Food and Nutritional Security (FNS) focuses on the very high prevalence of diseases associated with hidden hunger caused by micronutrient malnutrition. The most frequent problem is anaemia owing to iron deficiency, which affects one in every three under fives and over 50% of them in several of the region's countries. Vitamin A and iodine deficits are also risk factors for various types of disease, some of which are both physically and mentally disabling, which make this a public health problem. Moreover, 85% of the region's households still do not have access to iodized salt, even though its distribution is highly cost-effective (UNICEF, 2008).

Another feature of the regional population's nutritional status is a progressive increase in excess weight and obesity,<sup>23</sup> which until a few years ago was considered a problem exclusive to high-income countries. Up to 5% of the region's under fives are overweight according to the NCHS standard, and 7.3% of them if measured by the new WHO standard.

<sup>21</sup> The quantity of energy needed depends on age, anthropometric characteristics and the activity of the individual in question. Based on FAO data, the minimum requirement in the countries of the region is around 1,800 kcal/day per person. (FAO, 2004b; ECLAC, 2004 pp. 88-90).

<sup>22</sup> Eradication is deemed to occur when the prevalence of undernutrition falls below -2 standard deviations from the average of the standard. This is because the measure is standardized and a value such as that indicated is equivalent to what is likely to be found in the population used to calculate it.

<sup>23</sup> Combating obesity at an early age through educational campaigns and the distribution of adequate diets through school meal programmes is also an increasingly necessary investment, alongside the urgent need to combat hunger and undernutrition in the region's lowest per-capita-income countries.



## 2. Causes and consequences of hunger and undernutrition in the region

Food security exists when all people at all times have physical, social and economic access to sufficient, safe, nutritious food that meets people's dietary needs as well as their food preferences, to maintain a healthy and active life (World Food Summit, 1996). Food vulnerability is defined as the likelihood that an acute decrease will occur in access to food, or in its consumption, with respect to a critical value that defines minimum standards of human well-being (WFP, 2002). Accordingly, vulnerability has two components: the risk, attributable to conditions (variables) presented by the environment (natural, social and economic), and the response capacity resulting from the (individual and collective) availability of assets and resources to prevent or mitigate this risk.

Whether by increasing the risk or reducing the response capacity, the basic causes of food insecurity and vulnerability include the following: (i) environmental factors, which define the environment in which a person and his or her family live, including risks pertaining to the natural environment and its cycles (such as flooding, drought, frost, earthquakes and others), and those produced by human beings (such as water, air and food pollution, expansion of the agricultural frontier, among others); (ii) factors in the socio-cultural-economic environment, including poverty and equity, schooling and cultural patterns, level of employment and wages, social capital and participation in support networks; and political-institutional factors which include government policies and programmes aimed specifically at resolving the population's food-nutritional problems, together with coverage of social protection and sector policies (Martínez and Fernández, 2006).

On a secondary level there are two key dimensions: firstly, productive factors including those directly associated with the production of food and access to it, the exploitation of natural resources and the degree to which processes mitigate or increase environmental risks. Secondly, there are individual biomedical factors that limit a person's capacity to make biological use of the food that is consumed (irrespective of its quantity and quality) (Martínez and Fernández, 2006).

The above means that there is a close relation between undernourishment generated by food insecurity and child undernutrition, even when the latter can also be a secondary consequence of pathologies that restrict a person's capacity to adequately assimilate the food consumed. In the region, the most vulnerable groups are children under three and pregnant women living in rural zones of Central American and Andean countries, who mostly belong to indigenous population groups, particularly in the case of illiterate mothers.

The Pan American Alliance for Nutrition and Development for achieving the Millennium Development Goals<sup>24</sup> stresses the importance of tackling undernutrition by focusing on the social determinants of health when designing structural actions to reduce undernutrition. These include food security, conditions of the physical and social environment, education, access to information, the health status of the mother and child, access to health services, family planning, exercise of human rights and fundamental freedoms, the family's economic incomes and labour conditions.

The consequences of hunger can be manifested throughout the life cycle and can even be transmitted from one generation to the next. They include impacts on health (neurological development problems, higher chances of suffering and dying from diseases such as diarrhoeas, acute respiratory infections, pneumonia, anaemia, measles and malaria, as well as HIV/AIDS (Pelletier, 1993, cited by Habicht, 2008); on education (less achievement and reduced attendance, higher school dropout); and on the economy (public and private costs arising from health care and school grade repetition, and lower productivity). These effects generate greater problems of social engagement and an increase or deepening of the scourge of poverty and indigence in the population, reproducing the vicious circle by increasing vulnerability to undernutrition and generating significant economic costs for the countries concerned.

<sup>24</sup> An alliance formed in July 2008 by 13 United Nations agencies and ECLAC, to "propose and implement comprehensive, inter/sector, coordinated and sustainable programmes" in the process of achieving the MDGs.

The degree to which these causes and consequences are manifested in each country is closely related to their status in terms of the demographic, epidemiological and nutritional transition. The demographic transition is an evolutionary process characterized by a significant fall in the birth rate and under-fives mortality rate, and an increase in life expectancy. These are normally temporarily out of step with each other. This determines population growth and a significant change in the population pyramid, with an increasing proportion of adults and older adults. The epidemiological transition reflects long-term changes in patterns of mortality, disease or disability, stemming from demographic and socioeconomic changes. The nutritional transition refers to changes in the population's nutritional profile as a result of changes in diet and levels of physical activity, in which the prevalence of undernutrition gives way to greater prevalence of overweight and obesity. Thus, the population's age composition, epidemiological profile and activities have a significant effect on their nutritional requirements and amount of energy consumed.

Table II.3  
LATIN AMERICA (18 COUNTRIES): STAGES OF THE NUTRITIONAL TRANSITION

	Stages		
	Pre-transition	Transition	Post-transition
<b>Diet (prevalent)</b>	Cereals Legumes Vegetables Fruits	Increased consumption of sugar, fats and processed foods	High fat and sugar content Low fibre content
<b>Nutritional status</b>	Nutritional deficiencies and undernutrition most common problems	Nutritional deficiencies coexist with obesity	Obesity and hyperlipidemia most common problems
<b>Countries</b>	Plurinational State of Bolivia	Paraguay	Costa Rica
	Haiti	El Salvador	Chile
	Guatemala	Panamá	Cuba
	Honduras	Mexico	Uruguay
	Nicaragua	Brazil	Argentina
		Colombia	
		Ecuador	
		Peru	

**Source:** C. Albala and others, *Bases, prioridades y desafíos de la promoción de salud*, Santiago, Chile, Institute of Nutrition and Food Technology of the University of Chile, 2004.

An important factor to bear in mind is the way undernutrition and its consequences manifest themselves throughout people's life cycle, and the fact that "much of the game is played" in the initial stages, inside the womb and even in the mother's situation before pregnancy. The mother's nutritional status often determines the birthweight, health and survival prospects of a newborn child. One of the main determinants of intra-uterine growth retardation (IUGR) is the mother's size, which, in turn is a reflection of her nutritional status during her own childhood, her nutritional status prior to conception and whether or not she gained weight during pregnancy (Martínez and Fernández, 2006; Black and others, 2008; Bhutta and others, 2008).

The scientific evidence shows that most growth retardation in children from underdeveloped countries originates in the first two or three years of life. Analyses based on data from demography and health surveys (DHS)<sup>25</sup> in Bolivia 1998, Colombia 2000 and Peru 2000, together with data that exist for Ecuador (Martínez, 2005),

<sup>25</sup> Demography and health services are the most important source of information on population, health and nutrition of children and mothers in developing countries.

show that the first two years of life are crucial for controlling the undernutrition process. Subsequent interventions that aim to reduce the size deficit are only partially successful because the final result is a consequence of the cumulative effects on the life cycle, especially if the child continues to live in deprived environments (Martínez and Fernández, 2006).

Undernutrition that originated at the start of the life cycle has consequences until the very end. In adult life, physiological characteristics are manifested that started to be formed in earlier stages of development. Thus, the adult life of a person who suffered from undernutrition as a child will develop with greater or lesser difficulty, depending on how the nutritional deficit in childhood has been corrected, or how these shortcomings have been maintained throughout the life cycle.<sup>26</sup>

It should be remembered that maternal breast feeding is an important undernourishment protection factor in the early months of life. It represents a simple action of major impact at a time of global financial crisis, and also protects against the predominant childhood diseases, and serves as a natural control on undesired pregnancy (Black and others, 2008; Bryce and others, 2008). Nonetheless, it is highly deficient in the region: on average, only about 40% of children have exclusive maternal breast feeding during the first six months of life.<sup>27</sup>

#### Box II.4 THE COST OF HUNGER

Mindful of the social and economic significance of hunger and child undernutrition in the region, in 2005 the World Food Programme (WFP) and the Economic Commission for Latin America and the Caribbean (ECLAC) agreed to join forces on a project to study the social and economic impact of hunger in Latin America. Based on a specially designed theoretical and methodological model, the findings for the Dominican Republic and the countries of Central America were made public in 2007. A second study, with findings for Ecuador, Paraguay, Peru and the Plurinational State of Bolivia, was published in 2009.

The estimates conducted in the study draw on official data on health care, education outcomes, productivity and costs for the year under review (2004 and 2005, respectively). However, given the intertemporal nature of the study, the estimates are based on records for 1940-2004 and 1941-2005 and on projections through 2068 and 2069, respectively.

Noteworthy among the findings is the fact that as of 2004 Central America and the Dominican Republic could well have lost 1.7 million working-age persons, or 6% of the working-age population (WAP, measured as those aged 15-64) to death associated with undernutrition during the decades reviewed. This is equivalent to 2.5 billion hours of labour per year, or 6.5% of the number of hours worked by the economically active population (EAP).

As of 2005, undernutrition could have led to the death of 2 million persons of working age (5.9% of the WAP) in Ecuador, Paraguay, Peru and the Plurinational State of Bolivia and the loss of 3.1 billion hours of labour (5.3% of the hours worked by the EAP).

Over the decades reviewed, then, undernutrition in the region might well have cost an estimated US\$ 6.659 billion in the Dominican Republic and Central America and US\$ 4.311 billion among the four South American countries studied. These figures are equivalent to 6.4% and 3.3%, respectively, of aggregate GDP for the years reviewed. More than 90% of these costs reflect productivity losses caused by lower education levels and a higher mortality rate among the undernourished.

If undernutrition is not addressed now, it will persist and affect new generations at a higher cost. Eradicating undernutrition by 2015 would save the Dominican Republic and Central America US\$ 2.271 billion; the savings for Ecuador, Paraguay, Peru and the Plurinational State of Bolivia would be US\$ 1.708 billion. Meeting the target of halving, between 1990 and 2015, the proportion of people who suffer from hunger would save US\$ 1.109 billion and US\$ 516 million, respectively.

It is clear that eradicating child undernutrition is not an expense but a profitable investment, good business that benefits the entire population, especially the production sector. So, an analysis of interventions should consider not only the operational costs of acting but also the benefits to be gained and the costs of inaction.

**Source:** R. Martínez and A. Fernández, "The cost of hunger: social and economic impact of child undernutrition in Central America and the Dominican Republic," *Project documents*, No. 144 (LC/W.144), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC)/World Food Programme (WFP), 2007; and "The cost of hunger: social and economic impact of child undernutrition in the Plurinational State of Bolivia, Ecuador, Paraguay and Peru," *Project documents*, No. 260 (LC/W.260), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC)/World Food Programme (WFP), 2009.

<sup>26</sup> Studies by Barker (2004) show that the main consequences include chronic non-transmissible diseases (CNTD) in adulthood, such as type-2 diabetes, hypertension, heart disease, and cerebral vascular accidents (CVAs), which would be directly associated with nutritional deficits in the early years of life.

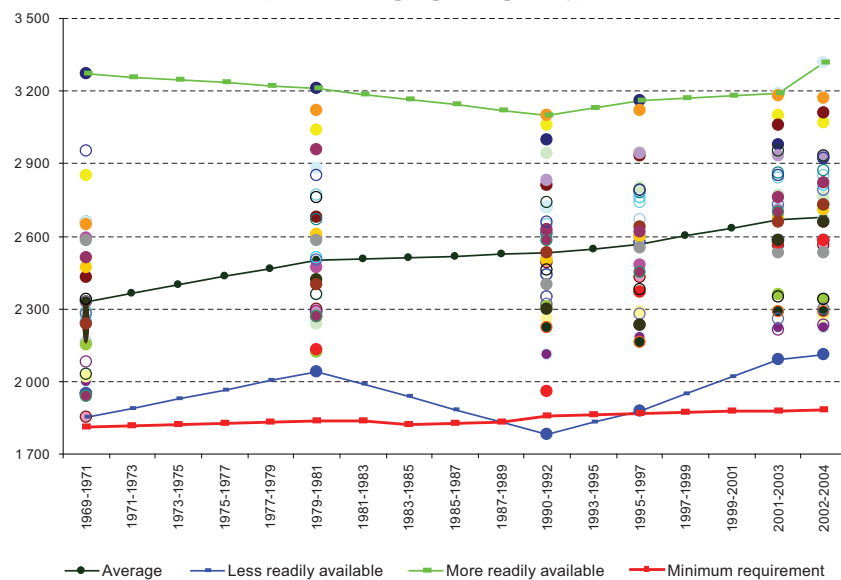
<sup>27</sup> UNICEF, State of the World's Children 2008.

### 3. Characteristics of hunger and undernutrition in the region and progress in eradicating it

#### (a) Availability of food and access to it

Substantial progress has been made in food production over the last few decades, which has resulted in a significant increase in its availability worldwide. In the region, practically all countries have had sufficient food over the last 40 years; the only countries to have experienced shortages are Haiti and Nicaragua in the 1990s (see figure II.12). Furthermore, according to the most recent information (FAO, 2009c) there is currently enough food to cover over 140% of minimum energy requirements. Nonetheless, the distribution of food among the population is highly unequal, which makes unequal access to food a specific feature of hunger in the region.

Figure II.12  
LATIN AMERICA AND THE CARIBBEAN (32 COUNTRIES): FOOD AVAILABILITY  
(Kilocalories per person per day)<sup>a</sup>



**Source:** R. Martínez and others, “Food and nutrition insecurity in Latin America and the Caribbean”, *Project documents*, No. 274 (LC/W.274), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2009, on the basis of Food and Agriculture Organization of the United Nations (FAO) food balance sheets.

<sup>a</sup> The regional average is based on the averages for each country, weighted by the population.

An analysis of the current situation in the various countries shows that five of them (Argentina, Brazil, Cuba, Dominica and Mexico) have food supply equal to or above 3,000 kcal/per day; 16 countries have between 2,500 and 2,999 kcal/per day (Bahamas, Barbados, Belize, Chile, Colombia, Costa Rica, El Salvador, Guyana, Jamaica, Paraguay, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay); 10 have between 2,100 and 2,499 kcal/per day (the Bolivarian Republic of Venezuela, Guatemala, Dominican Republic, Ecuador, Grenada, Honduras, Nicaragua, Panama, Peru and the Plurinational State of Bolivia), while Haiti is the only country with supply less than 2,100 kcal/per day.

According to food security statistics published by FAO (FAOSTAT), in 2003-2005 the largest percentage of food energy in the region's countries was provided by foods of plant origin (over 50%), with cereals accounting for the largest proportion of the diet. There is significant variability, however, because in Haiti cereals contributed 49% of energy, compared to 29% in the Dominican Republic and Paraguay (Martínez and others, 2009).

## Box II.5

**HAITI: FOOD DEPENDENCY WORSENER BY THE EARTHQUAKE**

Rice, beans and maize are dietary staples for low- and middle-income Haitian households. Haiti imports half or more of its food requirements (it is estimated that approximately 80% of the rice and some 50% of the beans and maize are purchased abroad).

Figures on import requirements provided by the Food and Agriculture Organization indicated that food aid would help meet a good portion of the requirements for 2009, with this type of aid going from 15% of imports in 2008 to 25% in 2009. Despite this increase, the shortfall is expected to reach 178,000 tons, that is to say, a deficit equal to 27% of the cereal imports that the population needs.

**HAITI: ESTIMATED CEREAL IMPORT REQUIREMENTS, 2009**

(Thousands of tons)

Month	Effective imports 2008			Import situation 2009			Import needs in 2009 [B]	Deficit in 2009 [B]-[A]
	Commercial procurement	Food aid	Total	Commercial procurement	Food aid	Total [A]		
June/July	501.3	91.9	593.2	359.7	116.1	475.8	654	178.2

**Source:** Food and Agriculture Organization of the United Nations (FAO), "Crop Prospects and Food Situation," July 2009 [online] <http://www.fao.org/docrep/012/ai484e/ai484e00.htm>.

It is thus clear that Haiti's main food security risk factors are international basic grain market and exchange-rate movements, in addition to the area's recurrent weather problems.

The prospects for domestic production are not as poor as they were a year ago because the spring harvest is expected to be 25% larger than last year's. Moreover, the annual inflation rate has been negative over the past few months, and the unemployment rate is not expected to rise for the rest of the year. It is therefore estimated that the food insecure population will number around 2 million.

This year, international assistance has been the principal source of financial and technical resources for overcoming the food crisis and for economic recovery. Examples are the US\$ 1.4 billion in debt relief approved by the International Monetary Fund and creditor countries, the US\$ 324 million pledged by the Inter-American Development Bank (IDB) (to be delivered over a two-year period) and support from the Food and Agriculture Organization, the International Fund for Agricultural Development (IFAD) and the World Bank to improve food access and availability.

These estimates for 2009 were substantially impacted by the earthquake of 12 January 2010. A report from Haiti's National Food Security Coordination Unit highlights the following vulnerability factors to be borne in mind concerning family food security: access to seed for planting is limited, food reserves have decreased, products cost more because damage to the road system has made transport more expensive, food prices have gone up and imports have declined. All of this has exacerbated the precarious situation of families who lack income-generating capacity.

**Source:** Food and Agriculture Organization of the United Nations (FAO), *Panorama of Food and Nutrition in Latin America and the Caribbean*, Santiago, Chile, FAO Regional Office for Latin America and the Caribbean, 2009; National Committee for Food Security in Haiti, "Evaluation rapide d'urgence de la sécurité alimentaire post-séisme", 2010.

**(b) Undernourishment: level and progress towards the target**

The FAO (2008a) report states that between 2003-2005 and 2007, roughly 75 million people worldwide were added to those without access to minimum nutritional requirements (undernourished), thereby increasing the numbers of people suffering from "chronic hunger". It also estimated that roughly 1.02 billion people in the world suffer from undernourishment, and that the situation has deteriorated over the last 10 years particularly in the wake of the crisis that erupted in 2008 (FAO, 2009d).

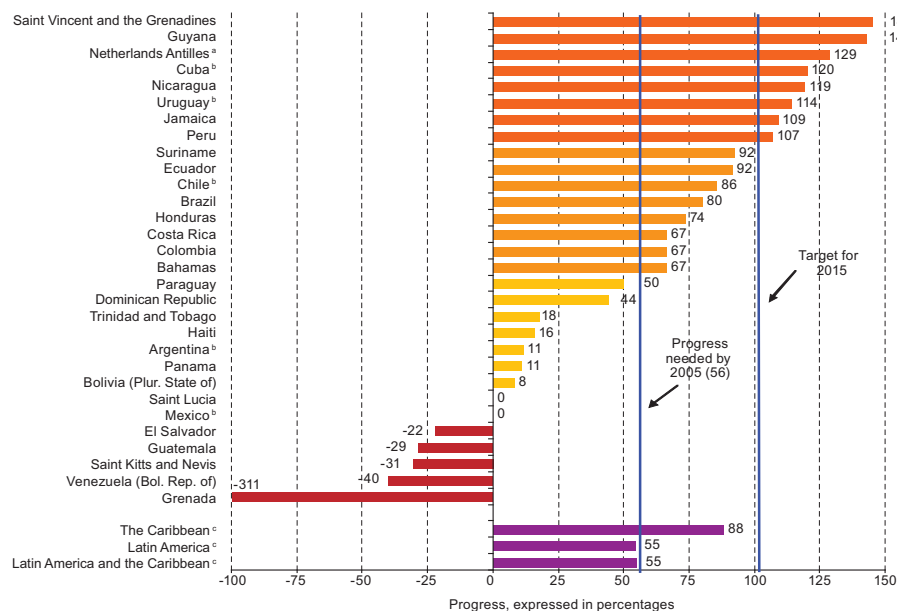
Despite the supply surplus noted above, food insecurity has trended erratically in Latin America and the Caribbean. According to FAO, in the three-year period 1990-92, 52.6 million people in the region (12% of the population) did not have access to minimum calorie requirements (they were suffering from undernourishment). By 2001-2003, the proportion had dropped to 9.9%, although the absolute number remained around 52 million. Significant progress was made in subsequent years to reach a level of 8.6% in 2004-2006. This reduced the number of people suffering from undernourishment by 40 million, which was auspicious for achieving the target. Nonetheless, as seen below, these figures are likely to have increased significantly as a result of the crisis (FAO, 2008a). The factors causing this behaviour include: the increase in aggregate supply but maintenance of unequal

access; the recurrence of natural disasters mainly in Central America and the Caribbean; and the impact of a number of social and economic policies implemented in certain Central and South America countries with the aim of reversing critical situations (Martínez and others, 2009).

The latest FAO estimates of undernourishment in the region, for the period 2004-2006, show that the region as a whole has made 55% progress since the start of the past decade, which is slightly less than the proportion of time elapsed, but with very large differences between countries. As shown in figure II.13, the 30 countries analysed can be divided into four groups:

- those that have already attained the target set for 2015 (Cuba, Guyana, Jamaica, Netherlands Antilles, Nicaragua, Peru Saint Vincent and the Grenadines and Uruguay);
- those that have progressed further than expected for the time elapsed and which, provided there are no significant changes in the trend, will most likely achieve the target (, Ecuador, Bahamas, Brazil, Chile, Colombia, Costa Rica Honduras and Suriname);
- those whose progress is less than the proportion of time elapsed (Argentina, Dominican Republic, Haiti, Panama, Paraguay, the Plurinational State of Bolivia, and Trinidad and Tobago);
- countries that have not made any progress or have actually gone backwards in terms of undernutrition (Bolivarian Republic of Venezuela, El Salvador, Grenada, Guatemala, Mexico, Saint Lucia and Saint Kitts and Nevis).

Figure II.13  
**LATIN AMERICA AND THE CARIBBEAN (30 COUNTRIES): PROGRESS MADE IN REDUCING UNDERNUTRITION BETWEEN 1990-1992 AND 2004-2006**  
(Percentage of progress towards 2015)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Food and Agriculture Organization of the United Nations (FAO), "The State of Food Insecurity in the World", various years [date of reference: 23 November 2009].

<sup>a</sup> Estimate on the basis of data from 2001-2003.

<sup>b</sup> Information from ECLAC, *Social Panorama of Latin America, 2008* (LC/G.2402-P), Santiago, Chile, 2008.

<sup>c</sup> Average weighted by the population.

It should be noted that the progress reported says nothing about the extent of undernourishment in the countries concerned, for even when they show significant progress they still maintain high indices, such as Haiti (58%), followed far behind by the Plurinational State of Bolivia, Dominican Republic and Nicaragua (22%). The first two of these show very small progress, while the rate in Nicaragua is still very high (21%) despite having already exceeded the target.

Table II.4

**LATIN AMERICA AND THE CARIBBEAN: PROPORTION OF POPULATION BELOW MINIMUM LEVEL OF DIETARY ENERGY CONSUMPTION – UNDERNUTRITION (INDICATOR 1.9), 1990-1992 AND 2004-2006**

	Undernutrition		Undernutrition		Trend with respect to the target	
	1990-1992		2004-2006			
	Millions of persons	Percentage of total population	Millions of persons	Percentage of total population	World Food Summit	Millennium Development Goals
World	845.3	16	872.9	13	▲	▼
Developing countries	826.2	20	857.7	16	▲	▼
Latin America and the Caribbean	52.6	12	45.3	8	▼	▼
<b>Mexico and Central America</b>	<b>9.3</b>	<b>8</b>	<b>9</b>	<b>6</b>	▼	▼
Mexico	ns	<5	ns	<5		
Costa Rica	ns	<5	ns	<5		
El Salvador	0.5	9	0.7	10	▲	▲
Guatemala	1.3	14	2.1	16	▲	▲
Honduras	1	19	0.8	12	▼	▼
Nicaragua	2.2	52	1.2	21	▼	▼
Panama	0.4	18	0.6	17	▲	▼
<b>The Caribbean</b>	<b>7.5</b>	<b>26</b>	<b>7.8</b>	<b>23</b>	▲	▼
Cuba	0.6	5	ns	<5		
Dominican Republic	2	27	2	21	◀▶	▼
Haiti	4.5	63	5.4	58	▲	▼
Jamaica	0.3	11	0.1	5	▼	▼
Trinidad and Tobago	0.1	11	0.1	10	◀▶	▼
<b>South America</b>	<b>35.8</b>	<b>12</b>	<b>28.5</b>	<b>8</b>	▼	▼
Argentina	ns	<5	ns	<5		
Bolivia (Plurinational State of)	1.6	24	2.1	23	▲	▼
Brazil	15.8	10	11.9	6	▼	▼
Chile	0.9	7	ns	<5		
Colombia	5.2	15	4.3	10	▼	▼
Ecuador	2.5	24	1.7	13	▼	▼
Guyana	0.1	18	0	6	▼	▼
Paraguay	0.7	16	0.7	12	◀▶	▼
Peru	6.1	28	3.6	13	▼	▼
Suriname	0	11	0	7	◀▶	▼
Uruguay	0.2	5	ns	<5		
Venezuela (Bolivarian Republic of)	2.1	10	3.1	12	▲	▲

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Food and Agriculture Organization of the United Nations (FAO), *Panorama of Food and Nutrition in Latin America and the Caribbean*, Santiago, Chile, FAO Regional Office for Latin America and the Caribbean, 2009.

**Note:** ns - not statistically significant.

In contrast, six countries (Argentina, Chile, Costa Rica, Cuba, Mexico and Uruguay) have undernourishment rates below 5%; so, irrespective of relative progress or regression, they can be considered to have already achieved the target.<sup>28</sup>

When the results are measured against target set at the World Food Summit in 1996, “... to eradicate hunger in all countries,<sup>29</sup> with an immediate view to reducing the number of undernourished people to half their present level no later than 2015” (FAO, 2001), the progress made is just 22%, and only Jamaica, Guyana and Nicaragua would have attained the target (FAO, 2008b).

Lastly, the data used in the estimations contained in this document are from the three-year period 2004-2006, so they do not reflect the changes wrought by the crisis of the last few years. The latest FAO estimates suggest that the current food-price situation will have meant a 12.8% increase in undernourishment in the region. Thus, the upturn in food insecurity that occurred in 2009 highlights the urgent need to address the underlying causes of hunger rapidly and effectively (FAO, 2009c).

### **(c) Child undernutrition: regional profile**

Undernutrition among children under five displays varied characteristics that reflect a qualitatively heterogeneous and quantitatively unequal reality.

The earliest indicators of undernutrition in an individual are visible during life inside the womb and can be observed through pregnancy checkups. In the region, however, estimates only start to be comparable following low birth-weight controls resulting from intra-uterine growth retardation (IUGR). According to estimates based on UNICEF data,<sup>30</sup> this situation occurs in between 5% and 25% of births registered in the different countries, with Haiti the worst affected, followed by Trinidad and Tobago, Guyana and Suriname, with prevalence rates of between 13% and 19%. In contrast, the lowest IUGR rates occur in Antigua and Barbuda and also in Cuba, with less than 5%.

Child undernutrition increases most rapidly in the first two years of life, after which the prevalence tends to stabilize, but with different values in the various indicators that make up the region’s nutritional profile.

A regional characteristic is the high prevalence of chronic undernutrition (stunting). According to the WHO benchmark standard, roughly 9 million children suffer from low height for age (7.5 million according to the NCHS standard). The situation is most acute in Central America and the Andean countries, affecting half of all Guatemalans and between a quarter and a third of Bolivians, Ecuadorians, Haitians, Hondurans and Peruvians. In Chile, in contrast, the figure does not exceed 3%; and Jamaica and Trinidad and Tobago both have prevalence rates below 6%.

The latter has aroused interest in using height-for-age as a complementary indicator for evaluating and monitoring child undernutrition in the region.

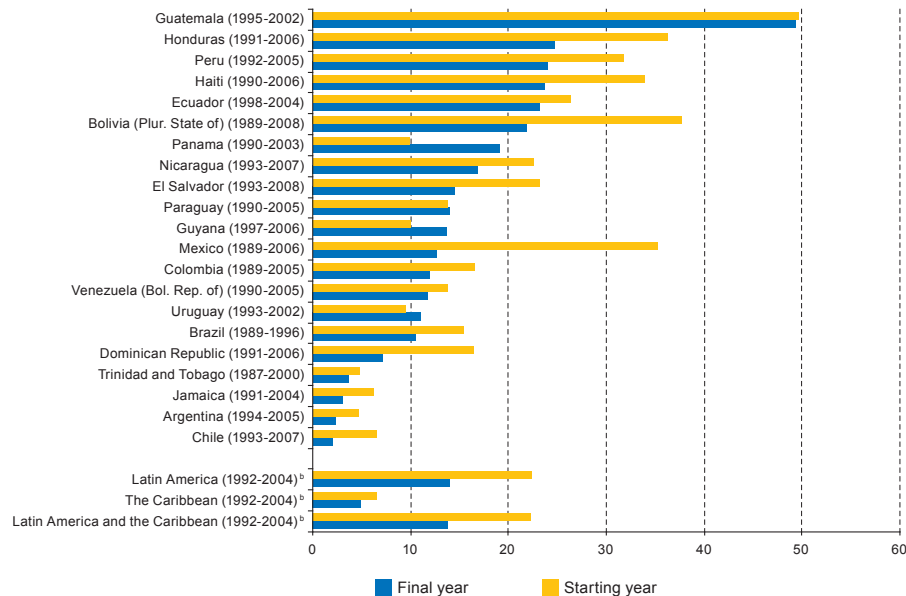
<sup>28</sup> FAO has adopted the convention of not publishing a specific estimate of undernutrition for countries with a value below 5%, but only reporting it as <5%. This makes it hard to estimate regional averages and progress towards a target, so a value has been estimated for 1998-2000 based on the FAO balance sheets.

<sup>29</sup> Note that the target set for 2015 by the World Food Summit in 1996 (Eradicate hunger) is more demanding than the one set as a result of the Millennium Declaration of 2000 for the same year (Halve the percentage of people suffering from undernourishment).

<sup>30</sup> UNICEF, low birth-weight profiles [online database] [http://www.childinfo.org/low\\_birthweight\\_profiles.php](http://www.childinfo.org/low_birthweight_profiles.php).



Figure II.14  
**LATIN AMERICA AND THE CARIBBEAN (25 COUNTRIES): CHRONIC UNDERNUTRITION IN CHILDREN UNDER AGE 5, STARTING AND FINAL YEARS<sup>a</sup>**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of “Global Database on Child Growth and Malnutrition” [online] <http://www.who.int/nutgrowthdb/database/en/> [date of reference: April 2009]; Stat compiler DHS [online] <http://www.statcompiler.com>, and official country figures, on the basis of Living Conditions Surveys, Demographic and Health Surveys and United Nations Children’s Fund (UNICEF), Multiple Indicator Cluster Survey (MICS).

<sup>a</sup> Refers to the figures for chronic undernutrition available for the year closest to 1990 and the most recent year, respectively, by old standards (NCHS).

<sup>b</sup> Weighted averages for the countries.

#### Box II.6 **COMPARISON OF BENCHMARKS FOR ESTIMATING THE PREVALENCE OF UNDERNUTRITION: NCHS/CDC/WHO AND WHO**

In 1975, at the request of the World Health Organization (WHO), a group of experts recommended reference data for anthropometric indicators used in nutrition surveys and for monitoring purposes. Based on the guidelines developed, data from the United States’ National Center for Health Statistics (NCHS) have been used as an international reference for several decades. Various studies draw attention to the limitations of this standard of reference, especially because the sampling on which it is based corresponds to Euro-descendent infants residing in the United States (De Onis and others, 2006).

The new World Health Organization reference framework was outlined in 1996; the principal change was to move from a descriptive approach (how children grow) to a normative or potential approach (how they should grow). The sampling for the reference was taken with three main factors in mind: “(1) optimal nutrition or breastfeeding and complementary feeding according to WHO recommendations; (2) optimal environment in terms of environmental sanitation and absence of exposure to tobacco smoke; and (3) optimal health care, including completed immunization schedule and routine pediatric care” (PAHO, 2008).

The new growth standards were developed on the basis of a Multicentre Growth Reference Study on infant growth (MGRS), consisting of a longitudinal study of children from birth to 24 months combined with a cross-sectional study of children aged 18-71 months in six countries (Brazil, Ghana, India, Norway, Oman and United States) (De Onis and others, 2004).

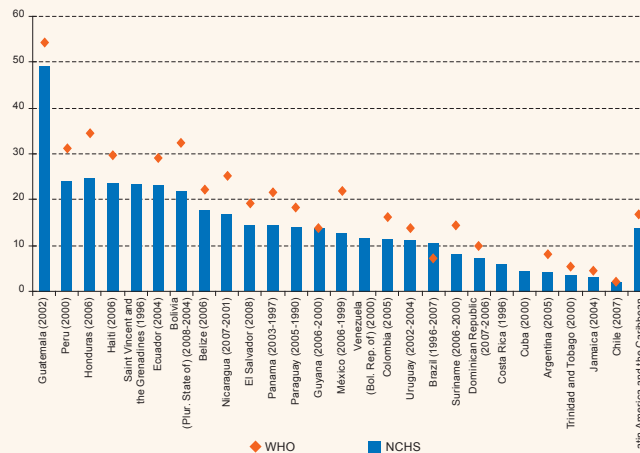
The Pan American Health Organization study (PAHO, 2008) compares measurements for undernutrition using both standards. An examination of the data for the entire cohort under age 5 shows that with the new WHO benchmark, chronic undernutrition and overweight are more prevalent than estimated using the NCHS standard but that overall undernutrition is less prevalent, although it is more prevalent among infants during the first few months of life.

The study concludes that changing the standard poses a challenge for policies geared towards reducing undernutrition in the world. The new data show that chronic undernutrition has been underestimated, thus widening the gap with respect to overall undernutrition, as has weight loss during the first six months of life.

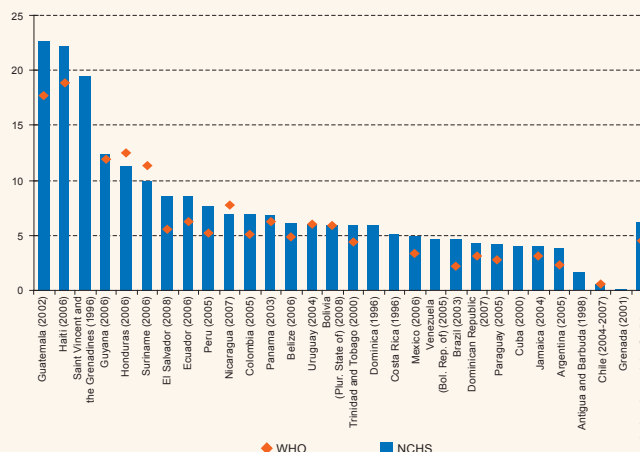
## Box II.6 (concluded)

The region's countries have not shifted to the new standard for their assessments; instead, some use both to conduct estimates while others continue to use the NCHS benchmark in order to allow comparisons with previous years and assess progress in reducing undernutrition. This report therefore uses the NCHS standard as the benchmark for assessing progress against undernutrition.

**LATIN AMERICA AND THE CARIBBEAN (25 COUNTRIES): PREVALENCE OF LOW HEIGHT-FOR-AGE (CHRONIC UNDERNUTRITION) IN CHILDREN UNDER AGE 5, ACCORDING TO OLD (NCHS) AND CURRENT (WHO) STANDARDS, 1996-2008**



**LATIN AMERICA AND THE CARIBBEAN (29 COUNTRIES): PREVALENCE OF LOW WEIGHT-FOR-AGE (OVERALL UNDERNUTRITION) IN CHILDREN UNDER AGE 5, ACCORDING TO OLD (NCHS) AND CURRENT (WHO) STANDARDS, 1996-2006**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the World Bank, the United Nations Department of Economic and Social Affairs, Macro, Demographic and Health Surveys (DHS), United Nations Children's Fund (UNICEF), Multiple Indicator Cluster Survey (MICS), United Nations Standing Committee on Nutrition and national reports.

Data on chronic undernutrition (stunting) vary widely between the various regions and zones within countries, with differences that can be at least as pronounced as those between countries (see figure II.15). Peru is perhaps the most illustrative case: whereas in Tacna the prevalence of chronic undernutrition is 7%, in Huancavélica it runs as high as 60% (more than eight times higher) and the national average is 31%. Similar situations, albeit less pronounced, prevail in Guyana, Nicaragua, Panama and Suriname, where the most vulnerable regions display rates

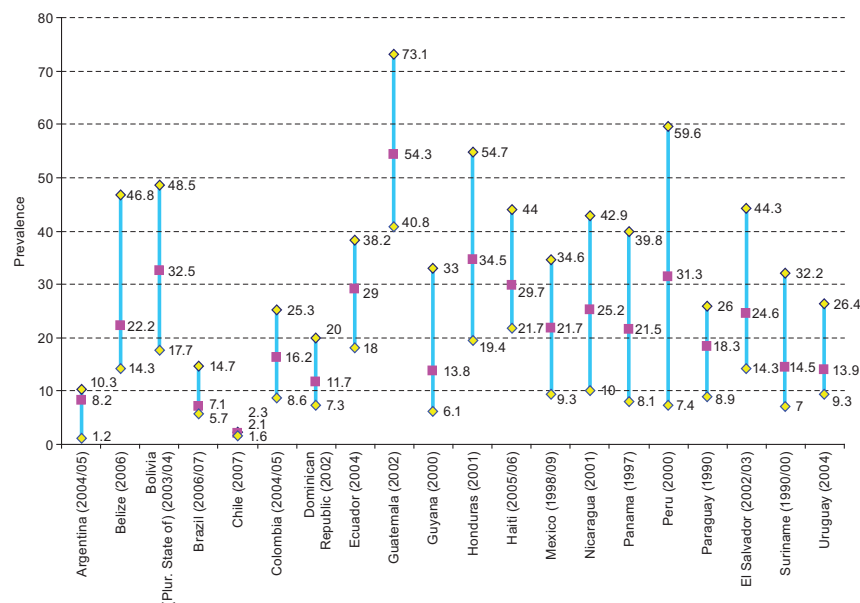
of between four and five times higher than those of the least vulnerable regions. In Belize, Bolivia, Colombia, the Dominican Republic, El Salvador Mexico and Paraguay, the ratio fluctuates between 3 and 4 times.

Regions with the highest rates of chronic undernutrition also display other vulnerability indicators: a high proportion of population with income below the poverty and indigence lines, a large percentage of rural dwellers and people of indigenous origin and very low levels of education and access to drinking water.

Official indicator 1.8 monitoring the target on child undernutrition is the prevalence of underweight children under-five years of age. According to the NCHS standard, 3.5 million children are underweight for their age (2.2 million according to the WHO standard), which represent significantly lower prevalence rates than the height-for-age indicator, particularly in Latin American countries.

The prevalence of underweight children also varies greatly between countries, partly because of their different development levels, but also because of the policies and programmes implemented to prevent and treat undernutrition (see figure II.15). The highest prevalence rates are in Guatemala, Haiti, Honduras, Guyana, Saint Vincent and the Grenadines and Suriname, where between 10% and 23% of children under five years of age are underweight. In contrast, Antigua and Barbuda, Chile and Grenada, with levels below 2.5%, can be said to have eradicated this problem at the national level, although population groups remain that are relatively more vulnerable. Another seven countries have prevalence rates below 5%.

Figure II.15  
**LATIN AMERICA AND THE CARIBBEAN (19 COUNTRIES): PREVALENCE OF CHRONIC UNDERNUTRITION IN THE MOST AND LEAST VULNERABLE AREAS IN EACH COUNTRY<sup>a</sup>**  
(Percentages of children under age 5 suffering from moderate or severe chronic undernutrition)

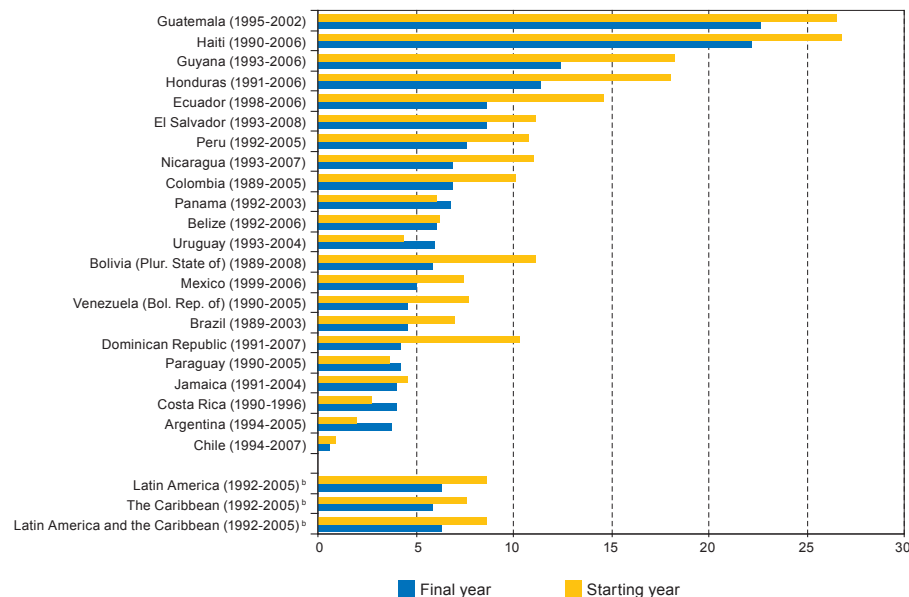


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Demographic and Health Surveys (DHS) [online] [www.measuredhs.com](http://www.measuredhs.com); World Health Organization (WHO), United Nations Children's Fund (UNICEF), "Global Database on Child Growth and Malnutrition" [online] <http://www.who.int/nutgrowthdb/en/>, and official country reports.

<sup>a</sup> Some of the countries shown in the figure have more recent information available at the national level, but not at the level of regions or provinces. Accordingly, the year of reference is the most recent for which disaggregated information is available.

In absolute terms, Brazil, Mexico, Guatemala, Colombia, Haiti and Peru between them account for the majority (73%) of people suffering from undernutrition.

Figure II.16  
**LATIN AMERICA AND THE CARIBBEAN (22 COUNTRIES): PREVALENCE OF UNDERWEIGHT CHILDREN UNDER AGE 5 – OVERALL UNDERNUTRITION (MDG INDICATOR 1.8), STARTING AND FINAL YEARS<sup>a</sup>**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Health Organization (WHO), “Global Database on Child Growth and Malnutrition” [online] <http://www.who.int/nutgrowthdb/database/en/> [date of reference: April 2009], Stat compiler DHS [online] <http://www.statcompiler.com>, official country reports on the basis of Living Conditions Surveys, Demographic and Health Surveys and United Nations Children’s Fund (UNICEF), Multiple Indicator Cluster Survey (MICS).

<sup>a</sup> Refers to the figures for overall undernutrition available for the year closest to 1990 and the most recent year, respectively, by old standards(NCHS).

<sup>b</sup> Weighted averages for the countries.

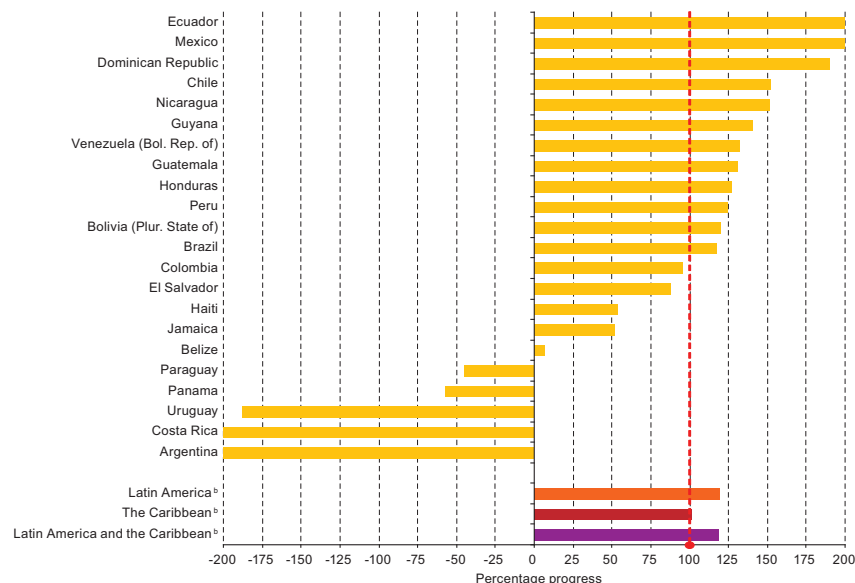
Micronutrient deficit, also known as hidden hunger, is another indicator of undernutrition in the region, which has a negative impact on intellectual development, mortality and morbidity. The most frequent problem is anaemia, which affects one in every three children under five and over 50% in several countries of the region.

Although progress has been made, deficits in micronutrients such as vitamin A and iodine are also risk factors for various types of diseases. Some of these are both physically and mentally debilitating, which makes them a public health problem in several countries of the region, particularly in rural areas and among the most vulnerable population groups (children, pregnant women, older adults, indigenous people, population living in poverty or indigence). It is estimated that in the last few years 85% of households in the region consumed iodize salt, but universal coverage should have been achieved since this type of intervention is highly cost-effective (Martínez and others, 2009).

#### (d) Child undernutrition: progress towards the target

The analysis of available information on global undernutrition shows that Latin America and the Caribbean have reduced the prevalence of underweight children by 20% more than expected.<sup>31</sup> Progress on this official indicator is greater than what has been achieved on chronic undernutrition and consequently the region as a whole is on track to fulfil target 1C on hunger (see figure II.17). Nonetheless, the situation is very uneven: in 12 countries, progress has been relatively rapid and is running ahead of the proportion of time elapsed between the initial and final years observed; in five countries progress was less than expected (100%), while another five moved backwards in terms of global undernutrition. Among the 12 countries of the first group, six of them (Ecuador, Guatemala, Guyana, Honduras, Nicaragua and the Plurinational State of Bolivia,) displayed very high indices of child undernutrition in the early 1990s, so the disparities between the countries have tended to narrow. Secondly, among the five countries in which the nutritional status of children has deteriorated, three of them (Argentina, Costa Rica and Uruguay) recorded global undernutrition rates of below 5% in the initial year, and two of them (Argentina and Costa Rica) have remained below that level. In view of this, unless structural changes are made to national policies, it is unlikely that the two latter groups of countries will attain the target on global undernutrition. Nonetheless, as noted above, Argentina, Costa Rica and Uruguay already displayed a very low rate of child undernutrition (below 5%) in 2005, so the chances are that they will bring it below 2% by 2015, in which case they would have achieved or be close to achieving the goal of eradicating undernutrition.

Figure II.17  
**LATIN AMERICA AND THE CARIBBEAN (22 COUNTRIES): PROGRESS IN REDUCING OVERALL UNDERNUTRITION IN CHILDREN UNDER AGE 5**  
*(Percentage of progress towards the target for 2015)<sup>a</sup>*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Health Organization (WHO), "Global Database on Child Growth and Malnutrition" [online] <http://www.who.int/nutgrowthdb/database/en/> [date of reference: April 2009], Stat compiler DHS [online] <http://www.statcompiler.com>, official country reports on the basis of Living Conditions Surveys, Demographic and Health Surveys and United Nations Children's Fund (UNICEF), Multiple Indicator Cluster Survey (MICS).

<sup>a</sup> Progress of over 100% indicates that progress in reducing undernutrition has been faster than that required to meet the target in the period specified; progress of less than 100% indicates that progress in reducing undernutrition has been slower than that required to meet the target.

<sup>b</sup> Weighted averages for the countries.

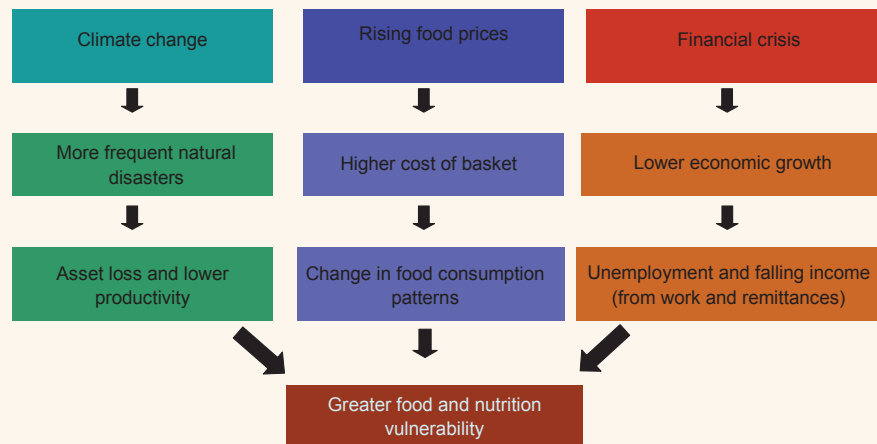
<sup>31</sup> It should be remembered that not all countries of the region have data available, and in most cases the data cover a variable period. Although in all cases (apart from Mexico) there is information for some year in the period 1989-1994, the most recent year of estimation is later than 2005 in just in 11 countries. Analysis of progress towards the target is therefore based on periods of different length, and the evaluation of progress recorded in figure II.17 takes this into account. For further details on the procedure for calculating each country's progress towards the target, see the methodological appendix.

## Box II.7

**FOOD AND NUTRITION SECURITY IN TIMES OF CRISIS**

Over the past few years, worldwide economic, social and environmental events have affected the level and type of development of countries and thus pose new challenges for decision-makers. With regard to food and nutrition security, these times of crisis have led to greater vulnerability.

As the following diagram shows, there are three dimensions of risk that, to a greater or lesser extent in different countries, have increased food and nutrition vulnerability in the region, either because the risks have increased or because the individual and collective capacity of households to face those risks and secure an adequate diet for household members has decreased.

**THE NEW CHALLENGES**

**Source:** R. Martínez and others, "Food and nutrition insecurity in Latin America and the Caribbean," *Project documents*, No. 274 (LC/W.274), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2009.

**Climate change**

Many scientists hold that climate change and its effects are here to stay. Various studies by the Food and Agriculture Organization of the United Nations (FAO) and others indicate that climate change raises ocean temperatures, which in turn increases the frequency and intensity of natural disasters. Central America and the Caribbean have been particularly affected by this phenomenon in the form of more intense hurricane activity. Increases in continental temperatures lead to the expansion of arid zones, increased desertification and a shifting agricultural frontier. On the other hand, some sectors have benefited from an improving agricultural climate, especially in the south. Climate change has also had effects on animal and pest epidemiology, creating new risk scenarios and uncertainties. All of this has led to a loss of assets and productivity across vast agricultural sectors.

The region will also be affected by rising sea levels, which will be particularly problematic for the Caribbean countries. In South America, the shrinking ice in glaciers, Andean peaks and Patagonia could affect water availability. "This would exert pressure on the fishing industry, affecting the supply of food and the economy of some communities. In addition to agriculture, changes in the water cycle would affect sources of potable water and hydroelectric energy generation, and would exacerbate the erosion of hillsides" (UNEP, 2006).

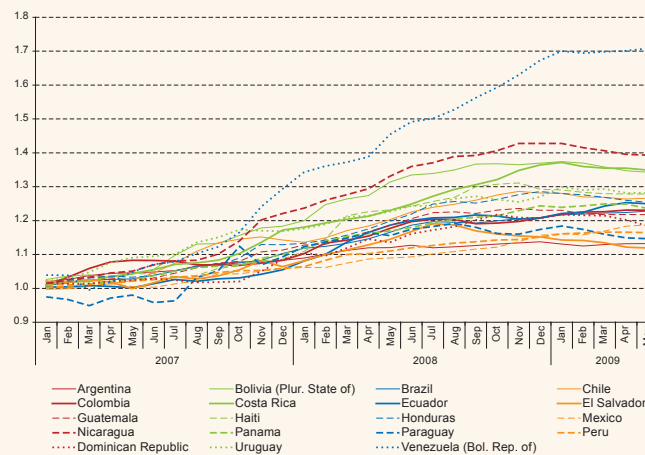
**Food prices**

"International food prices rose on average by 138% between 2000 and 2008. The largest increases occurred between 2006 and 2007, with prices rising by 23.8% in that biennium, and between 2007 and June 2008 when they rose by 40%" (ECLAC, 2008a). In Latin America and the Caribbean, the average aggregate increase in food prices between early 2007 and December 2008 was 30%. This food inflation slowed between July and September 2008, as it did worldwide, with the price of some products dropping substantially.

In these circumstances, lower-income households are forced to reorganize their budgets, with the following nutritional consequences: (a) insufficient consumption of nutrients, which could lead to undernutrition, with 400,000 to 500,000 new cases (a rise from 7.3% to over 8%); (b) deterioration of diet due to food substitutions, with increased overweight and obesity as a result of the consumption of higher-calorie products; and (c) risk of reduced supplementary feeding in children aged 6 to 24 months.

Box II.7 (concluded)

**LATIN AMERICA AND THE CARIBBEAN (20 COUNTRIES): CUMULATIVE CHANGE IN CONSUMER PRICE INDEX FOR FOOD AND BEVERAGES, JANUARY 2007- FEBRUARY 2010<sup>a</sup>**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>.

<sup>a</sup> Costa Rica, Ecuador, El Salvador, the Dominican Republic, Haiti and Honduras do not maintain a price index for food and beverages together; accordingly, the figures shown correspond to an approximate average for the two.

#### The financial crisis

The financial crisis is taking a substantial economic toll on the region: after growing by 4.1% in 2008, regional GDP shrank by 1.8% in 2009, and is estimated to climb back to a 4.1% growth rate in 2010. This situation has made the population more vulnerable to food insecurity by eroding household purchasing power, both for products in general and for food in particular, as a result of falling income levels and rising costs. The hardest hit are the lowest-income households, which spend a higher proportion of their budgets on food.

**Source:** R. Martínez and others, "Food and nutrition insecurity in Latin America and the Caribbean," *Project documents*, No. 274 (LC/W.274), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2009.

#### 4. Policy proposals

The region clearly needs social policies aimed at reducing undernutrition and hunger, based on long-term strategies and forming part of comprehensive State policies. These need to take account of the various domains involved in the causes and consequences of undernutrition and food production processes.

The policy recommendations that have been identified as central for implementing comprehensive policies are shown in the following table. Nonetheless, in view of the new scenario arising from the crisis, several interventions in the three dimensions highlighted in the previous box, could be useful in this context:



Table II.5  
**POLICY RECOMMENDATIONS TO PROTECT FOOD SECURITY AND  
 ERADICATE CHILD UNDERNUTRITION**

Information and knowledge on nutrition and health	<ul style="list-style-type: none"> <li>• Promote maternal breast feeding</li> <li>• Expand the coverage of communication campaigns and educational programmes aimed at promoting healthy feeding habits</li> <li>• Expand systems to evaluate and monitor nutritional programmes and food and nutritional security programmes.</li> </ul>
Food assistance	<ul style="list-style-type: none"> <li>• Provide food supplements to pregnant women, wet nurses, breast-feeding children and preschool children</li> <li>• Provide school meals</li> <li>• Distribute money or food, or both, to population groups living in extreme poverty</li> <li>• Create or improve emergency food protection systems</li> </ul>
Production of and access to food	<ul style="list-style-type: none"> <li>• Facilitate access to productive assets in the form of land, equipment and financing for the most vulnerable families</li> <li>• Promote soil improvement, adequate water management, storage and extension activities that enhance associative capacity and the industrialization of processes</li> <li>• Promote and improve food practices based on originating and traditional products</li> </ul>
Food safety and quality	<ul style="list-style-type: none"> <li>• Enhance health control systems to protect food safety</li> <li>• Maintain and improve food fortification programmes</li> <li>• Improve the quality of products and invest in new technologies, training and hygiene</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• Invest in schools and health services</li> <li>• Invest in drinking water and sanitation in marginal areas</li> <li>• Invest in irrigation infrastructure</li> <li>• Open up access roads to facilitate the marketing of local products and distribution of food in emergency situations</li> </ul>
Trade	<ul style="list-style-type: none"> <li>• Promote greater progress in trade agreements in relation to food products</li> <li>• Promote ways to avoid the exclusion of small-scale producers in modern food production and marketing processes</li> <li>• Implement short- and medium-term policies, the former targeting the continuity of the payments chain and provision of liquidity in dollars to the financial system; the latter, aimed at promoting countercyclical macro policies through investments in infrastructure and logistics</li> <li>• Stimulate export diversification, in terms of both products and markets, and the creation of public-private partnerships for innovation and competitiveness, strengthening the quality of markets and institutions</li> </ul>

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of R. Martínez “Hunger and malnutrition in the countries of the Association of Caribbean States (ACS)”, *Políticas sociales series*, No. 111 (LC/L.2374-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC)/World Food Programme (WFP), 2005, and ECLAC, “Defeating poverty through social inclusion”, *Project documents*, No. 174 (LC/W.174), Santiago, Chile, 2008.

**(a) Food security**

- Transfers in kind: This strategy has the advantage of targeting consumption on the food that is provided, thereby making it harder to divert resources into the consumption of other goods; nonetheless this policy has higher operating costs.
- The delivery format can vary according to the country’s supply, and range from fresh food products to “foods designed for special purposes” or specific groups (children, pregnant women, older adults, etc). In all cases, transfers should be accompanied by education sessions and information material to ensure its best use.
- Food supplements: The provision of micronutrient food supplements is a strategy widely used in the region. It is also very useful for young children, pregnant women and older adults, who tend to be economically inactive and do not earn an income from the labour market, which renders them more vulnerable to crises. Implementation of this strategy needs to consider aspects such as identification of the nutritional deficit, the micronutrients to be supplemented, the supplementation vehicle to be used, the formulation used, etc.
- Income transfers: Provision of money sum makes it possible to directly mitigate the problem of access to food; it has a visible impact in the short run, and its implementation is rapid and effective provided there are information systems making it possible to reach the most vulnerable population groups.



- Transfer programmes are premised on maximizing impacts by generating the twin benefit of incomes and social services, thereby simultaneously addressing short-term (income) and long-term (human capital and social protection) objectives. In other cases, the transfer merely provides an incentive to facilitate access to social services, education and food. As not all countries and regions have a sufficient supply of services and/or good population identification systems, unconditional transfers seems to be the best alternative for the crisis scenario, always ensuring that the localities have a market with sufficient supply capacity to support the demand for food generated by such transfers. Otherwise there is a risk that they merely fuel higher inflation.
- Subsidies: These aim to increase the demand for specific goods or services. They are also easy to implement use for food purchase, but high levels of coordination are needed with the retail market, together with a system of control and special registration of available food products. As far as possible, a specific subsidy should be applied to foodstuffs that fulfil the recommended nutritional requirements and have the necessary energy contribution.
- In places that have established commerce and extensive financial systems, an alternative is to deliver electronic cheque books or vouchers to enable the beneficiary to buy food directly. Here again it is possible to prevent them being used to purchase other goods.

**(b) Economic policies**

Although not directly related to food and nutritional security, the correct application of certain economic policies can be very useful for reducing the population's vulnerability, instead of worsening it. Types of intervention with relatively rapid effects include:

- Employment protection and the implementation of unemployment insurance to protect the population's income.
- Incentives for micro-scale agricultural production. Crop growing in urban areas is a means of family subsistence, and the marketing of surplus production provides an alternative source of income. Such initiatives require guidance and specialized technical assistance for their management and development, and also for marketing of the derived sub-products.
- Access to credits. Access to microcredit, particularly in urban areas, could boost the development of small-scale businesses supporting family subsistence. Technical assistance and low interest rates are crucial for the success of these initiatives.
- Reduction of personal taxes. Temporary reductions in value-added tax (VAT), taxes on foreign exchange earnings and other personal taxes could mean an increase in disposable income at times of crisis. Lower taxes on basic food products such as fruit, vegetables and dairy products (depending on the cultural habits of each country) are particularly important in this regard. These initiatives allow access to food of better nutritional quality, and a larger quantity available per person.
- Reducing the tax restrictions on food obtained for humanitarian purposes is also important in improving access to food.

**(c) Policies on climate change**

- Environmental protection and hygiene. Information campaigns and training on food hygiene practices and sustainable management of residues and waste material. This makes it possible to reduce the incidence of diseases that are transmissible through food; and it is also a way to educate the population to reduce anthropic impacts on the environment.
- Provision of inputs and technical guidance to micro- and small-scale farmers, focused on higher crop yields, enhanced soils and better water management, the conservation of natural resources and promotion good agricultural practices, the diversification of production using crop rotation, and correct storage and marketing of production.

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## Chapter III

**CREATING PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL:  
A FUNDAMENTAL GOAL OF DEVELOPMENT**

Goal	Target	Indicators
<b>Goal 1</b>  Eradicate extreme poverty and hunger	<b>Target 1.B</b>  Achieve full and productive employment and decent work for all, including women and young people	<b>1.4</b> Growth rate of <i>gross domestic product</i> (GDP) per person employed  <b>1.5</b> Employment-to-population ratio  <b>1.6</b> Proportion of employed people living below US\$ 1 (PPP) per day  <b>1.7</b> Proportion of own-account and contributing family workers in total employment

### A. INTRODUCTION

In the last 10 years, several studies (ECLAC 2000a, 2000b; United Nations, 2005) have noted that creating productive, decent jobs is essential for progress in poverty reduction, insofar as labour income —especially wages— is the main source of monetary resources for the region's households.<sup>1</sup>

Job creation, improvements in real incomes —linked to increased productivity— and the coverage and characteristics of social protection for employed people and the inactive population are central mechanisms which can translate economic growth into increased incomes and improved social well-being for households. The lack of access to quality employment is therefore a determining factor in poverty and social inequalities which are reproduced over time and reflected in the high and persistent concentration of income in the region (ECLAC, 2007a and 2007b).<sup>2</sup> These factors have led to the fundamental belief that employment is a human right which plays a pivotal role in social integration, meaningful lives and a favourable space for participation (ECLAC, 2007b). Article 23 of the Universal Declaration of Human Rights establishes the bases for the right to decent work: “Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.” The same article also states that “Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.” The right to decent work is also recognized in article 6 and 7 of the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights prohibits forced labour.

It is because employment is so important that the United Nations has adopted a new target in the context of the Millennium Development Goals (target 1.B): “Achieve full and productive employment and decent work for all, including women and young people.” This target was proposed in 2006 by the Secretary-General of the United

<sup>1</sup> According to surveys conducted around 2006, remuneration from employment makes up an average of 79% of household incomes in Latin America and the Caribbean. Of that percentage, wages represent about two thirds, or 52% of total income (ECLAC, 2009).

<sup>2</sup> Around 2005, with the exception of Uruguay, wages and salaries accounted for between 70.5% (Panama) and 92.0% (Nicaragua) of total income inequality in the countries of Latin America and the Caribbean, measured by the Gini coefficient (Medina and Galván, 2008).

Nations, following the discussions held during the High-level Plenary Meeting of the sixtieth session of the General Assembly. It entered into force in 2008, when it was incorporated into the first Millennium Development Goal (Eradicate extreme poverty and hunger). This shows the close links between the labour market and improvements in the material aspects of people's well-being. The importance of employment as a contributor to progress towards the other Goals should also be discussed; this may result in its being considered as a development goal in itself. The Regional Inter-agency Report of 2005, coordinated by ECLAC, stated: "The shortage of jobs and their poor quality are among the region's most pressing problems. Open unemployment rose from 6.9% in 1990 to 10% in 2004, and low-productivity agricultural activities and the informal urban sector absorb over one half of the region's workforce. The Millennium Development Goals do not devote due attention to this problem, which is of prime importance to the region" (ECLAC, 2005).

Although there is as yet no quantitative target stating that employment indicators must reach certain levels by a given date, the message to the countries is clear: efforts must be focused on improving the functioning of the labour market in order to create of sufficient numbers of quality jobs, since this is the main mechanism for reducing poverty and inequality. By emphasizing the importance of employment for women and young people, target 1.B recognizes the significance of those two groups in terms of their economic and productive contribution and the disadvantages they suffer in the world of work.

The issue of employment was already present in the Goals, where it appeared as target 16, "In cooperation with developing countries, develop and implement strategies for decent and productive work for youth", which came under the eighth Goal, "Develop a global partnership for development". That target relating to youth unemployment has now been incorporated into the new employment target. This has also required a number of changes to indicators for its monitoring, proposed by the International Labour Organization (ILO) and the Inter-agency and Expert Group on Millennium Development Goal Indicators (see box III.1).<sup>3</sup>

#### Box III.1

#### INDICATORS FOR TARGET 1.B, "ACHIEVE FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL, INCLUDING WOMEN AND YOUNG PEOPLE"

##### Official indicators:

- 1.4 Growth rate of gross domestic product (GDP) per person employed
- 1.5 Employment-to-population ratio (employment rate)
- 1.6 Proportion of employed people living below US\$ 1 (PPP) per day
- 1.7 Proportion of own-account and contributing family workers in total employment

##### Additional indicators:

- Rate of employment among young people aged between 15 and 24 years
- Rate of employment among young people as a percentage of adult unemployment
- Rate of employment among young people as a percentage of total unemployment
- Rate of employment among young people as a percentage of the total number of young people

**Source:** United Nations, Millennium Development Goals indicators [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

This chapter will examine advances by the countries of Latin America and the Caribbean towards fulfilling the employment target, as well as the tasks and challenges still outstanding. The region as a whole has made progress on some of the indicators defined officially for monitoring target 1.B, that is, the growth rate of GDP per person employed (indicator 1.4), the employment-to-population ratio (employment rate) (indicator 1.5), the proportion of employed people living in extreme poverty (indicator 1.6) and the proportion of own-account and contributing family workers in total employment (indicator 1.7). There has also been significant progress for women and young people, but there are still definite gaps in terms of their employment integration and conditions of work.

<sup>3</sup> Indicator 45, used to monitor former target 16, "Unemployment rate of 15- to 24-year-olds", is no longer one of the official indicators for monitoring the Goals, although the United Nations database on indicators for the Millennium Development Goals retains it as a "contextual" indicator (United Nations, n/d).

It is noteworthy that, in a number of countries in the region, the improvements were concentrated in the years of high economic growth between 2003 and 2008, and were halted towards the end of that period by the economic and financial crisis which began in 2008. There are also clear differences between countries in terms of their progress towards each of the indicators.

After reviewing trends in each of the established indicators (section B) and the employment situation of young people and women (section C), the chapter will consider certain additional indicators for the monitoring of the employment target in Latin America and the Caribbean, especially those which relate to informality and social-security coverage (section D). Lastly, it will describe a set of policies and recommendations which can contribute to the attainment of the employment target in the region (section E). The policies considered are designed to promote high and sustained levels of economic growth and productive development oriented towards closing productivity gaps—which characterize the economies of the region and prevent greater progress in working conditions—as well as policies which are important in the area of education and training, broadening the coverage of employment institutions, and strengthening the trade union movement and collective bargaining.

## **B. TRENDS IN INDICATORS FOR THE MONITORING OF THE EMPLOYMENT TARGET**

Figure III.1 presents data for each of the four official indicators created for the monitoring of target 1.B. In addition to figures for the base year (1990) and the latest year for which information is available, generally 2008, data from 2002 are also provided to show the positive impact of the growth phase, which led to job creation and falls in unemployment which lasted until the outbreak of the crisis (see tables III.1 to III.4).

The figures for labour productivity (indicator 1.4), and all figures on Caribbean countries included in this chapter, are calculated by ILO and relate to official data contained in the United Nations database on the indicators of the Goals; on the other hand, figures on the other three indicators for the countries of Latin America have been calculated by ECLAC on the basis of household surveys. For indicator 1.6, rather than the “one dollar a day” extreme poverty line, this document uses each country’s poverty and indigence lines based on the Commission’s method of costing the shopping basket for basic food consumption needs. Two of the official indicators for the monitoring of the employment target—the employment rate and the percentage of vulnerable workers<sup>4</sup>—can be disaggregated by sex and age group, thereby revealing the pronounced differences in those areas that are present in the region.<sup>5</sup>

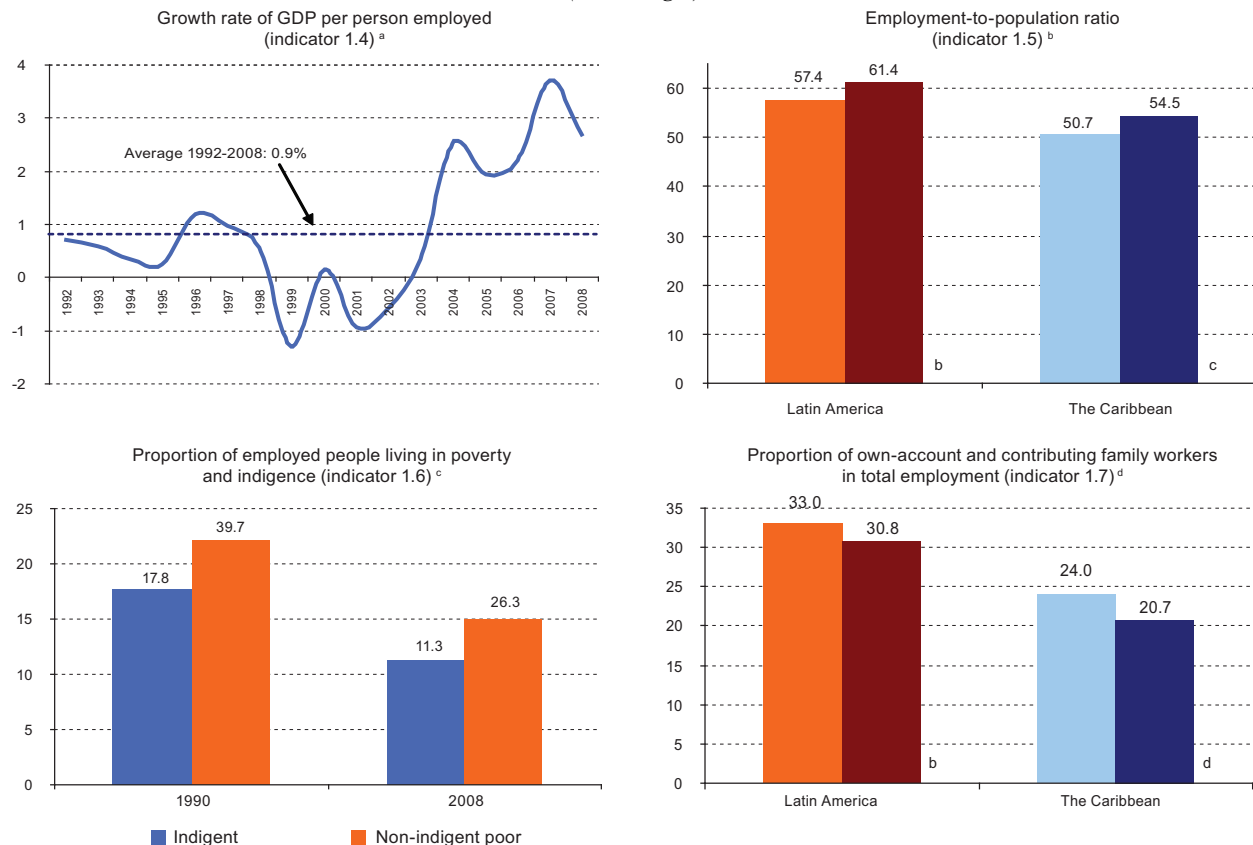
From 1992 to 2008, as can be seen in figure III.1, the growth of labour productivity was highly volatile, averaging less than one percentage point. The average was negative in 1999, 2001 and 2002, and only after 2004 did it show satisfactory growth. In 2008, the values of the other three indicators monitoring the target had improved in relation to 1990: the employment rate was higher, and poverty among employed people and the vulnerability of workers—measured as the proportion of own-account workers and unpaid family members in relation to the total of employed persons—were below their base-year levels. The global crisis which peaked in 2009 partly reversed those trends owing to its strong impact on economies and labour markets (see subsection 5).<sup>6</sup> The regional picture is not very encouraging in light of certain additional indicators for monitoring the Goals in the region; there continue to be serious structural problems such as high levels of informality and the low coverage of social protection mechanisms (see section C).

<sup>4</sup> Own-account workers and unpaid family workers, according to the definition of indicator 1.7.

<sup>5</sup> In the case of the Caribbean countries, the United Nations database on the Millennium Development Goal indicators does not provide data disaggregated by age group.

<sup>6</sup> The regional unemployment rate based on official figures from the countries—which differs from the figures calculated on the basis of multi-purpose household surveys as presented in figures III.6 and III.7—fell from 11.1% to 7.4% between 2002 and 2008, but rose to 8.3% in 2009 (ECLAC, 2009b).

Figure III.1  
**LATIN AMERICA AND THE CARIBBEAN: TRENDS IN INDICATORS FOR MONITORING  
 THE EMPLOYMENT TARGET, 1990-2008 AND 1992-2008**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Statistics and Indicators Database, CEPALSTAT [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the relevant countries, and United Nations, Millennium Development Goals Indicators [online database] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

<sup>a</sup> Simple average for 26 countries.

<sup>b</sup> Weighted average for 18 countries.

<sup>c</sup> Simple average for 13 countries.

## 1. Labour productivity

Productive employment is part of the concept of decent jobs, and an essential factor for poverty reduction. Consequently, the first indicator for the monitoring of the new employment target of the Millennium Development Goals is the growth rate of GDP per person employed. This indicator can be used to determine whether, in the long term, economic conditions in a country can generate and maintain decent job opportunities with fair and equitable remuneration. It is expected that countries which are able to improve productivity will experience falling poverty, and that this correlation will be closer in countries where income distribution is less unequal because the impact of rising production would be felt much more quickly among low-income groups (ILO 2007a).

In Latin America and the Caribbean, however, low levels of growth in labour productivity since the early 1990s have slowed the fall in extreme poverty. Between 1992 and 2008, the growth of value added per employment position was 0.9%, taking a simple average of the countries of the region. This average conceals widely differing



realities, from the successful example of Chile —with annual growth of 3.5%— to Haiti, where productivity fell by an average of 3.2% per year. Having barely grown until 2002, the region's productivity rose by 2.2% per year in 2003-2008, well below the rates in developed countries (see table III.1 and figure III.2).

Table III.1  
**LATIN AMERICA AND THE CARIBBEAN (26 COUNTRIES): GROWTH RATE OF GDP PER PERSON  
 EMPLOYED (MILLENNIUM DEVELOPMENT GOAL INDICATOR 1.4), 1992-2008**  
*(Percentages)*

Country	1992-1997	1998-2002	2003-2008	1992-2008
Argentina	3.5	-4.7	6.0	2.0
Bahamas	-0.6	1.0	0.0	0.1
Barbados	-0.9	-1.1	1.9	0.0
Belize	-1.2	2.0	0.9	0.5
Bolivia (Plurinational State of)	0.1	-0.1	1.1	0.4
Brazil	-0.5	-1.0	1.8	0.2
Chile	5.8	1.6	2.7	3.5
Colombia	0.9	-2.9	1.7	0.1
Costa Rica	1.8	1.2	3.0	2.0
Dominican Republic	1.4	1.9	4.1	2.5
Ecuador	-1.4	-1.1	2.3	0.0
El Salvador	3.5	-0.2	1.0	1.5
Guatemala	3.9	-1.3	-1.1	0.6
Guyana	5.1	-0.1	1.6	2.3
Haiti	-6.1	-1.6	-1.7	-3.2
Honduras	-0.4	1.0	4.0	1.6
Jamaica	1.7	0.6	0.1	0.8
Mexico	-0.6	1.3	1.5	0.7
Nicaragua	0.8	0.3	-0.2	0.3
Panama	0.6	0.7	4.2	1.9
Paraguay	-1.2	-2.9	0.3	-1.2
Peru	2.4	-1.3	4.0	1.9
Suriname	-0.3	0.4	4.3	1.5
Trinidad and Tobago	-2.4	3.0	5.7	2.0
Uruguay	3.0	-3.6	6.9	2.4
Venezuela (Bolivarian Republic of)	-1.2	-4.1	2.5	-0.7
Latin America and the Caribbean <sup>a</sup>	0.7	-0.4	2.2	0.9

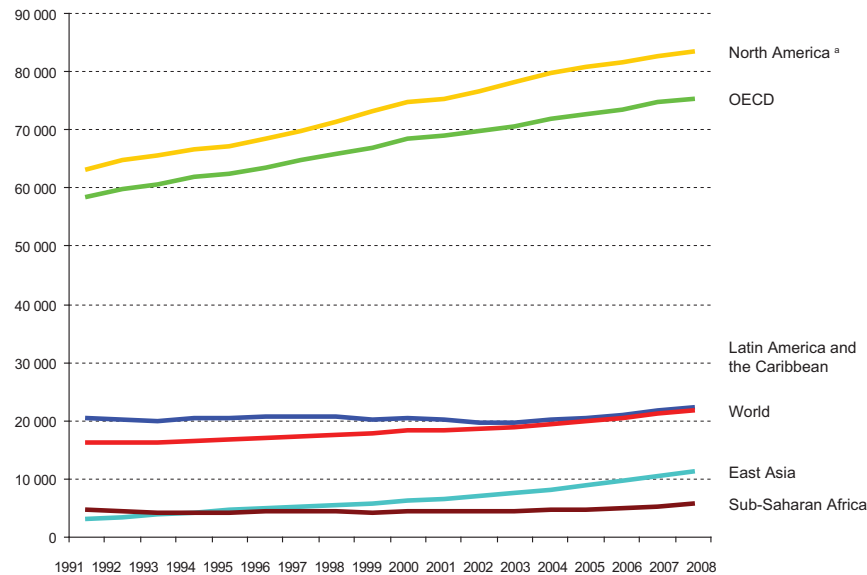
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Statistics and Indicators Database. CEPALSTAT [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators [online database] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

<sup>a</sup> Simple average.

Figures for the world's various regions show that in 1991, productivity in Latin America and the Caribbean —with GDP per person employed standing at about US\$ 20,500 in purchasing power parity (PPP)— was above the world average, but far behind that of the developed countries. One and a half decades later, owing to low levels of growth in labour productivity, the region —with GDP per person employed of US\$ 22,300 PPA— is close to the worldwide average (US\$ 21,700 PPA), and East Asia —the developing region that has been most successful in reducing extreme poverty— is approaching that average (see figure III.2).<sup>7</sup>

<sup>7</sup> These data refer to the trend in labour productivity for the region as a whole (weighted average), measured in dollars (PPP). This is why the annual productivity growth figure, 0.5%, differs from the 0.9% rate mentioned above as a simple average.

Figure III.2  
**GDP PER PERSON EMPLOYED AGED 15 OR OVER, 1991-2008**  
*(PPP dollars at 2005 prices)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organizations (ILO), Key Indicators of the Labour Market (KILM) and World Bank series on GDP.

<sup>a</sup> Includes Canada and the United States.

ECLAC (2007c) has identified a number of factors related to the structure of the labour force which may explain the differing growth rates of GDP per person employed between Asia and Latin America. In the case of Asia, technological change and the greater role of manufacturing explain the increases in productivity. A middle class has become established with enough purchasing power to boost the internal services market, and this has also increased labour productivity. In Latin America, on the other hand, the share of manufacturing in total value added fell prematurely (ECLAC 2008b) and, since the early 1990s, a large proportion of new jobs have been created in commerce and the services sector, where many are low-quality informal or own-account positions.<sup>8</sup>

## 2. Employment rate

Increases in productivity are more closely linked to poverty reduction when they are accompanied by job creation.<sup>9</sup> The second indicator for the monitoring of target 1.B is, therefore, the employment rate, or employment-to-population ratio, defined as the proportion of the working-age population that is employed. This measurement covers both labour-market participation and the capacity of an economy to absorb the labour force. A high ratio means that a large proportion of a country's working-age population is employed, whereas a low ratio shows that much of the population is unemployed or completely outside the workforce.

In countries with high unemployment rates or where the phenomenon of discouragement (where people have given up looking for work) is widespread, it is desirable that the rate of employment should rise. An increase in that rate which reflects a social and cultural change towards increased labour-market participation by women is a

<sup>8</sup> In the 1990s, 27% of new jobs in Latin America were created in the commerce sector and 43% in services. The latter were broken down as follows: financial and business services 13%; social 19%; personal 5%, and domestic 6% (ECLAC 2004b).

<sup>9</sup> It can happen that GDP per employed person, the indicator used to measure productivity, rises because of a fall in its denominator (the number of employed people in a country).

fundamentally positive trend.<sup>10</sup> Very high employment rates can, however, reflect situations where there are large numbers of low-quality jobs, as occurs in the poorest countries. In terms of absolute values, therefore, there is no “correct” or desirable value for the employment-to-population ratio; for example, there is no clear correlation between a country’s level of per capita GDP and its employment rate. An upward trend in this indicator does not necessarily go with a fall in poverty.<sup>11</sup> In any case, employment rates in both Latin America and the Caribbean rose by four percentage points between 1990 and 2008, mostly because more women entered the labour markets and found jobs. This was one of the factors which led to increased household incomes and reduced poverty, particularly in 2003-2008 (ECLAC, 2010a).

As table III.2 shows, employment rates are systematically higher for males than females, and for the average of the active population than for young people. Since 1990, however, employment rates in Latin America have fallen by 2.5 percentage points for males and risen by 10 points for females, owing to the growing numbers of women entering the labour market. The Caribbean countries have seen a slight increase in the employment rate for males. As in Latin America, however, the increase was greater among females.

Table III.2  
**LATIN AMERICA AND THE CARIBBEAN (18 COUNTRIES): EMPLOYMENT-TO-POPULATION RATIO**  
**(MILLENNIUM DEVELOPMENT GOAL INDICATOR 1.5), AROUND 1990, 2002 AND 2008**  
(Percentages)

(a) Latin America

Country	Both sexes (aged 15 and over)			Women (aged 15 and over)			Men (aged 15 and over)			Men (aged 15 and over)		
	1990	2002	2008	1990	2002	2008	1990	2002	2008	1990	2002	2008
Argentina <sup>a</sup>	52.5	49.0	57.0	35.8	38.4	45.2	71.4	61.2	71.1	53.4	40.8	49.5
Bolivia (Plurinational State of) <sup>b</sup>	53.5	61.5	58.7	42.4	52.7	48.5	66.2	71.8	70.1	42.0	47.7	41.7
Brazil	61.1	60.8	63.7	42.6	47.7	52.1	81.0	74.9	76.3	62.6	56.8	60.9
Chile	47.7	50.1	53.1	29.4	35.1	39.2	67.9	66.3	68.3	41.9	38.3	40.8
Colombia	58.6	56.2	56.9	38.8	43.0	43.1	80.9	71.1	71.7	53.1	48.2	47.0
Costa Rica	54.7	55.9	57.9	30.7	38.0	41.8	79.2	74.9	75.0	54.5	49.8	52.2
Dominican Republic	52.9	53.3	54.5	31.0	35.4	37.1	76.0	71.5	72.7	46.3	43.7	45.4
Ecuador <sup>c</sup>	57.1	60.6	61.1	39.2	45.8	48.2	76.6	75.9	75.4	46.4	49.1	48.4
El Salvador	55.8	56.1	55.5	39.4	42.2	42.4	75.1	72.6	70.8	49.1	49.8	49.1
Guatemala	56.5	66.5	64.9	27.5	46.8	46.3	88.4	88.1	87.0	53.7	63.9	60.4
Honduras	56.1	57.8	58.0	30.6	35.9	38.4	83.9	82.0	80.6	50.8	52.5	50.9
Mexico	52.1	59.2	59.4	28.8	41.9	43.6	77.3	78.4	76.8	47.2	51.8	52.3
Nicaragua	49.6	58.3	60.4	32.7	40.2	41.5	67.9	77.6	80.7	42.7	52.3	54.7
Panama	48.1	54.1	60.3	29.6	36.7	43.6	67.2	71.6	78.0	39.8	44.2	52.0
Paraguay <sup>d</sup>	61.4	59.9	63.8	46.4	50.4	51.9	79.0	71.7	76.7	56.7	52.8	57.4
Peru	67.9	64.5	71.3	56.7	54.8	62.5	79.9	74.6	80.7	60.1	55.4	62.1
Uruguay <sup>e</sup>	52.6	50.2	58.8	38.9	39.6	49.1	69.2	62.4	69.9	52.3	45.1	52.5
Venezuela (Bolivarian Republic of)	51.6	58.0	60.8	32.3	44.4	46.9	71.3	71.6	74.8	41.6	47.5	49.2
Latin America <sup>e</sup>	57.4	59.0	61.4	38.1	44.7	48.1	78.3	74.6	75.8	54.3	52.6	54.9
Latin America <sup>f</sup>	55.0	57.3	59.8	36.3	42.7	45.6	75.5	73.2	75.4	49.7	49.4	51.5

<sup>10</sup> Particularly when it is accompanied by changes in employment legislation which make it easier to reconcile household tasks and work performed in the labour market and which facilitate the performance of those tasks by both spouses.

<sup>11</sup> This is the case when that increase in the employment rate benefits households in the medium and high income strata. In fact, part of the increase in the employment rate results from increased numbers of women entering into employment, particularly women who have attained relatively higher levels of education, bringing a proportionally greater benefit to households which are not in poverty (see chapter V).

Table III.2 (conclusion)

## (b) The Caribbean

Country	Both sexes (aged 15 and over)			Women (aged 15 and over)			Men (aged 15 and over)		
	1990	2002	2008	1990	2002	2008	1990	2002	2008
Netherlands Antilles	49.0	50.9	53.5	38.8	44.5	47.1	60.6	58.5	61.1
Bahamas	63.0	65.6	66.6	56.5	59.6	60.7	69.7	71.9	72.8
Barbados	56.9	64.6	66.9	48.8	57.9	60.3	66.0	71.9	74.2
Belize	47.6	55.6	56.8	20.2	35.4	38.8	74.1	75.5	74.5
Cuba	53.0	55.7	56.0	35.2	42.1	43.7	70.8	69.4	68.3
Guadalupe	44.5	45.1	43.1	36.6	39.6	38.3	53.0	51.2	48.4
Guyana	51.7	55.6	58.9	30.9	39.4	41.8	74.7	72.8	74.4
Haiti	56.0	54.8	55.9	39.5	35.2	35.4	73.6	75.7	77.5
Jamaica	61.5	56.5	58.2	51.4	46.2	47.5	72.4	67.4	69.5
Martinique	46.2	45.5	42.5	39.9	40.9	38.2	53.3	50.7	47.5
Puerto Rico	38.1	41.3	42.4	26.9	32.6	34.6	50.5	51.0	51.2
Suriname	44.6	43.5	44.7	29.8	28.9	30.4	59.9	58.5	59.4
Trinidad and Tobago	45.0	55.2	61.5	34.3	41.7	50.5	56.1	69.4	73.0
The Caribbean <sup>f</sup>	50.7	53.3	54.5	37.5	41.6	43.4	64.5	65.5	65.9

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Statistics and Indicators Database, CEPALSTAT [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the relevant countries, and United Nations, Millennium Development Goals Indicators [online database] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

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

<sup>b</sup> Eight main cities and El Alto.

<sup>c</sup> Urban areas.

<sup>d</sup> Asunción and the Central Department.

<sup>e</sup> Weighted average.

<sup>f</sup> Simple average.

Among young people in Latin America, the percentage of employed persons increased very slightly between 1990 and 2008, owing to two conflicting trends: lower numbers of employed persons among males and higher employment rates among young women. The decrease among young men is not necessarily a cause for concern. It may be because they are staying longer in the education system, and rising employment among young women reflects a long-term trend whereby fewer young women are devoting themselves to household tasks (see section C).

### 3. Poor and indigent workers

The proportion of employed people living on less than one dollar a day (PPP) has been used in order to provide information on a key aspect of the lack of decent jobs worldwide.<sup>12</sup> The idea is that, when workers do not even earn enough to escape from extreme poverty with their families, they can hardly be said to be in “decent jobs” (ILO, 2007a). Being a poor or indigent worker does not necessarily mean earning low wages; a worker with a good income can still be below the poverty or indigence line if his or her household includes a large number of dependants (IDB, 2007). Conversely, if a worker lives in a household whose per capita income is over a dollar a day, that does not necessarily mean that he receives decent wages; his low income may be complemented by that of a spouse or other members of the household, or by non-employment income such as remittances or State transfers.

<sup>12</sup> Since August 2008, the “US\$ 1 a day” line of the World Bank corresponds to US\$ 1.25 PPP at 2005 prices.

The indicator used for monitoring the new employment target worldwide is calculated by ILO as the weighted average of (i) the product of the incidence of extreme poverty (measured by the World Bank according to the US\$ 1.25 per day line (PPP)) and the population aged 15 and over, and (ii) the product of the incidence of extreme poverty and the workforce aged 15 and over.<sup>13</sup> In Latin America and the Caribbean, the percentage of workers living on less than US\$ 1.25 per day, as calculated by this method, fell by just over six percentage points from 12.7% in 1991 to 6.4% in 2008. In East Asia, on the other hand, where 69.5% of workers lived in indigence in 1991, the proportion of the employed population earning less than a dollar a day was successfully cut by 60 percentage points, so that in that region the proportion of workers in extreme poverty (9.3%) is only slightly higher than the percentage for Latin America and the Caribbean (United Nations, 2009).

In accordance with the method traditionally used by ECLAC in the *Social Panorama of Latin America*—where different lines are used for each country, obtained on the basis of a common methodology, instead of lines between one and two dollars a day—table III.3 presents data on indigence and poverty among employed people.<sup>14</sup> This shows that the current functioning of the region's labour market prevents broad segments of the working population from escaping from poverty. In Latin America between 7% (Chile) and 60% (Honduras) of employed people live in poverty, and between 1% (Chile) and 40% (Honduras) in extreme poverty. In the Caribbean, according to data from ILO and the World Bank, the percentage of workers living on less than US\$ 1.25 a day varies from 0.2% (Jamaica) to 54.9% (Haiti).

The trend in Latin America has been positive since 1990, however, with the percentage of poor employed persons dropping from 39.9% to 26.3% in 2008 and that of employed persons in extreme poverty down from 17.8% to 11.3%. Following the regional trend, the percentage of poor workers declined in most of the countries in 1990-2008; in Brazil it fell by 21 percentage points, and in Chile by 19 points. The exceptions were Paraguay, where poverty among employed people rose by six percentage points, and urban areas in Argentina and rural areas in Colombia, where it increased slightly. The figures on poor and indigent workers show that the situation is worse in rural than in urban areas (see figures III.3 and III.4).<sup>15</sup>

<sup>13</sup> This method of calculation represents an approximation, obtained by averaging the estimate of (i) an upper limit, and (ii) a lower limit of the true percentage of employed people in extreme poverty. The estimate of the lower limit is based on the assumption that all poor people aged 15 and over who are members of the economically active population are employed (ILO, 2009). This estimate has certain methodological deficiencies. First, in the measurement of poverty by income, the assumption that all economically active poor people are working is not valid, since the reverse is frequently true; indeed, unemployment is one of the main factors which brings per capita household income down below the poverty line, so that rates of poverty among unemployed people tend to be high. Second, the true percentage of employed people in extreme poverty is very probably below the aforementioned lower limit given that, as ECLAC studies show, the rate of extreme poverty among employed people is below the overall rate (see, for example, ECLAC, 2010a).

<sup>14</sup> Unlike the methodology used by ILO in calculating the official indicator, in this case, indigence and poverty among employed people are calculated directly from household survey microdata. They are also, however, determined for the household according to its members' per capita income. Thus, a worker's situation of indigence depends not only on his or her employment income (wages, in particular), but also on the number of members of the household and how many of them are contributing income to the family group.

<sup>15</sup> The only exception is Chile. In that country, in 2006, poverty among employed persons in urban areas was 0.9 percentage points higher than poverty among those in rural areas.

Table III.3  
**LATIN AMERICA (18 COUNTRIES): PROPORTION OF THE EMPLOYED POPULATION LIVING IN  
 INDIGENCE (MILLENNIUM DEVELOPMENT GOAL INDICATOR 1.6) AND IN POVERTY, NATIONWIDE,  
 URBAN AND RURAL TOTALS, AROUND 1990, 2002 AND 2008**  
*(Percentages)*

Country	Indigence (nationwide)			Indigence (urban areas)			Indigence (rural areas)			Poverty (nationwide)			Poverty (urban areas)			Poverty (rural areas)		
	1990	2002	2008	1990	2002	2008	1990	2002	2008	1990	2002	2008	1990	2002	2008	1990	2002	2008
Argentina a	...	...	...	1.6 <sup>a</sup>	10.5 <sup>a</sup>	3.2 <sup>a</sup>	...	...	...	...	...	...	9.9 <sup>a</sup>	27.3 <sup>a</sup>	10.5 <sup>a</sup>	...	...	...
Bolivia (Plurinational State of) b	...	33.8	30.7	12.1 <sup>b</sup>	13.7 <sup>b</sup>	11.8 <sup>b</sup>	...	60.1	58.0	...	56.7	50.1	39.2 <sup>b</sup>	39.7 <sup>b</sup>	34.3 <sup>b</sup>	...	76.7	72.9
Brazil	15.8	8.0	3.9	9.8	5.0	2.2	36.6	21.4	12.2	38.0	27.6	17.3	31.1	23.5	14.1	62.2	46.1	32.7
Chile	6.5	2.4	1.2	6.2	2.0	1.2	7.9	4.9	1.4	26.0	11.9	7.3	25.3	15.6	7.4	26.1	11.4	6.5
Colombia	18.7	15.8	13.3	12.0	14.9	9.3	28.1	17.9	27.4	45.8	39.8	30.0	41.1	39.5	23.6	52.2	40.4	53.0
Costa Rica	4.5	3.4	1.9	2.4	1.9	1.5	6.2	5.8	2.7	15.6	10.9	8.4	14.5	8.8	8.2	16.5	14.2	8.6
Dominican Republic	...	8.4	10.7	...	6.4	8.8	...	12.5	15.1	...	29.0	29.3	...	26.7	27.4	...	33.8	33.3
Ecuador	...	16.0	12.1	16.9	12.2	8.5	...	24.0	19.2	...	42.0	32.4	50.4	38.1	28.5	...	51.0	40.2
El Salvador	13.4	14.5	11.9	8.7	8.8	8.4	20.6	24.3	18.4	41.1	37.4	36.2	34.0	29.1	30.9	52.1	51.8	45.7
Guatemala	30.4	19.7	20.2	16.3	10.0	9.7	40.1	26.4	32.3	57.6	47.6	44.0	41.1	33.1	33.0	68.8	57.6	56.8
Honduras	49.6	45.3	37.0	31.5	27.7	18.1	64.2	62.6	54.9	71.9	69.5	60.0	59.0	57.7	46.5	82.4	81.0	72.8
Mexico	12.9	8.7	7.1	8.1	4.4	3.8	21.7	16.3	13.8	38.5	31.2	25.6	33.0	24.5	21.0	48.4	43.0	34.7
Nicaragua	34.4	31.2	24.5	22.9	22.1	14.9	50.0	45.2	37.8	61.2	59.5	53.1	51.7	53.3	45.8	74.0	68.9	63.1
Panama	11.4	12.1	8.0	4.6	3.6	1.6	19.8	27.3	20.9	30.3	25.8	17.5	18.1	15.1	8.3	45.7	44.9	35.9
Paraguay	...	24.9	22.5	6.8 <sup>c</sup>	4.7 <sup>c</sup>	11.2 <sup>c</sup>	...	42.6	35.3	...	50.3	48.0	32.0 <sup>c</sup>	31.6 <sup>c</sup>	37.6 <sup>c</sup>	...	65.0	57.6
Peru	19.5	21.6	10.8	5.9	7.6	2.4	45.2	45.6	25.6	38.9	49.8	30.3	24.6	36.0	19.8	65.9	73.6	55.2
Uruguay	...	...	1.5	1.7	1.3	1.6	...	...	1.0	...	...	8.2	11.3	10.0	8.5	...	...	5.1
Venezuela (Bolivarian Republic of)	5.4	11.5	4.3	4.4	...	...	11.3	...	...	22.9	34.1	16.1	21.7	...	...	30.2	...	...
Latin America d	17.8	14.9	11.3	10.5	9.1	5.9	35.3	28.3	23.2	39.9	35.6	26.3	33.1	28.6	19.7	58.7	51.1	43.6

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

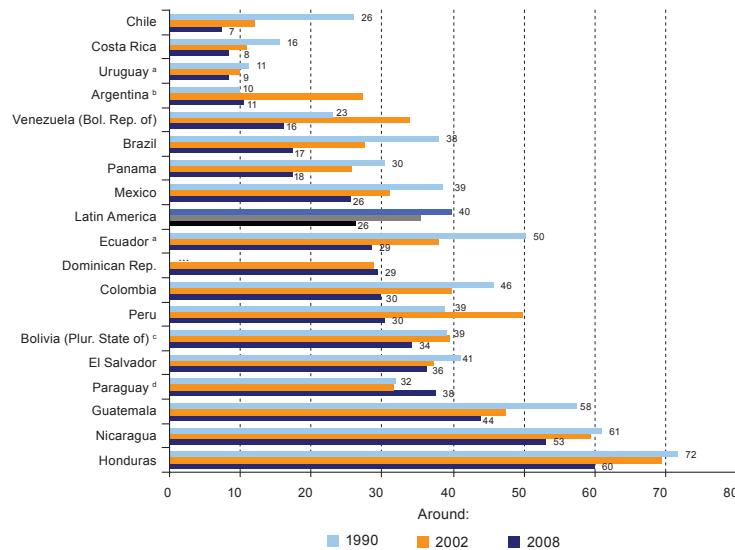
<sup>a</sup> Greater Buenos Aires.

<sup>b</sup> Eight major cities and El Alto.

<sup>c</sup> Asunción and Central Department.

<sup>d</sup> Weighted average.

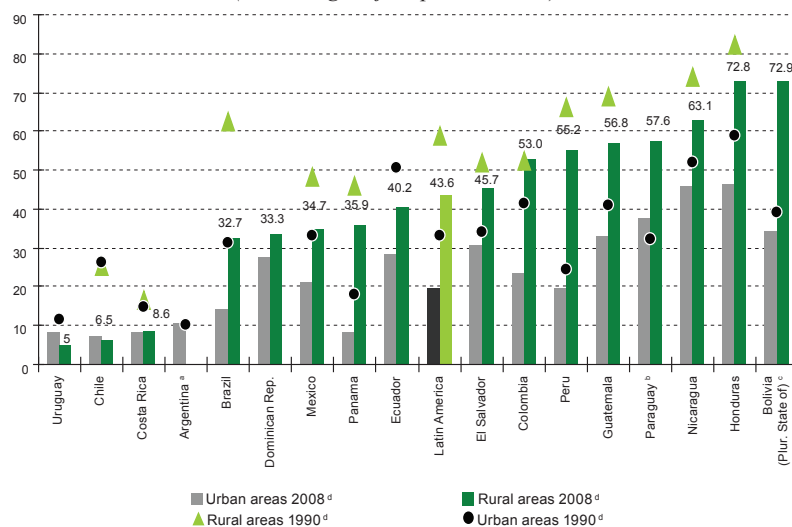
Figure III.3  
**LATIN AMERICA (16 COUNTRIES): POVERTY AMONG THE EMPLOYED,  
 AROUND 1990, 2002 AND 2008**  
*(Percentages)*



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

- <sup>a</sup> Urban areas.
- <sup>b</sup> Greater Buenos Aires.
- <sup>c</sup> Eight main cities and El Alto.
- <sup>d</sup> Asunción and the Central Department.

Figure III.4  
**LATIN AMERICA (13 COUNTRIES): POVERTY AMONG THE EMPLOYED, URBAN AND RURAL  
 AREAS, AROUND 1990 AND 2008**  
*(Percentages of all poor workers)*



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

- <sup>a</sup> Greater Buenos Aires.
- <sup>b</sup> Asunción and the Central Department.
- <sup>c</sup> Eight main cities and El Alto.
- <sup>d</sup> Approximate time period.

#### 4. Vulnerable workers

The proportion of own-account workers and unpaid family workers among the total number of employed people can be used to identify persons in situations of vulnerable employment, since those categories of workers are less likely to have access to social protection and they generally have low incomes. The link with poverty arises because many independent or own-account workers have no social protection or security network to protect them during periods of low labour demand; they are often unable to accumulate enough savings to cope with such situations (ILO 2007a).<sup>16</sup> It also emerges that jobs of these types may be connected to defects in the functioning of the labour market, mainly in respect of the creation of waged jobs. Thus, the labour integration problems are due to deficiencies in productive systems having to do with their structural diversity (Infante, 2008; see section E, item 2).

In Latin America, the percentage of vulnerable workers fell from 33.0% in 1990 to 30.8% in 2008; this followed an increase between 1990 and 2002 —when it rose to 35.0%— and a subsequent decline. Among employed young people, the proportion of own-account workers and unpaid family workers is 22%. Vulnerable jobs have diminished among both males and females. The percentage of females who are own-account workers or unpaid family workers in the region as a whole is 3.5 percentage points higher than for males, although there are countries such as Ecuador, El Salvador, Guatemala, Paraguay, Peru and the Plurinational State of Bolivia where the difference is more than 10 points. In the Caribbean, available data show that there has been a decline in the percentage of vulnerable workers. With the exception of Jamaica, the national percentages are lower than the average for Latin America (see table III.4).

From the gender equity viewpoint, a fundamental factor of vulnerability for female workers is not having their own incomes. This is not only the case for women working unpaid in family businesses —a phenomenon included in indicator 1.7 relating to the Millennium Development Goals target on employment— but it mainly affects the very large number of women who do unpaid work in the home, caring for children and older persons and performing domestic tasks. Around 2005, between 40% (urban areas) and 53% (rural areas) of women aged 15 and over had no incomes of their own (United Nations, 2007). Chapter V contains further information in this regard.

National averages of vulnerable workers conceal large geographical differences. In rural areas in Latin American countries —where the percentage of own-account workers and unpaid family workers generally exceeds 50% of employed persons— this phenomenon is much more widespread than in urban areas, where the percentage of vulnerable workers is around 30%.

The phenomenon of rural-urban migration can be seen as another obstacle to the goal of promoting decent work for all. This is because a large proportion of migrants have insufficient schooling and do not benefit from a social network which could offer them access to quality employment. They are trapped in informal or low-productivity jobs and excluded from social protection systems. As a result, there are pockets of poor people in settlements on the periphery of towns, with little access to public infrastructure and services, and highly vulnerable.

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<sup>16</sup> Table 17 of the Statistical Appendix of the *Social Panorama of Latin America 2009* shows the various categories of employment in greater detail. It can be seen that, if workers with professional or technical qualifications are subtracted from the numbers of own-account workers and unpaid family workers in the various countries of the region, the percentage of vulnerable workers falls by an average of two percentage points.



Table III.4  
**LATIN AMERICA AND THE CARIBBEAN (18 COUNTRIES): PROPORTION OF THE EMPLOYED POPULATION WHO ARE OWN-ACCOUNT WORKERS OR WORKING IN FAMILY BUSINESSES (MILLENNIUM DEVELOPMENT GOAL INDICATOR 1.7) BY SEX, AROUND 1990, 2002 AND 2008**  
*(Percentages of total employment)*

<b>(a) Latin America</b>												
<b>Country</b>	<b>Both sexes (aged 15 and over)</b>			<b>Females (aged 15 and over)</b>			<b>Males (aged 15 and over)</b>			<b>Young people (aged 15 to 29)</b>		
	<b>1990</b>	<b>2002</b>	<b>2008</b>	<b>1990</b>	<b>2002</b>	<b>2008</b>	<b>1990</b>	<b>2002</b>	<b>2008</b>	<b>1990</b>	<b>2002</b>	<b>2008</b>
Argentina <sup>a</sup>	25.6	22.3	19.3	27.0	16.1	16.7	24.8	26.8	21.3	15.9	15.0	10.3
Bolivia (Plurinational State of) <sup>b</sup>	43.7	46.0	36.0	54.1	57.7	44.1	36.0	36.1	29.8	34.2	36.1	24.5
Brazil	28.9	32.7	29.1	30.0	31.9	28.6	28.3	33.2	29.4	22.0	24.4	19.7
Chile	24.5	21.1	21.3	20.7	19.4	20.9	26.3	22.0	21.5	17.2	13.3	11.8
Colombia	44.6	44.9	45.6	35.2	44.6	45.6	49.7	45.2	45.6	36.8	36.6	37.8
Costa Rica	24.3	23.6	19.5	20.4	24.5	20.2	25.8	23.1	19.1	17.0	15.7	10.7
Dominican Republic	41.7	43.5	43.8	32.2	30.0	31.2	45.8	50.3	50.6	34.9	35.6	39.7
Ecuador <sup>c</sup>	35.6	34.2	33.8	40.5	40.1	41.1	32.9	30.6	28.7	27.8	23.9	23.2
El Salvador	36.2	37.3	35.3	45.8	45.5	45.0	30.2	31.6	28.6	25.5	29.4	25.8
Guatemala	48.0	45.3	44.5	47.1	56.8	54.9	48.3	38.5	38.0	42.5	40.0	37.0
Honduras	49.6	49.3	48.9	50.4	49.2	51.5	49.3	49.3	47.4	41.6	39.6	34.6
Mexico	29.4	29.6	22.6	30.8	35.8	28.2	28.8	26.0	19.1	21.7	21.3	15.0
Nicaragua	46.5	42.2	44.9	44.8	48.4	49.4	47.4	38.7	42.4	39.8	37.4	38.6
Panama	33.8	34.7	30.7	15.9	26.0	28.6	41.9	33.5	32.0	33.4	31.6	25.1
Paraguay <sup>d</sup>	22.9	26.8	26.4	30.8	30.9	32.8	17.4	23.3	21.8	12.1	16.4	16.2
Peru	52.4	53.6	51.4	62.5	63.1	59.6	44.6	46.4	44.6	44.5	44.9	41.3
Uruguay <sup>e</sup>	20.1	25.8	24.9	21.8	20.8	23.7	18.9	29.5	25.7	12.9	19.5	15.3
Venezuela (Bolivarian Republic of)	25.7	39.3	37.5	22.1	42.2	37.1	27.4	37.5	37.7	19.2	33.9	29.7
Latin America <sup>e</sup>	33.0	35.0	30.8	34.1	37.0	32.9	32.5	33.6	29.4	25.7	27.2	22.0
Latin America <sup>f</sup>	35.2	36.2	34.3	35.1	37.9	36.9	34.7	34.9	32.5	27.7	28.6	25.5

<b>(b) The Caribbean</b>									
<b>Country</b>	<b>Both sexes (aged 15 and over)</b>			<b>Females (aged 15 and over)</b>			<b>Males (aged 15 and over)</b>		
	<b>1990</b>	<b>2002</b>	<b>2008</b>	<b>1990</b>	<b>2002</b>	<b>2008</b>	<b>1990</b>	<b>2002</b>	<b>2008</b>
Anguilla	...	7.6	...	...	4.6	...	...	10.0	...
Antigua and Barbuda	14.6	...	...	13.7	...	...	15.4	...	...
Netherlands Antilles	8.1	12.0	11.2	6.7	4.0	...	9.1	8.4	...
Aruba	3.9	...	...	2.2	...	...	5.1	...	...
Barbados	11.7	13.7	...	8.6	9.0	...	14.4	17.7	...
Belize	...	...	23.5	...	...	21.5	...	...	24.6
Dominica	29.1	25.9	...	23.2	20.5	...	32.2	29.4	...
Jamaica	42.3	35.8	35.4	37.4	29.9	31.4	46	40.1	38.4
Montserrat	12.6	...	...	9.4	...	...	14.8	...	...
Saint Kitts and Nevis	12.1	8.5	...	11.9	6.8	...	12.4	9.7	...
Saint Vincent and the Grenadines	20.2	...	...	17.3	...	...	21.8	...	...
Saint Lucia	23.5	28.7	...	21.1	25.3	...	25.4	31.5	...
Suriname	15.6	...	...	...	...	...	...	...	...
Trinidad and Tobago	21.7	16.8	15.6	20.8	14.3	13.2	22.1	18.4	17.3
The Caribbean <sup>f</sup>	24.0	21.5	20.7	...	...	...	...	...	...

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Statistics and Indicators Database, CEPALSTAT [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators [online database] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

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

<sup>b</sup> Eight major cities and El Alto.

<sup>c</sup> Asunción and Central Department.

<sup>d</sup> Urban areas.

<sup>e</sup> Weighted average.

<sup>f</sup> Simple average.

## 5. The impact of the global crisis

Following six years of relatively strong economic growth which offered a favourable environment for progress in improving the employment indicators, the economies and labour markets of Latin America and the Caribbean were hit hard by the world crisis of late 2008 and early 2009. Falls in GDP,<sup>17</sup> in particular, held back demand for employment; it is estimated that the region's unemployment rate rose to about 8.3%, and that there was a fall in the quality of jobs being created (ECLAC, 2009b). Thus, the countries' official figures for 2009 show deterioration in at least three of the indicators used in monitoring target 1.B, although the worsening recorded in those indicators did not completely reverse the progress of previous years.<sup>18</sup> It is hard to say how much time will be needed to recover pre-crisis levels or how the indicators will behave in the coming five years, leading up to the 2015 deadline for fulfilling the Goals.

In 12 of the 17 countries for which information is available, GDP growth per person employed (indicator 1.4) was negative, reflecting falls in output which were steeper than the fall in the employment rate (Barbados, Chile, Costa Rica and Jamaica), increases in the number of employed people higher than the modest economic growth rate (Colombia, Cuba, Peru) or an increase in the number of employed persons when GDP was falling (Bolivarian Republic of Venezuela, Brazil, Honduras and Mexico) (see table III.5).

Table III.5  
**LATIN AMERICA AND THE CARIBBEAN (17 COUNTRIES): GROWTH RATES OF THE NUMBER  
OF EMPLOYED PERSONS, OF GDP AND OF GDP PER PERSON EMPLOYED, 2009**  
(Percentages)

Country	Persons employed	GDP	GDP per person employed
Argentina	0.5	0.9	0.4
Bahamas	-9.8	-3.9	6.5
Barbados <sup>a</sup>	-3.1	-3.6	-0.4
Brazil	0.7	-0.2	-0.9
Chile	-0.7	-1.5	-0.8
Colombia	5.6	0.4	-4.9
Costa Rica	-0.1	-1.2	-1.1
Cuba	2.5	1.4	-1.1
Dominican Republic	-1.7	3.5	5.3
Ecuador	1.7	0.4	-1.3
Honduras	8.1	-2.1	-9.4
Jamaica <sup>a</sup>	-2.4	-3.0	-0.6
Mexico	0.4	-6.5	-6.9
Panama	1.3	2.4	1.1
Peru	2.3	0.9	-1.4
Trinidad and Tobago <sup>a</sup>	-0.6	-0.5	0.1
Venezuela (Bolivarian Republic of)	2.1	-3.3	-5.3
Latin America and the Caribbean <sup>b</sup>	0.4	-0.9	-1.2
Latin America and the Caribbean <sup>c</sup>	0.7	-1.9	-2.6

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

<sup>a</sup> For employed persons, the first three quarters of each of the two years are taken into account.

<sup>b</sup> Simple average.

<sup>c</sup> Weighted average.

<sup>17</sup> In 2009, regional GDP fell by 1.8% and per capita GDP by around 2.9% (ECLAC, 2009b).

<sup>18</sup> The information presented in this section corresponds to data published by each country's national statistical institute and is not comparable with the household survey data contained in previous sections. The data are also not strictly comparable between countries, since there may be differences in demographic growth, the numbers of employed people, geographical coverage and the definition of the age range of the working-age population. Official information from the countries is not available for indicator 1.6 (Proportion of employed people living below US\$ 1 per day).

In five countries, the trend of earlier years in terms of rising GDP per employed person continued because employment was falling faster than GDP (Bahamas, Trinidad and Tobago), employment was falling despite a modest expansion in GDP (Dominican Republic) or GDP was increasing faster than employment (Argentina, Panama). Only this last combination, however —improved average labour productivity as a consequence of economic growth that was increasing faster than employment— can be considered as beneficial.<sup>19</sup> In sum, the simple average of GDP per person employed in 2009 for the 17 countries of the region fell by 1.2%. The weighted average fell by far more (2.6%), owing to huge drop in the Mexican peso.

Discussion of indicator 1.4 shows that in many countries the level of employment fell in absolute terms, and so —taking account of the demographic growth of the working-age population— the fall in the employment rate (indicator 1.5) is even more generalized. In any case it did not fall in all the countries, showing that the level of employment was not the labour market's only channel of adjustment in response to the crisis. In 11 of the 17 countries the employment rate fell in 2009. It was unchanged in Argentina and the Bolivarian Republic of Venezuela and rose in Colombia, Honduras, Peru and Uruguay (see table III.6). For the simple average of the 17 countries, the fall was 0.9 percentage points. In the weighted average it was only 0.5 points, mostly because the fall in Brazil's employment rate was small.

Table III.6  
**LATIN AMERICA AND THE CARIBBEAN (17 COUNTRIES):<sup>a</sup>**  
**EMPLOYMENT RATE, 2008 AND 2009**  
(Percentages)

Country	2008	2009	Variation
Argentina	54.2	54.2	0.0
Bahamas	69.7	62.9	-6.8
Barbados <sup>b</sup>	62.4	60.8	-1.6
Brazil	52.5	52.1	-0.4
Chile	51.7	50.5	-1.2
Colombia	51.9	53.6	+1.7
Costa Rica	53.9	52.1	-1.8
Dominican Republic	47.7	45.8	-1.9
Ecuador	56.0	53.9	-2.1
Honduras	49.2	51.5	+2.3
Jamaica <sup>b</sup>	58.3	56.6	-1.7
Mexico	56.3	55.5	-0.8
Panama	60.3	59.9	-0.4
Peru	62.4	62.7	+0.3
Trinidad and Tobago <sup>b</sup>	60.6	60.1	-0.5
Uruguay	57.7	58.5	+0.8
Venezuela (Bolivarian Republic of)	60.2	60.2	0.0
Latin America and the Caribbean <sup>c</sup>	56.8	55.9	-0.9

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

<sup>a</sup> Data refer to the nationwide total, except for Argentina (urban areas), Brazil (six metropolitan areas) and Peru (Lima Metropolitan Area).

<sup>b</sup> First three quarters of both years.

<sup>c</sup> Simple average.

Data on the percentage of vulnerable workers in 12 countries in the region show that in most of them, there were increases in the proportion of the own-account and the unpaid family worker categories, reflecting the weakness of labour demand from businesses and the resulting fall in private waged employment, which was not counteracted by increasing public-sector employment.<sup>20</sup> The proportion of vulnerable workers was unchanged in

<sup>19</sup> Indicator 1.4, growth rate of GDP per person employed, is therefore more meaningful for analysis of trends over longer periods than for short-term changes caused by crises, for which the numerator and denominator of the indicator must be considered and the situations in the countries must be described case by case.

<sup>20</sup> The *Preliminary Overview of the Economies of Latin America and the Caribbean, 2009*, on the basis of a simple average of the data from eight countries, estimates that waged employment in the private sector fell by 0.5% in the first three quarters of

Brazil and decreased in Costa Rica, where the fall in employment mostly affected waged workers. Taking the simple average for the region, the proportion of own-account workers and unpaid family workers among employed people rose by 0.9 percentage points (see table III.7).

Table III.7  
**LATIN AMERICA AND THE CARIBBEAN (12 COUNTRIES):<sup>a</sup> OWN-ACCOUNT WORKERS AND UNPAID FAMILY WORKERS AS A PROPORTION OF TOTAL EMPLOYED PERSONS, 2008 AND 2009**  
(Percentages)

Country	2008	2009	Variation
Argentina <sup>b</sup>	19.3	19.5	+0.2
Brazil	19.5	19.5	0.0
Chile	23.9	24.9	+1.0
Colombia	45.8	47.2	+1.4
Costa Rica	19.7	18.9	-0.8
Dominican Republic	43.9	44.0	+0.1
Ecuador	40.0	42.5	+2.5
Honduras	52.3	54.4	+2.1
Mexico	28.8	29.7	+0.9
Panama	30.8	32.2	+1.4
Peru	37.9	38.4	+0.5
Venezuela (Bolivarian Republic of)	30.6	31.6	+1.0
Latin America and the Caribbean <sup>c</sup>	32.7	33.6	+0.9

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

<sup>a</sup> Data refer to the nationwide total, except for Argentina (urban areas), Brazil (six metropolitan areas) and Peru (Metropolitan area of Lima).

<sup>b</sup> First three quarters of both years.

<sup>c</sup> Simple average.

These trends show that the impact of the crisis on labour in the region centred more on increases in employment in vulnerable categories and a fall in average labour productivity, rather than on a reduction in levels of employment.<sup>21</sup> This is due to the lack of strong systems of unemployment protection and private saving which can provide resources for subsistence when a job is lost, as well as the relative ease of obtaining informal employment. It is estimated that the number of employed people in the region has increased in absolute terms and the fall in the employment rate has been relatively moderate. The reduction in quality jobs has led to a rising proportion of own-account work and unpaid family work and a fall in labour productivity, unlike what has been observed in the United States, for example, where the crisis saw steep drops in employment levels and strong increases in labour productivity.<sup>22</sup>

Aside from these regional patterns, there are significant differences between countries: in some, labour market adjustments were centred on falls in employment rates, and in others there were falls in average labour productivity. In many of these cases the proportion of own-account workers and unpaid family workers increased. The countries where adjustments mainly took the form of falling employment include a number of Caribbean States: Bahamas and Trinidad and Tobago and, to a lesser extent, Barbados and Jamaica, where productivity also fell, as

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2009, compared to the same period in 2008, whereas public-sector waged employment rose by 3.0% (ECLAC, 2009b). This was influenced by the expansion or creation of emergency employment programmes and widespread growth in public-sector employment, which —except when hit by a major fiscal crisis or profound structural reforms— is more stable than private-sector waged employment.

<sup>21</sup> The numbers in table III.4 do not match those in table III.7. This is because the former come from tabulations of household survey data, whereas the latter are figures provided by the countries, and in many cases obtained from the employment surveys which are the basis for official estimates of the various employment and unemployment indicators.

<sup>22</sup> In the United States, the output of non-agricultural businesses fell by 3.6% in 2009, but the hours worked fell by 7.1%, meaning that labour productivity rose by 3.8% (United States Bureau of Labor Statistics, 2010).

well as the Dominican Republic and Panama. In Argentina, Chile and Costa Rica the adjustment impacted on both variables, but more on employment levels. In the Bolivian Republic of Venezuela, Colombia, Cuba, Ecuador, Honduras and Peru, the adjustment took the form of a fall in average labour productivity. Brazil and Mexico also felt the impact more on the productivity side, although they did suffer falls in their respective rates of employment, with great differences in magnitude, owing to the scale of the crisis that affected both economies.

## C. THE SITUATION OF WOMEN AND YOUNG PEOPLE IN EMPLOYMENT

### 1. Difficult labour-market integration for women and young people

Women and young people are particularly vulnerable to labour-market integration problems, and also to various forms of discrimination in that market. This tends to push them into low-quality and low-income occupations; hence the emphasis on those two groups in the new employment target of the Millennium Development Goals. Both women and young people are affected by high unemployment rates, employment in low-productivity sectors, insecure employment conditions where they are often deprived of health and social security coverage, and low remuneration. Nonetheless there are differences between certain characteristics of women's and of young people's integration and of its trends over time, as are the underlying causes of the problems they face in terms of entering and remaining in the labour market. Youth is a transitory stage which marks the beginning of integration into productive activity. The difficulties faced by young people in the labour market are often temporary, since the problems which face a young person as such will disappear or change when the person progresses into adulthood. Women, on the other hand, are faced with a variety of obstacles to their labour-market integration, and when they do manage to enter that market, they suffer discrimination in relation to their male counterparts, particularly in terms of wage gaps.

#### (a) Women and employment

The report entitled *Millennium Development Goals. 2006 Report: a Look at Gender Equality and Empowerment of Women in Latin America and the Caribbean* estimates that poverty in the region would be over 10 percentage points higher without women's employment. Despite the significance of women's paid work for household economies, employment is one of the areas where the widest gender gaps persist. They are reflected in lower remuneration, low returns on education and the predominance of informal and low-productivity work (United Nations, 2007). The inclusion of the employment target within the Millennium Development Goals therefore represents a substantial step forward. It recognizes that creating quality jobs and equality between men and women are central goals of the development agenda and, at the same time, a condition for the attainment of the other Goals (ECLAC, 2007a).

Women have long been considered as a "secondary" labour force, and one that was more costly to employ, and this has justified labour practices which are now considered openly discriminatory.<sup>23</sup> Although neoclassical theories recognized the existence of gender gaps, these were attributed mainly to the supposedly lower productivity of women, their employment preferences and the non-salary costs of hiring them. The theory of human capital clearly recognized discrimination in the labour market resulting from culturally ingrained ideas related to the traditional allocation to women of family care roles (Becker, 1971 and 1985).

More recent studies have reported that, in the context of various changes in culture and the family in our societies, women have become increasingly important in the labour market and in their contribution to household incomes. This has led to the recognition that for a significant number of women, work cannot be considered as a

<sup>23</sup> The theories of gender segmentation and dualism in labour (Piore and Berger, 1980; Piore and Doeringer, 1985; ILO, 1979) pointed to a labour market with primary and secondary segments. The workforce in "secondary" occupations was said to be composed of groups whose social identities and roles were defined outside the labour market, such as women, adolescents, apprentices, those doing work experience and temporary migrants, who often move in and out of the labour market (Piore and Berger, 1980).

secondary, optional activity (Geldstein and Delpino, 1994; Abramo and Todaro, 1998; Abramo, 2004). It must therefore be recognized that monitoring the situation of women's employment not only provides a picture of women's position in the labour market, but also reflects our societies' recognition of their rights and of their important role not only in the home but also in economic growth. The growing pressure for gender parity and equity has led to the development of public plans and programmes which aim mainly to monitor the aforementioned inequalities in national markets, and sometimes to fulfil gender quotas among public-sector employees (ECLAC, 2004a).

## **(b) Young people and employment**

It is increasingly clear that, at least in our region, young people represent an opportunity for development. This is not just a rhetorical statement; it is based on the fact that the young people of today are best suited to take a positive approach to the significant social and productive changes which have come with the globalization process and the introduction of new technologies in various spheres of life (ECLAC/OIJ, 2004). Young people now represent a springboard for development, not only for the reasons mentioned above, but also because of the very characteristics of demographic transition in the region. Subject to certain differences among countries, the region currently faces a demographic bonus or dividend, a temporal window between low levels of dependency, because a larger proportion of the population is of productive age compared to the part that is potentially inactive (children and older persons) and that therefore represents a financial burden for the family and the State.

As early as 1995, in the World Programme of Action for Youth, the United Nations openly recognized the importance of young people and of improving the various situations that affect them. The Programme of Action describes the measures to be taken in various spheres such as education, employment, hunger and poverty, health, the environment, drug abuse, juvenile delinquency, recreational activities, the girl child and young women, as well as full and effective participation by young people in the life of society and in decision-making (United Nations, 1995). Education and employment are the areas of highest priority, since they provide the basis for improvements in other spheres. Education develops the abilities of children and young people, preparing them for a world in constant mutation. That development must go hand in hand with the existence of opportunities for them to make use of those abilities, mainly —but not solely— in the world of work. Employment enables the young to reveal their creative or innovative potential, live full lives, participate in the many areas of social life, have access to material and symbolic well-being, exercise their citizenship and thereby cut the chains of reproduction of poverty which still afflict our societies (ECLAC/OIJ, 2008). This is why public policies not only strive to ensure that young people stay longer in the educational system, but also often seek to strengthen work training systems, prove their professional competence with those who have the greatest experience, promote youth enterprise, make the best of young people's capacity for innovation and encourage independent work and the creation of enterprises.

## **2. Labour participation and unemployment among women and young people**

Growing labour participation has been a vital factor in raising household incomes for families living in poverty. This is due to increasing labour-market entry by women. From 1990 to 2008, women's participation in Latin America rose by 12 percentage points from 40.7% to 52.5%, while that of men declined by two points, from 82.2% to 80.3%. In the English-speaking Caribbean, the female participation rate stood at 53.8% around 2005, having barely shown any increase over its 1998 level of 53.6%. At the same time, the male participation rate rose from 73.3% in 1998 to 74.6% in 2005 (CARICOM, 2008).<sup>24</sup>

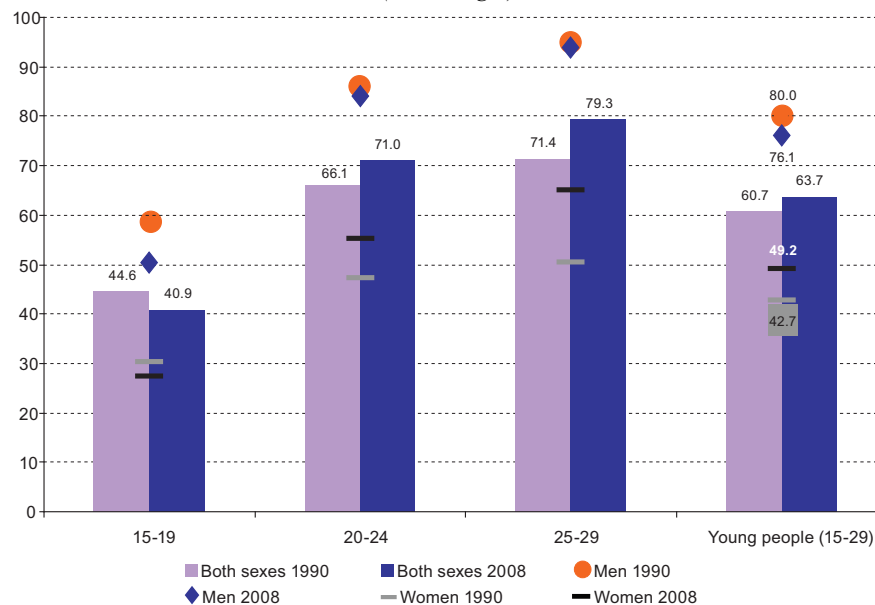
In Latin America, although the labour-market gender gap is diminishing, the participation rate for males is still 28 percentage points above the rate for females. In the Caribbean, the gap is around 21 percentage points, having widened by one point between 1998 and 2005 (CARICOM, 2008). The situation is still strongly influenced by cultural factors relating to the division of labour in households, which explain the continuance of major gender gaps in labour participation, especially in the poorest strata of the population. Around 2005, the rate of participation

<sup>24</sup> The data refer to the simple average of eight countries (Bahamas, Barbados, Belize, Dominica, Grenada, Jamaica, Saint Lucia and Trinidad and Tobago), calculated on the basis of data published by CARICOM (2008), which are not strictly comparable with the data for Latin America calculated by ECLAC through the processing of household survey data.

for women in the poorest decile in Latin America was 37%, compared to 76% for men. Thus, it is vital and urgent that the region should overcome the restrictions which continue to obstruct women's labour participation and their contribution to household incomes (ECLAC 2008a).

Household survey data show that some evidence can be gleaned concerning the degree of stability of labour-market participation by women and by young people aged 15-29. In Latin America, as expected, the average participation rate among young people is significantly lower (54.9%) than that for the population as a whole (61.4%). Between 1990 and 2008, employment increased by only 0.6 percentage points among young people, while for the rest of the population it rose four points. There are a variety of reasons for this small increase. First, the participation rate for young people rose between 1990 and 2008, except among those aged 15-19 years, whose participation in the labour force declined, as shown in figure III.5. This is mainly due to the expansion of educational systems, greater retention of the youngest students in those systems, and school re-enrolment by some who are still of secondary-school age (ECLAC, 2008a). Nonetheless, labour participation by the youngest groups increased in Guatemala, Mexico and Nicaragua.

Figure III.5  
**LATIN AMERICA (18 COUNTRIES): PARTICIPATION RATES BY AGE GROUP AND SEX,  
NATIONAL TOTAL,<sup>a</sup> AROUND 1990 AND 2008**  
(Percentages)



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

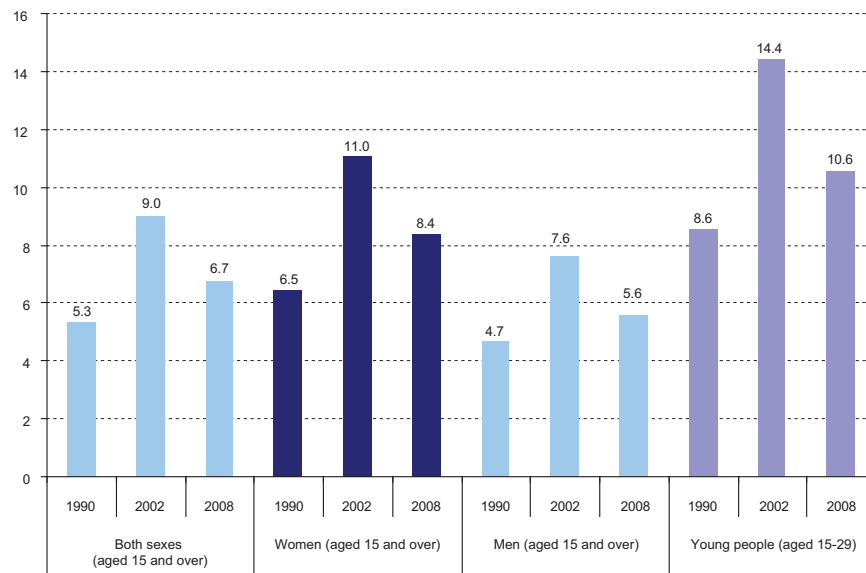
<sup>a</sup> The figures correspond to weighted averages for the countries. In Argentina, they correspond to Greater Buenos Aires; in the Plurinational State of Bolivia to eight main cities and El Alto; in Ecuador and Uruguay to urban areas; and in Paraguay to Asunción and the Central Department.

As can be seen in figure III.5, there are two trends underlying the rise in young people's labour-market participation: a 3.9 point fall in participation by young men, and a 6.5-point surge in participation by young women, mainly from the age of 20 onwards, as they leave the educational system. This last is consistent with the overall upward trend in female participation in the labour market, which has been particularly strong in Argentina, the Bolivarian Republic of Venezuela, Brazil, Guatemala and Mexico, whereas in El Salvador and Peru the trend has been negligible.

It should be noted that labour participation does not always result immediately in finding a job. Higher rates of unemployment among women and young people demonstrate the persistence of structural problems with equity in the region's labour markets. Although the unemployment rate for both sexes fell by about two points

between 2002 and 2008, the gender gap has not changed; female unemployment remains the highest. The youth unemployment rate dipped significantly between 2002 and 2008, but it remains much higher than the rate for other age groups, and is above its 1990 level (see figures III.6 and III.7).

Figure III.6  
**LATIN AMERICA (18 COUNTRIES): UNEMPLOYMENT RATE, NATIONAL TOTAL,<sup>a</sup>**  
**BY SEX AND AGE, 1990, 2002 AND 2008**  
*(Percentages)*



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

<sup>a</sup> The figures correspond to the weighted average of the countries. The unemployment rates reported in household surveys in Colombia, the Dominican Republic and Panama include hidden unemployment. In Argentina, data correspond to Greater Buenos Aires; in the Plurinational State of Bolivia, to eight main cities and El Alto; in Ecuador and Uruguay, to urban areas; and in Paraguay, to Asunción and the Central Department.

Youth unemployment rates tend to be high and to increase considerably in times of crisis; this may relate to young people's mobilization into the labour market in order to complement household incomes.<sup>25</sup> This occurs partly as a result of the job losses which generally occur in recessions, but also because of the bias against hiring young people—which is still worse in the case of young women—owing to their lesser work experience and the likelihood that they will not stay as long in a given job. This last is because their entry may be temporary, since they may return to studying, seek jobs which are of higher quality or more suited to their qualifications, or start a family.

There are great disparities between levels of youth unemployment and adult unemployment. In times of crisis, those disparities do not tend to increase—sometimes they even decrease—mostly because most job losses are concentrated among positions occupied by adults. This is not the case for female unemployment, which

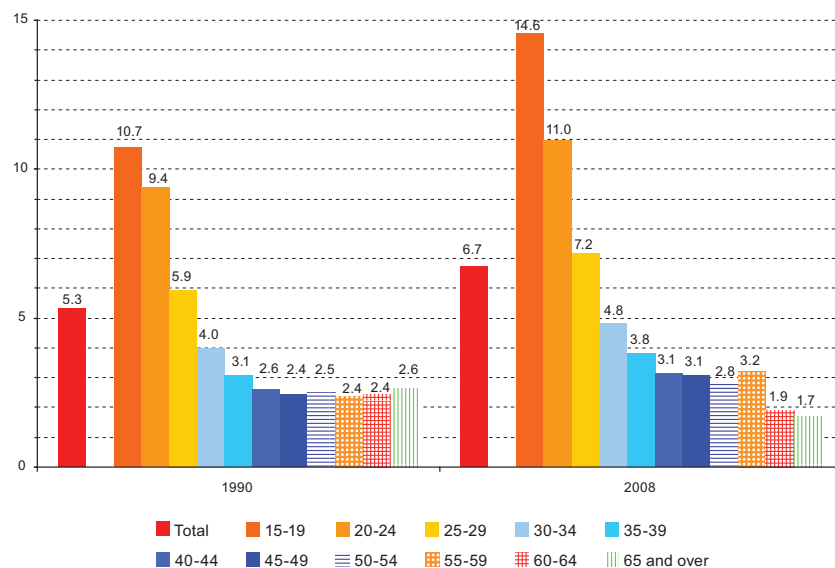
<sup>25</sup> Rising youth unemployment may be attenuated by falling participation by young people in light of the shortage of employment opportunities, as occurred in 2009 in practically all the countries for which information is available. In Brazil, for example, the participation rate for young people aged between 15 and 24 fell from 56.6% to 55.0% between 2008 and 2009, while the rate for adults fell only from 64.3% to 64.1%. In México, the participation rate for young people fell from 47.7% to 46.9%, whereas the adult rate rose slightly from 64.5% to 64.6%.



generally tends to soar in comparison with male unemployment in periods of economic contraction and diminish more slowly in recovery periods.<sup>26</sup>

Despite the large increase in youth unemployment between 1990 and 2002, from 8.6% to 14.4%, the doubling of the rate for adults (aged 30 to 64) during the same period actually narrowed the gap between the two; the rate for young people decreased from 2.9 times to 2.4 times the adult rate. As overall unemployment declined up to 2008, the youth unemployment rate stood at 10.6%, or 3.1 times the adult rate, so that the disparity was slightly higher than in the early 1990s. The highest unemployment rates are among the youngest people (aged 15-19), at four times the adult rate (see figure III.7).

Figure III.7  
**LATIN AMERICA (18 COUNTRIES): UNEMPLOYMENT RATES BY AGE GROUP,  
NATIONAL TOTAL,<sup>a</sup> AROUND 1990 AND 2008**  
(Percentages)



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

<sup>a</sup> The figures correspond to the weighted average of the countries. The unemployment rates reported in household surveys in Colombia, the Dominican Republic and Panama include hidden unemployment. In Argentina, data correspond to Greater Buenos Aires; in the Plurinational State of Bolivia, to eight main cities and El Alto; in Ecuador and Uruguay, to urban areas; and in Paraguay, to Asunción and the Central Department.

Not all young people suffer equally from unemployment. The poorest are the worst affected: in Latin America around 2005, average unemployment among those aged 15-29 belonging to the poorest quintile of per capita income was slightly above 24%, a percentage which declines gradually to reach 6.6% among young people in the richest quintile (ECLAC/OIJ 2008). A comparison of youth unemployment rates by level of education shows that unemployment has the greatest impact on those with more education, particularly those who have completed secondary education. Various studies conducted by ECLAC show that this is mainly due to the phenomenon of devaluation of education, since growing numbers have completed secondary education in the past 10 years, while insufficient jobs have been created for people with that level of education; thus, it does not offer rapid labour-market entry in good conditions nor guarantee an escape from poverty (ECLAC/OIJ, 2008; ECLAC, 2004b; ECLAC, 2000b). Young people with university educations are also proportionally worse affected, although this is mostly because they are more inclined to wait for good-quality jobs that correspond to their qualifications (ECLAC, 2002).

<sup>26</sup> Nonetheless, the impact of the recent worldwide economic crisis was centred on sectors with mainly male workforces such as construction. As a result, in most of the countries of the region, 2009 saw female unemployment increasing less than that of men (ECLAC/ILO, 2010).

One of the most blatant disparities among young people in terms of unemployment relates to gender. Gender criteria are still very predominant in recruitment, and this affects women throughout their productive life cycles, but most of all when they are young.<sup>27</sup> The high rates of youth unemployment are to a considerable extent due to the even higher levels among young women. In the absence of reasons associated with qualifications or work experience, one of the factors which explain higher female unemployment has to do with businesses' propensity to refrain from hiring women of childbearing age, both because of their greater employment instability (frequent absences from the workforce) and because of the labour costs associated with maternity. Depending on national legislation, these costs include maternity leave and the resulting need for temporary replacement staff, the payment of infant sickness leave and the funding of day care centres.

#### **D. COMPLEMENTARY AND ADDITIONAL INDICATORS FOR MONITORING THE EMPLOYMENT TARGET IN LATIN AMERICA**

It is a major challenge to measure complex concepts such as full and productive employment and decent jobs (see box III.2), which fall within the new Millennium target. The four official indicators for this target identify important elements in the concept of decent work, but in Latin America it is possible and necessary for them to be accompanied by other indicators calculated on the basis of household surveys, to deepen the analysis of the conditions of decent work, such as:

- the percentage of workers in low-productivity sectors (or “informality rate”);<sup>28</sup>
- the percentage of workers affiliated to social security; and
- the ratio of women's to men's wages.

These complementary and additional indicators reflect persistent features of Latin American labour markets such as informality, low levels of social protection and wage inequality between the sexes. In terms of trends from 1990 to 2008, the situation improved slightly in terms of the proportion of workers in low-productivity sectors, with the average of the countries falling from 54.6% to 49.8%, and in terms of women's wages, which rose from 77.8% to 79.1% of men's wages. Of the nine countries for which data are available on social-security coverage among employed people between the early 1990s and 2004-2008, four (Argentina (Greater Buenos Aires), Brazil, Ecuador (urban areas) and Nicaragua) saw a fall in coverage, and the other nine (Chile, Costa Rica, El Salvador, Mexico and urban areas in the Plurinational State of Bolivia) experienced slight increases.

These indicators, together with others, are being used by the countries of the region in their national reports on the Millennium Development Goals, or as tools to monitor their social and employment policies oriented towards decent jobs.<sup>29</sup> In 2003, an additional Goal at country level was proposed in Argentina—before the United Nations adopted the new employment target—on the promotion of decent employment. It includes the target of expanding social security coverage (Argentina, Office of the President, 2003). In Brazil, where a National Agenda for Decent Work was adopted by the Government in 2006 with a strong focus on creating better jobs with equal opportunities and conditions, the ratio of men's to women's wages was included (Brazil, Office of the President, 2007). Chile is monitoring wage disparities between the sexes (Government of Chile, 2008). Decent work is a priority of social policy in Peru, and improved wages and long-term employment are key points of the National Strategy “CRECER” (CIAS, 2008).

<sup>27</sup> This does not apply to more highly educated women, for whom the gap in comparison with men's wages tends to widen more as their working lives progress.

<sup>28</sup> This indicator, which refers to informal work, differs from the indicator on vulnerable workers. Although both take into account unpaid family workers and own-account workers, own-account workers with professional or technical qualifications are excluded when calculating the informality rate. Also, the percentage of workers in low-productivity sectors includes domestic workers and workers in microenterprises.

<sup>29</sup> ECLAC, UNDP AND ILO (2008) have proposed a set of 28 indicators for Brazil to monitor decent working conditions. ECLAC/EUROsocial (2007) have proposed important indicators which relate the issue of employment with that of social cohesion.

Box III.2  
**THE CONCEPT OF DECENT WORK**

The concept of decent work, introduced in 1999 by the International Labour Organization (ILO), reflects the broad goal of providing men and women with opportunities to obtain “productive work in conditions of freedom, equity, security and human dignity”.

Although the ethical meaning is the one conveyed most strongly by the term “decent work”, its various dimensions show what this basic human activity should be and provide guidance for analysing the labour market:

- “opportunities for productive work” refers to the need for all persons who want work to be able to find work, allowing workers and their families to achieve an acceptable level of well-being;
- “employment in conditions of freedom” underlines the fact that work should be freely chosen and not forced on individuals; it also means that workers have the right to participate in the activities of trade union groupings;
- “employment in conditions of equity” means that workers need to have fair and equitable treatment in work, without discrimination and with the ability to balance work with family life;
- “employment in conditions of security” refers to the need to safeguard the health of workers and to provide them with adequate pensions and social protection;
- “employment in conditions of human dignity” requires that workers be treated with respect and be able to participate in decision-making about working conditions.

In particular, decent work should enable people to earn enough to pull themselves out of poverty with their families on a lasting basis. Decent employment is therefore covered by social security and guarantees protection under labour laws, as well as the possibility of making one’s voice heard through freely elected workers’ organizations.

This concept was based on the conviction that only decent employment—and not just any type of employment—will enable people to avoid or overcome poverty. Decent work is thus an alternative for a large number of people who are working, sometimes for long hours and in bad conditions, in low-productivity jobs that do not enable them to emerge from poverty.

Each of the dimensions of the concept of decent work is among the topics that have been the subject of recommendations and mandates of ILO since its creation nine decades ago. What is new is that the idea of decent work places the various dimensions of work within a single framework. It is also necessary to stress that this is a universal concept, covering all workers—and not only certain groups—which represents a departure from the traditional role of ILO, which was initially concerned with workers in the organized sector, with those who were already employed or those who were protected by specific rules and regulations.

**Source:** Anker, Richard and others, “Measuring decent work with statistical indicators”, *Policy Integration Paper*, No. 1, Geneva, International Labour Organization (ILO), 2002; María Estela Lanari, *Trabajo decente: significados y alcances del concepto. Indicadores propuestos para su medición*, Buenos Aires, Subsecretaría de Programación Técnica y Estudios Laborales, Ministry of Labour, Employment and Social Security, Argentina, 2005; International Labour Organization (ILO), *Report of the Director-General: Decent Work*, eighty-seventh session of the International Labour Conference, Geneva, 19 June 2009 [online] <http://www.ilo.org/public/spanish/standards/relm/ilc/ilc87/rep-i.htm>; “Key Indicators of the Labour Market (KILM), Fifth Edition” 2007 [online] <http://www.ilo.org/public/english/employment/strat/kilm/download.htm> and Amartya Sen, “Statement”, eighty-seventh session of the International Labour Conference, Geneva, 19 June 2009.

### 1. Workers in low-productivity sectors

The indicator on the proportion of employed people involved in low-productivity activities indirectly reflects the level of structural heterogeneity in the Latin American economies and the differing speeds of development of their productive sectors. Jobs in low-productivity sectors are generally of poor quality and are linked to problems such as labour instability, low pay and the lack of access to social security.

Almost half of all workers in Latin America are in low-productivity sectors. With the exception of Chile, some 40% or more of employed people in all the countries are own-account workers, in domestic service or in micro- or small enterprises which have low productivity and income and provide little or no social security coverage.<sup>30</sup> Of particular concern is the high proportion of women employed in low-productivity sectors (55.5%) compared with men (45.9%) (see table III.8). This shows that the workforce is still highly segmented, with females in the most insecure and poorly-paid jobs (ECLAC 2004a).

<sup>30</sup> In six of the countries of the region (Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Paraguay) fewer than 5% of those employed in low-productivity sectors pay social security contributions.

Table III.8  
**LATIN AMERICA (18 COUNTRIES): COMPLEMENTARY AND ADDITIONAL INDICATORS FOR THE  
 MONITORING OF TARGET 1.B (BOTH SEXES, MALES AND FEMALES), NATIONAL TOTAL,  
 AROUND 1990, 2002 AND 2008<sup>a</sup>**  
*(Percentages)*

	Both sexes			Females			Males		
	1990	2002	2008	1990	2002	2008	1990	2002	2008
Informality rate <sup>b</sup>	54.6	53.9	49.8	60.2	57.7	55.5	51.9	50.6	45.9
Employed and contributing to social security systems <sup>c</sup>	52.4	49.5	51.5	52.7	49.5	51.8	52.2	48.8	51.2
Ratio of women's to men's wages	77.8	78.4	79.1	-	-	-	-	-	-

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

<sup>a</sup> Weighted average. In Argentina, data correspond to Greater Buenos Aires; in the Plurinational State of Bolivia, to eight main cities and El Alto; in Ecuador and Uruguay, to urban areas; and in Paraguay, to Asunción and the Central Department.

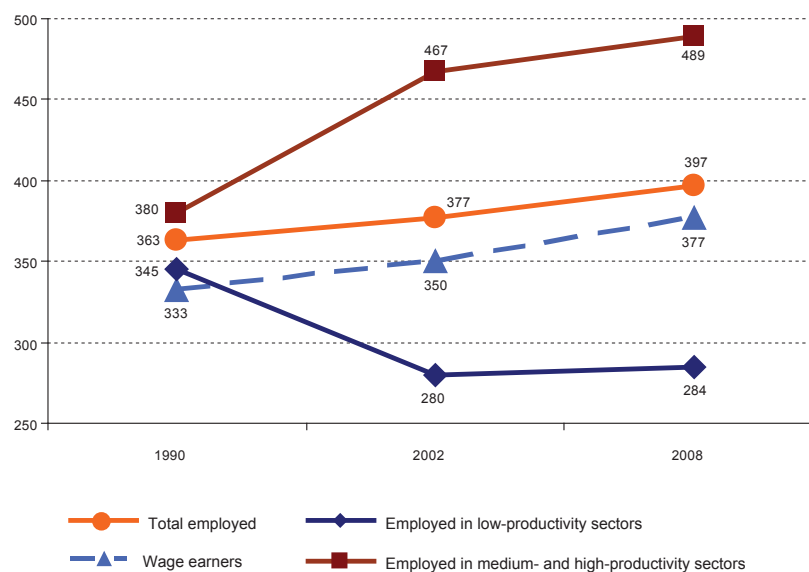
<sup>b</sup> Corresponds to the percentage of employed people working in low-productivity sectors. The weighted average does not include Colombia.

<sup>c</sup> Employed persons aged 15 years who declared employment income (does not include unpaid workers).

All the Latin American countries have large wage gaps between workers in the formal and informal sectors. In particular, the employment incomes of urban workers in low-productivity sectors fell between 1990 and 2008, from US\$ 345 to US\$ 284 per month in 2000 prices. This widened the gap between them and formal-sector workers, whose monthly incomes in 2008 averaged US\$ 489.

In 2002-2008, a period characterized by economic growth and rising productivity, urban monthly wages rose by US\$ 27 and the average monthly income of employed persons rose by US\$ 20, while the monthly wages of informal workers increased by only US\$ 4 (see figure III.8).

Figure III.8  
**LATIN AMERICA (18 COUNTRIES): TRENDS IN REAL WAGES IN  
 URBAN AREAS, AROUND 1990, 2002 AND 2008<sup>a</sup>**  
*(Dollars at constant 2000 prices)*



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

<sup>a</sup> Some drops in wages were recorded in the periods between those shown in the figure, owing to different crises.

Box III.3  
THE CONCEPT AND MEASUREMENT OF INFORMALITY

Informality is a significant phenomenon in Latin America and the Caribbean, a region where the labour market is unable to provide productive and decent employment to the entire workforce without the implementation of specific social and economic policy measures. Aside from low wages, informal workers are faced with problems such as the absence of job security, employment rights or social protection and limited access to pensions, because access to protection systems is mostly restricted to those with formal work contracts.

The measurement of informality, an issue of international concern, is closely linked to the conceptual debate. In 1993, the fifteenth International Conference of Labour Statisticians established that the enterprise was the appropriate unit of analysis. From this viewpoint, the main factor in levels of informality is not compliance with the law, employment characteristics or the work relationship, but the productivity level of the unit. Informality is considered to result from the heterogeneity of the productive structure, which can be seen schematically as two sectors: one is formal, has a medium to high productivity level, greater levels of investment, relatively high growth potential and effective social protection; and the other informal, with low levels of productivity, growth potential and social protection. Consequently, unskilled own-account workers, unpaid family workers or apprentices, owners and employees of micro-enterprises and domestic workers are all considered informal.

ILO has recently begun to consider that the “informal” category also includes workers subcontracted by formal companies, that is, firms with higher productivity levels. This relates to the introduction of the concept of decent work. In order to focus the discussion on the job rather than the enterprise, the new conceptual framework of the “informal economy” has been proposed in order to complement that of the informal sector, given that informal activities are found in both low- and high-productivity sectors. This new approach includes waged workers in the formal sector whose working conditions are not covered by employment legislation, meaning that they have no access to the social protection or other benefits provided for by the labour laws in force in the country concerned. Accordingly, taking into account the recommendations of the Delhi Group (experts from different countries who study informal-sector statistics), the seventeenth International Conference of Labour Statisticians, held in 2003, approved a statistical definition of informal employment, defined by the total number of informal jobs regardless of whether they are in formal- or informal-sector enterprises.

ILO believes that the increasingly informal nature of the Latin American labour market is due to falling numbers of public-sector jobs as well as large corporations’ job-cutting measures in the context of changes in the division of labour between countries. In response to this situation, priority should be placed on three areas: in the short term, working conditions should be improved by providing all workers with the right to protection and representation; in the medium term, labour institutions should be improved in order to promote formalization of employment; and in the long term, greater numbers of decent and protected jobs should be provided for all.

ECLAC links the term “informality” to that of “low-productivity sectors”, but does not yet take into account aspects such as social protection and subcontracting. Given that low productivity implies low incomes and limited investment capacity, ECLAC proposes that the informal sector should also be defined by its characteristic insecurity. It also argues that the heterogeneity of production mechanisms generates and maintains the informal sector. Priority must therefore be given to production convergence, together with measures to improve labour institutions and social policies. From this structuralist viewpoint, labour informality is a serious problem that should be dealt with by governments, owing to its negative influence on both economic development and social cohesion in the countries concerned.

In short, the definition and measurement of informality, along with identification of its main causes, strongly influences public policy and labour legislation, even though the lack of social protection and labour rights for workers is a common denominator in the different analyses. This, then, is an issue that governments should not overlook when attempting to improve the workings of the labour market.

**Source:** Alejandro Portes and William Haller, “La economía informal”, *Políticas sociales* series, No. 100 (LC/L.2218-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2004. United Nations publication, Sales No. S.04.II.G.138; Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America 2006* (LC/G.2326-P), Santiago, Chile, 2007. United Nations publication, Sales No. E.06.II.G.133; Ricardo Infante, “América Latina: informalidad y heterogeneidad estructural: los desafíos de la convergencia productiva”, unpublished, 2008; International Labour Organization (ILO), *2006 Labour Overview. Latin America and the Caribbean*, Lima, Regional Office for Latin America and the Caribbean, 2006; International Labour Organization (ILO), *2007 Labour Overview. Latin America and the Caribbean*, Lima, Regional Office for Latin America and the Caribbean, 2007; International Labour Office, *Report VI: Decent work and the informal economy*, International Labour Conference, 90th Session, Geneva, 2002; Victor Tokman, “Informalidad, inseguridad y cohesión social en América Latina”, *Políticas sociales* series, No. 130, Santiago, Chile, 2007. United Nations publication, Sales No. S.07.II.G.45 and *De la informalidad a la modernidad*, International Labour Organization (ILO), Santiago, Chile, 2001.

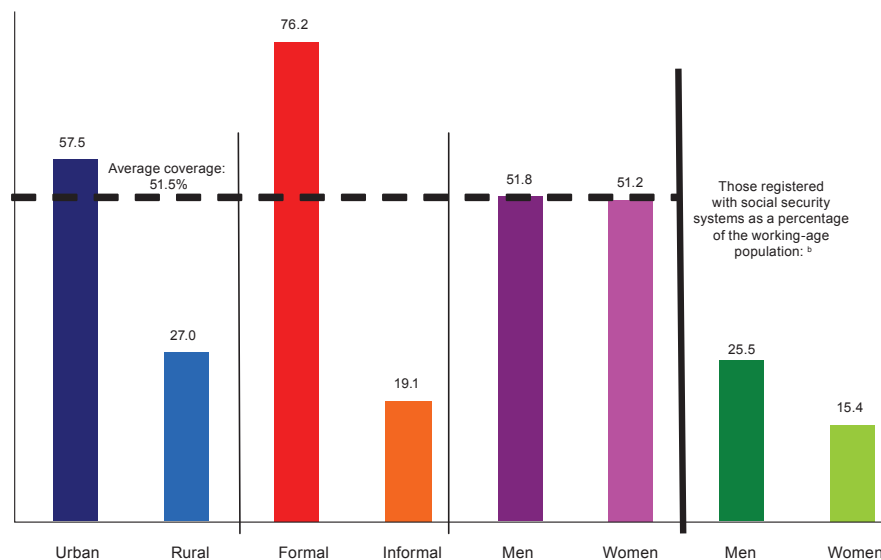
## 2. Social security coverage

Social protection —access to health systems and health insurance and affiliation to pension systems— is a basic right of workers which should be covered explicitly in the framework of the Millennium Development Goals. Currently, 51.5% of the region’s employed people state in household surveys that they are contributing members of

a social security system, a percentage slightly below the 1990 figure. The average, however, conceals wide differences from one country to another: around 2008, in Colombia, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, Peru and the Plurinational State of Bolivia, a third or less of the urban employed were contributing to social security systems, while in Chile, Costa Rica and Uruguay the coverage was over two thirds.

These data clearly demonstrate that the region's labour markets have not succeeded in acting as universal entry points to social protection. The situation is particularly difficult in rural areas and among informal-sector workers, although even urban workers in formal jobs are not guaranteed social protection. Although the rates of affiliation of employed people are similar for males and females, the gender gap in social contributions is significant if the entire working-age population is taken into account, rather than employed people alone: only 15% of women participate in social security systems, compared with 25% of men (see figure III.9). If the economically inactive population, rather than just the active element, is taken into account, this reveals gender differences resulting from long breaks in contributions by women, generally in connection with caring for children, older persons and persons with disabilities. In all the countries there is a strong correlation between households' income levels and the rate of social security coverage, with workers belonging to households in the wealthiest income quintile showing significantly higher rates of contribution and coverage than workers in the poorest quintile. In the lower parts of the income scale, the numbers of own-account workers are higher, and this partly explains the lack of access to social security systems (ECLAC 2006).

Figure III.9  
**LATIN AMERICA (18 COUNTRIES): EMPLOYED PERSONS<sup>a</sup> REGISTERED WITH  
 SOCIAL SECURITY SYSTEMS, AROUND 2008**  
*(Percentages)*



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

<sup>a</sup> Employed workers aged 15 and over who reported labour income. Weighted average.

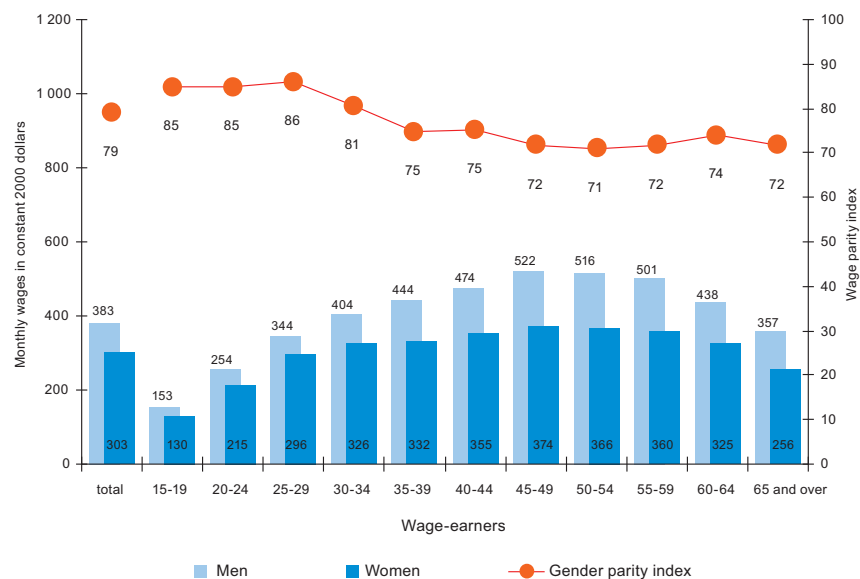
<sup>b</sup> Data around 2006.

### 3. Ratio of men's to women's wages<sup>31</sup>

Wage levels are a key indicator of job quality and are of vital importance for reducing poverty. There remain wide gender gaps in this regard, since women's wages average 21% below those of men. The gap widens with age (see figure III.10) and with the number of years of education. These disparities show that women do not have the same opportunities or results as men when they are in paid work.

The wage gap between men and women has narrowed slightly since 1990 thanks to greater increases in women's real wages (18.5%) compared to those of men (16.4%). According to Contreras and Gallegos (2007), this is because women's growing labour market participation and the gender-related changes in that market have generated an equalizing differential in salary distribution. There are still large differences between countries, however, in respect of both the magnitude of the gap and the speed at which it is narrowing. Of 18 countries in Latin America, Peru has the widest gap (29%), whereas Ecuador (7%) and the Bolivarian Republic of Venezuela (5%) have the lowest levels of gender disparity in wages (ECLAC, 2010b).

Figure III.10  
**LATIN AMERICA (18 COUNTRIES): WAGE INCOME BY AGE GROUP AND SEX AND GENDER  
 PARITY INDEX, NATIONAL TOTAL,<sup>a</sup> AROUND 2008**  
*(Dollars at constant 2000 prices and ratio between women's and men's incomes)*



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

<sup>a</sup> Weighted average for the countries at the national level. In Argentina, corresponds to Gran Buenos Aires; in the Plurinational State of Bolivia, to eight main cities and El Alto; in Ecuador and Uruguay, to urban areas; and in Paraguay, to Asunción and the Central Department.

### 4. Analysis of the link between employment and poverty reduction

Variations in total household income during a given period—and consequently poverty reduction—largely depend on events in the area of employment income. To monitor the employment target in the region and demonstrate the

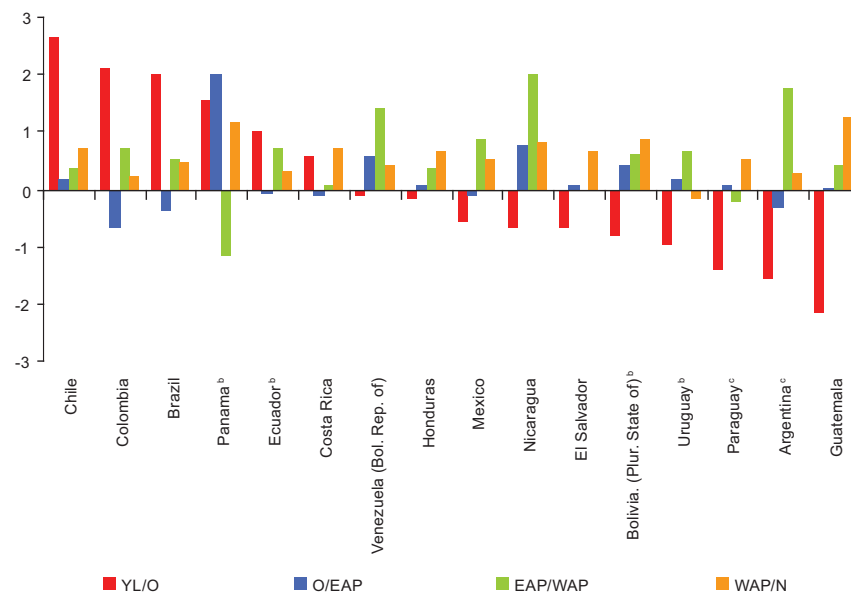
<sup>31</sup> This indicator has also been proposed by ECLAC for the monitoring of article 11 of the Convention on the Elimination of All Forms of Discrimination against Women, on the right of women to have access to the same opportunities as men in the area of labour, and as a complementary indicator for monitoring the third Millennium Development Goal, “Promote gender equality and empower women” (Zapata, 2007).



importance of employment in combating poverty, it may therefore be useful to make use of a method of analysis of employment income variations presented in the *Social Panorama of Latin America 2010* (ECLAC, 2010a). This method shows the variations in factors associated with increases in per capita employment income in poor households: employment income per employed person (a measure which approximates labour productivity), the number of employed persons divided by the economically active population (employment rate; that is, the complement of the unemployment rate), the economically active population divided by the working-age population (participation rate) and the ratio of the working-age population to the total population (demographic dependency rate).<sup>32</sup> Figure III.11 uses this method to analyse the way in which these factors affected employment income in poor households between 1990 and 2008.

The results shown in figure III.11 show that since 1990, employment income per employed person, which is linked to productivity, has increased for poor households only in Brazil, Chile, Colombia, Costa Rica and the urban areas of Ecuador and Panama, and fallen in the remaining countries. The economies of Latin America also failed to boost their capacity to create quality jobs; the employment rate fell in six countries, and in six others it rose by less than 0.2% per year. Thus, the factors which contributed the most to improving per capita employment income in households which were living in poverty were the demographic dependency ratio and the participation rate.

Figure III.11  
LATIN AMERICA (16 COUNTRIES): ANNUAL VARIATION IN THE COMPONENTS OF  
LABOUR INCOME, POOR HOUSEHOLDS, 1990-2008<sup>a</sup>  
(Percentages)



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

<sup>a</sup> Countries sorted by annual variation in labour income per employed person. The survey year varies between countries. The period 1990 corresponds to the available survey closest to that year and the period 2008 to the most recent available between 2004 and 2008. The percentage of the population analysed is the same in both periods and corresponds to the poverty rate for 1990. YL = labour income; O = number of employed; EAP = economically active population; WAP = working-age population; N = total population.

<sup>b</sup> Urban areas.

<sup>c</sup> Metropolitan area.

<sup>32</sup> Variations in employment income over time are disaggregated as the product of the variations of each of its components:  

$$\frac{YL/N(t_1)}{YL/N(t_0)} = \frac{YL/O(t_1)}{YL/O(t_0)} \times \frac{O/PEA(t_1)}{O/PEA(t_0)} \times \frac{PEA/PET(t_1)}{PEA/PET(t_0)} \times \frac{PET/N(t_1)}{PET/N(t_0)}$$
 (see ECLAC, 2010; Cecchini and Uthoff, 2007).



While most Latin American countries managed to raise per capita employment incomes and thereby reduce poverty, this was due to factors linked with demographic transition and to changes in the behaviour of individuals and families which reduced average family sizes. The fall in the global fertility rate, changes in the age structure of the population and the trend towards establishing smaller families have reduced the number of members in households with low per capita incomes. Changes in the age structure of the population have increased the proportion of persons of working age in the household, and the growing numbers of women entering the labour market has increased the average number of employed persons per household.

In order to continue to reduce poverty, it is therefore vitally important to improve the quality of labour-market participation for large sections of the workforce, especially the poorest. In concrete terms, this means providing adequate wages, stable work contracts, safe working conditions (in relation to industrial accidents and illnesses), access to health-care systems and affiliation to social welfare systems. Achieving full and productive employment and decent work in the countries of Latin America is of vital importance for reducing both poverty and inequality in income distribution, the deepest causes of which lie in the functioning of the labour market.

## **E. POLICIES AND RECOMMENDATIONS FOR ACHIEVING THE EMPLOYMENT TARGET**

Advancing towards the achievement of target 1.B will mean putting in place a set of strong medium- and long-term policies designed to create a favourable environment for the generation of productive employment, regulate the functioning of labour markets in order to make decent work widely available and also lend support to groups that face specific barriers to labour market access. Hence, creating decent employment for all as a Millennium Development Goal target is closely linked not only to the effective contribution of full and productive employment to economic development in Latin America and the Caribbean, but also, fundamentally, to the strengthening of labour and social inclusion, since the creation of quality jobs will reduce the segmentation of production and the social inequality that characterize the region's labour markets.

This section puts forward a series of policies and recommendations aimed at fostering the attainment of and complementing the official indicators established by the United Nations for monitoring progress towards the employment target, taking into account the specific characteristics of labour markets and institutions in the countries of Latin America and the Caribbean.

### **1. Promoting economic growth and productivity**

For growth to benefit those who need it the most, it must generate substantial productive employment (ILO, 2005). In Latin America and the Caribbean there continues to be a strong correlation between economic growth and the generation of employment, especially wage employment. Sustainable economic growth is thus a necessary condition for creating demand for labour, which is essential to the generation of productive employment and the consequent rise in employment.<sup>33</sup> A high level of economic growth also creates a favourable environment for increased productivity, which in turn fuels additional growth.

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<sup>33</sup> It should be noted that a high employment rate does not necessarily reflect positive labour market performance. The employment rate may be high, for example, because young people are entering the labour market (too) early. A high employment rate may also reflect high levels of family labour participation in predominantly rural societies with a high proportion of rural population, as was the case in many of the region's countries in the 1950s and 1960s. In such instances, a high employment rate cannot be considered positive. However, there are aspects of a high employment rate that reflect positive trends in the labour market: (a) in the short term there is a high positive correlation between economic growth and the generation of employment (particularly wage employment), which reflects the creation of new jobs, and (b) in the long term, in the economies of Latin America and the Caribbean, an increase in the employment rate reflects, above all, the growing participation of women in the labour force. While this is not always a positive development—it depends on the conditions under which women's participation occurs—as an expression of the expansion of opportunities for women to earn their own income it does reflect a positive socio-economic and cultural trend.

Increases in productivity are also typically associated with reductions in the proportion of working poor and in vulnerable jobs, whether because new sources of work foster a shift from low-productivity sectors to middle- and high-productivity sectors or because some areas of activity become more productive and thereby lay the foundation for higher wage earnings.

However, economic growth may have different elastic effects on the generation of employment owing to differences in the sectoral composition of growth (as degree of labour intensity varies across sectors), in production chains in the sectors driving the growth, in expectations regarding future growth, in the technologies used, in the elasticity of labour supply and in labour market institutions, among other differences. Therefore, although economic growth is a necessary condition for the generation of significant productive employment, it is not, in and of itself, sufficient. If employment-output elasticity is low in a particular case, the factors underlying this low impact should be analysed and policy options for increasing it studied (Weller, 2009).

The experiences of recent decades have underscored the importance of taking into account not only the level but also the volatility of growth. Indeed, high volatility negatively affects the investment rate, as it generates uncertainty about the future evolution of the economy and therefore about the profitability of productive ventures. Growth volatility also has a negative impact on poverty levels and on distribution (ECLAC, 2008a).

This points up, first, the importance of establishing anti-volatility policies in order to reduce the likelihood of economic shocks that will hinder growth and, second, counter-cyclical policies that will limit the impact of such shocks when they do occur, since it is impossible to avoid them altogether. Anti-volatility policies include, for example, adequate regulation and oversight of the financial system and measures to reduce the impact of external capital flows and exchange rate volatility (French-Davis, 2008; ECLAC 2010b), while counter-cyclical policies include fiscal and monetary policy, which should be coordinated so as to avoid overheating of growth and offset any cooling in economic activity (ECLAC, 2008a).

## **2. Addressing structural heterogeneity**

Although economic growth is certainly important, in economies as structurally heterogeneous as those of Latin American and the Caribbean it is not enough for macroeconomic policy to create a favourable environment for investment and growth. The large gaps in productivity and, especially, low productivity in some major sectors—especially the micro and small enterprise sectors—mean that the economic base for the generation of productive employment and decent work is very weak.

Indeed, as has recently been pointed out once again, carrying on a strong tradition of analysing social development on the basis of the relationship between production dynamics, employment and equity (ECLAC, 2010b), clear structural heterogeneity is a hallmark of the Latin American economies and helps to explain much of the social inequality found in the countries of the region. Productivity gaps both reflect and reinforce gaps in capacities, in the uptake of new technology, in bargaining power, in access to social protection systems and in opportunities for occupational upward mobility in the course of one's working life. This leads to vicious cycles not only of poverty, inequality and slow growth, but also slow learning and structural change.

The social gaps in the region are thus closely associated with the productivity and wage disparities present in the Latin American and Caribbean economies. Indeed, compared with developed economies, the large gaps in productivity imply an uneven combination of quality and productivity of jobs, which results in larger wage gaps and inequitable distribution of income. Hence, progress in increasing internal convergence (that is, convergence between sectoral levels of productivity) and external convergence (greater systemic competitiveness with developed economies) has an impact in terms of both dissemination of technology and improvement of the quality of employment, income distribution and therefore social inclusion.

A central feature of the gaps present in the production structure is their impact on the generation of decent employment. If sectors with rising productivity account for a low proportion of total employment generation, then only a few workers benefit from wage increases, while the rest remain in low-productivity, low-wage jobs. This is

precisely the trend that is being seen in the countries of Latin America and the Caribbean, where low-productivity sectors make up a large proportion of the employment structure, leading to greater inequality in the distribution of wages, with a small group of workers in highly productive sectors earning the highest wages (see table III.9).

Table III.9  
**EMPLOYMENT STRUCTURE BY SECTOR PRODUCTIVITY, 1990-2008<sup>a</sup>**  
(Percentages)

	1990	1998	2003	2008
High-productivity sectors	7.9	7.0	7.3	8.1
Medium-productivity sectors	23.1	20.7	19.7	20.0
Low-productivity sectors	69.0	72.3	73.0	71.9
Total employment	100.0	100.0	100.0	100.0

**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).

<sup>a</sup> Calculation based on the economically active population, broken down by sectors, indicated by the International Labour Organisation (ILO), and corrected for the sectoral unemployment rates given by ILO.

Accordingly, productive development policies aimed at closing these gaps are needed. Worth mentioning here are measures to improve access to credit, new technologies, training opportunities, market information, marketing channels, partnership schemes, and others, all of which are essential for improving the productivity of production units and thus enhancing the environment for creating new jobs and improving the quality of existing ones (ECLAC, 2010b). A policy to close large internal productivity gaps would help to increase the average productivity of the economies of the region. However, in order to achieve sustained growth of labour productivity, the region must adopt a development strategy based on ongoing and increasing incorporation of innovations and know-how (ECLAC, 2008b).

### 3. Promoting and adapting education and training

The incorporation of technological innovations and available knowledge into the development models of countries of the region requires, in the labour sphere, a profound transformation of education and training systems, including the expansion of coverage, improvement of quality and reduction of segmentation (see, for example, ECLAC, 2007c).

In this context, the region also faces a challenge in developing and adapting occupational training systems, for which purpose improvements in education systems are key, as there is a close link between the results produced by occupational training and development systems and the general level of knowledge among the population. Such improvements will lay a stronger foundation for significant gains in productivity, a necessary (though not sufficient) condition for improving conditions in the labour market and reducing the proportion of working poor. Improvements in knowledge and skills, targeted to the needs of groups that generally face special challenges and relevant to the needs of the labour market, will also enhance the employability of such groups, including women and young people, especially those with few skills.

Despite recent changes, training systems in the countries of the region continue to suffer from major deficiencies. Their coverage is often limited and their training programmes are used mainly by large companies. In addition, such programmes often afford greater benefits for high-level personnel, so their effect on equity is questionable, and most of the time they are not part of a long-term development strategy, which would be a prerequisite for them to make an optimal contribution to a sustained increase in systemic competitiveness. Moreover, the impact of these programmes on the occupational lives of their participants depends on a number of factors that are not always taken into consideration. Specifically, their success seems to be positively correlated with a narrow focus, a relatively small scale, the conferral of a credential that is recognized and valued in the labour market and content that is closely related to the participant's job.

In sum, training systems need to be adapted, through diversification of the programmes offered, in order to better meet the specific needs of the various segments of the production system and of the labour force. Given the continual changes occurring in the realm of production, it is essential to establish permanent training systems to facilitate adaptation to new technologies and improve workers' chances of finding work. It is also important to strengthen skills training. This means imparting not only specific knowledge but also the ability to adapt to new tasks and technologies in different contexts. The advantage of acquiring skills is their "portability" from job to job, which enhances employability. Training providers should be accredited and transparent and the results they produce should be evaluated by means of recognized and accepted systems of skills certification.

#### **4. Business creation and wage policies**

In the light of indicator 1.7, an increase in self-employment would be interpreted as negative, owing to the low social protection coverage and low income of a large proportion of workers in this category. However, a clarification should be made. First, because the indicator "vulnerable employment" is difficult to measure, the categories "own-account workers" and "contributing family workers" are used as a proxy indicator. However, among the first group of workers there are occupations that should not be identified as vulnerable. Indeed, experience suggests that self-employment is not always synonymous with unfavourable working conditions. There are situations in which the working conditions of these workers—even those who are not professionals or technical experts—are better than those for wage workers, especially in microenterprises. It is also necessary to consider whether self-employment entails prospects for increased productivity and expansion, leading to better working conditions in the future and opening up opportunities for the creation of new jobs. Accordingly, policies that encourage the establishment of new businesses, including the promotion of individual self-employment, can be a positive instrument for progress towards target 1.B.

This is borne out by the fact that a significant proportion of new jobs are generally created in new businesses (Pagés, Pierre and Scarpetta, 2009). Facilitating the establishment of new businesses therefore not only has the potential to boost economic growth but also, in particular, to increase the creation of new jobs. The absence or weakness of instruments for the promotion of entrepreneurship will mean that a certain proportion of viable projects are not implemented or fail in the early stages because, for example, the entrepreneur cannot access financing or key information (on technology or markets) or can only do so at high cost.

Admittedly, new businesses generally have a limited life expectancy. However, while many do close after a few years, increasing the creation of new businesses tends to increase the number of businesses that survive and, thus, also the number of jobs that remain, which may increase if the businesses are able to expand. In addition, "survivor" businesses have significant potential for increasing productivity. Relevant policies in this regard include those aimed at increasing access to financing (for example, through seed capital) and facilities for formalizing businesses quickly and at reasonable cost. Policies designed to encourage the "birth" of new businesses and maintain and strengthen surviving ones in order to prevent their "death" should also be put in place.

Wage policies can also play an important role in improving various employment-related indicators. The minimum wage is a key instrument because it raises the wage floor, which benefits the lowest-income workers in both the formal and informal sectors (Gindling and Terrell, 2004, Maloney and Núñez, 2003). It therefore tends to reduce poverty among those who are employed (ECLAC, 2009a). Moreover, since low-income workers typically spend virtually all of their income on consumer goods, the minimum wage may contribute to local economic recovery. However, the existing wage level and structure must be taken into account in setting the minimum wage in order to avoid diminishing the effectiveness of this instrument as a result of high levels of non-compliance or layoffs caused by steep increases in labour costs (Marinakakis, 2008). In particular, prevailing levels of productivity must be borne in mind, although it should also be recognized that the minimum wage may stimulate increases in productivity.

Another approach is to subsidize the hiring of persons belonging to population groups that face special barriers to finding work. This approach not only has a positive distributive impact through the generation of employment for people who typically belong to low-income households, but also (as in the case of Chile), if financing is provided together with training activities, by enhancing worker productivity (MTPS, 2010).

An important aspect of wage policies is expansion of opportunities for collective bargaining, which is an ideal mechanism for strengthening the link between gains in productivity and income and which tends to favour—as noted above—workers at the bottom of the wage structure.

Box III.4  
**RURAL MINIMUM WAGE AND POVERTY**

In the agriculture sector in many Latin American countries there are modern enterprises that generate informal employment, which partly explains the high rates of poverty among those employed by these enterprises. The clearest example is failure to pay the statutory minimum wage, which in several countries is a widespread practice. In Argentina, a recent study found that for every ten permanent agricultural wage workers, six are paid less than the minimum wage. In the case of temporary workers, virtually all of whom are informal workers, in none of the provinces studied did their earnings reach the minimum monthly wage.

In Brazil, there are many regional differences. In 2006, 70% of the workers employed in sugarcane farming in the Northeast earned less than the minimum wage. In contrast, in Sao Paulo close to 90% overall did, but the percentage was higher among permanent workers than among temporary workers.

The situation is similar in Honduras. In the sector comprising agriculture, forestry and fishing—the sector in which the wage law is least likely to be respected—the percentage of workers receiving less than minimum wage is 66%.

In Costa Rica, 59% of poor rural workers earn less than minimum wage and they work not only in agriculture but also in trade and services.

International experience with regard to minimum wage and poverty reduction is clear. In a number of countries, reductions in poverty have often been the result of increases in the minimum wage and compliance with the relevant laws. In the case of Argentina, the minimum wage increases introduced following the crisis of 2000-2002 had a positive impact in curbing the spread of poverty, but had no negative effects in terms of unemployment and employment insecurity.

A study covering the period 1995-2003 also shows a clearly positive effect: the authors estimate that a 10% real increase in the minimum wage in Brazil during that period reduced poverty by 1.5%. In Costa Rica, the same study shows that if businesses paid the minimum wage set by law, poverty among rural wage workers would decline by 16%.

In Chile, the various governments since the late 1980s have adopted very active wage policies, which entailed major adjustments in the minimum wage. As a result, while in 1990 the minimum wage was about equal to the per capita poverty line, in 2003 it covered 2.5 times the cost of a basic market basket. With regard to indigence, the minimum wage rose from 2.3 times the extreme poverty line in the initial year (1990) to 5.1 times in 2003.

**Source:** Labour Market Policy and Rural Poverty Project. FAO, together with ECLAC and ILO.

### **5. Promoting the employment of groups facing specific labour market access barriers: women and young people**

A significant portion of employment-related problems (e.g. high unemployment, low productivity and low income) are concentrated among specific groups. These include, as mentioned earlier, young people, who face various challenges, depending on their characteristics, such as level and quality of education and work experience.

Lack of work experience is a typical problem for young recent graduates. Opportunities for young people to gain practical work experience and work/study and first job programmes are important tools in this regard. In some cases, subsidizing the hiring and training of young people may be an approach worth considering. Formal apprenticeship programmes, with clearly defined rights and duties and assured social security coverage for participants, are underutilized tools that can make the transition from school to work more efficient.

Many young people face serious problems as a result of lack of knowledge and information about the world of work, with respect both to production processes and to the operation of the labour market and its institutions. Public employment services, working in a decentralized manner in cooperation with municipal governments, schools and private enterprise, should help to address these problems in order to facilitate the integration of young people into the workforce. A key aspect of this process is to identify the specific needs of both young people and businesses, as potential employers, so that the process is doubly relevant.

Gender inequality in the employment sphere is reflected both in access to employment and in working conditions. The available indicators show, inter alia, that women have lower participation and employment rates and

higher unemployment rates than men and that they are more likely to be employed in low-productivity jobs, have less access to managerial positions and earn lower wages than men with the same qualifications.

To address the inequalities that hinder access to the labour market, especially for women with low levels of education, it is important to strengthen mechanisms that foster an appropriate work-life balance, compensate for inequalities through participation in networks that promote access to jobs, empower women through the provision of knowledge and skills that can open up new job opportunities and effectively address cultural biases that limit the hiring of women for certain occupations.

#### Box III.5

#### INTERNATIONAL RECOGNITION OF THE EMPLOYMENT RIGHTS OF WOMEN AND YOUNG PEOPLE

The International Labour Organization (ILO) estimates that the current rate of unemployment among youth, at 14.4%, is double the rate for adults and that this figure does not even take account of the many young people who are underemployed, work under substandard conditions or have short-term contracts or of those who are normally engaged in the informal sector of the economy.

Young unemployed women outnumber young unemployed men. ILO Employment Policy Recommendation (R 122) states that special priority should be given to measures designed to remedy the serious, and in some countries growing, problem of unemployment among young people. The Employment Policy (Supplementary Provisions) Recommendation (R169) lists special measures that should be adopted to assist young people in finding their first job and to ease the transition from school to work, and states that such measures should be carefully monitored to ensure that they result in beneficial effects on young people's employment and are consistent with the conditions of employment established under national law and practice. Another instrument relevant to the promotion of employment of young people is ILO Convention 88 on the Organization of the Employment Service, which states that special arrangements for juveniles shall be initiated and developed within the framework of the employment and vocational guidance services.

Racial discrimination and discrimination against women in relation to the right to work must be eliminated in accordance with the International Convention on the Elimination of All Forms of Racial Discrimination and the Convention on the Elimination of All Forms of Discrimination against Women. Article 27 of the Convention on the Rights of Persons with Disabilities also recognizes the equality of persons with disabilities in terms of the right to work and guarantees certain working conditions. These human rights are supported by a whole series of ILO rules, including the Minimum Age Convention (C138), Convention 182 on the Worst Forms of Child Labour and other ILO instruments in which specific measures are requested for the protection of young workers.

Various international human rights treaties prohibit discrimination as regards income for equal work, while the International Covenant on Civil and Political Rights prohibits forced labour.

As regards gender equality and decent work, the Convention on the Elimination of All Forms of Discrimination against Women and the Platform for Action adopted at the Fourth World Conference on Women state that Governments must adopt a series of measures to guarantee women's rights and access to the economic resources that are essential for reducing poverty. These include:

- Gender equality in all aspects of employment.
- Laws, policies and administrative processes that guarantee the same rights for women as for men in relation to property, contracts and loans, public economic life and also marriage and family life.
- Giving women access to markets, credit and technology.

**Source:** Office of the United Nations High Commissioner for Human Rights (OHCHR).

One essential instrument for reconciling work and family life and reducing gaps in access the labour market, and in the conditions under which women participate in the labour force, is child care, whether provided in community, commercial or neighbourhood centres (ILO/UNDP, 2009; ECLAC, 2009b). Other measures include legal options and agreements regarding length of the workday, flexible hours and telecommuting —provided that the rights of workers who exercise these options are protected; emergency leave; encouragement and facilitation of increased participation by men in caregiving tasks; and inclusion of the issue of work-life balance in collective bargaining processes with a view to identifying appropriate approaches for specific sectors or companies (Giosa and Rodriguez, 2009). All these policies should take into account inequalities with regard to both paid and unpaid work, especially unpaid care work performed in the home.

Gender equality policies in the labour market help to increase employment rates and —given the large number of women who are wage-earners and the high proportion of households headed by women— also help to lower the number of working poor. Ideally, therefore, all labour policies should incorporate a gender perspective (for

example, the design and implementation of training programmes should take into account the family circumstances and specific needs of women).

Unfair inequalities in occupational paths and wages are largely the result of discrimination, and it is therefore also necessary to adopt and implement legal instruments to combat discrimination.

## **6. Unemployment insurance and non-contributory protection systems**

From the standpoint of the indicators for monitoring progress towards target 1.B, unemployment insurance meets several objectives: (a) it limits the loss of income for a household in the event that one of its members loses his or her job, thus reducing the probability that the household will fall into poverty; (b) it decreases pressure on the unemployed to accept any available job (which often means taking a low-productivity job); and, lastly, (c) it enables the unemployed to extend their job search for a longer time, which tends to lead to better job matching and thus also higher worker productivity in the new job.

Few countries in the region have unemployment insurance schemes, and in those that do the nature of the insurance varies widely. A common argument against the implementation of unemployment insurance is lack of resources but, as pointed out by Berg and Salerno (2008), many countries that currently have unemployment insurance schemes with broad coverage began to introduce them when their per capita income was similar to that of many developing countries today.

The unemployment insurance schemes that exist in the region suffer from numerous problems relating to coverage, level of benefits and redistributive impact. It is important to link them more closely with active labour market policies, integrating them with other protection mechanisms such as indemnities and non-contributory support systems for low-income families (Velásquez, 2010).

Non-contributory protection systems (e.g. family allowances, basic family income schemes, conditional cash transfers, etc.) are social policy instruments that can have an impact on the labour market for several reasons. First, they increase the incomes of the poorest households, thus also increasing the per capita income of poor workers without reducing gross income through mandatory contributions. Second, they can reduce employment rates by providing incentives for young people to stay in school longer and reducing school dropout prompted by the need for youths from poor households to contribute to the sustenance of their families.<sup>34</sup> Third, however, poorly designed conditional cash transfer systems can also reduce the supply of labour and lower employment levels when prevailing wages are not sufficiently attractive.<sup>35</sup> Fourth, reducing pressure to generate income through protection systems can facilitate a more efficient job search. Lastly, if conditional transfer systems encourage longer school attendance among children and youths who previously were in the care of their mothers or sisters, they encourage greater labour participation by women.

## **7. Improving the coverage of labour market institutions**

It is important for countries to have adequate labour market institutions so that the dynamics of employment and relations among the various stakeholders in the labour sphere can effectively contribute to the harmonization of economic development and social inclusion through employment. It is also important that labour market institutions allow for public representation of the different interests of the various stakeholders. Thus, although it has been recognized that there is no single design for such institutions, it is important that the set of regulations that guide the behaviour of the stakeholders involved—including both regulations established by law and regulations agreed

<sup>34</sup> In this case, a reduction of the employment rate is clearly a positive change.

<sup>35</sup> Nevertheless, evaluations of such systems in Brazil (*Bolsa Família* programme) and Nicaragua (Social Protection Network) found no significant differences in labour market participation between beneficiaries and non-beneficiaries of these programmes, which suggests that they are not a disincentive to job-seeking.

through negotiation— are conducive to efficient functioning of the labour market and also that they contribute to public representation, social protection and employment for specific structurally weak groups (ECLAC, 2009c).

The coverage of labour market institutions in Latin America and the Caribbean is limited owing mainly to the size of the informal sector and, to a lesser extent, the informality of employment relationships in the formal sector (Tokman, 2008). Increased coverage would improve working conditions, potentially lowering the number of working poor. It could also play a positive role in a virtuous process that would boost labour productivity.

Experience has shown that in order to bring about a large-scale formalization of microenterprises that would lead to an extension of the coverage of labour market institutions, it is not sufficient to have special labour regulations for microenterprises that lower their non-wage labour costs with respect to those incurred under the general labour regulations. Furthermore, such special regulatory frameworks may be problematic from a legal and ethical standpoint because they create two classes of workers with different rights. What is needed, instead, is a set of comprehensive measures that will generate the right combination of costs and benefits to encourage formalization, complemented by an efficient inspection system. One of the main ways of reducing costs is to simplify legal procedures; another is to put in place, sometimes temporarily, special tax and labour provisions. As to benefits, possible measures include increasing access to production development instruments, such as credit, business development services and tools to facilitate market access (Chacaltana, 2009b).

The formalization of microenterprises has the potential to improve their productivity, especially if it is accompanied by productive development policies. Increased productivity, in turn, should facilitate an increase in wages for the employees of these enterprises, thereby helping to reduce the number of working poor. At the same time, it should expand the coverage of labour market institutions, thereby contributing to other aspects of employment quality.

However, the formalization of businesses is not the only tool for expanding the coverage of labour market institutions. Other mechanisms have to do with types of workers and employment relationships other than those that apply to wage workers in private companies or the public sector, such as home-based workers, domestic workers, subcontractors and apprentices, who typically enjoy little coverage from such institutions. Some countries have implemented new regulations to govern some of these employment relationships, especially with a view to preventing abuses associated with the transformation of “standard” employment relationships, but also to expand the rights of disadvantaged groups of workers (Tokman, 2008).

In many countries in the region there is a high level of non-compliance with labour standards, which is often the result of ignorance or abuse or of objective inability to meet the standards (because the costs of compliance would outweigh the benefits for the business in terms of profitability) (Chacaltana, 2009a). It is therefore important to develop an efficient and transparent labour inspection and justice system that will improve compliance with labour standards, especially through information on non-compliance caused by ignorance and through sanctions for violations. Related to the issue of inspection is the efficient functioning of the labour justice system, as speedy and transparent resolution of labour disputes will improve the functioning of labour market institutions as a whole, which will tend to improve labour productivity.

## **8. Social dialogue, trade unionism and collective bargaining**

Social dialogue includes all types of negotiation, consultation and exchange of information between or among representatives of governments, employers and workers on issues of common interest (ILO, 2007b). While the specific ways in which it takes place and is promoted may vary from country to country, at least four basic conditions for effective social dialogue are recognized: (i) respect for freedom of association and collective bargaining; (ii) existence of strong and independent workers’ and employers’ organizations with the technical capacity and the knowledge required to participate in social dialogue; (iii) political will and commitment on the part of all participants in social dialogue; and (iv) adequate institutional support.



Indeed, creating opportunities for social dialogue between stakeholders in the world of work is essential from the perspective of both worker protection and productivity gains. While it is not easy to achieve—as it requires the gradual building of trust among stakeholders as the basis for reaching sustainable agreements, as well as compliance with international commitments on freedom of association and collective bargaining and mutual acknowledgement of stakeholders as representatives of legitimate, albeit divergent, positions—social dialogue is a highly effective mechanism for increasing labour market efficiency without reducing social protection, while also generating benefits for workers (ECLAC, 2010b). Indeed, this was highlighted recently by ILO Member States through the adoption of a Global Jobs Pact aimed at promoting a resumption of production in the post-economic crisis context, with a focus on generation of employment, expansion of social protection and compliance with labour standards, in the framework of which promotion of social dialogue plays a fundamental role (see box III.6).

**Box III.6**  
**GLOBAL JOBS PACT PROMOTING WORK AND PROTECTING PEOPLE**

Faced with the prospect of a prolonged global increase in unemployment, poverty and inequality and continued duress for enterprises, in June 2009 the International Labour Conference, with the participation of governments, employers' and workers' delegates from the International Labour Organization's Member States, unanimously adopted a "Global Jobs Pact". This global policy instrument addresses the social and employment impact of the international financial and economic crisis. It promotes a productive recovery centred on investments, employment and social protection.

The fundamental objective of the Global Jobs Pact is to provide an internationally agreed basis for policy-making designed to reduce the time lag between economic recovery and a recovery with decent work opportunities. It addresses the social impact of the global crisis on employment and proposes job-centred policies for countries to adapt according to their national needs. Guided by the Decent Work Agenda and commitments made by the ILO constituents in the 2008 Declaration on Social Justice for a Fair Globalization, the Pact proposes a portfolio of policies aimed at: (i) generating employment, (ii) extending social protection, (iii) respecting labour standards, (iv) promoting social dialogue, and (v) shaping fair globalization.

In short, the strategic objective of the Pact is to put investment, employment and social protection at the core of stimulus packages and other relevant national policies to alleviate the crisis' effects. The Pact, and the tripartite global commitment it represents, offers a unique opportunity for countries and the multilateral system to apply its provisions, which are embedded in the ILO Decent Work Agenda.

**Source:** International Labour Organization (ILO), "Recovering from the crisis: a Global Jobs Pact" (E/2009/L.24-E/2009/SR.35), adopted at the 98th Session of the International Labour Conference, Geneva, 19 June 2009.

As noted above, one of the basic requirements for promoting social dialogue is the existence of labour market institutions that permit and give practical effect to workers' freedom to form unions and engage in collective bargaining. While most countries in Latin America and the Caribbean have ratified the main ILO international conventions on the subject—the Convention concerning Freedom of Association and Protection of the Right to Organise (Convention No. 87, adopted in 1948) and the Convention concerning the Application of the Principles of the Right to Organise and to Bargain Collectively (Convention No. 98, adopted in 1949)—work remains to be done in this area.

First, although plurality of bargaining levels is recognized in virtually all countries of the region, only collective bargaining by enterprises is legally recognized in most cases, and the majority of countries have no specific procedures to facilitate collective bargaining in specific areas of activity, which is a major impediment to collaborative decision-making (Vega, 2004).

A second challenge is to extend the range of issues subject to collective bargaining. Although a broad array of matters are addressed under collective bargaining agreements in the various countries, including wage increases, regulation of working hours and allocation of social benefits, such agreements rarely contain clauses relating to the organization work, occupational health and safety, technological innovations and occupational development.

There is also a need for stronger incorporation of a gender perspective into collective bargaining strategies, and more generally, strengthening of women's participation in representative and participatory labour institutions (Abramo and Rangel, 2005).

Trade unionism and collective bargaining tend to have a positive distributive impact through two mechanisms: (a) unionized workers generally earn higher wages than non-unionized workers, and (b) less skilled workers tend to benefit more from this advantage, thus reducing the wage gap between workers at different skill levels. These mechanisms also tend to reduce the proportion of working poor. However, there may be a trade-off: jobs specifically for low-skilled workers may be lost if higher wages are not accompanied by increased productivity. While several studies have found a positive correlation between level of unionization, worker training and productivity gains, others failed to find such a positive association (ECLAC, 2009a).

It could be argued that in the new international post-crisis scenario, social dialogue, including collective bargaining, has become more important than ever. The ILO has highlighted the importance of promoting social dialogue in times of crisis and recovery as an invaluable mechanism for reducing potential social tensions, designing national policies that reflect national priorities and sustaining the resumption of production while ensuring labour and social protections (ILO, 2009b).

## F. CONCLUSIONS

Generally speaking, the countries of Latin America and the Caribbean have made significant progress on all of the indicators established for monitoring progress towards the employment target. Although important gaps remain with respect to labour participation and quality of employment among young people and women, significant headway has been made on both fronts. However, many of these gains were made during the years of strong economic growth in the region, and progress has slowed considerably since the onset of the economic crisis of 2008-2009.

Indeed, the global crisis of 2009 has reversed some positive trends and had major repercussions on the economies and labour markets of Latin America and the Caribbean, particularly as a result of the growth of vulnerable employment and the decline in labour productivity. Another important consideration is that behind the overall progress depicted by the indicators, which are averages, there are marked differences in the figures for the various countries of the region, and these differences need to be addressed.

Beyond the crisis and post-crisis phase, a set of medium- and long-term policies is needed to resolve longstanding structural problems and institutional deficiencies in the Latin American and Caribbean countries, which greatly limit the capacity of their economies to generate full and productive employment and decent work for all. Such policies include measures aimed at promoting the convergence of external and internal production systems so as to narrow the gaps in productivity and quality of employment associated with the structural heterogeneity of the economies of the region; policies for adapting, on an equitable basis, occupational training and development systems to the specific needs of various segments of the production system and labour force; measures aimed at facilitating the sustainable participation of certain groups in the labour market (including policies for promoting work-life balance); and policies designed to strengthen forums for social dialogue and enhance the participation of the various stakeholders in the world of work (for example, by adapting collective bargaining to the emerging needs of the labour environment in the region).

The State must take an active role if progress is to be made in each of these areas, both through the design of long-term development policies that balance productivity increases with better working conditions and through support for forums for the negotiation of agreements between stakeholders in the world of work aimed at achieving a better distribution of income through agreed wage increases. The challenges confronting the countries of Latin America and the Caribbean with regard to the generation of productive, high-quality employment point up, once again, the importance of bolstering the active role of the State and building stronger relationships with civil society actors in order to pave the way towards more egalitarian social development for the entire region in the near future (ECLAC, 2010).

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## Chapter IV

**EDUCATION: A RIGHT AND CONDITION FOR DEVELOPMENT**

Goal	Target	Indicators
<b>Goal 2</b>  Achieve universal primary education	<b>Target 2.A</b>  Ensure that by 2015, children everywhere, boys and girls alike, can complete a full course of primary schooling	<b>2.1</b> Net enrolment ratio in primary education  <b>2.2</b> Proportion of pupils starting grade 1 who reach last grade of primary education  <b>2.3</b> Literacy rate of 15-24 year olds, women and men

Significant progress has been made in Latin America and the Caribbean in terms of expanding coverage and access to education. With regard to the second Millennium Development Goal, the region had practically achieved universal access to primary education by the early 1990s. Despite this achievement, continuation in and completion of primary schooling was less than optimal. Two decades later, the region has made enormous gains in this area, and although some individual countries might attain universal completion of primary education the region as a whole looks unlikely to.

Over all, the situation of primary education in the region is good, and attention should thus be focused on secondary education. Despite the progress made in the area of secondary education —primarily in terms of coverage— disparities in access, continuation and completion of this level are a priority for the region that does not appear close to being made a reality. This could well be the Achilles heel in the fight to eliminate poverty, increase productivity and improve economic competitiveness. Close attention should also be paid to the insufficiencies and inequalities in the quality of education, which threaten economic and social development and undermine citizen participation and democracy.

**A. INTRODUCTION**

The majority of international commitments regarding progress in education assume that education is a key component for development. Education is a means for improving a country's social, economic and cultural conditions. Increased levels of education in a population are linked to other key factors for development and well-being, such as productivity, social mobility, poverty reduction, building citizenship and social identity and of course, strengthening social cohesion.

Education helps societies achieve growth, equity and participation, and plays a crucial role in economic growth, since it can be seen as a high-yield investment and a factor which spurs the creation of value. With added education, individuals increase their ability to make greater contributions —in a more diverse and efficient manner— to the productive development of a country. Moreover, education is one of the principle areas in which future inequalities can be reduced, as well as an outstanding means for overcoming poverty, thanks to the virtuous cycle of increased education, socio-occupational mobility and higher incomes. In addition, at the beginning of the 21<sup>st</sup> century, which has been a time of cultural conflicts and uncertainty, education helps us carefully analyze our world and develop projects and ideas that promote a multi-cultural vision of it. At a time fraught with profound questions about the workings of democracy, its institutions, the exercise of individual freedoms and citizen security, education could be a means for "training in citizenship" as well (Hopenhayn and Ottone, 2000).

The topic of and agenda for education have become increasingly complex. Significant gains made in access and coverage,<sup>1</sup> particularly in primary education, actually highlight the disparate uneven progress made in terms of educational quality and disparities within school systems. In a world of ever-increasing globalization, where information and knowledge are becoming broader and deeper, advances in telecommunications have led us to rethink the means and methods of learning. Social class identities are changing and the concept of knowledge as a mark of distinction and a means to occupational mobility is changing as well. As such, education now poses an array of issues and problems that must be taken into account when analyzing international political commitments, which have gradually been looked at from a social-rights perspective.

## **B. EDUCATION AND RIGHTS: INSTRUMENTS FOR DEVELOPMENT**

The right to education and the legal enforceability of that right, has recently been enshrined in a number of important regional and international treaties, pacts and agreements which have been signed and ratified by countries. Due to the legally binding nature of many of these agreements, education has been recognized as a right on equal footing with civil and political rights.

### **1. International instruments and commitments**

In 1948, article 26 of the Universal Declaration of Human Rights stated that education is a fundamental human right for all:

1. Everyone has a right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.
2. Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups (...)
3. Parents have a prior right to choose the kind of education that shall be given to their children.<sup>2</sup>

Knowledge about the world, other people and their codes of conduct allows people to interact, integrate and assume various roles in society. A great deal of the knowledge acquired throughout the educational process is adaptive in nature, building on new things learned or advances made in our world and its transformation. Thus, the educational content must allow individuals to sufficiently adapt to the codes of modern life and their social environment, including the technological changes they must face in a globalized world (ECLAC, 2007).

Based on this first declaration, several international legal instruments have been drafted and a series of regional and international conferences have established targets to help monitor progress in education.

In 1960, the General Conference of the United Nations Educational, Scientific and Cultural Organization (UNESCO) established the *Convention against Discrimination in Education 1960*, which sought to eliminate all distinction, exclusion, limitation or preference which, being based on race, colour, sex, language, religion, political or other opinion, national or social origin, economic condition or birth, has the purpose or effect of nullifying or impairing equality of treatment in education.

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<sup>1</sup> Educational coverage (availability of spots in school) does not automatically translate into real access to school for children and youth, mainly owing to socio-economic schools being too far away.

<sup>2</sup> See <http://www.un.org/spanish/aboutun/hrights.htm>.

Article 18 of the 1966 *International Covenant on Civil and Political Rights*, enshrined freedom of conscience and included the liberty of parents to choose their children's school in accordance with their own religious and moral convictions. Also in 1966, article 13 of the *International Covenant on Economic, Social and Cultural Rights* stated that primary education shall be compulsory and free to all; secondary education shall be made generally available and accessible to all by the progressive introduction of free education; fundamental education shall be encouraged or intensified for those persons who have not received or completed the whole period of their primary education; and that a system of adequate fellowship system be developed, and that the material conditions of teaching staff shall be continuously improved.<sup>3</sup>

The *Convention on the Rights of the Child* was another landmark international human rights treaty made up of 54 articles and two optional protocols which refer to the sale and prostitution of children and the participation of children in armed conflicts. The issues covered by the Convention include children's education, nutrition, protection and health, as well as the special attention required by children with disabilities or special educational needs, and those who belong to ethnic minorities or indigenous groups, for whom an education that respects and values their culture and language should be guaranteed. The Convention specifically defines the obligation to provide compulsory and free primary education, to develop various types of secondary education that are accessible and available to all children, to introduce measures to permit free access or financial assistance where necessary and to provide access to higher education based on merit, among others. On the basis of this instrument, the United Nations Children's Fund (UNICEF) undertook commitments at the World Summit on Children (1990), and currently promotes the protection of children, while simultaneously monitoring the progress towards goals 6 and 8 of the Millennium Development Goals.

At the same time, the *World Conference on Education for All* (Jomtien, 1990) proposed universal primary education, taking into account the culture and needs of the community, and identified quantitative targets to help achieve it. The date set for the achievement of these targets was the year 2000. In that year, the World Education Forum (Dakar, 2000) proposed 2015 as a target date for: expanding and improving comprehensive early childhood care and education, improving access to and completion of free and compulsory primary education of high quality, facilitating equitable access to basic and continuing education for adults and eliminating gender disparities in primary and secondary education, among others. In addition, the *United Nations Literacy Decade* (2003-2012) proposed expanding literacy to children and adults who otherwise would not have access to it.

## 2. Regional instruments and commitments

Within the framework of the Inter-American system, article 26 of the *American Convention on Human Rights* (1969) uses the principle of progressivity with regard to the application of rights: The States Parties undertake to adopt measures, both internally and through international cooperation, especially those of an economic and technical nature, with a view to achieving progressively the full realization of the rights implicit in the economic, social, educational, scientific, and cultural standards. In conjunction, the *San Salvador Protocol* (1988) establishes that primary education should be compulsory and accessible to all; that secondary education should be made generally available and accessible to all by the progressive introduction of free education; basic education should be encouraged or intensified for those persons who have not received or completed the whole cycle of primary instruction; and programs of special education should be established for the handicapped.

As for implementation, the *Plan of Action of the Second Summit of the Americas* (1998) set the following targets for 2010: (a) 100% of children to complete quality primary education, (b) 75% of children to have access to quality secondary education, with increasing percentages of children completing the cycle and (c) the existence of life-long educational opportunities.

For its part, the *Fourth Meeting of the Ministers of Education* in the framework of the *Inter-American Council for Integral Development* (CIDI) (2004) reaffirmed the commitment of the countries to educational goals

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<sup>3</sup> Both these covenants have been in force since 1976.



and added the goal of eliminating gender inequalities in primary and secondary education by 2005; the *Plan for Action of the Fourth Summit of the Americas* (2005) also proposed goals for achieving completion of quality secondary education by 2007.

In addition, as a follow-up to the *World Conference on Education for All*, the *Dakar Framework for Action: Education for All* (2000) embodied the commitment to provide universal quality primary education by 2015. In 2002 the strategic areas necessary for universal primary education were defined and the Regional Education Project for Latin America and the Caribbean (PRELAC) was created.

As regards action related to youth, and in commemoration the ten year anniversary of the 1985 “International Year of Youth: Participation, Development and Peace”, the United Nations developed the *World Programme of Action for Youth to the year 2000 and beyond*. The Programme recognized the youth of all countries as a critical human resource for development and fundamental agents of social change, economic development and technological innovation, while also identifying new areas for priority action, starting with education.

In this arena, the Programme promotes policies for (i) improving primary education, professional training and youth literacy, (ii) strengthening programmes to educate youth about the cultural heritage of their society, other societies and the world at large (iii) designing programmes to support respect for and mutual understanding of the ideals of peace, solidarity and tolerance among youth, (iv) developing or improving professional and technical training that are appropriate for current and future employment conditions, (v) promoting education in the area of human rights, (vi) creating training programmes for youth about starting individual and cooperative businesses and (vii) developing infrastructure to train social workers and youth leaders.

Article 22 of the Ibero-American Convention on Rights of Youth, which entered into force in April 2008, promotes comprehensive, continuous, appropriate education of high quality, freedom for parents to choose their children’s school and the active participation in those schools; interculturalism; the vocation of democracy; a rejection of discrimination; the guarantee of universal, compulsory and free primary education for all young people and access to higher education and academic and scholar mobility of youth in the region.

Furthermore, the Ministers of Education of the member states of the Organization of American States (OAS) signed the *Hemispheric Commitment to Early Childhood Education* in November 2007, which recognized the fundamental nature of education in the comprehensive development of boys and girls from birth to eight years of age, and agreed to develop legal frameworks and financing mechanisms to ensure the sustainable implementation of early childhood policies and to increase quality education with comprehensive policies and criteria for focusing on attending to the poor and vulnerable segments of society, according to their needs, characteristics and situation, among other commitments.

More recently, the Organization of Ibero-American States for Education, Science and Culture (OEI) has proposed the “*Educational Goals for 2021: the education we want for the bicentennial generation*”, which included 11 general goals and 27 goals referring specifically to education, science and technology, and to cooperation in these areas. The general goals have already been approved by the countries and the specific goals and indicators that will shape the development of education are expected to be agreed to at the Ibero-American Summit of Heads of State and Government in November 2010 in Argentina.

Of all the commitments that establish goals and target dates, the establishment in the year 2000 of the *Millennium Development Goals* by the United Nations General Assembly was clearly the most significant due to its diverse areas of action and its global reach. Goal 2 refers to the need to achieve universal primary education, and specifically ensure that by 2015, children everywhere, boys and girls alike, can complete a full course of primary schooling.

It is generally believed that this goal will be achieved in Latin America and the Caribbean. Nevertheless, significant challenges still remain regarding the attainment of the universal right to quality primary education. Sizable lags in this area, which are directly linked to social inequality, greatly impact the likelihood of children completing their primary schooling. These issues are discussed below.

## C. MONITORING MILLENNIUM DEVELOPMENT GOAL 2 IN THE REGION

Primary education has historically been considered a key to children's futures, since it is possible to have a positive and effective influence on children during this stage of development. It is no coincidence that all international agreements on education propose universal access to quality education defined not only in terms of coverage, but also in terms of equitable access. This will hopefully translate into more students remaining in and completing the entire cycle of primary education and become a successful springboard to secondary education, the completion of which is increasingly critical, as will be discussed below.

### Box IV.1

#### INTERNATIONAL STANDARD CLASSIFICATION OF EDUCATION (ISCED), 1997

The International Standard Classification of Education (ISCED) was designed to serve as an instrument suitable for assembling, compiling and presenting comparable indicators and statistics of education, both within individual countries and internationally. It presents standard concepts, definitions and classifications. ISCED covers all organized and sustained learning opportunities for children, youth and adults including those with special education needs, irrespective of the institution or entity providing them or the form in which they are delivered.

ISCED is a multi-purpose system, designed for education policy analysis and decision making, whatever the structure of the national education systems and whatever the stage of economic development of a country. It can be utilized for statistics on many different aspects of education such as statistics on pupil enrolment, on human or financial resources invested in education or on the educational attainment of the population. The basic concept and definitions of ISCED have therefore been designed to be universally valid and invariant to the particular circumstances of a national education system.

The main levels of education are:

- Level 0 – Pre-primary education: This educational level is designed primarily to introduce very young children (approximately 3-5 years old) to the school-based atmosphere they will attend later in their education. It is essentially a bridge between the home and the school-based atmosphere. This level also includes instruction for children with special education needs and may be provided in hospitals or in special schools or training centres.
- Level 1 – Primary education or first stage of basic education: Primary education, according to ISCED, is primarily focused on giving students a sound basic education in reading, writing and mathematics along with an elementary understanding of other subjects such as history, geography, natural science, music and art etc. The customary age of entrance is not younger than 5 years or older than 7 years and this level lasts between five and seven years of schooling.
- Level 2 – Lower secondary or second stage of basic education: The beginning of secondary education, as defined in this first cycle, is designed to create favorable conditions for lifelong learning and to provide greater educational opportunities. The full implementation of basic skills occurs at this level. This level focuses on individual subjects and more specialized teachers, providing instruction aimed at continuing on with post-secondary studies or joining the labour market, and does include vocational or technical education. Such training lasts for two to three years and is included in the compulsory cycle in most countries in the region.
- Level 3 – (Upper) Secondary education: This level of education is more specialized than the previous level, and teachers often need to be more qualified or specialized. The entrance age to this level is typically 15 or 16 years, and it covers two or three years of instruction.
- Level 4 – Post-secondary, non-tertiary education: The knowledge acquired at this level is not much more extensive than that received at the previous one, but rather serves to broaden the knowledge acquired. The typical duration of this cycle varies from six months to two years. This classification also includes adult education and vocational or technical courses on specific topics taught by professionals.
- Level 5 – First stage of tertiary education (not leading directly to an advanced research qualification): The educational content of this level is more advanced than in levels 3 and 4, and the minimum duration is two years.
- Level 6 – Second stage of tertiary education (leading to an advanced research qualification): This level is devoted to advanced study and research and is not based on course-work alone.

This classification is currently being revised with a view to adapting it to recent changes in curricula and to enhancing it to include the specific situations of countries.

**Source:** United Nations Educational, Scientific and Cultural Organization (UNESCO), *International Standard Classification of Education (ISCED), 1997*, November 1997; *Review of the International Standard Classification of Education (ISCED), Technical Advisory Panel. Meeting Report*, Paris, 2009.

Primary education must be both universal and specific. It must provide unifying factors that are common to all of humanity, while simultaneously answering concrete questions that arise in very specific situations (Delors, 1997). Primary education must emphasize the formation of children with worldviews that bring together the different cultures common to children of the same group, as well as the similarities and universal principles that apply to all people, regardless of place of origin, ethnicity, socio-economic level or other differentiating factors. As described by Delors (1997) primary education is both a preparation for life and the best time to learn to learn. This fact leads to reflections on children's environment and the role of teachers at this life stage.

In other words, since school often becomes a child's second home, it must be a place where children really and truly receive the knowledge and skills they need to develop socially. In terms of cognitive development, at this stage boys and girls learn the basic skills they need to learn to learn and to participate in life as adults, such as reading, writing and basic mathematical logic.

The relevance of monitoring the progress in terms of access to and completion of primary education, as well as the acquisition of basic minimum contents for social integration, have been outlined in the Millennium Development Goals through three indicators: net enrollment ratio in primary education, proportion of pupils starting grade 1 who reach the last grade of primary education and the literacy rate for 15-24 year olds.

Although there is no consensus among experts as to whether all of these indicators are necessarily valid for measuring access to and completion of primary education, and that better indicators might allow for an analysis of the inequalities, the widespread availability of the previously mentioned indicators has meant that they can be used to examine progress throughout the world.

### **1. Net enrolment ratio in primary education**

Access to primary education is generally assessed through the enrolment ratio. Unlike the gross enrolment ratio, the net enrolment ratio accounts for the proportion of pupils of enrolment age who are actually enrolled in primary education.<sup>4</sup> Although this ratio is sometimes taken as an indicator of educational coverage (supply), it tends to reflect actual access and not just potential access (which would be better represented by the gross ratio).

Access to primary education is widespread in Latin America and the Caribbean and has been so since the early 1990s. Regionally, net access to primary education in 1990 was nearly 88% for girls and boys of the appropriate age and stands at 95% today. Some countries however, particularly in the Caribbean, are lagging behind in this area: Dominica (73%), Antigua and Barbuda (74%), Turks and Caicos Island (81%), Dominican Republic (82%) and Jamaica (86%). Conversely, countries such as Argentina, Aruba, Belize, Cuba, Mexico and Peru can be considered to have achieved universal access, with net enrolment ratios exceeding 99% (see figure IV.1).

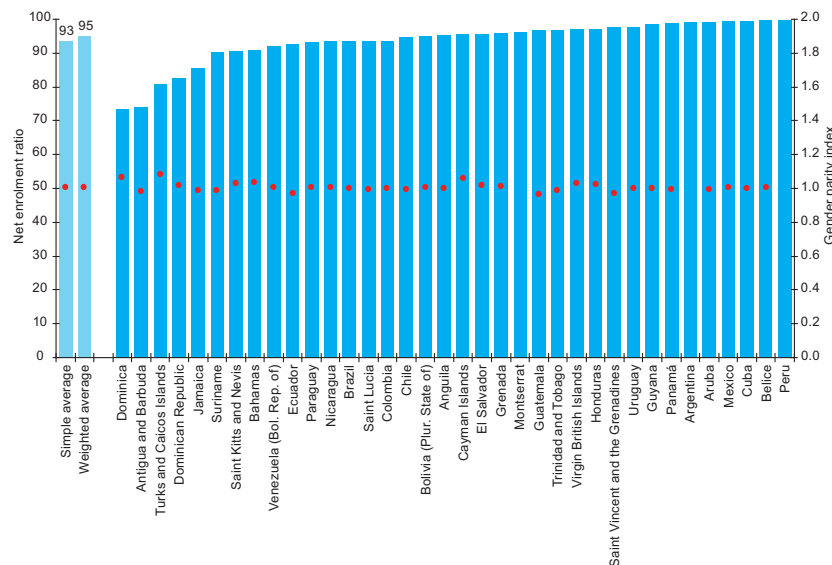
Another notable point is that the gender disparity for educational access at this level tends to favor girls, with the exception of a few —predominantly Caribbean—countries (Antigua and Barbuda, Ecuador, Guatemala, Jamaica, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago).

Without a doubt, the region is better placed than many in terms of access to primary education, and enjoys a level similar to that of the more developed regions.<sup>5</sup> Nevertheless, and judging from the 2001 access levels and those contained in the previous regional report on tracking the Millennium Development Goals (United Nations, 2005), there are evident difficulties in making further progress towards universal access. This can be attributed to the fact that when access to primary education is widespread, the investment needed to encourage enrolment for disadvantaged groups (extremely poor, those living in rural areas, indigenous and afro-descendant groups that are not well incorporated into western societies) exceeds the economic capacity of countries. These efforts include not only increasing the supply of educational opportunities, but also ensuring the conditions necessary to promote real access to services, which often involves actions in multiple sectors.

<sup>4</sup> This indicator is calculated as the ratio between students of primary school age and the total population in that age range. The indicator is not affected by students who repeat a grade, as long as they are still in the appropriate educational level for their age. Some distortions, however, may occur as a result of problems associated with of student registration, reference periods for age calculations and difficulties arising from population projections.

<sup>5</sup> United Nations, "Goal 2: Achieve universal primary education" [online] [http://www.un.org/spanish/millenniumgoals/pdf/goal2\\_2008.pdf](http://www.un.org/spanish/millenniumgoals/pdf/goal2_2008.pdf).

Figure IV.1  
**LATIN AMERICA AND THE CARIBBEAN (36 COUNTRIES AND TERRITORIES):  
 ADJUSTED NET ENROLMENT RATIO, PRIMARY SCHOOL (INDICATOR 2.1)  
 GENDER PARITY INDEX, 2007-2008<sup>a</sup>**  
*(Percentages and percentage ratios)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1> on the basis of data from the UNESCO Institute for Statistics (UIS) [online] <http://www.uis.unesco.org>.

<sup>a</sup> Adjusted net enrolment ratio. The calculation of enrolment ratios can be somewhat erratic since it relies on population estimates and projections that do not always reflect migratory movements. For this reason, some of the figures should be read with caution, particularly in smaller countries and territories. Data for Netherlands Antilles corresponds to 2003; data for Argentina and Turks and Caicos Island correspond to 2005; and data for Anguilla and Paraguay correspond to 2006.

## 2. Remaining in school through the highest grade of primary education

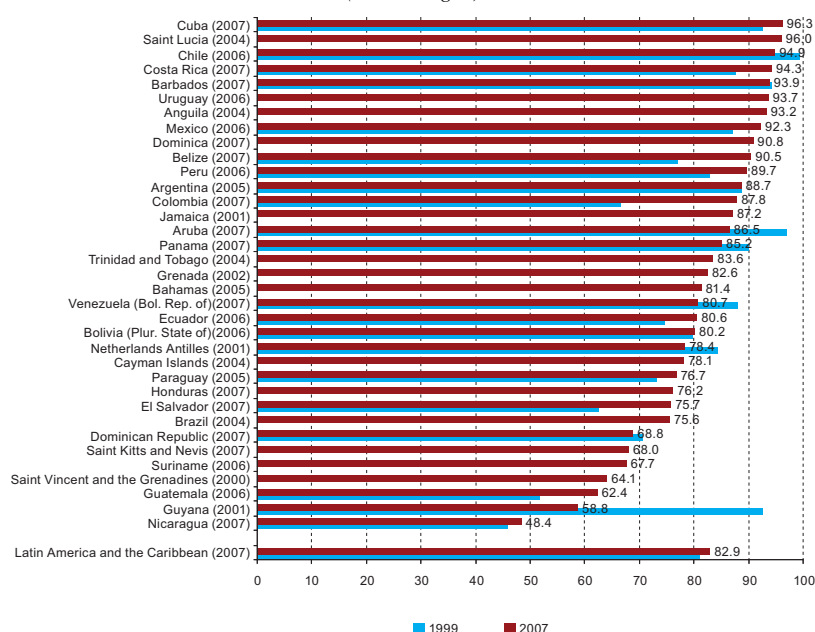
Much in the same way that sufficient supply in primary education doesn't necessarily translate into real access, access alone doesn't necessarily ensure that students will progress through and (more importantly) complete this educational cycle. By this level, the region is already showing problems of educational lags, as reflected in the gross enrolment ratios, and of school dropout.

The official indicator of retention through the highest grade of primary education does not account for children who never entered the educational system, nor does it reflect completion of the cycle. In other words, this rate does not reflect the number of boys and girls who failed to complete their primary education as proportion of the total number of children, but rather the number of students who failed to complete this grade as a proportion of those children who entered the school system. In addition, the rate is only available for the most recent years.

As seen in figure IV.2, the progression and retention rates for primary school in the region are rather high, exceeding 80%. Some exceptions to this trend can be found in the Dominican Republic, Guatemala, Guyana, Nicaragua, Saint Kitts and Nevis, Saint Vincent and the Grenadines and Suriname, where rates of early school dropouts are high (over 30%). There are other countries where the retention rate exceeds 94%, such as in Chile, Costa Rica, Cuba and Saint Lucia.

Nevertheless, in the relatively short period of time studied, regional gains were meager: from 81.2% to 82.9%, amounting to less than 20% of the improvement expected for the period analyzed. Only Anguilla, Belize, Colombia, Costa Rica, Cuba, Dominica, Mexico, Peru, Saint Lucia and Uruguay have shown progress since 1999 that was close to or in excess of that required to achieve the 2015 goal (see statistical annex).

Figure IV.2  
**LATIN AMERICA AND THE CARIBBEAN (35 COUNTRIES AND TERRITORIES):  
 PROPORTION OF PUPILS STARTING GRADE 1 WHO REACH LAST GRADE  
 OF PRIMARY EDUCATION (MDG 2.2), 1999-AROUND 2007**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1> on the basis of data from the UNESCO Institute for Statistics (UIS) [online] <http://www.uis.unesco.org>.

Some complementary data show that almost 3 million children did not attend school in Latin America and the Caribbean in 2006/2007, the overall percentage of repetition for all grades in primary education was 3.8% and the drop-out rates for grades 1 through 6 were 3.7%, 1.7%, 2.0%, 1.5% and 2.8% respectively (UNESCO, 2010).

As mentioned above, this indicator is incomplete as it excludes children who never entered the educational system. In view of this fact, during the first regional monitoring assessment (2005) the Regional Office of UNESCO in Santiago, together with ECLAC, proposed the usage of primary education completion rates based on household surveys. This would not only better reflect the problem of educational completion by including children who never entered the system, but it could also be disaggregated by any number of factors (socio-economic level, sex, geographic area etc).

### 3. 15-19 year-olds who completed primary education

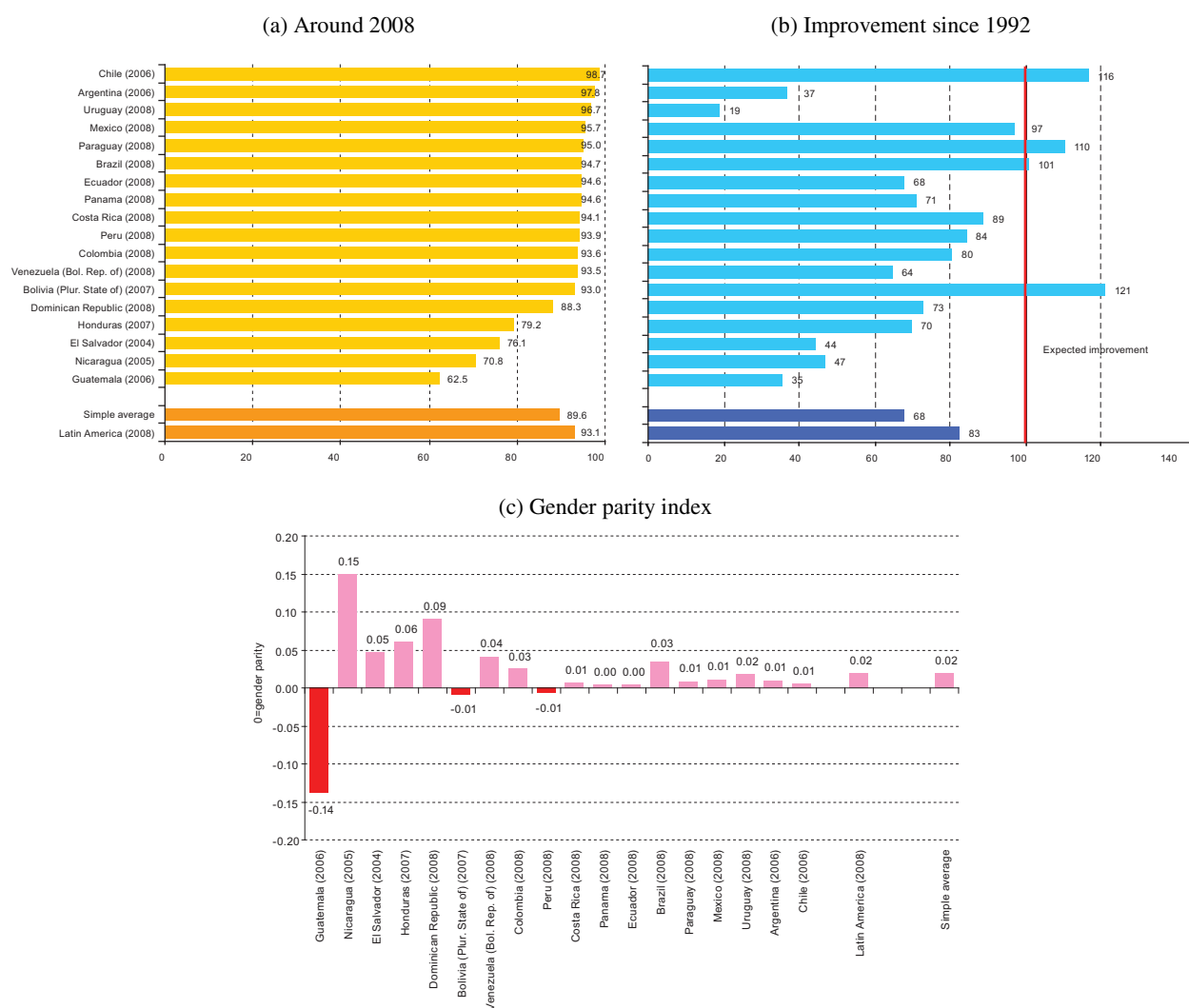
The indicator that was proposed to better assess primary school completion takes an age group (youth aged 15-19) that has had sufficient time to complete their primary education regardless of whether they had to repeat grades or dropped out and later returned to school. Although some individuals might actually return to complete their primary education through adult school, the vast majority of people are only able to do so while they are school-aged, as later in life they enter the workforce and have other obligations.

This indicator, derived from household surveys and living conditions, is available for 18 countries in the region. The region as a whole shows very high completion rates, (over 93%), while exceptions to this achievement can be found in the Central American countries: El Salvador, Guatemala, Honduras and Nicaragua. Nevertheless, only a few countries have shown progress since 1990 suggesting they are likely to meet the 2015 goal: the Plurinational State of Bolivia, Brazil, Chile, Costa Rica, Mexico and Paraguay. Countries such as Argentina or Uruguay have shown little improvement but already have very high rates of primary school completion.

In contrast, countries with the least amount of progress (as compared with expected figures for the last available measurement) are precisely those with the lowest rates of completion. In these countries, in addition to low levels of investment in education in absolute terms (but not necessarily as a percentage of GDP), poverty and inequality result in children not entering school or dropping out during primary school, which in turn creates a vicious cycle of lacking opportunities with repercussions on countries' development.

Gender disparities in primary school completion, however, favour girls: on average, there are 102 females for every 100 males who finish primary school. This situation is even more pronounced in countries with lower achievement levels (Nicaragua has a ratio of 115 to 100, El Salvador 105 to 100, Honduras 106 to 100 and Dominican Republic, 109 to 100). In countries with a strong indigenous presence such as Guatemala, Peru and the Plurinational State of Bolivia, the gender disparity tends to favour males (see figure IV.3.C).

Figure IV.3  
LATIN AMERICA (18 COUNTRIES): 15 TO 19 YEAR OLDS WHO COMPLETED PRIMARY EDUCATION,  
AROUND 2008 AND IMPROVEMENT SINCE 1992  
(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.

#### 4. Juvenile illiteracy

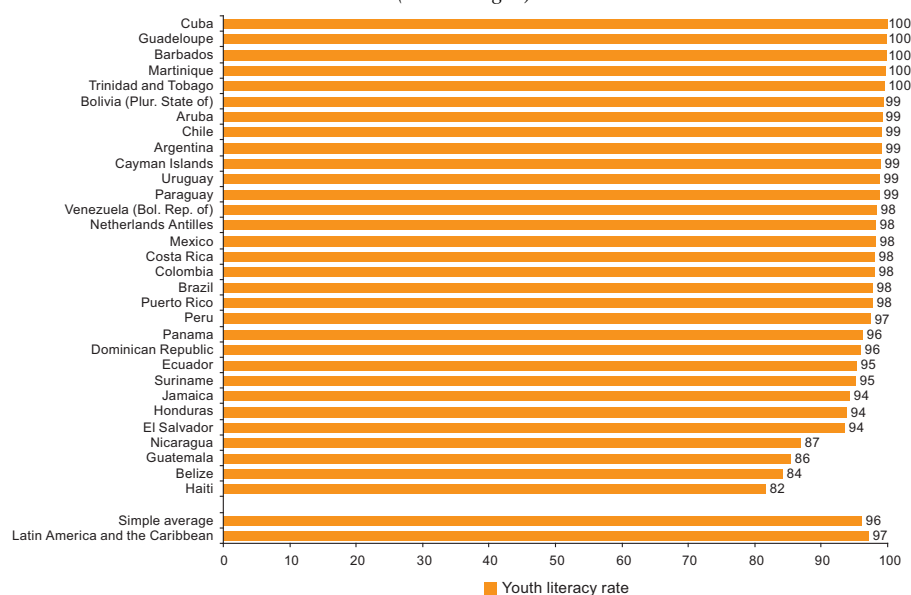
Another indicator used to monitor the second Millennium Development Goal is the illiteracy rate among 15 to 24 year olds. This indicator is complementary to earlier ones, in that it takes into account the experience of primary school, where basic reading and writing skills are acquired, in older age groups. Although low-cost literacy programmes can be developed for those who never attended school, they are usually not sufficient to provide the full skill set needed to fully participate in productive life, let alone continue on to higher education.

Literacy is not only a cognitive skill needed to work and function in many areas of society, but it is also a means for promoting human rights and citizenship, gender equality, social cohesion and integration of ethnic minorities since it facilitates communication between people. Acquiring true literacy promotes social expression, leads people to feel more able to exercise their rights and gives them better communication tools.

Illiteracy is the highest expression of educational vulnerability, aggravating the problem of inequality, since without access to knowledge, it is very difficult to improve living conditions. There is, therefore, a great deal of overlap between the poorest populations and those with the highest levels of illiteracy and insufficient instruction (UNICEF, 2000).

Juvenile illiteracy is a fairly limited problem in the region, with the exception on countries such as Belize, Guatemala and Nicaragua (in that order), which only affects 3% of the 15-24 year-old population (see figure IV.4). Progress since the 1990s has been moderate, which can be explained by the already high rates of literacy found in the region in 1990: around 92% regionwide. It is possible, however, that with some additional effort over and above what has already been done in the area of universal primary education and literacy programmes, the targets could be met by 2015. Undoubtedly, the greatest focus should be placed on the countries lagging the farthest behind, among which Belize and Guatemala have shown the least progress from 1990 to 2007 (see statistical annex).

Figure IV.4  
LATIN AMERICA AND THE CARIBBEAN (31 COUNTRIES AND TERRITORIES):  
LITERACY RATE OF 15-24 YEAR-OLDS (MDG 2.3), AROUND 2007<sup>a</sup>  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1> on the basis of data from the UNESCO Institute for Statistics (UIS) [online] <http://www.uis.unesco.org>.

<sup>a</sup> Data for Nicaragua refer to 2005.

It should be noted that this data refer to absolute illiteracy, that is, people who state they do not know how to read or write on the census or household surveys generally used in the countries of the region. This method for measuring the problem has been widely debated at the international level, since it underestimates the real situation of the population by not accounting for people's level of competency in reading and writing or their ability to use numbers in different social contexts.

Today, reference is made not only to absolute literacy, but also functional literacy, which reflects reading, writing and calculations in different areas of social interaction that are relevant for social identity and social participation. In this sense, literacy refers not only to learning to read and write, but also to acquiring the skills needed to play an active and productive role in society. It has been calculated that the basic skills needed for such practical applications can be acquired in a minimum of four years of primary education. (UNESCO, 2006; ECLAC/UNESCO, 2010).

#### Box IV.2 THE "YES I CAN" LITERACY PROGRAMME

*Yes I can* is a literacy programme developed in 2001 by the Latin American and Caribbean Pedagogy Institute (IPLAC), based in Cuba. While the programme was first unveiled in Haiti, by 2006 it had been implemented in 12 countries in the region, usually by means of initiatives adopted by the local authorities in each country.

The programme is based on an audio-visual method (radio and TV/video), and makes use of 17 videocassettes that include 65 lessons taught over eight to ten weeks. Exercise workbooks are included for each student and manuals are provided for instructors. The method used is based on the association of a number for every letter of the alphabet, in accordance with how frequently it is used. Thus, words and graphemes are presented that are made up of combinations of letters and numbers that facilitate their memorization. The lessons contain three parts: preparation, learning to read and write and consolidation of skills acquired.

The implementation of the programme in Argentina from 2003-2007 resulted in 500 literacy centres throughout the country, 3,500 students, over 6000 graduates and some 600 facilitators who support the students' learning process. In addition, the Bolivarian Republic of Venezuela declared itself an "illiteracy-free" territory in 2005 following the implementation of the programme and some 1,482,543 adults learned to read and write.

Although it is difficult to estimate the exact costs of the programme, the Cuban authorities have calculated it at somewhere between US\$ 23.00 and US\$ 33.00 per student, while authorities in other countries, such as Ecuador, calculate it costs US\$ 45.00 or more. The difficulty in making this calculation lies mainly in the fact that programme uses volunteers and receives contributions from other entities. Nevertheless, the it has been known for its low cost, given that it only requires a room, a television and the literacy instructors.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of "Información sobre el método de alfabetización Yo sí Puedo" [online] <http://www.udg.edu/Portals/19/yoPuedo/metodo.pdf>; "Yo sí Puedo" [online] [www.yosipuedo.com.ar](http://www.yosipuedo.com.ar); "Programa cubano de alfabetización para Sevilla. Yo sí Puedo" [online] <http://www.yosipuedosevilla.org/>; "Estudio sobre la eficacia y la viabilidad del método de alfabetización 'yo sí puedo'" [online] <http://unesdoc.unesco.org/images/0014/001468/146881s.pdf>.

## D. THE SITUATION IN THE REGION: PRIMARY EDUCATION IS NOT ENOUGH

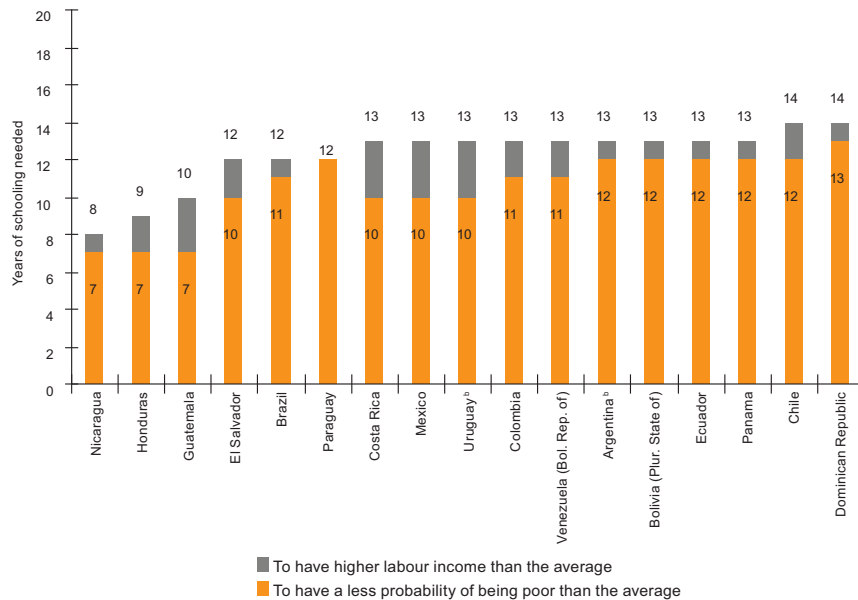
### 1. Minimum educational thresholds and educational devaluation

Advances and growth in the educational sector, particularly in higher education, have led to higher expectations on the part of students, especially in younger generations who have surpassed the educational level of their parents. When these expectations are not met in the form of job opportunities and adequate compensation, frustrated expectations and collective dissatisfaction are exacerbated. Following this logic, ECLAC believes that educational advances in the countries of the region must be synchronized with improvements in productive systems and labour markets.

Generally speaking, evidence shows that completing secondary education is the minimum level needed to successfully enter the labour market, and therefore decrease the likelihood of being poorer than the average person (see figure IV.5). As such, merely meeting the target proposed at the Millennium Assembly is not enough to ensure adequate access to wellbeing in the regional context.



Figure IV.5  
**LATIN AMERICA (18 COUNTRIES): NUMBER OF YEARS OF SCHOOLING NEEDED TO INCREASE THE LIKELIHOOD OF BEING LESS POOR THAN AND HAVING A HIGHER INCOME THAN THE AVERAGE WORKER AT 20-29 YEARS OLD,<sup>a</sup> AROUND 2006**  
*(Number of years of education)*



**Source:** Economic Commission for Latin America and the Caribbean/Ibero-American Youth Organization (ECLAC/OIJ), *Juventud y cohesión social en Iberoamérica. Un modelo para armar* (LC/G.2391), Santiago, Chile, 2008.

<sup>a</sup> Employed 20 hours or more per week.

<sup>b</sup> Urban areas.

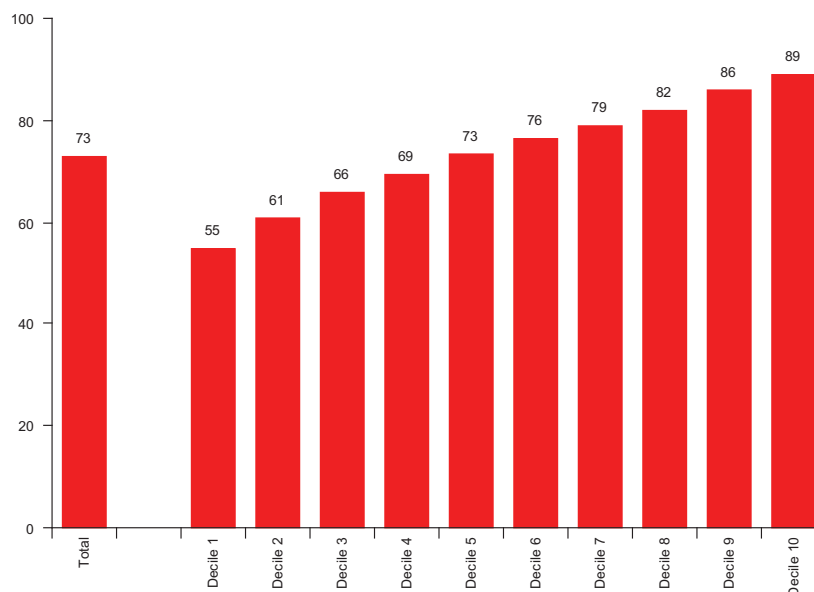
Moreover, as educational opportunities become more widespread, the relative value of those levels of education that are most commonly attained decreases, and higher levels of education are needed in order to get more productive and better paid jobs.

Thus, emphasis must be placed not only on educational, cultural and citizenship development, but on the relationship between these and the labour market. Advances in education alone are not enough; they must be accompanied by improvements in the labour market and greater overlap between educational content and the real demands of the productive structure in each country. Only in this way will education yield real results in terms of economic and social development, and strengthening social integration and cohesion.

## 2. Poverty, inequality and intergenerational transmission of educational opportunities

For children and youth whose families lack resources, live in poverty or are at risk of living in poverty, difficulty accessing education is not an isolated problem; their families have likely had difficulty accessing this right for generations. In other words, there exists an intergenerational transmission of opportunities for wellbeing, and, above all, a certain degree of inherited educational capital, as evidenced by the fact that youngsters whose parents never finished their formal education are less likely to complete their own secondary education (ECLAC, 2008). This is not merely a question of access, but of keeping children and young adults in school so they can move up through the grades and complete their schooling. Throughout the region, lower-income households have the highest number of students who repeat grades or drop out of school (see figure IV.6).

Figure IV.6  
**LATIN AMERICA (18 COUNTRIES): 15-19 YEAR-OLDS WHO PROGRESS THROUGH  
 THE EDUCATIONAL SYSTEM IN A TIMELY MANNER,<sup>a</sup> AROUND 2008**  
*(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> Refers to students who attended and completed the appropriate grade at the appropriate age, considering a maximum delay of one year due to late enrolment.

Reversing this intergenerational transmission of educational opportunities involves tackling problems such as unequal income distribution while also boosting social inclusion and individuals' sense of belonging. The educational level of the head of household and their spouse has a direct impact on the stratification of households in the region (see figure IV.7). This tends to accentuate the excessive concentration of wealth and decreases opportunities for members of the household to complete their education (ECLAC, 2009). When access to education is not uniform, higher levels of education help improve people's quality of life, while at the same time exacerbating already existing problems of inequality in the region.

Education plays an essential role in people's sense of inclusion. Across all socio-economic groups, having a profession or trade is the answer most often picked when people are asked what they needed to feel included society (ECLAC, 2009). Higher education is the third most frequent response. This clearly demonstrates the importance of education, not only from an objective standpoint, in its role in household stratification, but also from a subjective standpoint, in people's perception of what it means to be included in society. Thus, creating the social conditions necessary to reverse the inequality of opportunities and to bolster access to the educational system for the most socio-economically vulnerable populations is crucial.

Figure IV.7  
**LATIN AMERICA (18 COUNTRIES): YOUNG ADULTS AGED 25-29 WHO COMPLETED VARYING LEVELS  
 OF EDUCATION ACCORDING TO THE EDUCATIONAL CLIMATE IN  
 THE HOUSEHOLD,<sup>a</sup> AROUND 1990 AND 2006**  
*(Percentages)*

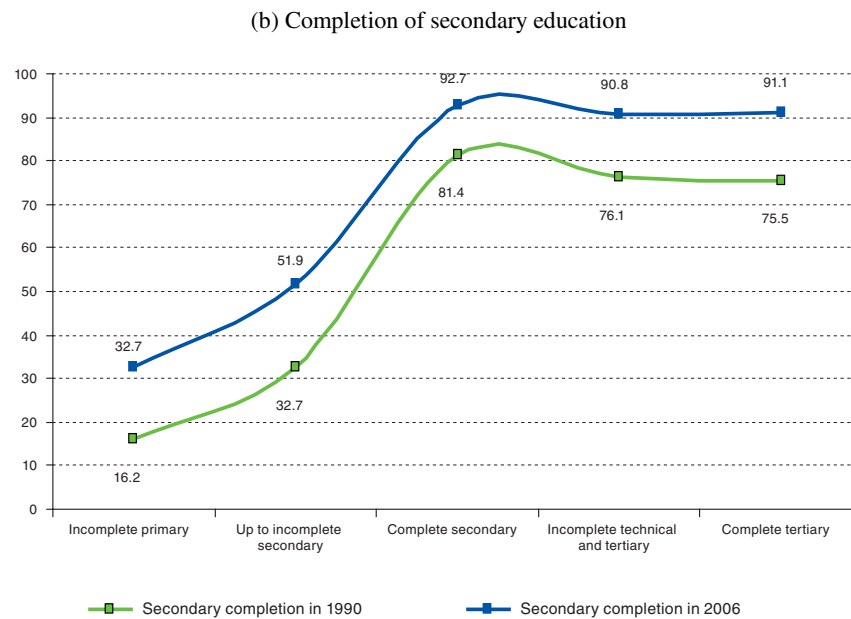
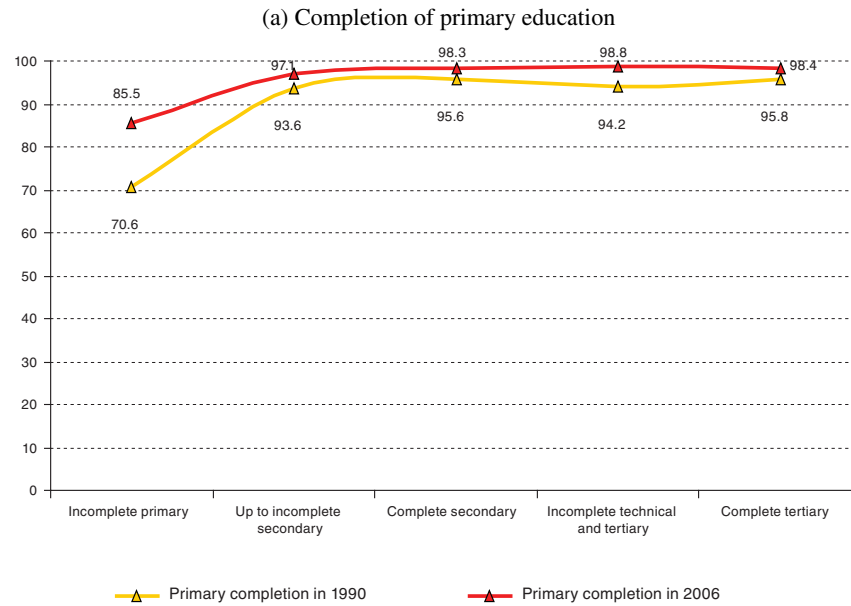
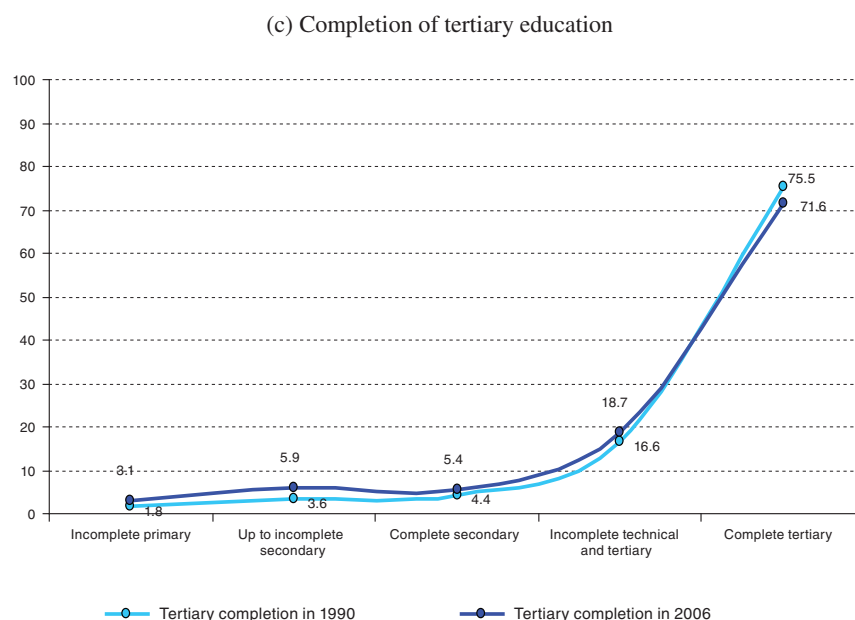


Figure IV.7 (concluded)



**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> Average years of education their parents completed.

#### Box IV.3 THE ABRAZO PROGRAMME IN PARAGUAY

The Abrazo programme was launched in Paraguay in 2005 by the Secretariat for Children and Adolescents with support from the United Nations Children's Fund (UNICEF). It provides a comprehensive service to children street workers (boys and girls) and their families, the idea being to encourage them to gradually give up working. The programme reaches approximately 1,200 children who attend the 15 centres to be found in Asunción, Ciudad del Este, other major cities in Paraguay, and 10 municipalities of Central Department. At these centres, the children receive help with school work, their school attendance is monitored, and they are fed and given paediatric and dental care. They also have the opportunity to take part in sports and recreational activities. The families are given training and support to help them generate income to replace the money that the child contributes to the family. Because of extreme poverty, some of these families also receive solidarity vouchers on condition that their son or daughter attends the open centres and school.

In 2008, 1,150 boys and girls alternated between an open centre and school; 795 families were provided with support. As a result, 75% of the boys and girls enlisted in the programme stopped working in the streets; 25% spent fewer hours in the street; and more than 500 families benefited from income-generating alternatives and micro-credit.

**Source:** United Nations (2010), Report of the Special Rapporteur on the Right to Education, Mr. Vernor Muñoz, Mission to Paraguay (14-22 April 2009), A/HRC/14/25/Add.2.

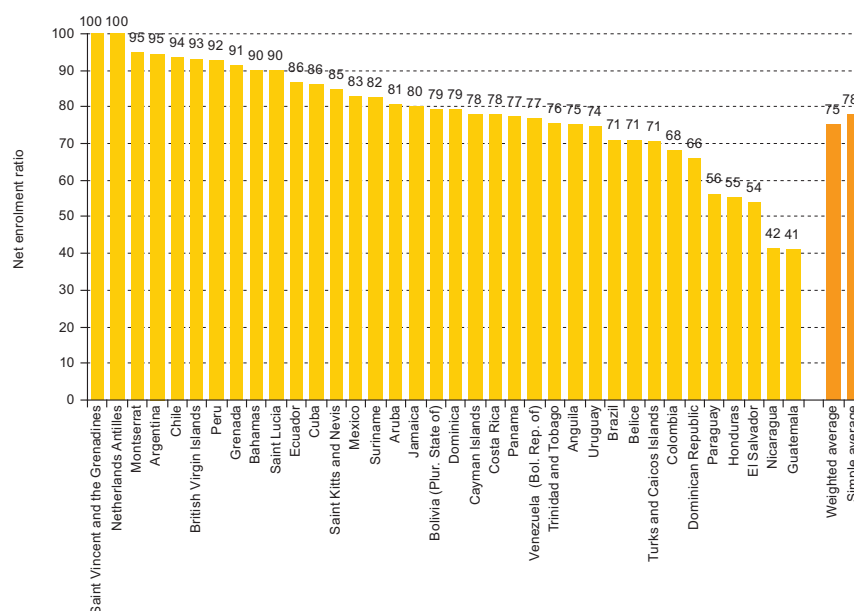
### 3. Secondary education: a goal for the region

If primary education is designed to provide children with the basic tools they need, secondary education is about consolidating the talents students already possess (Delors, 1997). Secondary education, then, is where differentiated training begins, due to the organization of the level itself. There begins a division between subjects that promote post-secondary education and those that prepare students to enter the work force.

The goal of lower secondary education is to cement students' basic skills, create favorable conditions for lifelong learning and provide greater educational opportunities. The first stage of secondary education, then, can be seen as a continuation of primary education and a place to lay the foundations for lifelong learning.

Compared with primary education, there is substantially less access to and timely progression to and through the first stage of secondary education, and there is more variation between the countries: the net enrolment ratio for this level is 78 as a simple average (compared with 93 in primary school), and ranges from 41% (Guatemala) to 95% (Netherlands Antilles, Argentina, Monsterrat and Saint Vincent and the Grenadines),<sup>6</sup> as shown in figure IV.8.

Figure IV.8  
**LATIN AMERICA AND THE CARIBBEAN (36 COUNTRIES AND TERRITORIES): NET ENROLMENT RATIO IN FIRST CYCLE OF SECONDARY EDUCATION, 2007-2008<sup>a</sup>**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1> on the basis of data from the UNESCO Institute for Statistics (UIS) [online] <http://www.uis.unesco.org>.

<sup>a</sup> Data for Netherlands Antilles correspond to 2003; data for Anguilla, Turks and Caicos Island, Paraguay and Suriname correspond to 2005; and data for Argentina, Guatemala and Panama correspond to 2006.

In addition, educational lags at this stage increase and socio-economic inequalities according to geographic location or ethnic origin widen. The educational climate in the household becomes a determining factor in educational lags for children aged 12-14: a child living in a home with a poor educational climate is 10 times more likely to get behind in school than one living in a home with a positive one (ECLAC/OEI, 2009). Important differences can also be seen according to where students live.

This is naturally linked to the level of wellbeing of households and of students. Thus, there is a marked difference between the number of students who complete their education (with or without delays) who come from poor households (52%), and those who do not (82%). It is also worth mentioning that irrespective of level of

<sup>6</sup> Net enrolment ratios for lower secondary education may be affected by student's educational lags and drop-outs during the primary school, as well as by educational lags among youngsters who should be attending upper secondary school.

poverty, females complete this level of education more frequently than males, which can be partially explained by early entry of males into the labour market. In contrast, there is evidence showing that among students who come from indigenous groups, the ratio is reversed, with a smaller proportion of females completing secondary education (ECLAC, 2008).

Such differences in educational access, progression and completion are gradually amplified throughout the educational cycle; the chain of inequality is reproduced through the educational system itself, and is even more pronounced in terms of access to and completion of upper secondary education.

Upper secondary education (second stage of secondary education) is primarily focused on specialization. This level focuses on more specialized teachers and subjects than lower secondary and provides instruction aimed at continuing on with post-secondary studies or joining the labour market.

As mentioned above, ECLAC has suggested that the conclusion of secondary education be considered the minimum educational threshold needed to ensure students a poverty-free future. In other words, in order to have a good chance of entering the labour market in a way that ensures a minimum level of wellbeing for their future, students must complete 12 years of formal schooling (or 11 depending on the country). Special attention must therefore be paid to the critical role of coverage, access and quality in secondary education.

The completion of this level of education is crucial in the region, not only for students to acquire the basic skills they need to freely participate in a democratic and globalized world and have the capacity for lifelong learning, but also because it is the key to achieving the minimum levels of wellbeing needed to break the cycle of inequality that would otherwise affect their children. This fact has been incorporated into joint proposals made by UNESCO-OREALC and ECLAC that call for a specific target in the region of universal access to secondary education and at least 75% of students finishing higher secondary education.

The reality for students in the region with respect to these targets is not terribly encouraging. Access levels are increasingly down compared with access to primary and lower secondary education, linked to school drop-outs, and the cumulative lag displayed at this age group is a key factor which pushes many students out of the educational system. Students at this stage already have opportunities to enter the work force, which acts as a disincentive to staying in school, especially if they face adverse economic or academic conditions or problems with integration or identity formation. In addition, this level of education is not compulsory in many countries of the region and States cannot force students to stay in school (see table IV.1).

Table IV.1  
**LATIN AMERICA AND THE CARIBBEAN (41 COUNTRIES AND TERRITORIES): COMPULSORY EDUCATION  
AND OFFICIAL DURATION OF PRIMARY AND SECONDARY CYCLES, 2007-2008<sup>a</sup>**  
(By age group and number of years)

Countries and territories	Compulsory education <sup>b</sup>			Primary education		Secondary education		Total years of compulsory schooling including primary and secondary education
	Age group	Duration in years		Official age group	Duration in years	Official age group	Duration in years	
		Total	Excluding preschool					
Anguila	5-17	13	13	5-11	7	12-16	5	12 / 12
Antigua and Barbuda	5-16	12	12	5-11	7	12-16	5	12 / 12
Netherlands Antilles	6-15	10	10	6-11	6	12-17	6	10 / 12
Argentina	5-15	11	10	6-11	6	12-17	6	10 / 12
Aruba	6-16	11	11	6-11	6	12-16	5	11 / 11
Bahamas	5-16	12	12	5-10	6	11-16	6	12 / 12
Barbados	5-16	12	12	5-10	6	11-15	5	11 / 11
Belize	5-14	10	10	5-10	6	11-16	6	10 / 12

Table IV.1 (concluded)

Countries and territories	Compulsory education <sup>b</sup>			Primary education		Secondary education		Total years of compulsory schooling including primary and secondary education
	Age group	Duration in years		Official age group	Duration in years	Official age group	Duration in years	
		Total	Excluding preschool					
Bermudas	5-16	12	12	5-10	6	11-17	7	12 / 13
Bolivia								
(Plurinational State of)	6-13	8	8	6-11	6	12-17	6	8 / 12
Brazil	7-14	8	8	7-10	4	11-17	7	8 / 11
Chile	6-21	16	16	6-11	6	12-17	6	12 / 12
Colombia	5-15	11	10	6-10	5	11-16	6	10 / 11
Costa Rica	6-15	10	10	6-11	6	12-16	5	10 / 11
Cuba	6-14	9	9	6-11	6	12-17	6	9 / 12
Dominica	5-16	12	12	5-11	7	12-16	5	12 / 12
Ecuador	5-14	10	9	6-11	6	12-17	6	9 / 12
El Salvador	7-15	9	9	7-12	6	13-18	6	9 / 12
Grenada	5-16	12	12	5-11	7	12-16	5	12 / 12
Guatemala	6-15	10	9	7-12	6	13-17	5	9 / 11
Guyana	6-15	10	10	6-11	6	12-16	5	10 / 11
Haiti	6-11	6	6	6-11	6	12-18	7	6 / 13
Honduras	6-13	8	8	6-11	6	12-16	5	8 / 11
Cayman Islands	5-16	12	12	5-10	6	11-16	6	12 / 12
Turks and Caicos Islands	4-16	13	11	6-11	6	12-16	5	11 / 11
British Virgin Islands	5-16	12	12	5-11	7	12-16	5	12 / 12
Jamaica	6-12	7	7	6-11	6	12-16	5	7 / 11
Mexico	6-15	10	10	6-11	6	12-17	6	10 / 12
Montserrat	5-16	12	12	5-11	7	12-16	5	12 / 12
Nicaragua	6-11	6	6	6-11	6	12-16	5	6 / 11
Panama	6-14	9	9	6-11	6	12-17	6	9 / 12
Paraguay	6-14	9	9	6-11	6	12-17	6	9 / 12
Peru	6-18	13	13	6-11	6	12-16	5	11 / 11
Dominican Republic	5-14	10	9	6-11	6	12-17	6	9 / 12
Saint Kitts and Nevis	5-16	12	12	5-11	7	12-16	5	12 / 12
Saint Vincent and the Grenadines	5-15	11	11	5-11	7	12-16	5	11 / 12
Saint Lucia	5-15	11	11	5-11	7	12-16	5	11 / 12
Suriname	7-12	6	7	6-11	6	12-18	7	7 / 13
Trinidad and Tobago	6-12	7	8	5-11	7	12-16	5	8 / 12
Uruguay	6-15	10	10	6-11	6	12-17	6	10 / 12
Venezuela								
(Bolivarian Republic of)	5-14	10	9	6-11	6	12-16	5	9 / 11

**Source:** United Nations Educational, Scientific and Cultural Organization (UNESCO), *Education for All Global Monitoring Report 2010. Reaching the Marginalized*, Paris, 2010.

<sup>a</sup> Duration of educational cycles according to the International Standardized Classification of Education (ISCE) of 1997 (see box IV.1).

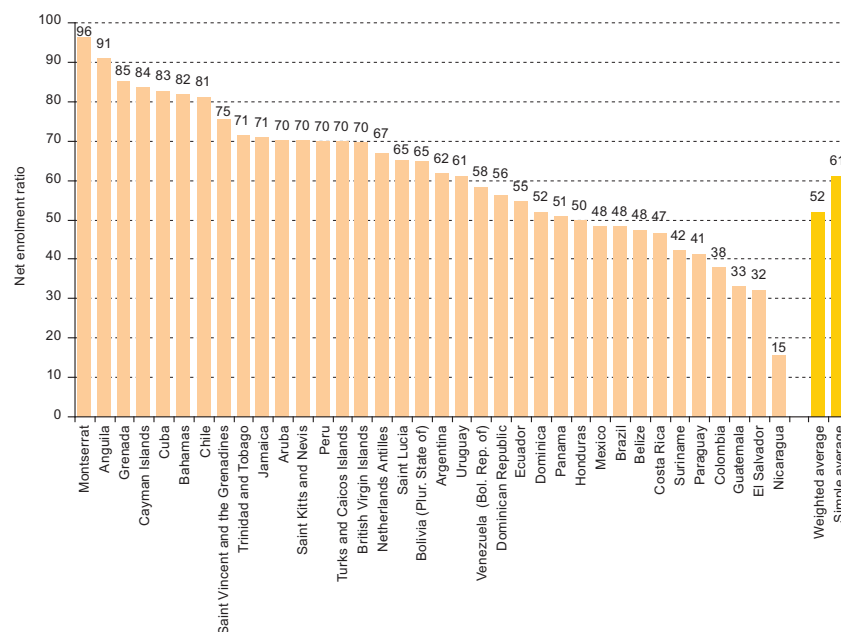
<sup>b</sup> Ages at which children can be mandated to attend school or receive schooling until completing the educational cycle. The last column shows the number of mandatory grades included in the primary or secondary education cycle within the age range indicated in the first column.

Access and progression at this stage is very heterogeneous throughout the region, ranging from a net enrolment ratio of over 80% (Anguilla, Bahamas, Cayman Islands, Chile, Cuba, Grenada and Montserrat), to very low ratios, where more than two thirds of children are behind in school or simply drop out (El Salvador, Guatemala and Nicaragua). The regional average barely exceeds 50% and, unlike prior educational levels, differs significantly from the simple country averages (see figure IV.9).

In addition to the heterogeneity among countries, there is an increasing amount of heterogeneity within countries, yielding vast differences between rural and urban areas, poor and non-poor students, various socio-economic groups, indigenous and non-indigenous populations and other discriminating factors. For example, among the highest income students (5<sup>th</sup> quintile), four out of five complete their secondary education, whereas only one out

of five do so at the lowest socio-economic level. The difference in achievement between males and females begins to widen, although less so than for other factors, especially at higher levels of income (see figure IV.10). Regarding this point, it is helpful to recall that young men tend to enter the labour market and contribute to their household income, which pushes them into a higher socio-economic group. This accounts for smaller differences between the sexes at the lowest levels. Nor is the relationship between school drop-outs and child/youth labour totally clear: do students drop out of school to work, or do students who get behind and perform poorly drop out, and subsequently enter the labour market?

Figure IV.9  
**LATIN AMERICA AND THE CARIBBEAN (36 COUNTRIES AND TERRITORIES): NET ENROLMENT RATIO IN THE FIRST STAGE OF SECONDARY EDUCATION, 2007-2008<sup>a</sup>**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the UNESCO Institute for Statistics (UIS) [online] <http://www.uis.unesco.org>.

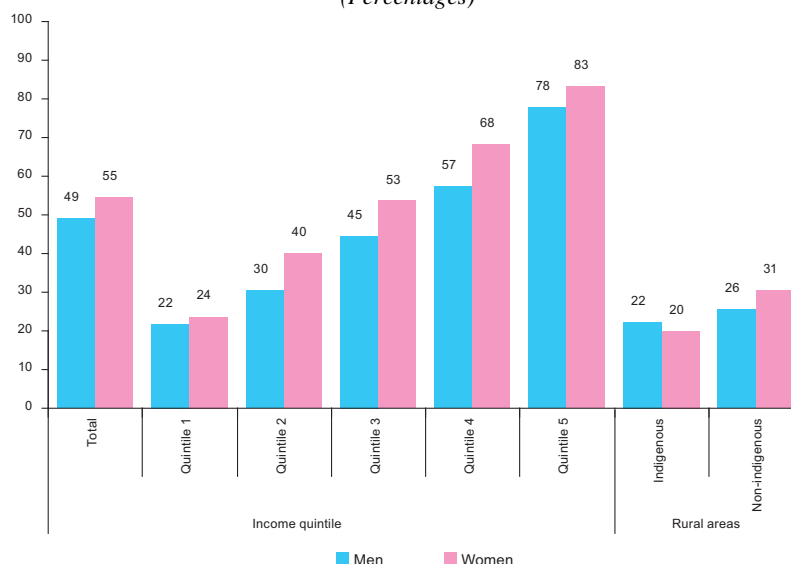
<sup>a</sup> Data for the Netherlands Antilles corresponds to 2003; for Anguilla, Turks and Caicos Island, Paraguay and Suriname to 2005; for Argentina, Guatemala and Panama to 2006.

Additionally, in rural areas where indigenous communities occupy a more or less defined territorial area and have a culture and identity that is often clearly different from the prevailing “westernized” urban culture, early drop-out rates for girls are much higher than for boys. This translates into lower completion rates for upper secondary education, as evidenced in figure IV.10. Girls tend to focus on activities related to agricultural production in their communities or families. This trend does not hold true among indigenous youth living in urban areas.

Thus, the challenges inherent in completing upper secondary education are greater than in the previously examined levels. If the assumed target is 75% of students finishing secondary education (lower and upper), the region has considerable ground to cover, considering the current completion rate for this levels stands at just under 53% among 20-24 year olds (see figure IV.11). Nevertheless, significant progress has been made since 1990, when only 37% of youngsters managed to complete this educational level. The countries that have made the most progress in this area are also the countries with the highest completion rates at this level: Argentina (urban areas), Chile, Paraguay (urban areas), Plurinational State of Bolivia (8 main cities and El Alto) and Peru. Conversely, the countries lagging farthest behind are the Central American countries, plus Colombia and Uruguay, with levels below 40%.



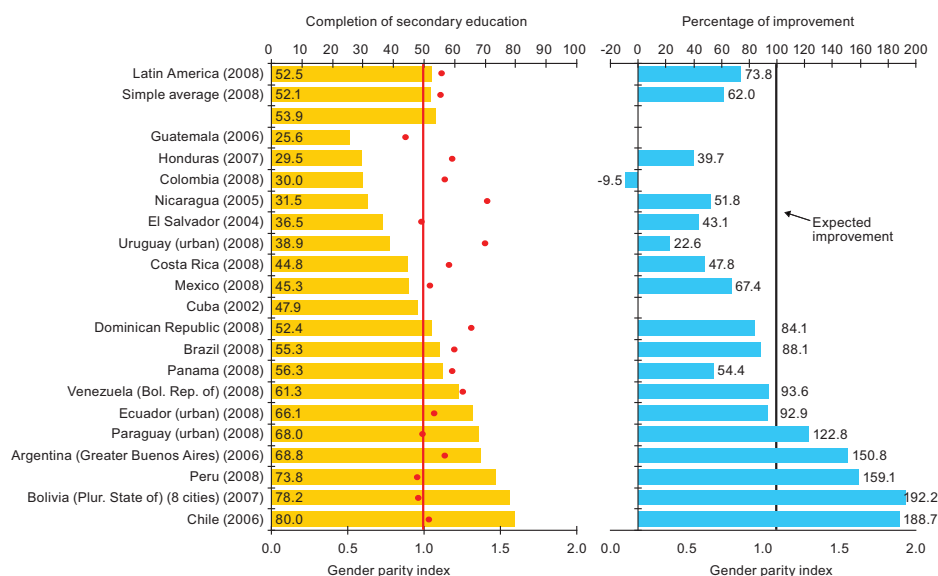
Figure IV.10  
**LATIN AMERICA (18 COUNTRIES):<sup>a</sup> ADULTS AGED 20-24 WHO COMPLETED SECONDARY EDUCATION, BY PER CAPITA INCOME AND SEX, AROUND 2008**  
*(Percentages)*



**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 figures related to indigenous and non-indigenous youth refer to eight countries.

Figure IV.11  
**LATIN AMERICA (19 COUNTRIES): 20-24 YEAR OLDS WHO COMPLETED SECONDARY EDUCATION AND GENDER PARITY INDEX, AROUND 2008, IMPROVEMENT OVER 1990<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> Improvement over the closest year available near 1990.

Additionally, and for reasons cited above, in most countries females are more likely to complete secondary education, with the notable exception of countries with high concentrations of indigenous populations: Guatemala, Plurinational State of Bolivia and Peru. In these countries, not only do lower completion rates occur among the indigenous ethnic groups, but the gender pattern in completion rates is reversed from primary school on up (ECLAC, 2007).

## **E. QUANTITY AND QUALITY**

Educational quality is another critical issue in the region, and continues to be a pending challenge. Large-scale progress in coverage and access to the educational system, leading to a “top down” mass availability, have not necessarily been accompanied by the requisite investments to ensure a stable supply of quality education. This is in addition to the incorporation of new generations of students with less cultural capital who require an additional effort to achieve the performance and learning needed for today’s world, along with a shortage of public programmes to strengthen economic and social development in their communities.

### **1. Pertinence and relevance of curricula**

The relevance and pertinence of educational curricula are what truly define quality in education. They answer key questions that make curricula a true model regarding what the appropriate and necessary knowledge for students is. Relevance, in this sense, answers the questions why and what, that is, it focuses on the educational purpose and content, respectively. Curricula must take into account the purpose of education in a society; and are relevant to the extent they promote the learning of skills necessary for students to participate fully in the various areas of human affairs, face the demands and challenges in society, attain gainful employment and develop a life project that relates to others (UNESCO/OREALC, 2008b). The four pillars of education (Delors, 1997), also help illustrate what can be understood by relevance. They are: learning to know, learning to do, learning to live together and learning to be, and they promote the implementation of a curriculum in accordance with society’s needs.

Pertinence, for its part, is understood as a response to the cultural diversity of students, not just in terms of recognizing their differences, but also by adapting educational material to the students’ lives. In this sense, education should allow for comparable educational results, along with full participation and an ability to forge one’s own identity. It requires support to ensure that educational content is truly adapted to student’s needs and that institutions have the resources they need to do so. The response to diversity, therefore, can be summed up as the “establishment of basic rights and principles that ensure quality lifelong learning and the participation of all” (UNESCO/OREALC, 2008b).

In numerous documents and declarations, the United Nations system has agreed that a main area of focus for educational curricula should be the promotion of a culture of peace and democracy (UNESCO/OREALC, 2008a; United Nations, 1999). An education for peace should strive to teach the development of values, attitudes and the social, emotional and ethical skills needed to promote social coexistence where all people are able to fully share and participate (UNESCO/OREALC, 2008a), resulting in the recognition and implementation of human rights. An education for peace and democracy must recognize and support equal rights and opportunities, particularly for women, who have historically suffered exclusion and discrimination; it must respect freedom of expression; and must satisfy the needs for development and protection of the environment and biodiversity (United Nations, 1999).

An education that builds active, democratic, multicultural, cooperative and responsible citizens is, at the beginning of the twenty-first century, one of the greatest challenges for educational systems and society at large. In a society with as many inequalities as Latin America and the Caribbean, educating free, knowledgeable, compassionate citizens is a key strategy that, with the collective commitment of various sectors of society, can help to overcome poverty, marginalization and inequality.

Let us not forget that the region is both multicultural and multilingual. It is therefore imperative that advances be made to promote a multicultural citizenry that defends the rights of all people to enjoy their own culture and their own language. Traditionally overlooked groups, such as ethnic minorities, indigenous and afro-descendant populations must be especially cared for. Attention must also be paid to the unequal status of women, who have greater obligations and yet fewer rights, the persistent inability of educational systems to integrate people with

disabilities and those with special education needs, and the dearth of comprehensive programmes to reincorporate children and adolescents who have had trouble with the law. All of these situations of diversity, inequality and exclusion are challenges and demands that must be addressed by public policy and society at large.

Training citizens, promoting citizen participation and encouraging democratic awareness must all become key components of educational curricula. Schools are the perfect place to transmit the values inherent in democratic and citizen consciousness. In other words, democratic spirit and citizen development should be reflected in the classroom and in the home, as well as in the organization and administration of educational facilities, since the way in which teachers and school administrators work among themselves can provide important civic lessons to the community as a whole. In addition, democratic awareness should promote equitable distribution of students in schools, in order to avoid an educational system where low-income, indigenous or immigrant students are segregated with less trained or less experienced teachers (Reimers and Villegas-Reimers, 2006).

Another key area of curricular reform is health. Schools are the perfect place to promote healthy nutrition, not only because large numbers of students have access to school cafeterias, but also because they can promote positive skills and attitudes about nutrition and can promote healthy diets for life. School activities can range from planting school gardens, cooking, good hygiene and proper food handling and storage (FAO, 2007). The promotion of physical education and sports as key components for full human development has led to their recognition as a fundamental human right by UNESCO (International Charter of Physical Education and Sport), and to the guarantee to enjoy these rights in the educational system (UNESCO, 1978). Moreover, any pertinent, relevant and high-quality curriculum must include educational content to promote familiarity with and exercise of sexual and reproductive rights, especially for women. This not only includes encouraging attitudes and behaviours that allow people to have a safe and satisfying sexual life, but also family planning, responsible fatherhood, specialized pre-natal care and lactation among others, but also the prevention of sexually transmitted infections (STI) and fighting the spread of HIV/AIDS, which are enshrined in Millennium Development Goal 6 (UNFPA, 2005 and WHO/UNFPA/IPPF/UNAIDS/UCSF, 2009). In addition, the inclusion in curricula of a culture of rights, in this case sexual and reproductive rights, reinforces the need to build inclusive educational systems, capable of keeping pregnant students and teen mothers in school and on track.

#### Box IV.4

#### EXTENDING THE SCHOOL DAY: THE CASE OF CHILE

One of the centerpieces of the Chilean Educational Reform was the extension of the school day in state-subsidized schools. The strategy was enshrined in a law passed in 1997 which phased in the mandatory change for all primary and secondary schools. The programme included an approximate 30% extension of the school day, and the school year was lengthened by two weeks. For grades three through eight this meant an increase from 868 to 1,000 classroom hours, and an increase from 1042 to 1,216 hours for grades nine through twelve (Gajardo, 1999).

Overall, reviews of the extended school day have been positive. “More time at school has been a boon to students’ learning, the social risk associated with children being out on the streets without adult supervision has diminished and, parents feel more comfortable knowing their children are well cared for while they work. Most of the disadvantages cited revolved around curricular content and limited human resources and materials, especially computers” (García Huidobro and Concha, 2009).

According to García Huidobro and Concha (2009), a review of the impact made by the extended school day on learning, demonstrates that more time in school does not necessarily improve achievement (as measured by standardized tests). In order to have a real impact on learning, any extension of the school day must go hand in hand with improvements in school administration and teaching methods. Thus, “considering the sizable investments involved (initially and on an ongoing basis), the improvement in learning outcomes has been smaller and has come later than was expected” (García Huidobro and Concha, 2009).

Much can be learned from the implementation of a programme that included such drastic changes. First, some basic definitions for the school-day extension must be clearly laid out, such as availability of financial resources, costs involved, coverage, time frames, whether the change is mandatory and how it will be phased in. Second, the curricular activities to be carried out during the extended school day must be planned at the outset, in order to ensure quality activities during the increased time at school. Lastly, public policymakers should consider the exact procedures for implementing the change, the requirements involved, the support that will be provided during the transition and the public discourse that will be used to communicate it (García Huidobro and Concha, 2009).

**Source:** Marcela Gajardo, *Reformas educativas en América Latina: balance de una década*, Santiago, Chile, Partnership for Educational Revitalization in the Americas (PREAL), 1999 and Juan Eduardo García Huidobro and Carlos Concha, “Jornada escolar completa: la experiencia chilena”, Santiago, Chile, unpublished, 2009.

## 2. Information and communications technologies (ICT)

The introduction of information and communications technologies in the educational system has become an increasingly important part of curricula, particularly as a means of integrating students into the new globalized world of technology. Using ICTs in schools is not merely a question of bringing the population into the digital age, but of introducing ICTs at all levels of the learning process, to facilitate the formation of modern skills and improve overall student achievement.

The impact of ICTs on students' learning is still not clear and does not necessarily lend itself to measurement via standardized testing. There is, however, evidence of the impact these technologies can have on the skills and competencies that are essential for today's digital and globalized world, such as student motivation, communication, ability to manage information, self-directed learning and teamwork etc. (SITES 2006 in Ministerio de Educación de Chile/ENALCES, 2008).

Nonetheless, in order to ensure that ICTs are used to their fullest educational potential, the policies that encourage their use cannot be solely aimed at providing technological equipment to students and schools. This equipment must be accompanied by and complemented with processes to update and maintain them, teacher training, digitalized educational material and content, and, above all, they must be incorporated into the overall curriculum and not left as a stand-alone item. The introduction of ICTs can be threatening for adult learners and these technologies can become a lost educational opportunity if they are not accompanied by the necessary support and training, and if they are not made attractive to adult learners.

### Box IV.5

#### NATIONAL STRATEGIES TO INCORPORATE ICTs INTO THE EDUCATIONAL SYSTEMS OF THE REGION

The countries of the region have made uneven progress in defining strategies to incorporate ICTs into the educational system. Some countries have included them in their national digital strategies, while others have worked directly through the education sector. Costa Rica was the first country to initiate a policy for ICTs in schools in 1988. The policy was on the cutting edge at the time and made use of the Logo programming language to develop logical thinking and creativity as cognitive skills (Jara, 2008). This was done through the creation of a nationwide programme that encompassed all levels of education, from preschool to secondary school, and all educational modalities. Technology was brought to the schools via educational computer labs, as well as computers in the classroom (Sunkel, 2006).

Chile, for its part, introduced *Red Enlaces* at the beginning of the 1990s, in an effort to connect schools via the internet to create spaces for virtual collaboration and share digital content that would provide cross-cutting curricular support. The creation of this school network was designed to gradually provide the infrastructure for students and teachers to connect and collaborate on projects, exchange educational experiences and reduce the isolation of many schools (Sunkel, 2006). In the second half of the 1990s, ICTs for schools were included in public policy in Brazil (*ProInfo*) and Mexico (*Red Escolar*), with an emphasis on the educational use of computers and the internet to support curricula. In 2000, Argentina created *Educar*, the first national public educational portal in Latin America. This example was quickly replicated in other countries. Bolstered by the growth of the internet in the mid 1990s, most, if not all Latin American countries have gradually implemented some sort of policy on ICTs in schools (Jara, 2008).

In recent years, strategies such as the "one computer per child" have begun using schools and students as way of creating mass access to technology. With the CEIBAL Plan (Basic Computer Connectivity for Online Learning), Uruguay has launched a significant effort in this regard. The idea behind the plan is to provide 100% of the students and teachers in public primary schools with laptop computers worth US\$ 100. The plan includes a social objective, to reduce the digital divide and improve the relationship between families and schools, as well as a pedagogical one, to build the skills needed for the new millennium. Portugal has also developed a similar strategy through its Proyecto Magallanes, that was recently adopted by Venezuela. These strategies use low-cost, portable computers that are adapted for use by school-aged children and have been equipped with the content and connections needed for use in an academic setting.

**Source:** Ignacio Jara, "Las políticas de tecnología para escuelas en América Latina y el mundo: visiones y lecciones", *Project documents*, No. 214 (LC/W.214), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2008 and Guillermo Sunkel, "Las tecnologías de la información y comunicación (TIC) en la educación en América Latina. Una exploración de indicadores", *Políticas sociales series*, No. 126 (LC/L.2638-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. S.06.II.G.165.

### 3. Preschool and early childhood education

Preschool education has become an emerging public policy topic in the region. The characteristics of preschool in terms of duration, starting age and level of coverage vary greatly from country to country. This level of education plays an essential role in providing basic care for children, especially for low-income families. Offering government-funded institutional care for children under 6 facilitates the integration of women into the labour market, which increases household incomes and the autonomy of women. Additionally, programmes that serve the most vulnerable populations end up compensating for deficiencies in the home, by ensuring that children receive not only educational services, but also proper nutrition and a more favourable environment for their development.

Early stimulation and basic healthcare are factors that greatly impact children's future cognitive development. This stage of life is critical for children's future, in that this is when they develop skills that will affect their ability to learn later in life, among others (Rivero, 1998). It is precisely in the first few years of life when children's personality, intelligence and social behaviors are rapidly developing. Suitable care, then, can significantly reduce the handicaps that many children in the lowest income quintiles face when they begin primary school. The quality of care offered and the type of educational methodology used are also important points to be taken into consideration.

Participating in early childhood education activities supports children's development in five basic areas (UNESCO/OREALC, 2007): (i) Physical wellbeing and development of motor skills; (ii) Social and affective development; (iii) Attitude towards learning; (iv) Language development; (v) Cognitive development and general knowledge.

Increased supply of preschool programmes, together with policies and plans to facilitate access for vulnerable sectors of society, help provide a meaningful educational foundation and are a critical tool in the fight to keep children in school and keep them at grade level. The situation in the region is quite heterogeneous: Aruba, Cuba and Mexico have almost universal access (as measured by preschool enrolment for 3-6 year-olds), while other countries such as Bahamas, Guatemala, Honduras, Paraguay and Dominican Republic have access levels of 30% or less. Enrolment in early childhood education programmes (from birth to 3 years old) is substantially lower (see figure IV.12.B), owing both to spottier coverage of government programmes and cultural factors, including the relatively low participation of women in the labour market as compared with other regions. This trend may also be associated with mother's apprehension about leaving their babies in the care of others.

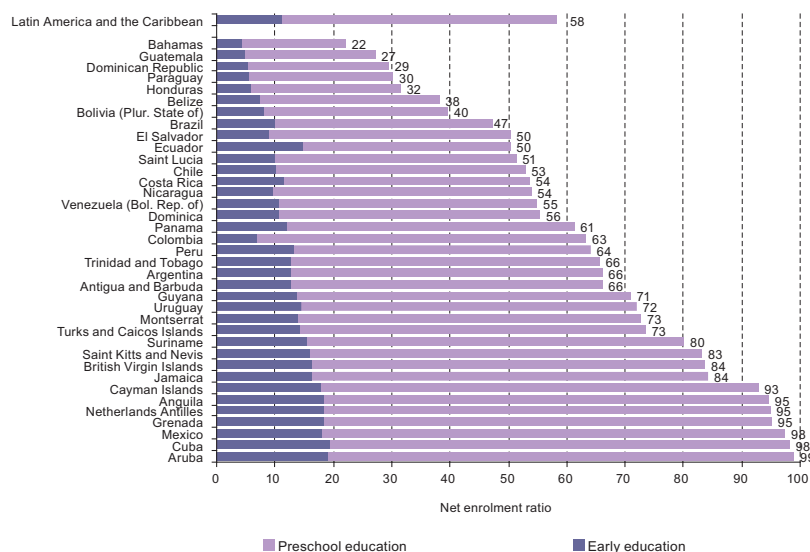
While socio-economic disparities do not seem to play a role in attendance rates towards the end of the preschool cycle (the year prior to beginning primary school), there is some evidence from household surveys showing that the difference is accentuated for the younger ages. Marked disparities in access can also be seen between urban and rural areas and for indigenous populations. Advancing in access to preschool education is therefore relevant, not only from an educational standpoint, but also from a socio-economic one, in that mere access can often mean that children get complimentary nutrition (thereby preventing nutritional problems) and mothers are able to enter the workforce, which improves the wellbeing of the family and the children.

Early education is a sound investment from a social perspective since preparation for school helps reduce the costs of repeating grades and the consequences of dropping out or failing to acquire the skills needed to fully participate in the labour market and be an active member of society.

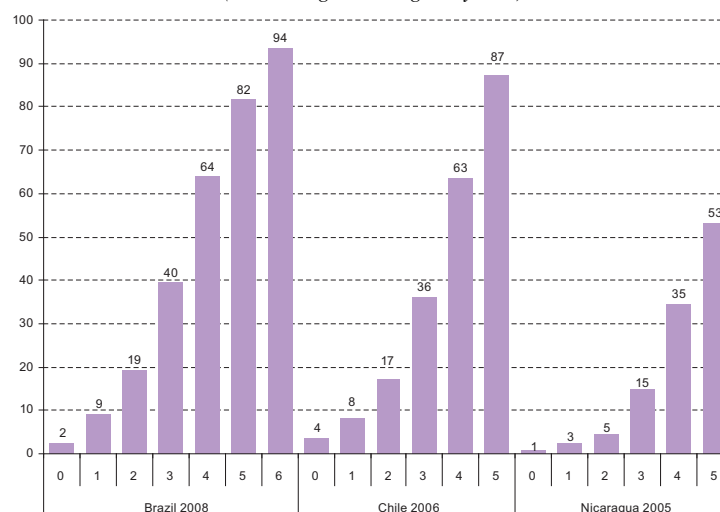
Figure IV.12

**LATIN AMERICA AND THE CARIBBEAN (37 COUNTRIES AND TERRITORIES): NET ENROLMENT RATE FOR PREPRIMARY SCHOOL BY COUNTRY, ESTIMATION OF THE ENROLMENT RATE FOR EARLY CHILDHOOD EDUCATION (0-3 YEARS), AND ATTENDANCE RATES OBSERVED BY SIMPLE AGES IN COUNTRIES WITH AVAILABILITY OF INFORMATION, AROUND 2008<sup>a</sup>**

(a) Net enrolment rate  
(Percentages)



(b) Attendance rate by simple ages  
(Percentages and age in years)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1> on the basis of data from the UNESCO Institute for Statistics (UIS) [online] <http://www.uis.unesco.org>; estimates and household surveys conducted in the respective countries for school attendance.

<sup>a</sup> Data for Netherlands Antilles, Bahamas, Dominica and Saint Kitts and Nevis correspond to 2003; data for Turks and Caicos Islands correspond to 2005; data for Argentina, British Virgin Islands and Paraguay correspond to 2006; and data for Antigua and Barbuda, Bolivarian Republic of Venezuela, Brazil, Ecuador, Jamaica, Mexico, Montserrat, Peru, Plurinational State of Bolivia and Uruguay correspond to 2007. Estimates on the basis of exponential models on the basis of household surveys from the countries with available data. Age groups vary according to the official cycle in each country.

#### **4. Lifelong learning**

Quality education in the 21<sup>st</sup> century must be seen as a lifelong process. Given that information and knowledge are constantly changing in today's world, individuals must develop the skills that allow them to stay abreast of these changes and adapt their knowledge to the new demands of society. Thus, efforts to promote a long-lasting education must focus on the learning process rather than the delivery of information or training for training's sake. Beyond simply delivering or transferring content, teachers need to transfer a way of learning that ensures students have the ability to face future challenges in many areas of life, and recognize different learning styles in order to broaden the opportunities for access and learning to everyone (Torres, 2006). Ongoing learning, a fundamental aspect for survival, helps improve quality of life and the human, social, and economic development of countries. Therefore, implementing programmes that facilitate continuing education is critical.

Literacy, in this sense, plays a crucial role as the first step to achieving educational goals. Early access to the school system and appropriate progression once enrolled are two key factors in the literacy process. When adults get the chance to complete the education they were unable to complete as children, they improve their self esteem and their expectations for personal development. They are also better able to support the learning and education of their children.

The concept of lifelong learning, however, goes beyond mere adult literacy programmes, and includes opportunities to gain additional training and skills that lead to continual personal and social development. Providing training opportunities for both youth and adults that are based on the appropriate tools they need to function in today's world means giving them access to better jobs and, therefore, improving their quality of life and contributing to the fight against poverty.

#### **5. Linking post-secondary education to the labour market**

The results of having received a good or bad education become clear years after schooling is completed. It is during post-secondary education that the acquired knowledge becomes an essential tool for continued studies or entrance into the labour market. Thus, a relevant and pertinent curriculum, that is sensitive to constant changes and in tune with society's needs, can greatly impact students' future. Given the critical importance of curricula and educational quality on personal development, a consistent content model designed around what society wants out of education must be developed, so that students are able to fully participate in society when they finish their studies.

We have already mentioned how important it is to have this level of education linked to the development and productive structure of countries, but it is also critical to strike a balance between the growing supply of technical or vocational training and universities. Technical education is defined as an educational process focused on the study of science and technology and the acquisition of the practical skills, attitudes, awareness and theoretical knowledge needed in occupations in various economic and social fields. It is an important means for gaining access to many professional sectors and for truly participating in the professional world, and therefore can be seen as a means of reducing poverty (UNESCO/OREALC, 2005). The development of technical and vocational training can then be seen as a two-way street, with students and teachers experiencing the world in one direction, and entrepreneurs and technical experts learning about and supporting the training of those who will join their workshops, laboratories and workplaces in the other (UNESCO/OREALC, 2007b).

The same can be said for university education, where, given that the needs of today's worlds are increasing based on knowledge, links between universities and society are also critically important. University education must also cater to the needs of the job market and must help consolidate the information society in order to help make universities a centre for the production and transfer of knowledge (Malagon, 2004).

Although a good working relationship between post-secondary education and the professional world is central to a country's productive life, this relationship actually tends to be more one of tension than of a harmonious balance. In fact, there is often a lack of synchronization between the efforts of the educational system and the needs of the labour market (UNESCO/OREALC, 2007b), which has an impact on the development of quality post-

secondary education, as well as on the most vulnerable sectors of society who lack access to advanced education and tend to enter the informal labour market with precarious jobs and wages.

When the development of technical or professional education is left exclusively in the arbitrary hands of supply and demand, access to the highest levels is restricted to a small elite number of students. The limited level of development in some economies of the region has led more highly-skilled workers to emigrate to more developed countries in search of better job opportunities and greater specialization. The lack of critical mass of young professionals in the scientific and technical fields who are familiar with cutting-edge tools and innovations places limitations on the process of modernization and the increased competitiveness in most Ibero-American countries (ECLAC/OIJ, 2008).

The weak link between the educational system and the labour market also has negative repercussions on the population who do complete more specialized training. When the supply of jobs doesn't match the training of a population, there is an underutilization of human capital, forcing workers to take less skilled and worse paying jobs and even leading to increased unemployment among qualified workers (ECLAC, 2003). This situation can lead to feelings of frustration and despair for those who have made significant efforts to reach high levels of education.

In essence, specific programmes must be developed to strengthen technical and professional education and to define models for professional training and assessment that are in line with the specifications in each field and that can be used as guiding principles when aligning policies for reform in the countries of the region

#### Box IV.6

#### VOCATIONAL TRAINING PROGRAMMES AND THE LABOUR MARKET IN PERU AND EL SALVADOR

Peru is currently working on the second stage of a joint effort with the European Union to improve vocational training, through the *Programa de Apoyo a la Formación Profesional para la Inserción Laboral en el Perú - APROLAB II (Vocational Training Support Programme for Entry into the Labour Market in Peru)*. The overall goal of the programme is to achieve greater competitiveness and quality in the labour force to promote economic development and reduce poverty in Peru. It is specifically aimed at redirecting vocational training towards the demands of the market, the country's socio-economic needs and its development potential. The total cost of the two-year project is 25 million euros (the equivalent of US\$ 36.6 million, based on the 2008 average exchange rate (rf)). Eight million soles have been earmarked for 2009, (the equivalent of US\$ 2.7 million, based on the 2008 average exchange rate (rf)).

The project is expected to result in a better fit between the supply of vocational training and the demands of the labour market. Efforts will be made, therefore, to improve the capacity to strategically guide formal vocational training, through national and regional planning, oversight and assessment. In addition, the vocational training available at 50 institutions will be reorganized and a new curricular design to better match the requirements of the labour market will be developed and implemented. The programme will also seek to improve the management capacity of administrators at 50 training institutions, creating administrative teams with the ability to carry out short-, medium- and long-term planning. The faculty at participating institutions are expected to take part in additional training programmes and formal and informal networks to exchange their experiences with a view to gaining skill sets that fit with a more flexible and modular curriculum. The programme will support the modernizing of infrastructure at the 50 participating institutions.

The programme will also seek to support the sector through the creation of a Micro-projects Fund for Innovation in Teaching and Technology, which is expected to benefit another 200 educational institutions throughout the country. With a view to broadening the system's coverage, less favoured sectors of society such as rural youth and women will receive special support. Lastly, seven socio-economic/labour observatories will be created to study the supply and demand of vocational training in the country and support the development of this sector.

El Salvador, for its part, is working on improving human capital and making the productive sector more dynamic through its MEGATEC programme. The MEGATEC initiative is a process of curricular reform for vocational and technical education designed to enhance quality, excellence and curricular continuity and flexibility, with a view to adapting to the opportunities and demands of the labour market and productive development.

The strategy is geared at making vocational and technical schools at the secondary and post-secondary level part of an innovative learning process. It is primarily focused on the third year of technical training at the secondary level in any of the specializations offered, but can also be used to standardize and certify skills acquired outside of formal education, in order to facilitate continuation on to formal training and improve the quality of students entering the workforce.

**Source:** Convenio de financiación entre la Comunidad Europea y la República del Perú [online] <http://www.aprolab2.edu.pe/images/descargas/convefinanciacion.pdf> and Ministry of Education, Government of El Salvador [online] <http://www.mined.gob.sv/>.

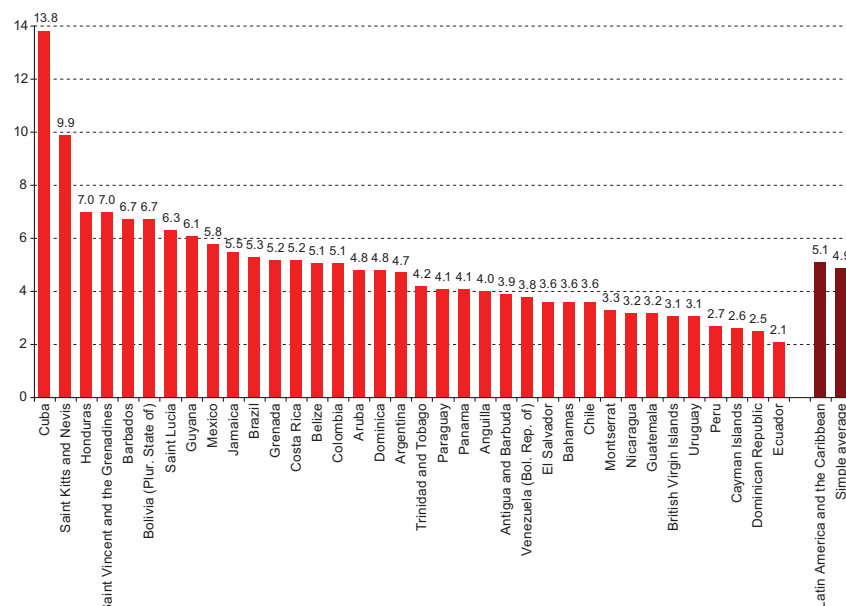


## F. EDUCATION FUNDING

By their very nature, educational systems often receive much of their funding from governments. Public investment in education has allowed for the gradual expansion of educational services from large urban centres to small rural areas. Part of this expansion, however, has also been thanks to increasing amounts of private investment, including the development of educational services tied to religious or community based foundations or organizations. As a result, many students have been shifted into the private educational system, which frees up room in public education, but can also lead to segregation and differentiation in terms of the quality of educational services.

Nevertheless, despite regional efforts, public funding continues to be insufficient. Although the figure used to benchmark these efforts has been the amount of education spending in developed countries and it has been suggested that countries in the region use this percentage as a target (in 2006, 27 European Union countries had public education spending of 5.04% of GDP),<sup>7</sup> several countries in the region exceed those spending levels—as shown in figures IV.13—but still spend less than is needed in absolute terms.

Figure IV.13  
**LATIN AMERICA AND THE CARIBBEAN (36 COUNTRIES AND TERRITORIES): GOVERNMENT SPENDING ON EDUCATION, 2006-2008**  
 (Percentage of GDP)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1> on the basis of data from the UNESCO Institute for Statistics (UIS) and Economic Commission for Latin America and the Caribbean/Organization of Ibero-American States for Education, Science and Culture (ECLAC/OEI), *Metas educativas 2021: estudio de costo*, Santiago, Chile, 2009.

Thus, in addition to increasing fiscal efforts and earmarking more money from regular budgets to face the challenges in the educational sector, a number of other funding sources must be identified and mechanisms to better utilize them must be found.

<sup>7</sup> See [online] <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsdsc510&plugin=1>.

## 1. Efficiency and effectiveness

Efficiency and effectiveness in public spending has been the holy grail of governments for some time. There is no single recipe to improve the allocation or use of resources, but there are several options that deserve consideration by all countries.

One option is achieving greater efficiency of public funds by improving coordination and management of local, regional and central educational and social entities, so as to achieve better results with the same amount of resources.

Another viable option is a gradual re-allocation of funding based on educational level, given that university education costs eight times more per student than primary education and other funding sources could be identified. One option that should be gradually implemented through broad social and political agreements is guaranteed no cost access for low-income or highly deserving students.

For more than a decade now, and with a view to stretching the impact of education spending, resources have been channeled to special programmes targeting low-performing or low-achieving students and low-income areas. While direct monetary subsidies require considerable resources, given the fact that they cover large population groups, they actually lead to considerable savings in terms of efficiency because of their positive impact on students staying on track and in school. Reducing inefficiencies within the educational system is particularly important given the high costs involved: educational lags in primary and secondary education could cost Latin America more than US\$ 18 billion in 2010 (ECLAC/OEI, 2009). Countries with high numbers of students repeating grades or falling behind should adequately identify the resources that could be saved and develop cost-effective policies to increase the efficiency of the educational systems in the region. Considering the savings reaped by reducing inefficiencies in the system, making entry into the educational system at the appropriate age and improving the pace of progression and retention are sound investments for most countries.

Another mechanism used to stretch the impact of funding are low-cost, small-scale competitive programmes offered by the Ministry or Department of Education, through which schools compete for funding. The management and implementation of these special support programmes are handled by teachers and school administrators themselves, which makes them responsible for the impact of allocated resources and increases schools' management capacity at the same time. This allows for the utilization of the portion of public education budgets that does not go towards current expenditures.

A more efficient use of resources can also be gained by improving student attendance rates and reducing frequent class interruptions. When the real amount of time spent on learning is reduced, educational costs rise. If, on the other hand, the same skills, knowledge and abilities can be taught in less time than had been allotted, costs can be reduced and more resources can be freed up.

## 2. Tax policy, targeted taxes and tax incentives

Given that many Latin American countries have relatively low tax burdens compared to more developed countries, there is room for changes to tax systems that would allow additional resources to be garnered for educational purposes.

In addition, given that national efforts to improve educational achievement have led to a consensus among a wide variety of players, including the business sector, it is not unthinkable to imagine a special tax aimed specifically at programmes to increase educational achievement. There has also been precedent for the levying of special property taxes to fund education, or special taxes aimed at providing textbooks or other educational services. Special education taxes have generally been focused on vocational training and have been targeted at businesses or have come in the shape of industry-specific payroll tax cuts.

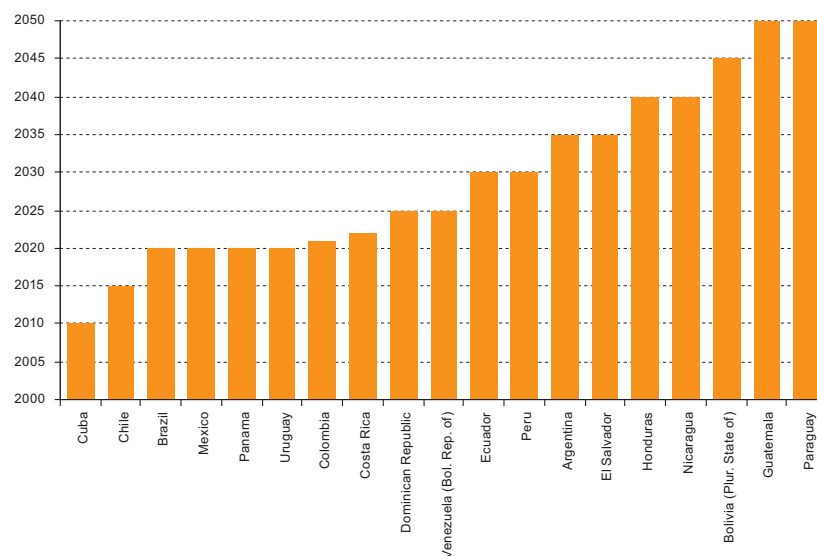
Tax incentives are another vehicle that can be used to raise additional funds for education. Since personal and business donations are cost sensitive, one practical tool that governments have at their disposal to impact the cost of these donations is tax incentives. When individuals or businesses can write-off educational donations to decrease their tax liability, they have more of an incentive to make such donations.

### 3. Taking advantage of the demographic dividend

Many areas of the region are witnessing a unique demographic window of opportunity, which —if taken advantage of— could result in the sustainability of economic and social development for decades to come. This window of opportunity, also known as the “demographic dividend”, refers to the precise moment in time when the rate of demographic dependency is shrinking. In other words, due to slow population ageing, the ratio between the working age population and the number of people under 15 and over 65 is increasing. For many countries in the region, this translates into a gradual freeing up of resources that had previously been allocated for the protection and development of youth (particularly in education). This provides an opportunity to redirect some of those resources towards more challenging aspects of education, including universal access to secondary education and increased access to post-secondary education.

In this way, the current and future labour force can be strengthened in the face of ever changing labour markets, which will, in turn, help tackle future challenges associated with funding social security and healthcare as the population ages and dependency rates increase (see figure IV.14).

Figure IV.14  
**LATIN AMERICA (19 COUNTRIES): YEAR THE DEMOGRAPHIC DIVIDEND ENDS<sup>a</sup>**



**Source:** Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, population estimates and United Nations, World Population Prospects: The 2006 revision [online] <http://esa.un.org/unpp>, 2006; World Urbanization Prospects: The 2005 Revision [online] <http://esa.un.org/unpp>.

<sup>a</sup> Ratio between the population aged 15-59 (in productive age) and the population aged 0-14 and over 60.

This window of opportunity, however, will close. Therefore, taking real advantage of the demographic dividend implies using the additional resources for the best possible investments, such as education and other areas that promote opportunities among the most marginalized sectors of society. The Plan Ceibal (Basic Computer Connectivity for Online Learning) is one example of how the demographic dividend can be utilized. The Plan was the first mass implementation of the One Laptop per Child (OLPC) concept first developed by Nicholas Negroponte —a member of the Media Lab at the Massachusetts Institute of Technology (MIT) and a world leader in new information and communications technologies. Based on a commitment made by President Tabaré Vázquez, Uruguay proposed the goal of providing every student in the public primary school system with a personal computer (a laptop) fitted with the ability to connect to a local wireless networks and the internet, and capable of making up wireless collaborative networks in the classroom.

In order to implement the plan, educational authorities used projections about the school-aged population, which indicated that thanks to decreasing birthrates the number of boys and girls in primary education was beginning to fall in absolute terms. This was seen as an opportunity to begin new investments to improve overall educational quality (Peri, 2005).

The first stage of the Plan Ceibal —aimed at achieving universal coverage of the school-aged population— was successfully concluded in the summer of 2009. Today, all students in public primary school have their own specially designed personal computer that meets most connectivity needs and adds a new dimension to the development of the educational process. Thanks to its size and scale, the Plan Ceibal can serve as an example for any government that wishes to put in place a programme or strategy of this kind (ECLAC/UNFPA, 2010).

#### **4. External resources**

In considering the possible sources of external financing, the idea of converting a part of the debt service —through various financial mechanisms— into investments in education has been explored. It has been more than 15 years since ECLAC and UNESCO first suggested that one possible source of funding to breathe new life into education could be obtained by diverting resources from budget areas such as defense and debt-servicing to education and learning (ECLAC-UNESCO, 1992).

In November 2004 at the XIV Ibero-American Summit in San Jose, Costa Rica, the Ibero-American Heads of State and Government agreed on two fundamental lines of action regarding debt (or interest) swaps for education. The first was the re-negotiation of the bilateral and multilateral debt held by the Ibero-American States, and the second was the discussion with IMF regarding the criteria used to classify social investment. Within this framework, the Ibero-American Community proposed new criteria to the International Monetary Fund (IMF) that would allow education spending to be classified as a social investment, in order to reduce countries' fiscal deficits and make them eligible for benefits.

Today, given the need for a new international financial architecture stemming from the recent financial crisis —particularly for the international financial institutions such as the IMF— these proposals might be well received.

In addition, since the mid-1980s, there have been examples of bilateral external debt conversion involving bilateral governmental creditors. These operations modify the repayment conditions of loans. Latin America has experience with bilateral debt-reduction agreements involving a creditor government converting its debt —almost always at a discount— in exchange for a commitment on behalf of the debtor country to use the equivalent —or a slightly lesser amount— in local currency for a development project that has been previously agreed to with the creditor country.

These types of initiatives require a clear set of criteria regarding where investments are made, with what objective they are made and how the results will be evaluated. All such criteria must be clearly spelled out in any renegotiation process. Moreover, a distributive or solidarity criterion should be utilized, whereby those countries who need the most resources (as a percentage of GDP) to achieve the stated objectives should be first in line to participate in debt pardons or debt conversion programmes.

As for international and multilateral cooperation, the member countries of the Organization for Economic Cooperation and Development (OECD) are responsible for the bulk (almost 80%) of bilateral education cooperation worldwide. Other monetary contributions from international cooperation organizations for the development of the educational systems in the region come from international financial organizations such as the World Bank, the Inter-American Development Bank, the Japan International Cooperation Agency and the United States Agency for International Development (USAID) (ECLAC/UNESCO, 2005).

Lastly, the Organization of Ibero-American States for Education, Science and Culture (OEI) has proposed the “Educational Goals for 2021: the education we want for the bicentennial generation” (OEI, 2008), which includes the creation of an Educational Cooperation Fund. Contributions to this fund should be channeled towards one of the remaining established goals and joint efforts should be negotiated with the receiving country: financial cooperation contributions should cover 20% to 40% of what the countries or regions with the most lags require to meet the agreed goals.

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## Chapter V

## GENDER EQUALITY: WOMEN'S PARTICIPATION, AUTONOMY AND EMPOWERMENT

### A. WOMEN'S AUTONOMY AND GENDER EQUALITY

Goal	Target	Indicators
<b>Goal 3</b>  Promote gender equality and empower women	<b>Target 3.A</b>  Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015	<b>3.1</b> Ratios of girls to boys in primary, secondary and tertiary education  <b>3.2</b> Share of women in wage employment in the non-agricultural sector  <b>3.3</b> Proportion of seats held by women in national parliament

Women have made progress, and some of the gaps with men have been narrowed in the past 15 years (ECLAC, 2009c). The pace has been slow, and significant challenges remain. They are discussed in this review of the Millennium Development Goals. Overall, it can be said that if progress continues at the same pace as in the past five years—the period covered by this report—documented achievements in education, entry into the labour market and enjoyment of greater rights will not translate into greater well-being, recognition or equality between men and women.

With just five years to go until the deadline for attainment of the Millennium Development Goals, the “Ratios of girls to boys in primary, secondary and tertiary education” indicator calculated for Latin America and the Caribbean shows the progress made in the area of education. While the starting point in these countries was better than in other regions, by 2007 parity in access to primary, secondary and tertiary education had been achieved in most of the region's countries.

On the other hand, progress on the indicator for the “Share of women in wage employment in the non-agricultural sector” between 1990 and 2007 is not significant—with an increase of only four percentage points—and there was no change between 2006 and 2007. This underscores the problems that remain concerning women's access to wage employment.

Considerable progress has been made in women's participation in the political process and access to decision-making. Results for the official indicator of women's participation in lower chambers of parliament are good when compared with preceding years. Latin America and Caribbean results for this indicator place the region among the highest in the world. But a look at the Latin America sub-region by itself shows that only 16% of all members of parliaments are women. This still falls short of duly representing the female population, so generating affirmative action plans to bring women into parliament is both a regional challenge and a worldwide one. Even more relevant is the cultural shift brought about by women's access to decision-making at the highest level: the office of president or prime minister in several of the region's countries—Argentina, Chile, Costa Rica and Jamaica in the past five years.

Lastly, a specific look at the gender dimension of poverty exposes a revealing paradox: despite the substantial, sustained reduction of poverty over the past 15 years—until the onset of the worldwide crisis—households led by women are still poorer than those headed by men (ECLAC, 2009c).

## 1. Introduction

Poverty is a central focus of the Millennium Development Goals and, as noted in previous reports (United Nations, 2005 and ECLAC, 2007), women are over-represented among the poor and under-represented among decision-makers, considering the crucial role of equality policies in full attainment of the goals. This calls for redistributive and transversal policies on socially necessary work, income, time and power. Along these lines was the statement by the Secretary-General of the United Nations on the occasion of International Women's Day 2010: "Women's empowerment is also an economic and social imperative. Until women and girls are liberated from poverty and injustice, all our goals —peace, security, sustainable development— stand in jeopardy." It is therefore essential to bear in mind the close relationship between Goals 1 and 3, as well as the other goals.

Ten years after the goals were adopted and with just five years remaining to the deadline for their attainment, the time has come for a new, comprehensive assessment of the progress made by the countries of Latin America and the Caribbean. To this end, the Report on Gender Equality and Women's Autonomy in Latin America and the Caribbean (ECLAC, 2007) added indicators that spotlight what has been achieved but also explain the gaps and pinpoint the challenges. If the gender dimension is left out of all of the poverty goals and indicators, the strategies for fighting poverty will not address the nature of female impoverishment or the specific contributions that women can make to reduce it. Attention is thus called to unpaid work, reproductive rights and violence against women, how they are linked to development and the reduction of poverty and the need for integrated, comprehensive policies.

This report, which is part of a monitoring and accountability exercise, addresses the status of women from a perspective that goes beyond Goal 3. The concerns that international development and cooperation agencies have concerning women also are evident in Goals 4, 5 and 6. Such is the case with maternal mortality, where the gap in actual progress will be hard to close in the next five years and where governments have responsibilities that cannot be resolved with the kind of public policy that is being implemented.

In short, with only five years remaining to the deadline for attaining the Millennium Development Goals, there is still much work left to do to meet the targets, as the data set out herein show. Without a doubt, the countries have made these accumulative commitments part of their discourse and public policy —as they have with others emanating from the high-level summits held throughout the 1990s<sup>1</sup>— and they are still crucial despite the time gone by, have not been fully attained and are still relevant. In their fifteen-year review of the implementation of the Beijing Platform for Action, in March 2010 the governments reaffirmed that fulfilling the commitments made in Beijing is key to attaining the Millennium Development Goals.

Of the three indicators for attaining target 3.A, "Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015," the most visible progress is tied to access to education. As said above, the region has made visible strides in education, but the pace of progress shows that it will be impossible to meet some of the targets for unemployment, income, segmentation, participation in the political process and maternal mortality.

This indicates that the not all the international human rights obligations that most States have assumed in relation to the elimination of gender inequality and the empowerment of women and girls are being honoured. These obligations are enshrined in the United Nations Charter of 1945 and in the main human rights treaties, such as the Convention on the Elimination of All Forms of Discrimination against Women, under which States assume a binding commitment to eliminate gender-based discrimination.

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<sup>1</sup> World Summit for Children (1990), United Nations Conference on Environment and Development (1992), International Conference on Population and Development: (1994), Fourth World Conference on Women (1995), World Summit for Social Development (1995) and United Nations Conference on Human Settlements (Habitat II) (1996), inter alia. As for the goal for women's autonomy and gender equality, the plans deriving from the Programme of Action of the International Conference on Population and Development (Cairo, 1994) and the Fourth World Conference on Women Platform for Action (Beijing, 1995).



## 2. The indicators

Concerning the status of women and, specifically, Goal 3, “Promote gender equality and empower women,” the target and the three official indicators are not enough for assessing the status of women, particularly in Latin America and the Caribbean. Progress has indeed been made in pinpointing critical areas that were not captured in the official indicators and that led to the development of a series of so-called “complementary” and “additional” indicators that allow a deeper look into the status of women in the region and seek to show how gender inequality affects poverty, its incidence by gender and unequal access to monetary and productive resources. This development is based on the need to measure and quantify gender disparities in different spheres and is in line with fulfilling the Platform for Action of the Fourth World Conference on Women (Beijing, 1995),<sup>2</sup> especially concerning the production of data and indicators. The machineries for the advancement of women, such as the region’s institutes of statistics, are committed to this agenda and are, through technical assistance programmes, carrying out comprehensive projects to move forward in defining and compiling gender-sensitive indicators.

According to the 15-year review and appraisal of Beijing, “raising the profile of the problems that affect women, and measuring the progress made over the last 10 years, has not been an easy task for most of the region’s countries, especially those in the Caribbean, owing to the low development level of statistics production systems and, in particular to the lack of indicators to measure inequality between men and women” (ECLAC, 2009c).

Along these lines, in order to improve the availability and quality of statistical information and coordination among governments and international agencies, in the context of the Statistical Conference of the Americas (SCA), ECLAC developed a Strategic Plan 2005-2015 for improving, with an eye on the 2015 deadline, how the Goals are followed up in the region.

Table V.1 shows these indicators, specifically for Goals 1 and 3.

Defining and developing these indicators will make it easier to zero in on the situations that affect women in the region, and they will provide cues for determining what kinds of policies and programmes can be more effective in improving the status of women and girls in different spheres.

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<sup>2</sup> Women and poverty, Strategic objective A.4. paragraph 68 a) Collect gender and age-disaggregated data on poverty and all aspects of economic activity and develop qualitative and quantitative statistical indicators to facilitate the assessment of economic performance from a gender perspective; H. Institutional Mechanisms for the Advancement of Women , Strategic objective H.3. Paragraph 206 b) Collect, compile, analyse and present on a regular basis data disaggregated by age, sex, socio-economic and other relevant indicators, including number of dependants, for utilization in policy and programme planning and implementation.

Table V.1  
**OFFICIAL, COMPLEMENTARY AND ADDITIONAL INDICATORS FOR TARGET 1.A OF MILLENNIUM DEVELOPMENT GOAL 1  
 AND MILLENNIUM DEVELOPMENT GOAL 3<sup>a</sup>**

Goals and targets	Official indicators	Complementary indicators	Additional indicators	Explanation
<b>Goal 1: eradicate extreme poverty and hunger</b>				
Target 1.A: To halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day.	1.1. Proportion of population below \$1 (PPP) per day.  1.2. Poverty gap ratio.  1.3. Share of poorest quintile in national consumption.	1.1.C. Population without incomes of their own (by sex).  1.2.C. Poverty gap ratio by sex of head of household. 1.3.C. Share of poorest quintile in national consumption, men and women.	1.A.1. Poverty femininity index. 1.A.2. Proportion of poor female-headed households.	Regarding access to monetary and productive resources, the official indicators are not sensitive to the gender division of labour, gender-based labour discrimination, the unequal distribution of decision-making power and household resources or the contribution of economic dependence to women's vulnerability and poverty. The complementary and additional indicators seek to reflect the impact of gender inequalities on poverty, their incidence by gender, and unequal access to monetary and productive resources.
<b>Goal 3: promote gender equality and empower women</b>				
Target 3.A: Eliminate gender disparity in primary and secondary education preferably by 2005, and in all levels of education by no later than 2015.	3.1. Ratios of girls to boys in primary, secondary and tertiary education.		3.A1. Female and male unemployment rates, population 15 years and over. 3.A2. Wage income of women as a proportion of men's. 3.A3. Percentage of males and females population aged 12 and over who participate in household tasks.	Need to measure and quantify gender disparity in: -Adult population literacy rate. -Access to and compensation in the labour market. -Unpaid domestic work.
<b>Goal 3: promote gender equality and empower women</b>				
3.2. Share of women in wage employment in the non-agricultural sector.  3.2. Share of women in wage employment in the non-agricultural sector.		3.2C. Proporción de población femenina y masculina ocupada en sectores de baja productividad. 3.3.C. Indicator on whether a country has a quota law at parliamentary level.	3.A.4. Average daily hours spent on household tasks, by sex and according to length of workday. 3.A.5. Unmet need for family planning. 3.A.6. Percentage of unwanted fertility. 3.A.7. Percentage of women that are currently or were formerly engaged in a relationship, that have suffered from physical, sexual or psychological violence.	-Time use and care work. -Gender violence against women. -Women's access to and exercise of sexual and reproductive rights. -Effective access to decision-making in the public sphere.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), *Millennium Development Goals. 2006 report: a look at gender equality and empowerment of women in Latin America and the Caribbean* (LC/G.2352), Santiago, Chile, December 2007.

<sup>a</sup> The complementary indicators have been numbered according to the relevant official indicator; the "C" stands for complementary. Since the additional indicators do not necessarily correspond to just one official indicator and there are several for each goal, they are numbered by reference to the number of the relevant goal (1 or 3), with an "A" for "additional," and the number assigned to the additional indicator, because each goal has at least two additional indicators.

### 3. Progress since 2005

The status of women has improved since 2005, but there are still situations that must be addressed by public policy if all of the Millennium Development Goals are to be attained. Some of the advances are due to appropriate policy measures, such as those that in recent decades favoured girls' access to school, especially in rural areas. Others give cause for particular concern, as in the case of maternal mortality, where the figures reveal a structural discrimination that impacts women, especially poor women.

Overall, progress in the sphere of decision-making is also the result of one of the few generalized affirmative action policies, such as quota laws, that have opened channels for women to enter the political system, enhancing democracy and proving the importance of standards that ensure the exercise of citizens' rights. It is not by chance that where these laws have been implemented substantial advances have been made in terms of incorporating women, while at the municipal level it is harder for women to become councillors because these laws do not apply at the local level. Social and economic progress on the poverty front has focused on welfare, especially money transfer and similar programmes, except in countries that have initiated social protection system reforms with a special concern for women.

Poverty is the end result of social exclusion. Poor are those who have no power or formal job, who receive no social protection benefits, and who, from a gender perspective, do not have the time to juggle family and job obligations. Women are over-represented among the poor because most of them are barred by discrimination from access to and equal treatment in the world of work. This exclusion becomes a barrier to personal development that impacts society as a whole.

The indicators show that women enter and remain in the educational system longer, but not all of them capitalize on this achievement in the same way. The intra-gender gaps show that the return on educational achievement is greater for women from households that are not poor. As noted in international human rights instruments, such as the Convention on the Elimination of All Forms of Discrimination against Women, women do not receive equal pay for equal work and training. Men always have the advantage, and it is women who risk their career paths by limiting their participation to jobs that are compatible with family responsibilities and, in general, offer fewer possibilities for professional development. On the one hand, this happens because the naturalization of care as women's work does not vary with conjugal status. On the other hand, the labour segmentation that segregates women from within the family is reinforced in school via stereotypical contents and is consolidated in the labour market, where women continue to be placed in worse-paying positions involving skills that are regarded as feminine, like basic education, health care or precarious jobs that are part of the informal sector of the economy.

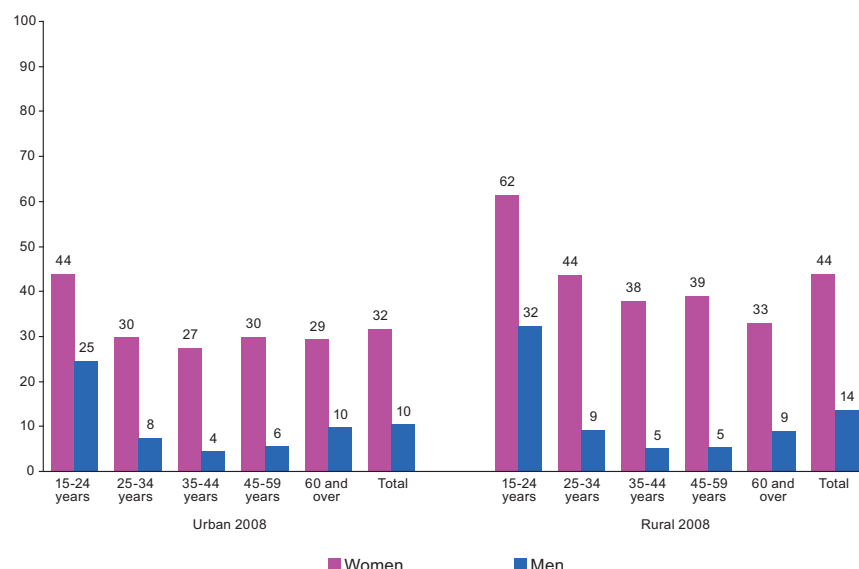
Faced with this complex situation, governments are promoting policies geared specifically to improve the status of women, although they are often limited to welfare, microcredit and microenterprise access, and job training. In some cases, they are trying to sensitize domestic and transnational companies to encourage good labour practices by implementing seal-of-quality, recruitment and job promotion policies that so far are not widespread.

### 4. Women and poverty

Not having one's own income is indicative of lacking economic autonomy, not participating in the labour market or working without being paid for the work done. Not having one's own income keeps women from escaping poverty via paid work, and it makes them more vulnerable economically because they depend on others, usually their partner or spouse —a situation that separation or widowhood can change. The measure of poverty falls exactly on the line that separates the ability of households to purchase on the marketplace the minimum sustenance necessary for life and reproduction. Reflections from the gender perspective have shown that, in addition to monetary income, unpaid work done primarily by women is a kind of invisible consumption subsidy, replacing the purchase of goods and services on the marketplace, transforming those that are acquired with money and adding value by means of the wide variety of domestic activities that have no value or price when performed within the family.

As figure V.1 shows, the gender gap is widest between 25 and 59 years of age, exactly when women are in their reproductive and productive years. This is a dichotomy that many women can neither confront nor resolve, because often they have to negotiate their care work responsibilities individually with their partners or their family and community networks. For these women, not having their own income is part of a vicious circle in which meagre family income, combined with the sexual division of labour that prevails in society, confines them to domestic tasks in their homes and never involves rational choices.

Figure V.1  
**LATIN AMERICA (SIMPLE AVERAGE): PERSONS WITHOUT OWN INCOME, BY SEX  
 AND AGE BRACKET, AROUND 2008<sup>a</sup>**  
 (Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> Excludes students. The regional average for urban areas includes 15 countries: Argentina, Bolivia (Plurinational State of), Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Dominican Republic and Uruguay, and, for rural areas, 14 countries: those mentioned above, except Argentina.

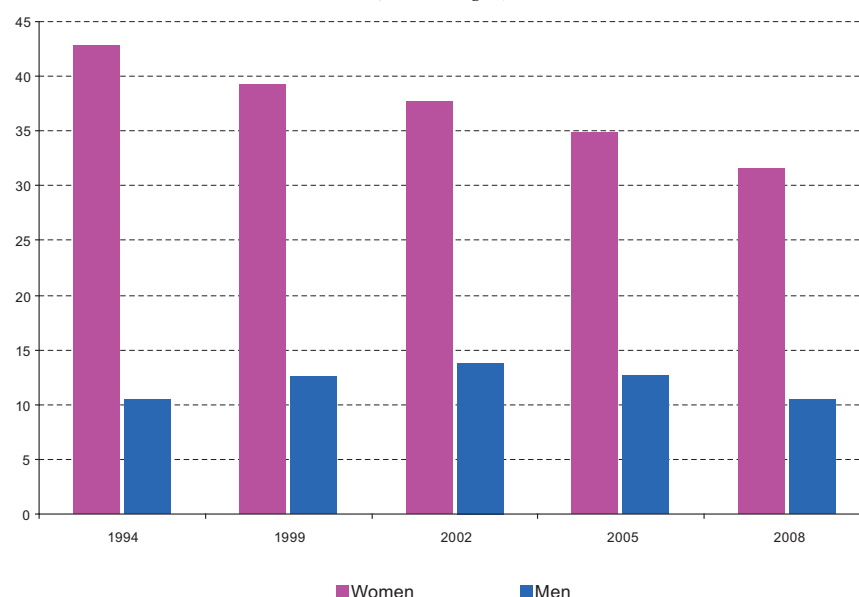
In all of the age brackets, the percentage of women without their own income is always higher than for men. In urban and rural areas alike, this difference deepens in the two age brackets associated with the reproductive cycle 25-34 and 35-44 (figure V.1).

Despite the increased labour insertion of women, a significant percentage of the working-age female population is engaged in unpaid activities such as domestic tasks or does unpaid family work. In 2008 (figure V.1) nearly 44% of the women in rural areas lacked their own income, as did 32% of those in cities, evidence of their lack of economic autonomy and greater economic vulnerability to poverty. By contrast, the percentage of men in the same situation is 10% in urban areas and around 14% in rural areas, where the lack of income is associated mainly with unemployment.

Over a span of some 14 years the proportion of women without an income fell by 11 percentage points (1994 to 2008), indicating that being engaged exclusively in domestic work and economic dependence are no longer a recurrent activity or status for women (figure V.2); the increasing insertion of women in the economically active population is noteworthy. Nevertheless, in urban areas between 1994 and 2008, while the percentage for men is stable

and unchanged, women fell from 42.8% to 31.6%. The decline between 2005 and 2008 was 3.3% (figure V.2). This, which is obviously progress, does mean, however, that as long as care services are not provided, care work will just lengthen and overload women's total workday.

Figure V.2  
**LATIN AMERICA (SIMPLE AVERAGE): POPULATION AGED 15 AND OVER  
 WITHOUT OWN INCOME, BY SEX, URBAN AREAS, 1994-2008<sup>a</sup>**  
 (Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

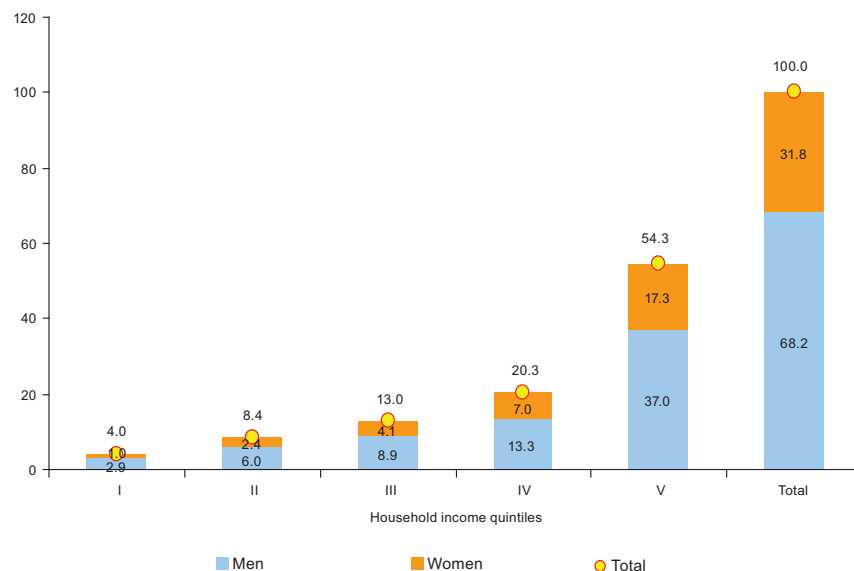
<sup>a</sup> The number of countries and the countries used to calculate the regional average vary between the periods covered depending on the availability of national surveys (1994: 14 countries; 1999: 13 countries; 2002 and 2005: 16 countries; and 2003 and 2008: 14 countries).

## 5. Poverty intensity

Inequality in access to opportunities and in the distribution of income persists, especially in the poorest households (first quintile). From the gender perspective, looking at the gender breakdown of income in each quintile helps spotlight one of the major challenges that remain and gives us an idea of household consumption capacity. Considering that nearly half of the population is female, it is striking to see that their income is only 31.8% of the total; the other 68.2% goes to men (figure V.3).

As figure V.4 shows, evolution over time indicates that the differences in consumption between the sexes changed, albeit slowly, between 1990 and 2008. Women's participation in the wealthiest quintile in terms of access to income went from 14.5% to 17.3%, that is to say, it rose only 2.8 points in 18 years. In 1990, in the poorest households women accounted for only 0.8% of total consumption. The figure has now risen to 1%, which is rather low considering that each quintile is made up of 20% men and 20% women.

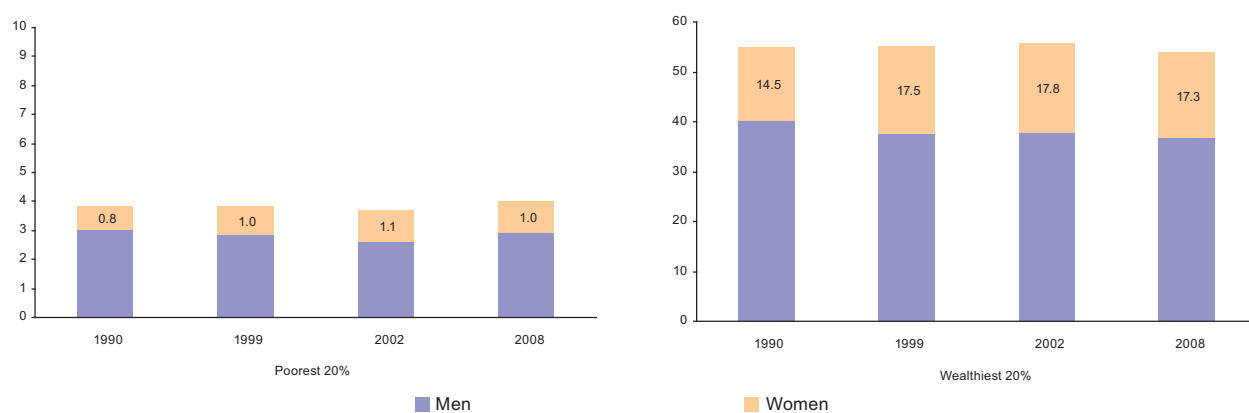
Figure V.3  
**LATIN AMERICA (SIMPLE AVERAGE FOR 14 COUNTRIES):<sup>a</sup> SHARE OF HOUSEHOLD INCOME QUINTILES, IN NATIONAL INCOME, BY SEX, URBAN AREAS, AROUND 2008**  
*(Percentages)*



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

<sup>a</sup> Argentina, Brazil, Chile, Costa Rica, Ecuador, Dominican Republic, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia, Uruguay.

Figure V.4  
**LATIN AMERICA (SIMPLE AVERAGE):<sup>a</sup> SHARE OF NATIONAL INCOME IN LOWEST AND HIGHEST HOUSEHOLD INCOME QUINTILES, BY SEX, URBAN AREAS, AROUND 1990-2008**  
*(Percentages)*

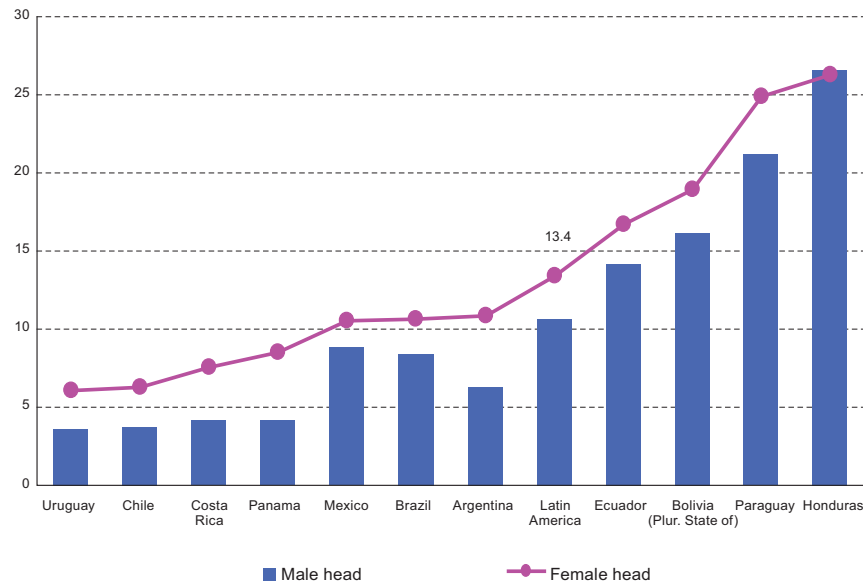


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> The number of countries and the countries used to calculate the regional average vary among the periods covered, depending on the availability of national surveys (1990: 14 countries; 1999: 16 countries; 2002: 17 countries; 2008: 14 countries).

Poverty intensity is often greater in households headed by these women. In almost all of the region's countries, the per capita income for these households is farther from the poverty line (figure V.5) and so is the ability to meet the basic needs of household members. It should not be forgotten that they have fewer financial and social resources for redistributing care work in the household.

Figure V.5  
**LATIN AMERICA (11 COUNTRIES): POVERTY GAP RATIO FOR FEMALE- AND MALE-HEADED URBAN HOUSEHOLDS, AROUND 2008**

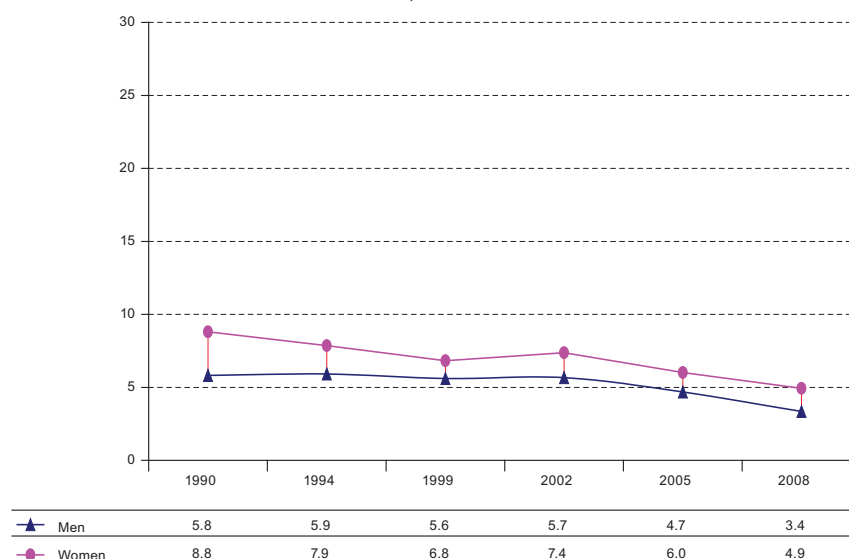


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

Less available income in indigent and poor households headed by women is a constant over time. As figures V.6 and V.7 show, the rate gap between male- and female-headed households has shown no significant signs of narrowing over time. The acquisition of essential goods for these households, including food, is therefore still a major challenge for women in the fight against poverty.

Although at the regional level there has been an overall decrease in poor and indigent households, the same cannot be said for the status of women. The percentage of women in poor households has increased more than that of men. In 1990, for every 100 men in indigent households there were 118 women; in 2005 there were 125. In 2008, for every 100 men living in indigence there were 130 women (figure V.8).

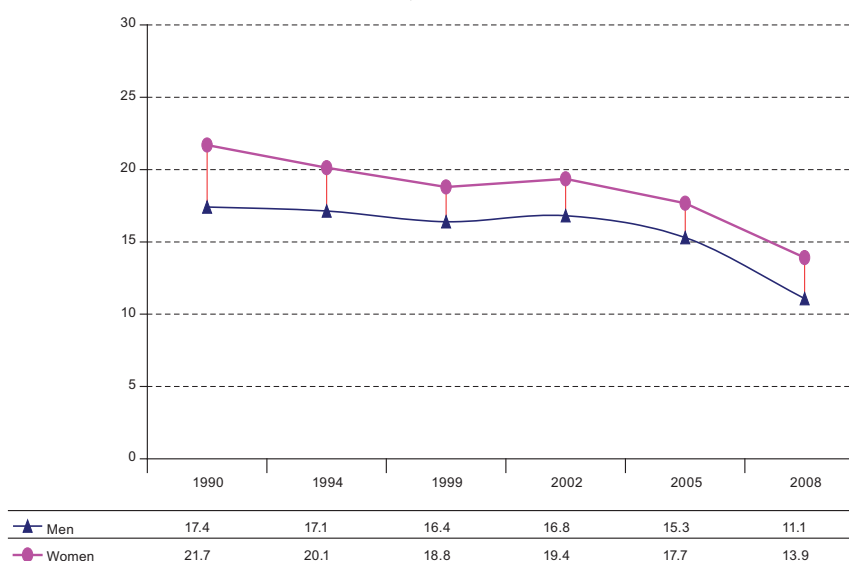
Figure V.6  
**LATIN AMERICA (SIMPLE AVERAGE):<sup>a</sup> INDIGENCE RATE GAP,  
 URBAN AREAS, AROUND 1990-2008**



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

<sup>a</sup> The number of countries and the countries used to calculate the regional average vary among the periods covered, depending on the availability of national surveys (1990: 14 countries; 1994: 15 countries; 1999: 16 countries; 2002: 17 countries; 2005: 16 countries; 2008: 14 countries).

Figure V.7  
**LATIN AMERICA (SIMPLE AVERAGE):<sup>a</sup> POVERTY RATE GAP,  
 URBAN AREAS, AROUND 1990-2008**

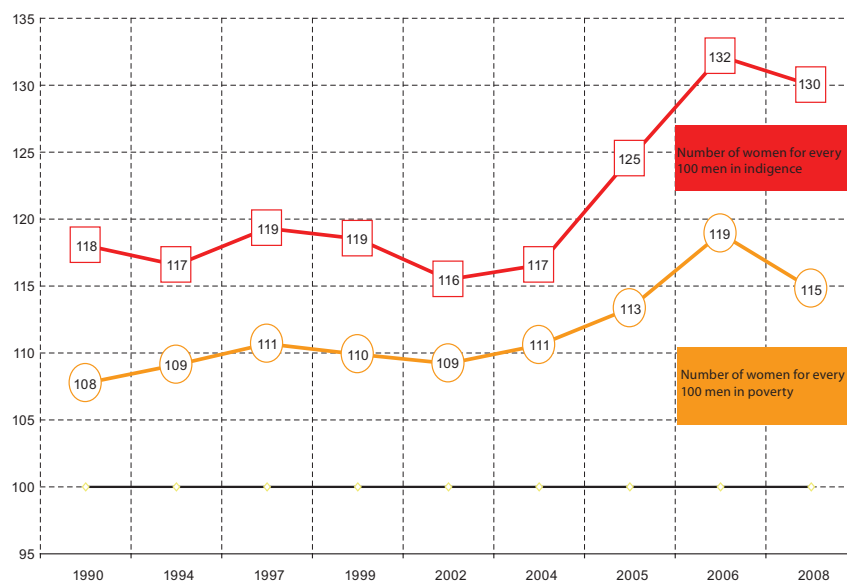


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> The number of countries and the countries used to calculate the regional average vary among the periods covered, depending on the availability of national surveys (1990: 14 countries, 1994: 15 countries, 1999: 16 countries, 2002: 17 countries, 2005: 16 countries, 2008: 14 countries).



Figure V.8  
**LATIN AMERICA (SIMPLE AVERAGE):<sup>a</sup> POVERTY FEMININITY INDEX, URBAN AREAS, AROUND 1990 TO 2008**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> The number of countries and the countries used to calculate the regional average vary among the periods covered, depending on the availability of national surveys (1990: 12 countries; 1994: 14 countries; 1999: 16 countries; 2002: 17 countries; 2004: 15 countries; 2005: 16 countries; 2006: 10 countries; 2008: 14 countries).

## 6. Households headed by women

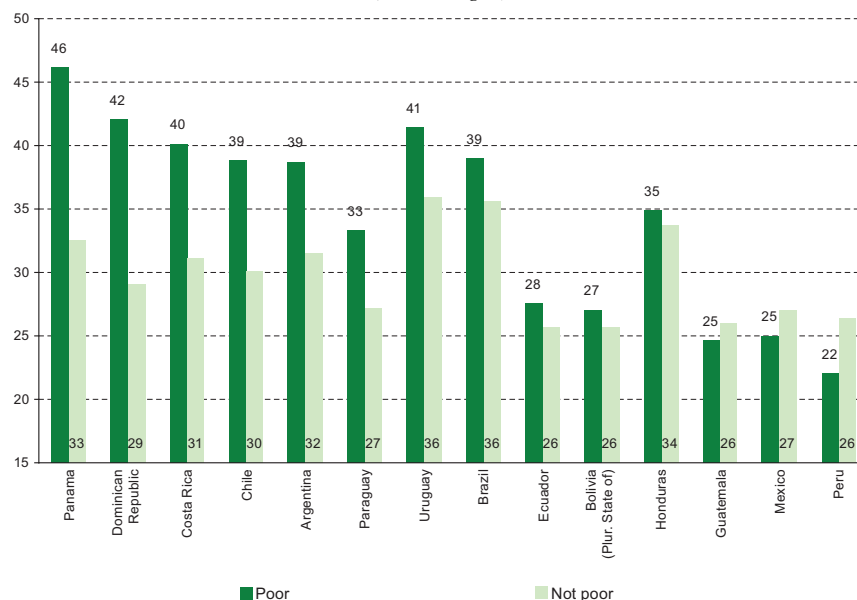
The steady increase of female-headed households is not a development that should be linked to poverty—in many cases it can mean autonomy. But most of that increase has taken place in indigent households. Indeed, the increase between 1990 and 2008 indicates that the proportion of households headed by women went from 22% to 31%, that is to say, 9 percentage points. During the same period, the proportion of indigent households went from 27% to 40%, i.e., 13 percentage points (figure V.10). The situation in 2005 was very similar to that in 2008.

For many women, depending on their spouse's income makes them vulnerable to the extent that there are no universal social protection systems they can access on their own instead of through the providing partner.

Comparing the percentage of households —poor and not poor— headed by women (figure V.9) shows that in most of these countries the percentage of women heads of household is greater in poor households, except for Guatemala, Mexico and Peru, where the reverse is true by a small percentage difference.

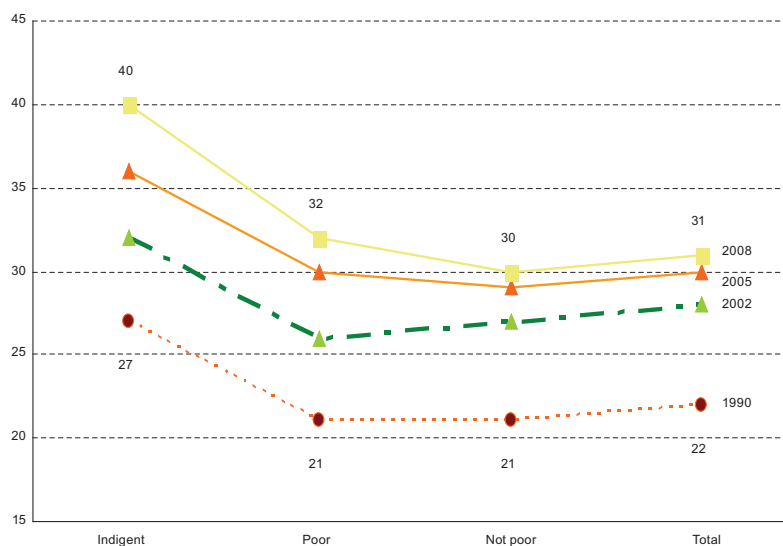
Women heads of household often live without a partner, and in many cases are the main or only contributors of income. An analysis of work income shows that women heads of household earn only the equivalent of 60% of what men heads of household earn, and they generally are on their own in providing economic maintenance and raising children. The situation is even more serious in single-parent homes, and it is made more so by the fact that many do not even receive alimony from their former spouses.

Figure V.9  
**LATIN AMERICA (14 COUNTRIES): PROPORTION OF URBAN HOUSEHOLDS HEADED BY WOMEN, AROUND 2008**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

Figure V.10  
**LATIN AMERICA (SIMPLE AVERAGE):<sup>a</sup> PROPORTION OF URBAN HOUSEHOLDS HEADED BY WOMEN, BY POVERTY STATUS, 1990 TO 2008**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> The number of countries and the countries used to calculate the regional average vary among the periods covered, depending on the availability of national surveys (1990: 12 countries; 1994: 14 countries; 1999: 16 countries; 2002: 17 countries; 2004: 15 countries; 2005: 16 countries; 2006: 10 countries; 2008: 14 countries).

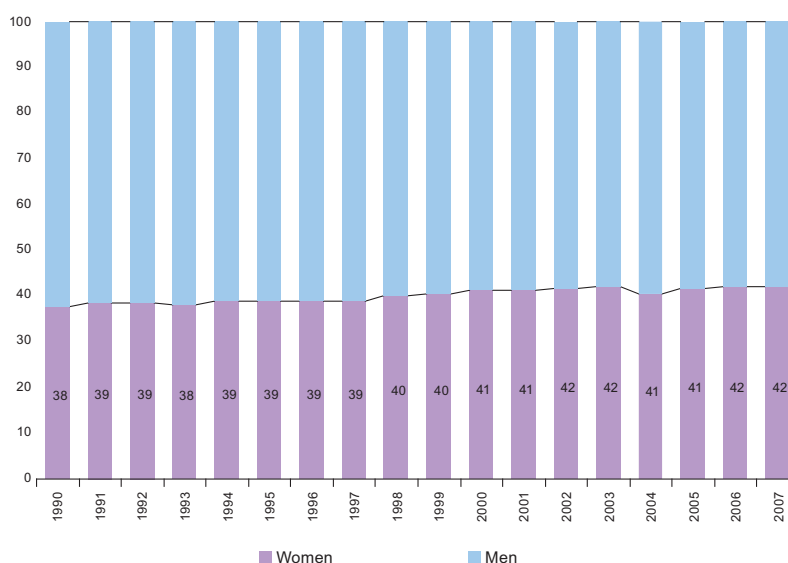
## 7. Distribution of income

In Latin America, the share of women in wage employment in the non-agricultural sector has advanced slowly; in 17 years (1990 to 2007) it has increased by only four percentage points and now stands at 42% versus 58% for men. There was a one-percentage-point increase between 2005 and 2007.

The Caribbean sub-region is closer to a more equitable percentage distribution between women and men. At the beginning of the same period the share of women was 43%, and it has risen to some 46% in the past few years (figure V.12).

The lack of information still poses a problem for correctly assessing progress on this indicator; unstable data or the lack of data for key periods in the countries makes systematic, quality follow-up very difficult. In addition, the sources of information for this indicator are varied,<sup>3</sup> so the results are varied, too. For example, only 15 countries have information for 1990 and 2007, and we see that most of them have indeed made progress. However, this is not generalizable to the rest of the countries because in some cases there has been no progress or there has even been slippage (figures V.11 and V.13).

Figure V.11  
**LATIN AMERICA (SIMPLE AVERAGE):<sup>a</sup> SHARE OF WOMEN IN WAGE EMPLOYMENT IN THE  
 NON-AGRICULTURAL SECTOR (INDICATOR 3.2 OF THE MILLENNIUM  
 DEVELOPMENT GOALS), 1990-2007**  
*(Percentages)*

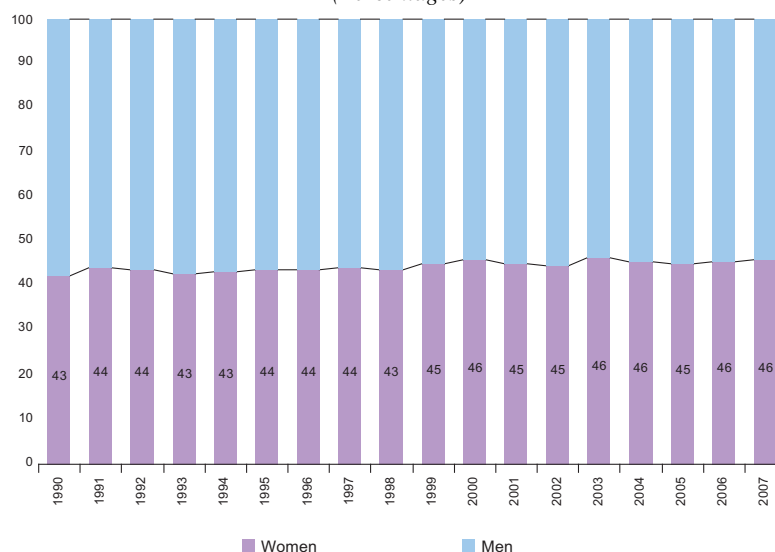


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

<sup>a</sup> The number of countries and the countries used to calculate this regional average vary from year to year, depending on the availability of national data (1990: 13 countries; 1991: 15 countries; 1992: 15 countries; 1993: 14 countries; 1994: 14 countries; 1995: 16 countries; 1996: 16 countries; 1997: 16 countries; 1998: 15 countries; 1999: 17 countries; 2000: 17 countries; 2001: 15 countries; 2002: 17 countries; 2003: 16 countries; 2004: 17 countries; 2005: 15 countries; 2006: 15 countries; 2007: 11 countries).

<sup>3</sup> On the international level, data is compiled by the International Labour Organization (ILO) on the basis of data reported by the countries. A growing number of countries report economic activity according to the International Standard Industrial Classification of all Economic Activities (ISIC), which makes international comparisons easier. As for the source of information, data are obtained from population censuses, labour force surveys, enterprise censuses and surveys, administrative records of social insurance schemes and official estimates based on results from several of these sources. Results from population censuses are normally available every 10 years, while estimates based on other sources may be available annually.

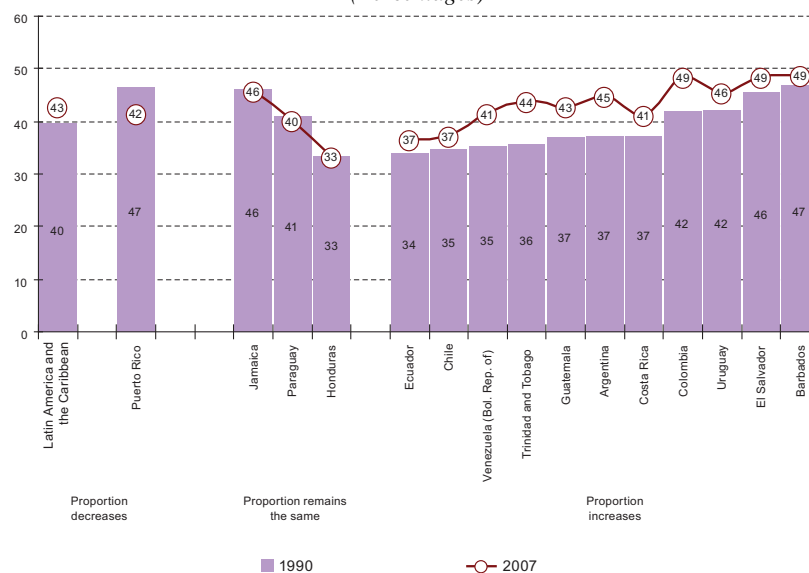
Figure V.12  
**THE CARIBBEAN (SIMPLE AVERAGE):<sup>a</sup> SHARE OF WOMEN IN WAGE EMPLOYMENT  
 IN THE NON-AGRICULTURAL SECTOR (GOAL INDICATOR 3.2), 1990-2007**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

<sup>a</sup> The number of countries and the countries used to calculate this regional average vary from year to year, depending on the availability of national data (1990: 9 countries; 1991: 11 countries; 1992: 8 countries; 1993: 8 countries; 1994: 11 countries; 1995: 11 countries; 1996: 12 countries; 1997: 15 countries; 1998: 12 countries; 1999: 14 countries; 2000: 8 countries; 2001: 12 countries; 2002: 15 countries; 2003: 10 countries; 2004: 11 countries; 2005: 11 countries; 2006: 5 countries; 2007: 4 countries).

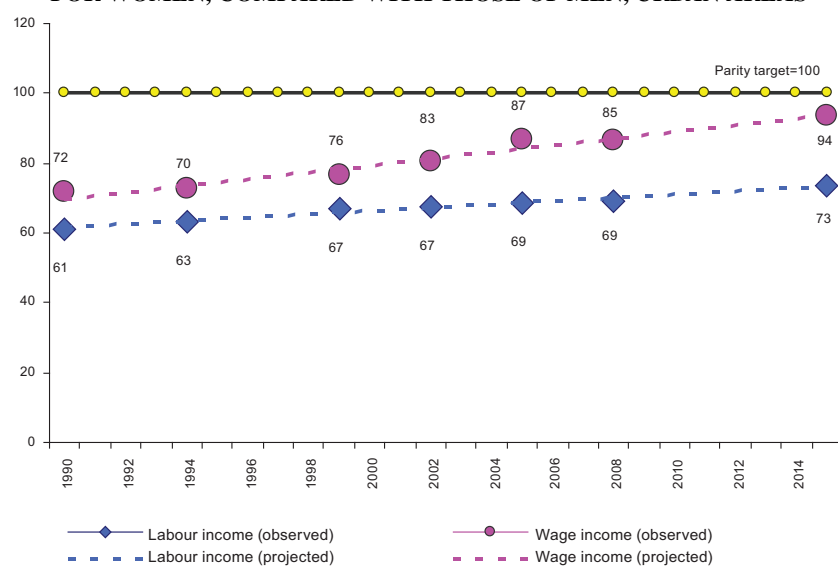
Figure V.13  
**LATIN AMERICA AND THE CARIBBEAN (15 COUNTRIES): SHARE OF WOMEN IN WAGE  
 EMPLOYMENT IN THE NON-AGRICULTURAL SECTOR (INDICATOR 3.2), 1990 AND 2007**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

Employment income for both men and women has been growing steadily over the past 20 years. In 2008, women's employment income is 69% of men's. If the past trend holds, by 2015 women's earnings would be only 73% of men's employment income (figure V.14).

Figure V.14  
**LATIN AMERICA (SIMPLE AVERAGE):<sup>a</sup> AVERAGE LABOUR AND WAGE INCOME FOR WOMEN, COMPARED WITH THOSE OF MEN, URBAN AREAS**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2009* (LC/G.2423-P), Santiago, Chile, 2009, table 23.1, on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> Argentina, Brazil, Chile, Costa Rica, Ecuador, Honduras, Mexico, Panama, Paraguay, Plurinational State of Bolivia, Uruguay.

There would be more wage equity; in this type of employment women earn on average 85% of what men do. By 2015, this percentage is expected to come fairly close to, but not reach, the parity target.

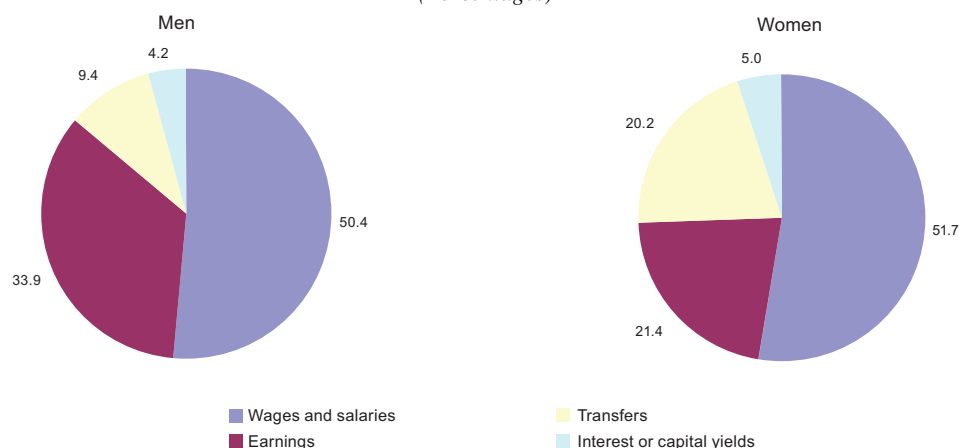
Women do not match men in the labour market, and when they do enter the market they earn less. When women receive monetary or social transfers, they tend to receive, on average, half of what men do. In other words, although women surpass men as recipients of transfers, average income for men who also receive them is almost double.

The kind of income that men and women receive is another datum that shows the differentiated status of women and men in society and thus the need to implement policies that acknowledge primary barriers and differentiated impacts. An analysis of current and social transfers<sup>4</sup> shows that, around 2005, in the countries where this current of income is identified, 63% of all recipients of transfer income are women. Only 37% are men. In all, it is estimated that more than 40 million people in the region receive transfers.

Of the total population, approximately 20% of women receive some kind of transfer income; only 9.4% of men do. Among female heads of household, 47.5% receive transfers, compared with only 20.5% of male heads of household. Comparing income (simple average per transfer) shows that this amount equals 1.9 poverty lines for women and 2.7 poverty lines for men.

<sup>4</sup> Transfers are current transfers in money or in kind, pension payments, subsidies, family or housing allowances, severance pay, transfers between households, alimony, gambling winnings, etc. There are also social transfers in kind, i.e., income received from the social security system, non-profit institutions that assist households, and government agencies.

Figure V.15  
**LATIN AMERICA (13 COUNTRIES): DISTRIBUTION OF PRINCIPAL INCOME FLOWS IN TOTAL INCOME, URBAN POPULATION AGED 15 AND OVER, AROUND 2007**  
*(Percentages)*



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

## B. CARE WORK, THE SOURCE OF POVERTY AND HOW THEY ARE LINKED

Women engaged in paid and unpaid domestic tasks are over-represented among the indigent and the poor. Such is the case with housewives and domestic employees. In non-poor households, a greater percentage of women have other occupations.

The link between paid or unpaid domestic activities and the greater likelihood of women being poor has to do with their not being paid at all or engaging in one of the worst-paying activities in the market. On the regional level, a domestic employee earns the equivalent of 40% of what women in other occupations do.

As figure V.16 shows, most indigent women in urban areas are engaged in household tasks; this is of great relative value when there is little monetary income. Poor women are divided between those who stay at home and those who work outside the home for pay. Non-poor women clearly have many more opportunities for insertion into a wider range of economic activities.

### 1. Evolution of employment and unemployment by sex

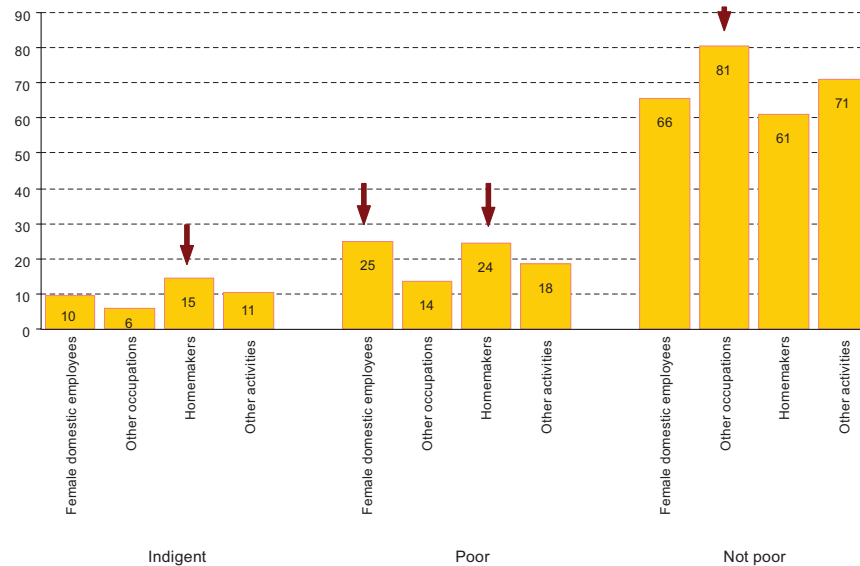
The growth of the workforce is chiefly due to the steady trend of women entering the labour market. As figure V.18 shows, the increasing rate of women's economic participation and unemployment (urban) between 1990 and 2008 (from 42% to 52%) well exceeded that of men, which did not increase and remained near its peak at 78%, with no changes between 2004 and 2008.

Although urban unemployment has decreased considerably, the differences between men and women did not change. Indeed, women's unemployment rates remained high, and the decreases posted during the period favoured men more.

Female economically active population (EAP) rates range from 44% to 62% (the lowest is in Cuba and the highest in Peru), with an average economically active population of 52% in the 14 countries. The male rate ranges from 67% to 85% (the lowest is in Cuba, at 67% and the highest is in Guatemala, at 85%), with an average of 78%. The lowest female unemployment rate is in Honduras (3.7%). For men, the lowest rates are in Honduras, the Dominican Republic and Guatemala, at 4% or lower (figure V.17).

Figure V.16

**LATIN AMERICA (SIMPLE AVERAGE FOR 14 COUNTRIES):<sup>a</sup> DISTRIBUTION OF THE FEMALE POPULATION AGED 15 AND OVER BY POVERTY STATUS AND ACTIVITY, URBAN AREAS, AROUND 2008**

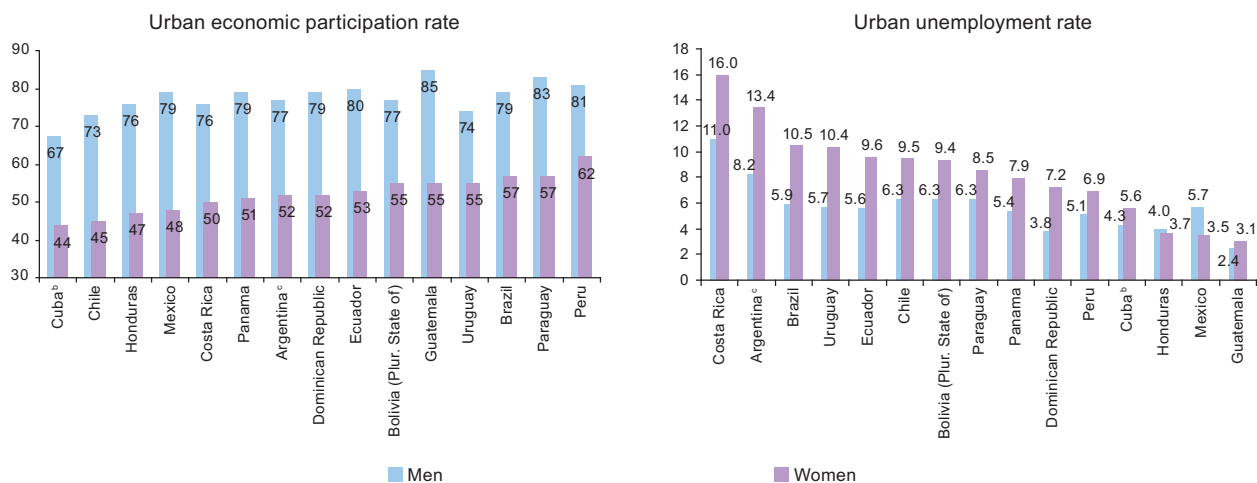


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> Argentina, Brazil, Chile, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia, Uruguay.

Figure V.17

**LATIN AMERICA:<sup>a</sup> PARTICIPATION AND UNEMPLOYMENT RATES FOR ECONOMICALLY ACTIVE MEN AND WOMEN, URBAN AREAS, AROUND 2008**  
(Percentages)



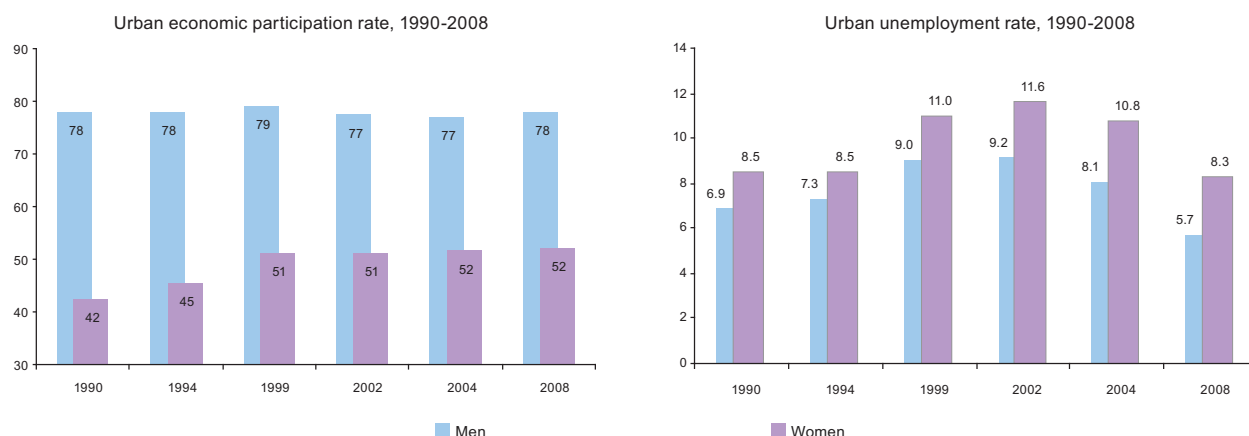
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> Encompasses household surveys taken by the countries in 2008, except for those of Argentina, Chile and Guatemala, which were taken in 2006, Bolivia (Plurinational State of) and Honduras, in 2007.

<sup>b</sup> Figure provided by the National Statistics Office.

<sup>c</sup> Refers to Greater Buenos Aires.

Figure V.18  
**LATIN AMERICA:<sup>a</sup> ECONOMIC PARTICIPATION AND URBAN  
 UNEMPLOYMENT RATES, 1990-2008**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> The number of countries and the countries used to calculate the regional (simple) average vary between the periods covered, depending on the availability of national surveys (1990: 14 countries; 1994: 15 countries; 1999: 15 countries; 2002: 18 countries; 2004: 17 countries; 2008: 15 countries).

## 2. Care work, services and informality

One hard trait of the labour market that shows the limitations of achievements in education and the policies that merely encourage job creation without addressing the social need for care is the breakdown of the employed by branch of activity, which remains stable and is characterized by a rather impermeable sexual division of labour. There are still more women in the service sector, where they accounted for 65% of the total in 2005 and some 64% in 2008. Women represent nearly half of the total employed in the trade sector (figure V.19). Men account for a considerable proportion of workers in construction, mining, transportation, agriculture and fishing, and the electricity, gas and water sector.

Employment in the financial industry and financial and real estate services is more equally divided between the sexes. A more exhaustive analysis could reveal the vertical segregation in these sectors, where the so-called “glass ceiling” that keeps women from climbing within the hierarchy is widely documented in the international literature.<sup>5</sup>

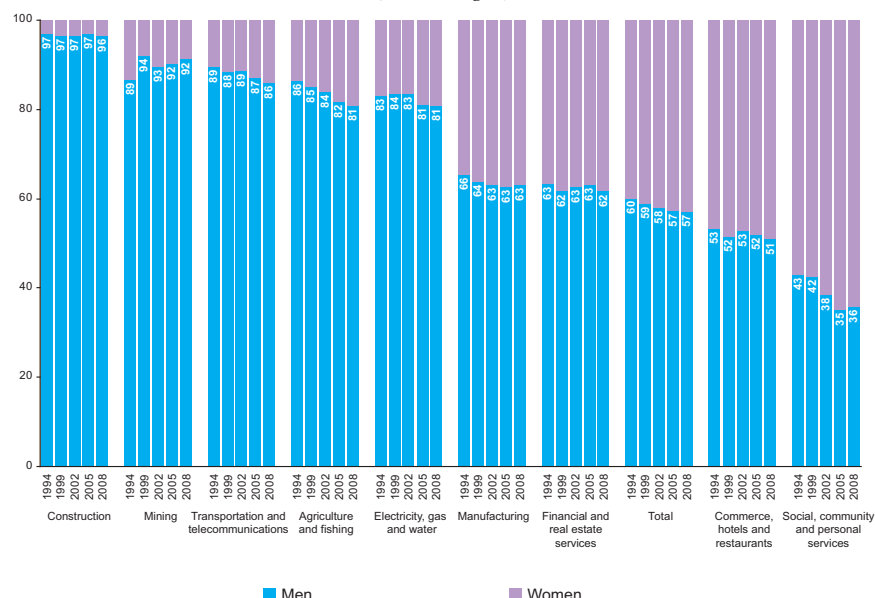
The breakdown by sex of the urban employed clearly shows that there were no significant changes between 1994 and 2008 (figure V.19).

The construction industry is still 95% male, while women predominate in the social, community and personal services sector. Joint State/corporate educational and labour policy action is required to counteract the “naturalization” of women’s caregiving role that is reinforced by education and labour insertion.

<sup>5</sup> See “La mujer en la empresa publicitaria. Políticas de conciliación de la vida familiar y laboral. en torno al techo de cristal” [online] [http://www.inmujer.migualdad.es/mujer/mujeres/estud\\_inves/portada\\_abstract685.pdf](http://www.inmujer.migualdad.es/mujer/mujeres/estud_inves/portada_abstract685.pdf).



Figure V.19  
**LATIN AMERICA (SIMPLE AVERAGE FOR 14 COUNTRIES):<sup>a</sup> EMPLOYED POPULATION BY BRANCH OF ECONOMIC ACTIVITY AND SEX, URBAN AREAS, AROUND 1994 TO 2008**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

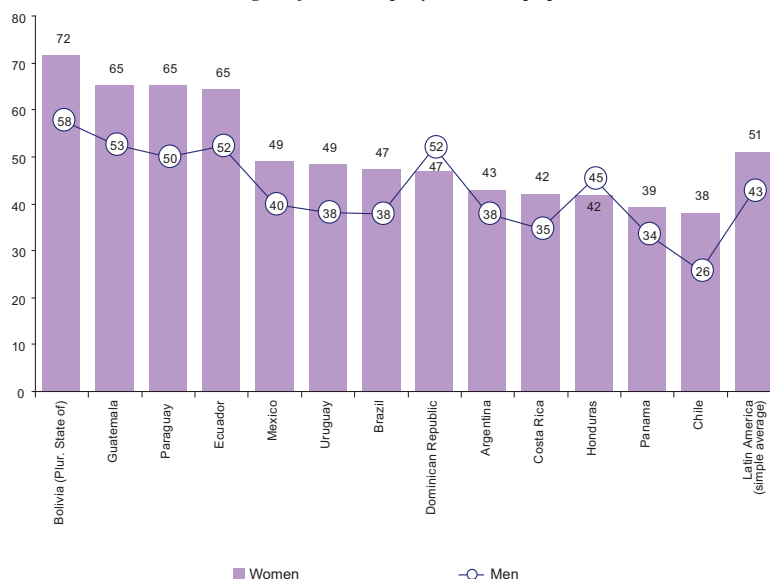
<sup>a</sup> Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Plurinational State of Bolivia, Uruguay.

### 3. The precarious nature of women's employment

Examining the information in figures V.20 and V.21 on women's labour insertion along with their burden of domestic work shows that the barriers that women face in accessing decent employment are systemic and mutually reinforcing. Despite progress on the educational and social fronts, families and companies still believe that women should/want to tend to their family responsibilities above all and that men neither should nor want to do it. This often leads to wasting the educational capital gained by advances in education and leaves people with work options that do not include help from the State or from companies in obtaining care services or finding ways to reconcile family and work life. As the most recent surveys on the use of time show, in most countries the sexual division of work in the household is a hard datum, and it has been proven that even when men are not inserted in the labour market a significant proportion of them do not shoulder care work. Although labour informality and precariousness do affect men and women, women are much more frequently excluded because of maternity and family responsibilities.

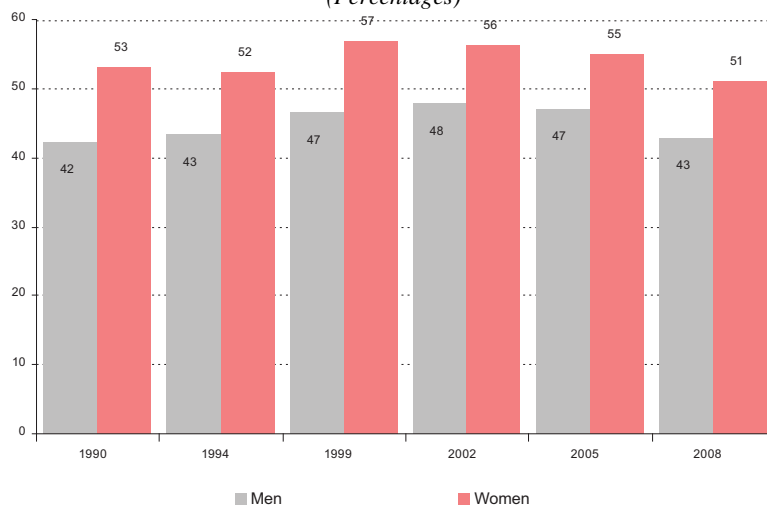
The information yielded by some household survey questions on the use of time and by some specific surveys on the time that people devote to unpaid tasks in their homes and the time spent by the employed on their workday provides an approximation of the total amount of time devoted to work. In this case, using the word "work" is an acknowledgement that both kinds, paid and unpaid, are actually work.

Figure V.20  
**LATIN AMERICA: URBAN POPULATION EMPLOYED IN LOW-PRODUCTIVITY SECTORS OF THE LABOUR MARKET, 2008**  
*(Percentages of total employed urban population)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of special tabulations of household surveys conducted in the respective countries.

Figure V.21  
**LATIN AMERICA (SIMPLE AVERAGE):<sup>a</sup> URBAN POPULATION EMPLOYED IN LOW-PRODUCTIVITY SECTORS OF THE LABOUR MARKET, 1990-2008**  
*(Percentages)*

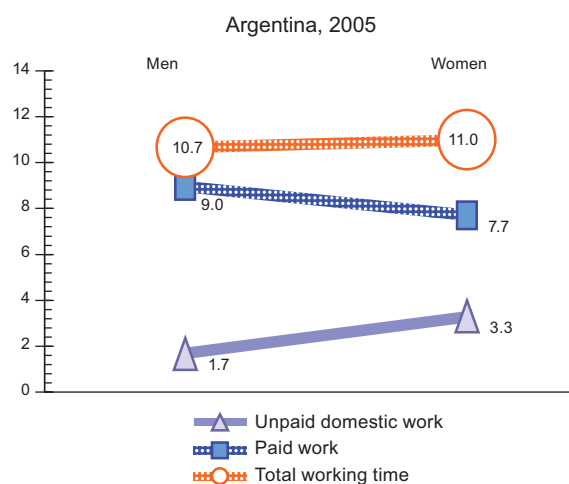


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

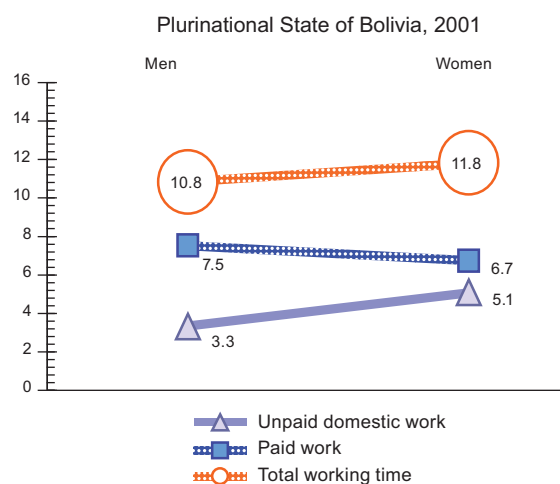
<sup>a</sup> Simple average of countries. In 1990, 12 countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Costa Rica, Ecuador, Guatemala, Honduras, Panama, Paraguay, Plurinational State of Bolivia, Uruguay. In 1994, 13 countries, the same as in 1990 plus El Salvador and Nicaragua, minus Guatemala. In 1999, 15 countries, the same as in 1990 plus El Salvador, Mexico, Nicaragua and Peru, minus Bolivarian Republic of Venezuela. In 2002, 16 countries, the same as in 1990 plus the Dominican Republic, El Salvador, Mexico, Nicaragua and Peru, minus Bolivarian Republic of Venezuela. In 2005, 15 countries, the same as in 1990 plus the Dominican Republic, El Salvador, Mexico, Nicaragua and Peru, minus Bolivarian Republic of Venezuela and Guatemala. In 2008, 13 countries, the same as in 1990 plus the Dominican Republic, Mexico and Peru, minus Bolivarian Republic of Venezuela.

Even though this research has neither a conceptual basis on standardized definitions nor a comparable technico-methodological basis, there are points where they coincide. Not in magnitude (which would require a specific study) but rather in the patterns of behaviour concerning the use of time by men and women. Hence, total working time, i.e., the paid workday plus the domestic workday, will always be longer for women than for men. The paid workday is always longer for men (figures V. 22 and V. 23).

Figure V.22  
TOTAL NUMBER OF HOURS PER DAY DEVOTED TO TOTAL WORK, UNPAID DOMESTIC WORK  
AND PAID WORK, BY SEX



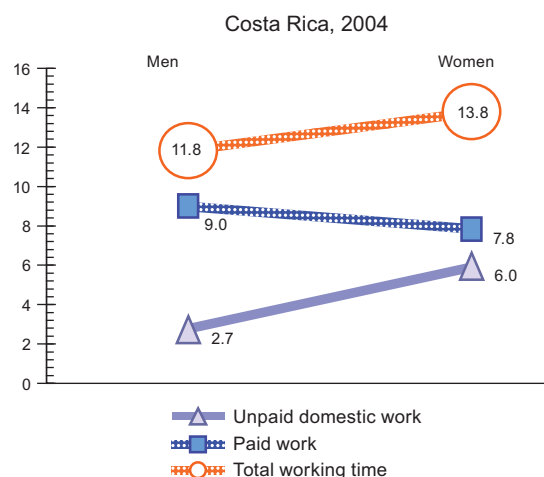
Source: Valeria Esquivel, *Uso del tiempo en la ciudad de Buenos Aires*, Universidad Nacional de General Sarmiento, 2009, p. 40.



Source: V. Milosavljevic and O. Tacla, "Incorporando un módulo de uso del tiempo a las encuestas de hogares", *Mujer y desarrollo series*, No. 83 (LC/L.2709-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2007. United Nations publication, Sales No. S.07.ILG.57.

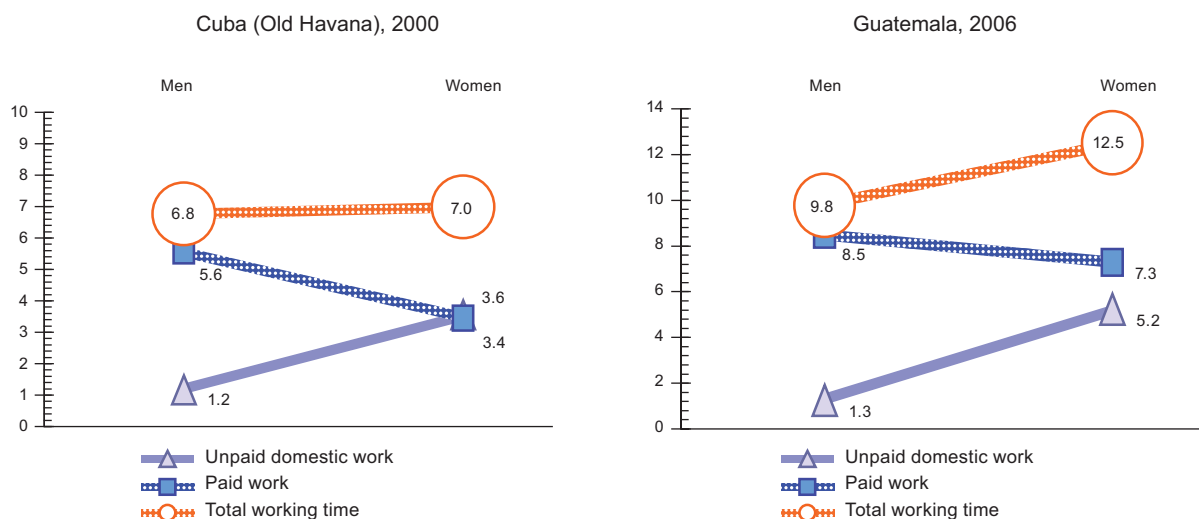


Source: National Statistical Institute of Chile, *Encuesta experimental sobre uso del tiempo en el Gran Santiago. Antecedentes metodológicos y principales resultados*, April 2009.



Source: National Institute of Statistics and Census (INEC), "2+2 = 6. El trabajo que hacen mujeres y hombres en Costa Rica no se cuenta igual. Principales resultados del módulo de uso del tiempo", *Estudios especiales series*, No. 3, San José, 2008.

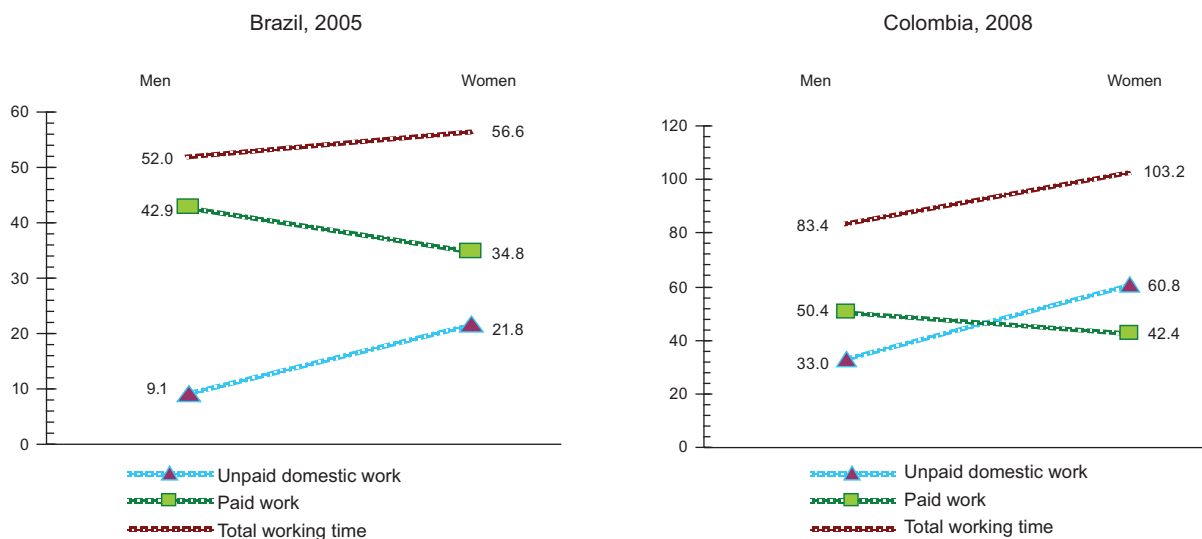
Figure V.22 (concluded)



**Source:** National Statistical Office of Cuba, *Encuesta sobre el Uso del Tiempo*, 2002, p. 60.

**Source:** V. Milosavljevic and O. Tacla, "Incorporando un módulo de uso del tiempo a las encuestas de hogares", *Mujer y desarrollo series*, No. 83 (LC/L.2709-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2007. United Nations publication, Sales No. S.07.II.G.57.

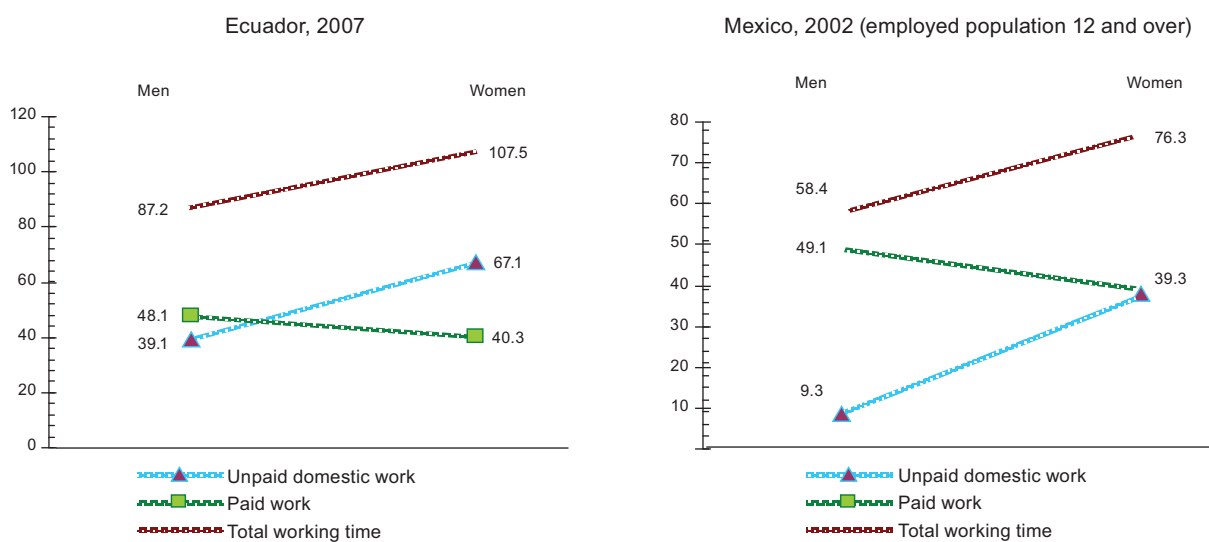
Figure V.23  
**TOTAL NUMBER OF HOURS PER WEEK DEVOTED TO TOTAL WORK, UNPAID DOMESTIC WORK AND PAID WORK, BY SEX**



**Source:** Brazilian Geographical and Statistical Institute (IBGE), *Tempo, trabalho e afazeres domésticos um estudo com base nos dados da Pesquisa Nacional por Amostra de Domicílios*, September 2005.

**Source:** María Eugenia Villamizar García-Herreros, *Uso del tiempo de mujeres y hombres en Colombia. Midiendo la inequidad*, Bogotá, December 2009, p. 42.

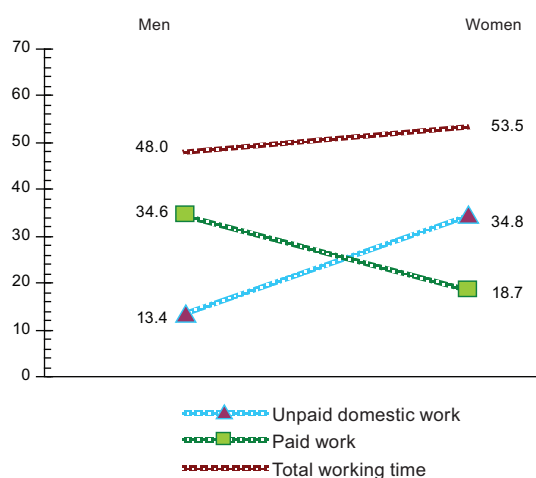
Figure V. 23 (concluded)



**Source:** National Statistics and Census Institute of Ecuador (INEC), *Encuesta Nacional de Uso del Tiempo*, 2007.

**Source:** M. Pedrero, *Trabajo doméstico no remunerado en México*, Mexico City, National Women's Institute (INMUJERES), 2005.

Uruguay, 2007 (employed population 15 and over)



**Source:** National Statistical Institute of Uruguay, *Las bases invisibles del bienestar social, el trabajo no remunerado en el Uruguay*, Montevideo, 2009, p.72, table 13, on the basis of the Continuous household survey, 2007.

Women spend most of their time on unpaid domestic tasks. This situation is so familiar that these measurements might not be surprising, but they do show that to achieve gender equity men would have to participate more in domestic tasks and care work and that women need help in combining the two and need the option of having their own income on equal terms and of lightening their workload.

In its 2007 national survey on the use of time, Ecuador provides data on women's total workload. The biggest difference is within the indigenous population, with women working on average 23 hours more than men.<sup>6</sup>

<sup>6</sup> National Survey on Time-Use, INEC, CONAMU, AECID, UNIFEM, 2007.

Care services are a social necessity for well-being and are not always available at no cost. It has been shown that boys and girls develop better when there is pre-school education and that families benefit if appropriate childcare services are available to them. The demographic dividend is coming to an end in most countries, and the ageing of the population means that countries do not have adequate social services for caring for older persons. It is often women who fill the gap and take on this task, too, in their homes.

Few of the region's countries have universal social safety systems. Along these lines, of special concern are retirement-age women (60 and over) who are not ensured a retirement pension because they accumulated years of unpaid or informal work that did not contribute toward pension benefits or contributed so little that these women are entitled only to very precarious pension benefits that make them more vulnerable. In response, some countries, such as Argentina, Barbados, Chile, Mexico and Suriname, have implemented non-contributory pension policies. Colombia and the Plurinational State of Bolivia are seeking to address the situation by implementing income schemes for older adults.

#### Box V.1

#### THE CARE CRISIS IN LATIN AMERICA AND THE CARIBBEAN

What has been called the care crisis develops when, as women increasingly enter the paid workforce, families and society realize that the traditional concept of family —male provider, housewife— loses its explanatory value in the face of a wide variety of family arrangements and sources of income, as well as a cultural shift that allows and encourages male participation in caring for children, older persons and the ill, in domestic tasks and in other activities such as shopping for food and taking children to school.

Because the care work that women perform is not paid, it is still not reflected in national accounts. However, the sociological change that education and paid employment for women brings about is so profound that countries have focused on it over the past few years. In the Quito Consensus (see [online] <http://www.eclac.cl/publicaciones/xml/9/29489/dsc1e.pdf>) special attention was paid to this matter; 21 of the region's countries now have surveys on the use of time (figures V.22 and V.23). Beyond their statistical and political visibility, these surveys help identify barriers to entering the workforce that need to be removed, what groups of women should receive welfare benefits, and even what the demand is for care work within families.

Two major problems will persist as long as there are no mechanisms for replacing the unpaid work done by women: the double workday worsens because women have to come up with their own solutions for childcare and household maintenance or turn to other women to replace them. Medium- and high-income families do so by hiring a specific worker. Poorer families make family arrangements or leave neighbours or female friends in charge of the children; these solutions can be very precarious. This makes insertion into the world of paid work all the more difficult. Many women, then, have no choice but to stay at home. Others seek work alternatives that let them keep one foot in each world. These are usually precarious, informal solutions.

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

### C. MORE EDUCATION, MORE EQUITY

Education is a right as well as an avenue for personal advancement. It should improve labour insertion and foster both autonomy and participation in civic life and the political process.

The importance of a rights-based approach to achieve gender equity in education is derived from two sources. First, under international law, the obligation to guarantee the right to education without discrimination is immediate, and urgent measures need to be taken in this regard. The Committee on Economic, Social and Cultural Rights (CESCR) has stated clearly that this obligation applies fully and immediately to all aspects of education and covers all forms of discrimination prohibited by international agreement, including gender-based discrimination.

Second, international human rights norms oblige States to adopt positive measures to guarantee the right to gender equality. It is not enough to increase access to education in general in the hope that girls will benefit indirectly. As the Committee points out, the duty to protect means that States must ensure that third parties, including parents and employers do not prevent girls from going to school.

In most of the countries of Latin America and the Caribbean, primary education completion rates and access to secondary, tertiary and university education have improved, especially for women. While literacy indicators have improved in all of the region's countries, concerns such as access to quality education remain. By 2005, indicator 3.1, girl-to-boy ratio in primary education, had met the target in most of the countries, with the exception of Guatemala, Grenada and the Dominican Republic. It can thus be said that unequal access is not a problem in the region.

Besides concerns as to the quality of the education provided by educational systems, there is the matter of establishments that provide early education and those that provide intercultural, bilingual education. In the Plurinational State of Bolivia, according to data from the Social and Economic Policy Analysis Unit, the ratio between the literacy rates for indigenous and non-indigenous persons between 15 and 44 years of age is 0.93. This means that for every one hundred non-indigenous persons who know how to read and write, there are 93 indigenous persons (Government of the Plurinational State of Bolivia, 2006).

Advancements in education and equal access to primary education achieved during the 1990s are in addition to the fact that more women are enrolled in the middle-education level. However, this academic achievement does not translate into better performance later on.

Returning to the matter of quality in education, it is a concern that impacts both sexes equally. For girls and women, gender stereotypes are also a concern and must be eliminated to achieve quality. This means removing from the school curricula any model that suggests or fosters separate career tracking for girls and boys.

Empowering and educating women is also necessary to eliminate situations that affect women only. Education delays marriage and childbearing, affords better preparation for pregnancy, childbirth and the postnatal period, helps lessen the likelihood of falling victim to domestic violence and HIV/AIDS and fosters the exercise of rights.

In the years under review, the labour insertion of women has not improved and caregiver roles are still linked to the choice of professions. As figure V.19, shows, certain branches of activity have niches in which women predominate and others in which men are the majority.

In education, the groups of women at both ends of the educational pole are still cause for particular concern. Many women over 45 who are in their productive years and have not had access to basic education are functionally or completely illiterate. Nor has anything been done to promote their incorporation into non-traditional spheres of knowledge, like technology. Women lag behind men in Internet use by 2%, but in the first quintile only 5.8% use the Internet while the rate for the fifth quintile is 44.1%. The incorporation of new technologies and access to digital literacy pose a challenge for all women, but that challenge is greater for the poorest of them.

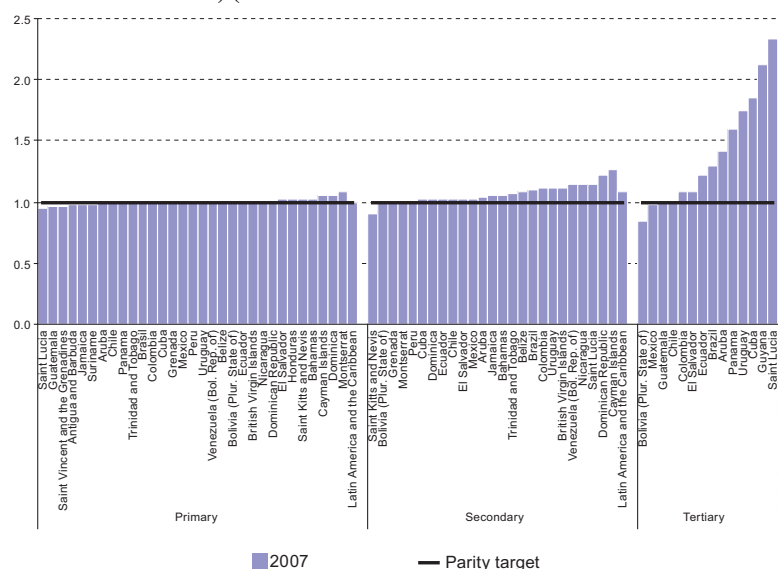
As can be seen in figure V.25, women's participation rate is more directly tied to the number of years in school than for men, so the higher the level of schooling the higher the participation rate and the narrower the gap with the male economically active population. In 2008 the female economically active population was the highest, at 13 or more years of studies, but it is still 12 percentage points behind men's. This underscores the importance of education for women to access paid work; the situation does not operate the same way for men.

In countries with income transfer schemes that link delivery to education-related goals, boys and girls stay in school longer thanks to the provision of school supplies, free transportation and scholarships. These transfers help keep adolescents of both sexes in the educational system, with the expectation that this will improve their access to the world of work in the future.

As has been pointed out, access to paid work, the acknowledgement of unpaid work and the capitalization of the investment in education require systemic policies that take advantage of the abilities of men and women. This is not true of advances in education that, while they open more opportunities for women who study, are not robust enough for that educational capital to close the gaps with men in the same situation. Particularly noteworthy is the fact that women need more years of schooling than men for similar occupations —specifically, for accessing work and occupying the same positions.

Figure V.24

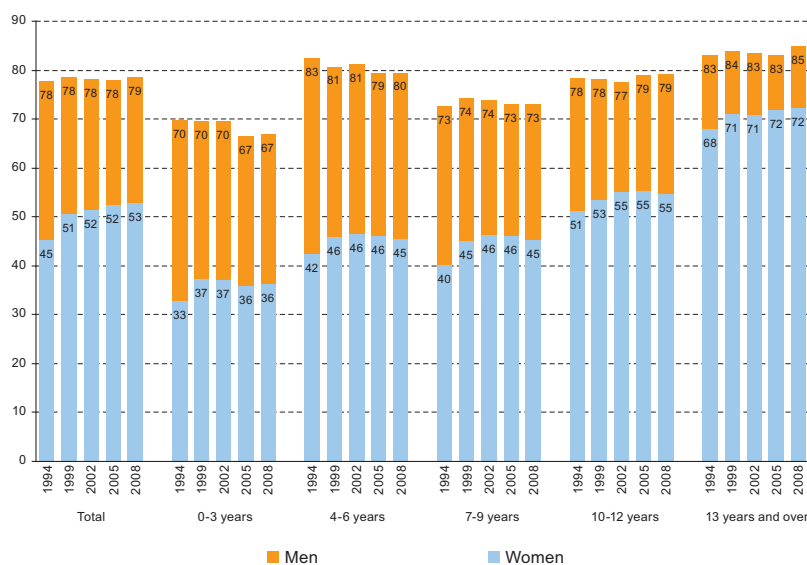
**LATIN AMERICA AND THE CARIBBEAN: GIRL TO BOY RATIO BY LEVEL OF SCHOOLING (PRIMARY, SECONDARY AND TERTIARY) (MILLENNIUM DEVELOPMENT GOAL INDICATOR 3.1), 2007**



Source: United Nations Educational, Scientific and Cultural Organization Institute for Statistics (UIS).

Figure V.25

**LATIN AMERICA (SIMPLE AVERAGE):<sup>a</sup> MALE AND FEMALE ECONOMIC ACTIVITY PARTICIPATION RATES BY YEARS OF SCHOOLING, URBAN AREAS, 1994-2008**  
(Percentages)

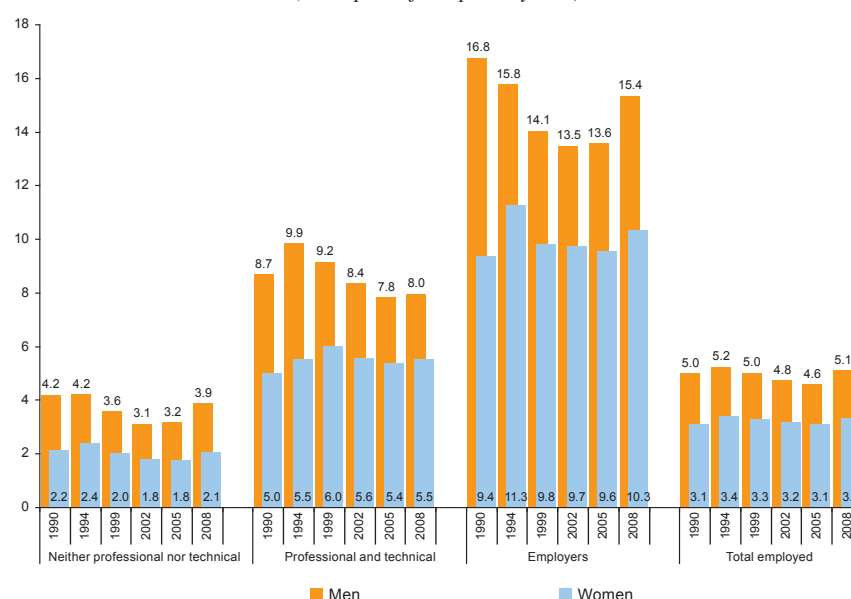


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of household surveys conducted in the respective countries.

<sup>a</sup> Simple average of countries: In 1994, 15 countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Nicaragua, Panama, Paraguay, Plurinational State of Bolivia, Uruguay. In 1999, 16 countries, the same as in 1994 except for Bolivarian Republic of Venezuela, plus Guatemala and Peru. In 2002, 17 countries, the same as in 1994 except for Bolivarian Republic of Venezuela, plus the Dominican Republic, Guatemala and Peru. In 2005, 16 countries, the same as in 1994 except for Bolivarian Republic of Venezuela, plus the Dominican Republic and Peru. In 2008, 14 countries, the same as in 1994 except for Bolivarian Republic of Venezuela, El Salvador and Nicaragua, plus the Dominican Republic and Peru.



Figure V.26  
**LATIN AMERICA (SIMPLE AVERAGE):<sup>a</sup> AVERAGE INCOME OF EMPLOYED ECONOMICALLY ACTIVE POPULATION, BY CATEGORY OF LABOUR-MARKET PARTICIPATION, URBAN AREAS, AROUND 1990 TO 2008**  
*(Multiples of the poverty line)*



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

<sup>a</sup> Simple average of countries: In 1990, 12 countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Costa Rica, Ecuador, Guatemala, Honduras, Panama, Paraguay, Plurinational State of Bolivia, Uruguay. In 1994, 13 countries, the same as in 1990 plus El Salvador and Nicaragua, minus Guatemala. In 1999, 15 countries, the same as in 1990 plus El Salvador, Mexico, Nicaragua and Peru, minus Bolivarian Republic of Venezuela. In 2002, 16 countries, the same as in 1990 plus the Dominican Republic, El Salvador, Mexico, Nicaragua and Peru, minus Bolivarian Republic of Venezuela. In 2005, 15 countries, the same as in 1990 plus the Dominican Republic, El Salvador, Mexico, Nicaragua and Peru, minus Bolivarian Republic of Venezuela and Guatemala. In 2008, 13 countries, the same as in 1990 plus the Dominican Republic, Mexico and Peru, minus Bolivarian Republic of Venezuela.

#### Box V.2

##### **PARAGUAY'S NATIONAL PROGRAMME OF EQUAL OPPORTUNITY AND RESULTS FOR WOMEN IN EDUCATION (PRIOME): EDUCATION WITH A GENDER PERSPECTIVE**

The National Programme of Equal Opportunity and Results for Women in Education (PRIOME) was set up in Paraguay in 1995 upon the initiative of the Women's Secretariat and incorporated into the General Division of Educational Development of the Ministry of Education and Culture. The Programme aims, with the participation of non-governmental organizations, to do the following: provide advice and serve as a forum for the national coordination of gender affairs in the Ministry of Education; incorporate gender issues into teaching; participate in the analysis and reform of curriculums and the preparation of texts and other educational material with a gender-based perspective; and raise awareness among the population of the importance of eliminating discrimination in education.

PRIOME has made considerable progress in mainstreaming the gender perspective in the design of curriculums, texts and other educational materials, and in teacher training programmes, which now address issues such as: gender-based roles and equal treatment as regards position and function in the family; sex education; the promotion of health and rights, and sexual and reproductive rights in particular; the prevention of sexually transmitted diseases and HIV/AIDS; violence; and respect for cultural and religious diversity.

**Source:** United Nations, Report of the Special Rapporteur on the right to education, Mr. Vernor Muñoz, Mission to Paraguay (14-22 April 2009), (A/HRC/14/25/Add.2), 2010.

## D. WOMEN'S PARTICIPATION IN THE POLITICAL PROCESS

Official indicator 3.3 “Proportion of seats held by women in national parliament” is key for revealing women’s participation in the political process and in decision-making. Adding the complementary indicator “Existence of a quota law at parliamentary level” provides an even more complete picture.

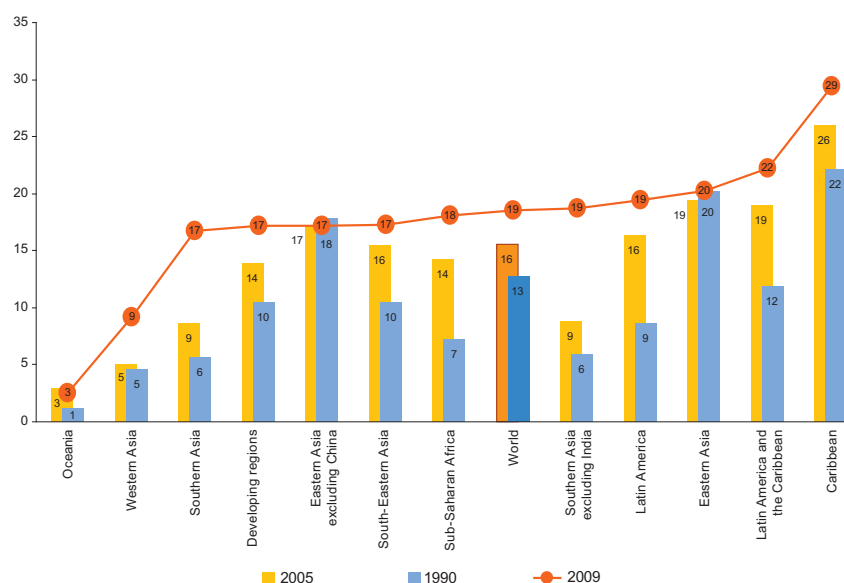
Exercising citizenship requires, on the one hand, personal autonomy and, on the other, the right to participate in the political process at all levels. Access to and participation in party politics translate into a greater number of positions held by women in the executive and legislative branches of government. This decreases inequality in power, which is one of the goals set in Beijing in 1995. Significant progress has been made on this front, as women’s participation in decision-making positions has increased. Proof of this may be found in the fact that women have held the office of president or prime minister in the region even though the proportion of women in decision-making positions increases the further down the hierarchy one goes.

In the past few years there has been quantitative, sustained progress on fulfilment of indicator 3.3, which measures the proportion of seats held by women in national parliament, specifically the lower chambers. Nevertheless, the increase extends to all spheres of decision-making, i.e., that women’s participation is up, too, in local government, senates, cabinets and high judgements in certain countries.

Over the past five years, four women in the region were voted by popular election into the office of president or prime minister (in Argentina, Chile, Jamaica and, recently, Costa Rica). Nevertheless, in most countries it is still a constant feature for the participation of women in the executive branch to be higher the further down the hierarchy of positions one goes. To correct this situation, two countries in the region (Chile in 2006 and Ecuador in 2007) implemented, by presidential order, ministerial cabinet gender equity policies. And in several countries in the region, women became ministers in such non-traditional areas as defence and the economy.

Since 1990 significant, sustained progress has been made on this official indicator for women’s access to parliaments in Latin America and the Caribbean.

Figure V.27  
REGIONS OF THE WORLD: PROPORTION OF SEATS HELD BY WOMEN IN NATIONAL PARLIAMENT  
(MILLENNIUM DEVELOPMENT GOAL INDICATOR 3.3), 1990, 2005 AND 2009

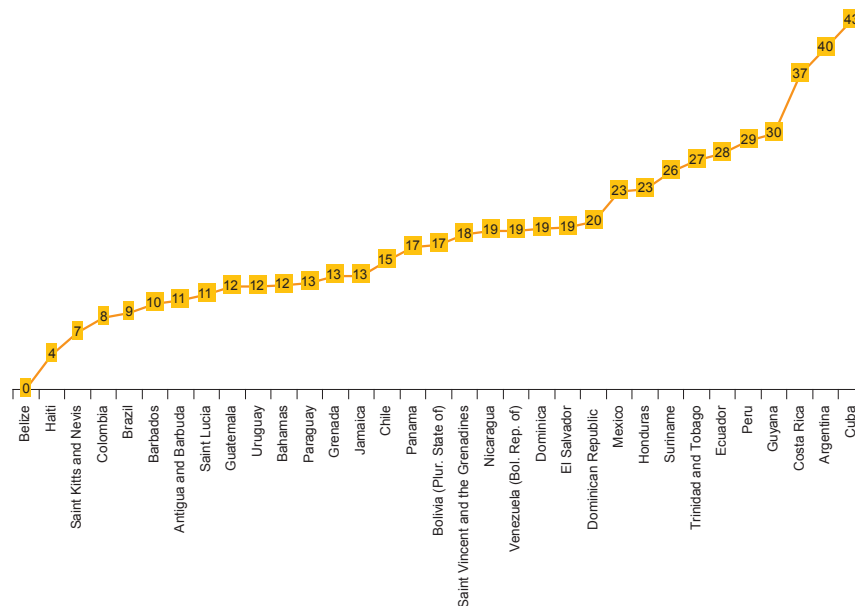


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

In 1990, the rate for Latin America and the Caribbean was 12%, one point below the world average of 13%. Looking at the two sub-regions separately, the proportion for Latin America was only 9% while the Caribbean stood at 22% —nearly twice the world average.

The 2005 review of the Millennium Development Goals showed an increase in this indicator. That year, the proportion of seats in parliament held by women was 16%, and the region bettered the world average by three points (19%).

Figure V. 28  
**LATIN AMERICA AND THE CARIBBEAN: PROPORTION OF SEATS HELD BY WOMEN IN NATIONAL PARLIAMENT (MILLENNIUM DEVELOPMENT GOAL INDICATOR 3.3), 2009**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

Looking at the performance of the two sub-regions, the Caribbean posted 26%. The greatest progress was made in Latin America; at 16% it was up 7% over 1990.

Nevertheless, progress among countries is uneven, making this indicator one of those that vary the most.

In 2009, in 5 of the 33 countries with data, the proportion of women in parliament did not reach 10%. It was over 30% in only four (Guyana, Costa Rica, Argentina and Cuba). Only Argentina and Cuba surpassed the 40% threshold, and Cuba was among the highest in the world in terms of women holding seats in parliament (43%). Even more conclusive is the fact that 54% of the region's countries fall below the world average.

The quota mechanisms implemented since the mid-1990s spurred or opened the door to the incorporation of more women into parliament. This is discussed in box V.3.

Box V.3  
**ESTABLISHMENT OF QUOTA MECHANISMS FOR ENSURING FEMALE  
 PARTICIPATION IN PARLIAMENT**

A look at the results for official indicator 12 shows a consolidated upward trend in the participation of women in the lower chambers of parliament over the years, placing the region among the highest in the world for this indicator. In some countries this is thanks to quota mechanisms and sanctions for non-compliance established in the 1990s, as measured by complementary indicator 12C “Existence of a quota law at parliamentary level.”

In 2009, 12 of the region’s 33 countries had legislation of this kind. Countries that have a quota law show, in general, better outcomes than countries without such laws. Implementing quota laws marks a “before” and an “after” in terms of women’s participation in countries such as Argentina, Costa Rica, Honduras, Peru, Mexico and Ecuador. However, despite such laws that seek to promote and increase women’s access to decision-making elected positions, parity has not yet been reached, and even less so the participation rates set by quota legislation in force in Brazil, the Plurinational State of Bolivia, Ecuador, Honduras, Mexico, Panama, Paraguay, the Dominican Republic and Uruguay. This shows that establishing quotas does not ensure access for women in these countries. Some hypotheses as to why this is so are: problems arising from the sometimes confusing rules for applying the law, loopholes left for exceptions, or weak or non-existent effective sanctions for non-compliance.

Country	Law	Year	Standard	Percentage in 2009	Difference
Argentina	24 012	1991	30%	40	10
Bolivia (Plurinational State of)	1 983	1999	30%	16.9	-13.1
Brazil	9 504	1997	30%	9	-21
Costa Rica	7 653	1996	40%	36.8	-3.2
Dominican Republic	12-200/200	2002	33%	19.7	-13.3
Ecuador	General regulations, elections act	2000	45%	27.6	-17.4
Honduras	Equal opportunities for women act, Chapter VI, article 81	2000	30%	23.4	-6.6
Mexico	Federal code of election institutions and procedures COPIFE	2008	40%	23.2	-16.8
Panama	17 and 27	2007	30%	16.7	-13.3
Paraguay	834	1996	20%	12.5	-7.5
Peru	Organic election act 27 387	2000	30%	29.2	-0.8
Uruguay	18 476 and 18 487	2009	30%	12.1	-17.9

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Gender Equality Observatory for Latin America and the Caribbean [online] <http://www.cepal.org/oig/>.

An examination of women’s representation and participation in decision-making positions at the local level reveals an evolution that differs from the situation for legislative branch positions at the national level. The increase in women’s access to parliaments has not been mirrored in local government. The average percentage of elected female mayors went from 5.1% to 7.8% between 1998 and 2009. This slight increase over an 11-year period reflects a regional picture that is not very encouraging. A look at the numbers on a country-by-country basis shows an increase of less than four percentage points in 11 countries, no change in Peru and Uruguay, and a decrease in Honduras and Panama. Only in the Dominican Republic and the Bolivarian Republic of Venezuela was there a 10-point increase (figure V.29).

Figure V.29  
**LATIN AMERICA (18 COUNTRIES): CHANGE IN THE PROPORTION OF FEMALE  
 MAYORS BETWEEN 1998 AND 2009**  
*(Percentage of total number of positions)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC) and International Research and Training Institute for the Advancement of Women (INSTRAW), for the Gender Equality Observatory for Latin America and the Caribbean.

## E. VIOLENCE AGAINST WOMEN PERPETRATED BY AN INTIMATE PARTNER

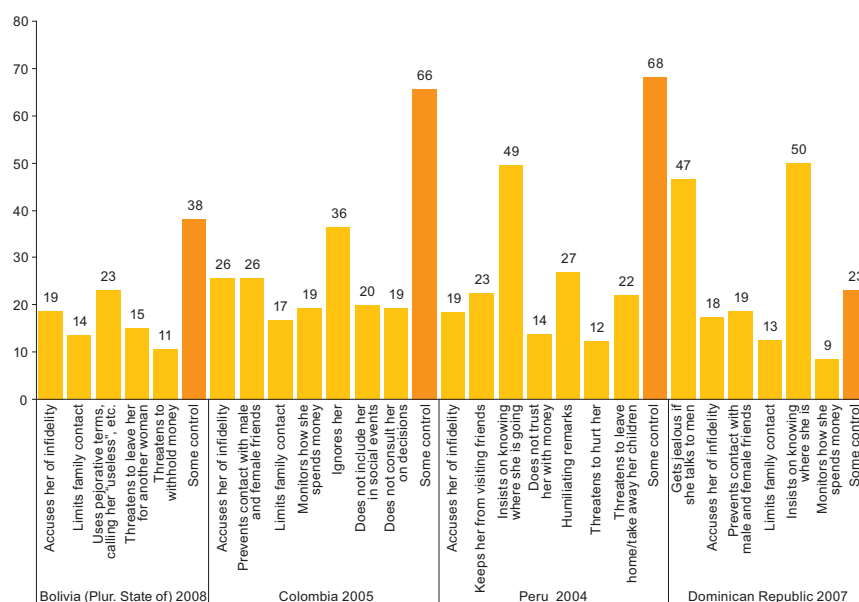
Gender-based sexual violence is still one of the most widespread and serious problems that women and girls face, and there is increasing concern worldwide. A vital step forward in understanding this as a public policy problem is acknowledging that it is universal and makes no distinction according to social class, age or any other sociodemographic feature that might be regarded as a protective factor.

The enactment of laws in all of the countries of Latin America and the Caribbean provides an idea as to the social relevance of this matter in the region. Laws to prevent, eradicate and punish domestic violence were enacted in the 1990s, but they have not always been successfully enforced. Since 2005 a second generation of laws and programmes has been emerging that takes into consideration the lessons learned during the previous stage, in order to improve enforcement. But the observed levels of violence against women continue to increase: as many as 40% of the women in the region have been victims of physical violence, and, in some countries, nearly 60% have been subjected to emotional violence (ECLAC, 2009a). This is directly related to the lack of public order institutions capable of curbing violence and supporting women who report it. Among other failures, police forces and agents of justice do not seem to be appropriately trained in handling such complaints.

Despite evidence to the contrary, one of our societies' longstanding myths is the direct relationship between violence and poverty. Physical, sexual, emotional and property violence is present in all social classes. It can be said, though, that the risk of being the victim of physical and sexual violence is higher in very low social strata (INEGI/CRIM, 2004) because violence against women is often prolonged by the lack of own income. When women depend economically on their partners, it is often hard for them to break the cycle of violence because they face a false choice between enduring physical violence or psychological abuse or not having the resources to ensure daily sustenance for themselves and their children.

The most recent data on countries that have surveys with one or more questions about violence, such as the Plurinational State of Bolivia, Colombia, Peru and the Dominican Republic, show that sexual violence affects 5.5% of women in the Dominican Republic and 11.5% in Colombia. The percentage of women who are victims of physical violence ranges from 16.1% in the Dominican Republic to 42.3% in Peru (ECLAC, 2009a). In all of the countries, the number of women who are victims of emotional violence is far higher. At least one fourth of the women in the 15-to-49-year age group have been subjected to some sort of control by their spouse or partner; the rate is higher than 65% in countries such as Colombia and Peru (figure V.30).

Figure V.30  
**LATIN AMERICA: PSYCHOLOGICAL VIOLENCE OR CONTROLLING BEHAVIOUR BY SPOUSE OR PARTNER, WOMEN AGED 15 TO 49, WHO ARE OR HAVE BEEN IN AN INTIMATE RELATIONSHIP**  
(Percentages)

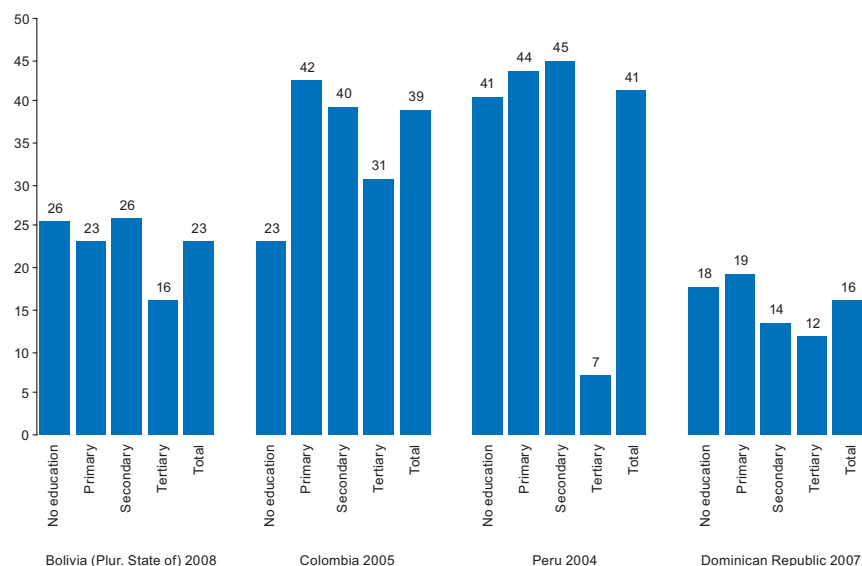


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of Demographic and Health Surveys (DHS) [online] <http://www.measuredhs.com>.

In general, the women who are most subjected to physical and sexual violence are less educated. The information available from the same source shows that the higher the level of education the lower the percentage of women who are victims of this particular type of violence. This is especially evident in Peru (figures V.31 and V. 32).

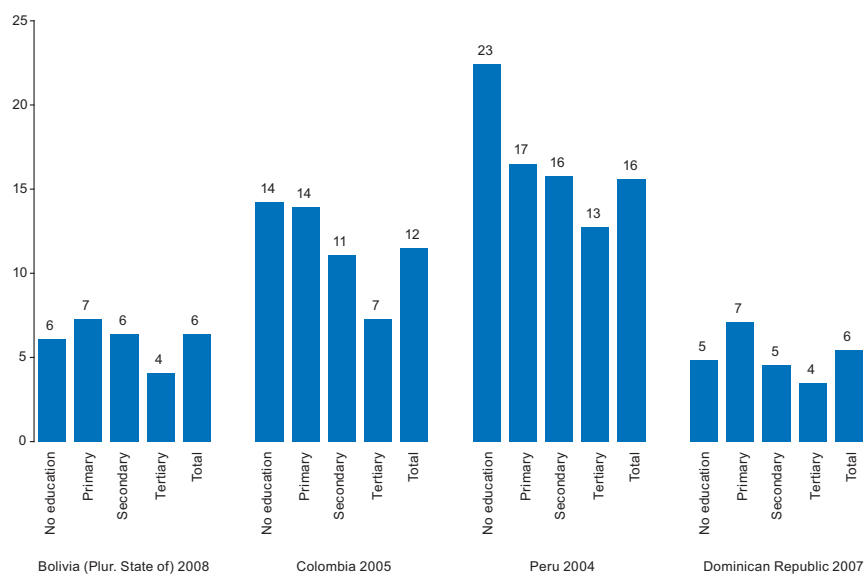
In most countries the outcomes are not being measured yet, let alone the impacts of anti-violence policies. Unlike other policies, in the case of violence against women it is not known for certain whether the number of victims has increased or if the fear of reporting violence has decreased, and governments can barely report on commitments and the implementation of programmes and services. There are still no decisive reports showing a decline in prevalence according to surveys or improving the numbers concerning access to justice, at least in the sense of avoiding women's deaths at the hands of partners or former intimate partners after prior complaints were ignored or went without timely punishment.

Figure V.31  
**LATIN AMERICA: WOMEN AGED 15 TO 49 HAVING EXPERIENCED PHYSICAL VIOLENCE AT THE HANDS OF AN INTIMATE PARTNER, BY LEVEL OF SCHOOLING**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of Demographic and Health Surveys (DHS) [online] <http://www.measuredhs.com>.

Figure V.32  
**LATIN AMERICA: WOMEN AGED 15 TO 49 HAVING EXPERIENCED SEXUAL VIOLENCE AT THE HANDS OF AN INTIMATE PARTNER, BY LEVEL OF SCHOOLING**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of Demographic and Health Surveys (DHS) [online] <http://www.measuredhs.com>.

## Box V.4

**VIOLENCE AGAINST WOMEN IN LATIN AMERICA AND THE CARIBBEAN**

In February 2008 United Nations Secretary-General Ban Ki-moon launched his “Unite to end violence against women campaign,” a multi-year initiative that aims to prevent and eliminate violence against women and girls in all parts of the world. In the countries of Latin America, efforts to end this violence have both international and regional support. On the international level, the Convention on the Elimination of All Forms of Discrimination against Women lays the groundwork for eliminating violence against women as one manifestation of the historically unequal distribution of power between the sexes. On a regional level, the Inter-American Convention on the Prevention, Punishment and Eradication of Violence against Women (Convention of Belem do Pará) has prompted legislative changes in almost all of the countries, giving rise to special laws or the amendment of penal codes.

The origin of violence against women lies in the unequal relationship between women and men. The different types of violence are the most extreme form of discrimination: violence can be done only to the person who is at a disadvantage with relation to the aggressor. The sexist culture that is rooted deeply in the societies of Latin America and the Caribbean, partial and sectorialized policies and inadequate implementation of reforms in the region have so far made it impossible to alter cultural patterns in the relationship between women and men. Submission, control and male authority persist, and they make it harder for women to achieve autonomy. Violence is still seen as a tool for coercive discipline, which is typical of a relationship of subordination.

Violence against women occurs in different spheres. In the Bolivarian Republic of Venezuela, for example, the “Women’s right to a life free of violence” act (2006) defines 19 forms of violence against women, including obstetric, media and symbolic violence. Generally speaking, though, there are three spheres in which violence occurs and a fourth in which it is so extreme that it can cause the woman’s death: femicide.

Intimate violence inside the family or the home or at the hands of a partner or former partner takes the form of physical, sexual, economic or psychological violence.

Community violence is sexual violence outside the home that is not perpetrated by a partner. In cases of armed conflict, trafficking and sexual exploitation, women are far more vulnerable.

Institutional violence in the workplace or by public or private services such as health care operators and police officers or justice officials can be the result of direct action by the State or can be by omission: the failure to put in place mechanisms and regulations to protect women in the public sphere.

Data on the region are very scanty; trends are identified using national demographic and health surveys (Demographic and Health Surveys or DHS; Nicaragua Demographic and Health Survey, or ENDESA; National Survey on the Dynamics of Relationships in Homes, or ENDIREH), and they are alarming. Up to 40% of women are exposed to physical abuse. In Peru, 68% of women 15 to 49 report being victims of emotional abuse. In Mexico, 29.3% of women are exposed to economic violence.

Killings of women by intimate partners or former partners are being examined throughout the region because their incidence is growing. Several countries are beginning to class this offence as femicide. The principal form of violence against women continues to occur in the home. Such violence lays bare the great paradox: the home, which provides shelter and a place for forming relationships of affection, is also the place of greatest risk.

**Source:** United Nations, *No More! The Right of Women to Live a Life Free from Violence in Latin America and the Caribbean* (LC/L.2808), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2007.

**F. FROM THE QUITO CONSENSUS TO THE BRASILIA CONSENSUS**

The eleventh session of the Regional Conference on Women in Latin America and the Caribbean will take place fifteen years after the Fourth World Conference on Women (Beijing, 1995) and with five years remaining to the deadline for attaining the targets proposed by the Millennium Summit. The fact that these two agendas are in step validates these commitments, many of which are part of the Quito Consensus (2007). It may be expected that the governments of the region will ratify them with the Brasilia Consensus.

One issue requiring attention is the need to decrease the number of women without an income of their own, thus promoting their economic autonomy. Here, there is a triangle that links the lack of training, the absence of employment opportunities and the supply of solutions for care. Together, these three issues discourage women from entering the labour market to look for employment.



## Box V.5

**GENDER EQUALITY OBSERVATORY OF LATIN AMERICA AND THE CARIBBEAN**

At the tenth session of the Regional Conference on Women in Latin America and the Caribbean, held in Quito, (2007), the member States of ECLAC requested the creation of a gender equality observatory to help strengthen national machineries for gender issues. On that occasion, the countries also recognized that parity “is one of the key driving forces of democracy, that its aim is to achieve equality in the exercise of power, in decision-making, in mechanisms of social and political participation and representation, in various types of family relations, and in social, economic, political and cultural relations, and that it constitutes a goal for the eradication of women’s structural exclusion” (Quito Consensus).

ECLAC was asked to act, through its Division for Gender Affairs, as secretariat of the Observatory, with inter-institutional cooperation from the United Nations International Research and Training Institute for the Advancement of Women (INSTRAW), the United Nations Development Fund for Women (UNIFEM), the United Nations Population Fund (UNFPA), the Pan American Health Organization (PAHO), and the United Nations Development Programme (UNDP), with financial support from the Spanish International Cooperation Agency for Development (AECID) and the Ibero-American Secretariat (SEGIB).

The objectives of the Gender Equality Observatory are to analyse the fulfilment of international gender-equality goals and targets and increase their visibility; and make strategic gender inequality indicators and analytical tools for policymaking available to Government. To this end it will provide technical support and training for national statistical institutes and machineries for the advancement of women in requesting countries in the region.

The Observatory’s conceptual basis is women’s autonomy. Women’s autonomy in both the public and the private sphere is key to ensuring human rights. As a concept, it also refers to people’s ability to act of their own free will and not according to the will of others. It has long been yearned for by women and is based on three pillars of gender equality: economic autonomy, that is, the ability to generate their own incomes and to control assets and resources; physical autonomy, or control over their own bodies; and, lastly, autonomy in decision-making, which is full participation in the decisions affecting their lives and their community.

The Fourth World Conference on Women Declaration and the Platform for Action formulated in Beijing in 1995 introduced the need to generate material conditions for women to achieve autonomy. This was a milestone in the development of gender statistics, because for the first time an international instrument dealt extensively with the production and dissemination of data on the subject. The governments then agreed on a set of actions to “generate and disseminate gender-disaggregated data and information for planning and evaluation” in the platform’s 12 areas of concern. Later, in 2000, the Millennium Declaration recognized the importance of gender equality and women’s autonomy and turned them into one of the Millennium Development Goals.

In 1999, ECLAC devised a system of gender indicators for follow-up and evaluation of the Regional Programme of Action and the Beijing Platform for Action (ECLAC, 1999). There ensued a process of coordination among the United Nations agencies and the governments of Latin America and the Caribbean that was consolidated at the thirty-first meeting of the Presiding Officers of the Regional Conference on Women in Latin America and the Caribbean in Santiago, in 2000. At that meeting, the member states agreed to harmonize gender-disaggregated statistics and encourage cooperation among national machineries for the advancement of women and statistical offices in member countries.

With the same agenda, the fourth meeting of the Statistical Conference of the Americas (Santiago, 2007) agreed to include, as part of its strategic goals, the promotion and development of gender statistics, and to task the Division for Gender Affairs of ECLAC with providing secretariat services to a new Working Group on Gender Statistics created to “coordinate efforts to systematize national statistical information with a gender perspective in all the countries of the region (...) and systematically provide and update ECLAC with statistical information for the follow-up of the Millennium Development Goals.”

ECLAC articulates the mandates of the Quito Consensus and the Statistical Conference of the Americas in coordinating and implementing the Gender Equality Observatory of Latin America and the Caribbean. Presented in July 2009, the Observatory not only enhances the role of national machineries for the advancement of women but also stresses the usefulness of gender indicators as a tool for monitoring results and following up on public policy.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Gender Equality Observatory of Latin America and the Caribbean [online] [www.cepal.org/oig](http://www.cepal.org/oig).

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## Chapter VI

**PROGRESS MADE BY LATIN AMERICA AND THE CARIBBEAN TOWARDS ACHIEVING  
THE HEALTH-RELATED MILLENNIUM DEVELOPMENT GOALS**

Goals	Targets	Indicators
<b>Goal 4</b> Reduce child mortality	<b>Target 4.A</b> Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	<b>4.1</b> Under-five mortality rate <b>4.2</b> Infant mortality rate <b>4.3</b> Proportion of one-year-old children immunized against measles
<b>Goal 5</b> Improve maternal health	<b>Target 5.A</b> Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio  <b>Target 5.B</b> Achieve, by 2015, universal access to reproductive health	<b>5.1</b> Maternal mortality ratio <b>5.2</b> Proportion of births attended by skilled health personnel <b>5.3</b> Contraceptive prevalence rate <b>5.4</b> Adolescent birth rate <b>5.5</b> Antenatal care coverage (at least one visit and at least four visits) <b>5.6</b> Unmet need for family planning
<b>Goal 6</b> Combat HIV/AIDS, malaria and other diseases	<b>Target 6.A</b> Have halted by 2015 and begun to reverse the spread of HIV/AIDS  <b>Target 6.B</b> Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it  <b>Target 6.C</b> Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	<b>6.1</b> HIV prevalence among population aged 15-24 years <b>6.2</b> Condom use at last high-risk sex <b>6.3</b> Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS <b>6.4</b> Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years <b>6.5</b> Proportion of population with advanced HIV infection with access to antiretroviral drugs <b>6.6</b> Incidence and death rates associated with malaria <b>6.7</b> Proportion of children under 5 sleeping under insecticide-treated bednets <b>6.8</b> Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs <b>6.9</b> Incidence, prevalence and death rates associated with tuberculosis <b>6.10</b> Proportion of tuberculosis cases detected and cured under directly observed treatment short course

This chapter examines child mortality, maternal mortality, access to reproductive health and the incidence of HIV/AIDS, malaria and tuberculosis in the light of the Millennium Development Goals and their respective targets, and puts forward recommendations.

From a medium-term perspective, the health of the population in the Latin American and Caribbean region has undoubtedly improved. However, the progress achieved in the region has been unequal and heterogeneous, and for some indicators it has been insufficient.

According to the official indicators, some countries are on track to meet the health-related Millennium Development Goals, others are far from achieving them, while other countries have made some progress, but not enough to reach the targets. In general, that progress has gone hand in hand with comprehensive strategies to address the challenges. Maternal mortality is one of the indicators on which less progress has been made and for which there is less good-quality information available, which is consistent with gaps in exercising reproductive rights.

Poor health and premature death are the result of inequality in society. The poorest and most vulnerable are most at risk of dying or falling ill if there is no broad health policy guaranteeing the right of citizens to the prevention of illness and the promotion of health, as well as access to basic and more advanced health care. In all countries, analyses, disaggregated by ethnic group, gender, age and territory, show that discrimination and exclusion operate on various levels and that there is a need to extend the capacity of individuals to exercise their rights, especially the right to health.

In all cases, including in countries with higher levels of well-being, additional efforts, varying in intensity and nature, will be required to achieve the Millennium Development Goals, however, particular emphasis should be placed on vulnerable areas. On an intersectoral level, the action taken in relation to basic infrastructure and access to a good education, especially for poor women, are worthy of particular note. Efforts include institutional, legal and organizational reform, and financial changes in relation to government revenue and taxes; there is a general need for better qualified human resources and for health services to extend their coverage.

## **A. GOAL 4: REDUCE CHILD MORTALITY**

### **1. Introduction**

The need to protect the life and health of children is enshrined in various international instruments that establish the State's obligation to take all possible action immediately to protect children from a preventable death.

Article 6 of the International Covenant on Civil and Political Rights, which entered into force in 1976, establishes that every human being has the inherent right to life and that this right shall be protected by law. According to the Human Rights Committee, this requires the State "to take all possible measures to reduce infant mortality and to increase life expectancy, especially in adopting measures to eliminate malnutrition and epidemics".

Article 12 of the International Covenant on Economic, Social and Cultural Rights, which entered into force in the same year, requires States parties to adopt measures to reduce the stillbirth-rate and infant mortality and for the healthy development of the child as one aspect of the right to health.

Under the Convention on the Rights of the Child, which entered into force in 1990, States Parties must "ensure to the maximum extent possible the survival and development of the child". Article 24 of that Convention sets out all the requirements relating to the health of the child and the mother, including that States parties shall take appropriate measures "to diminish infant and child mortality".

With these provisions in place, significant strides can be made towards guaranteeing the right of the child to life and health. Increasing access to a high-quality health system is indispensable, but much can also be done to prevent deaths without depending on formal, patient-centred health care. This includes, for example, supporting and promoting breast feeding and providing basic training to community health workers.

### **2. Target 4.A: reduce by two-thirds, between 1990 and 2015, the under-five mortality rate**

Reducing by two-thirds, between 1990 and 2015, the under-five mortality rate (known as child mortality) is target 4.A of the fourth Millennium Development Goal. In Latin America and the Caribbean, 11 million children are born every year. However, of those children, it is calculated that 237,000 die before their first birthday and some 304,000 die before their fifth birthday (United Nations, 2008b).

The United Nations has put forward three indicators for following up on this target: the infant mortality rate, the child mortality rate and the proportion of one-year-old children immunized against measles. Of the first two

indicators, this analysis uses primarily infant mortality, which looks at the probability of dying between birth and age 1 and is expressed as deaths per 1,000 live births. This indicator represents the majority of child mortality and there is more comparable information available for a greater number of countries. Both indicators follow a similar pattern<sup>1</sup> since a high proportion of deaths occur during the first year of life (about 80%).

Infant mortality is a strong indicator of social development and of the availability, use and accessibility of health systems, especially among children, as well as of their nutritional status. It shows to what extent the most fundamental human right, that is, the right to life and the concomitant right to health (Jiménez and others, 2008), is being exercised in a society. To a greater or less extent, all the countries of Latin America and the Caribbean have substantially reduced child mortality rates thanks to a combination of several processes, including: improvements in high-impact and low-cost primary health care (such as mass vaccination programmes, oral rehydration therapy and well-child check-ups); expanded coverage for basic services, especially potable water and sanitation; increased education levels in the population; and reduced fertility.

In 1990-2009, which represents three quarters of the time allotted to achieve the Millennium Development Goals, the region of Latin America and the Caribbean has made notable progress in relation to children's health. In that connection, there has been a substantial reduction in mortality rates. In 2009, the region recorded the lowest infant mortality rate in the developing world and it achieved that reduction more quickly than other regions. It therefore ranks relatively highly from a global perspective (see table VI.1).

The regional averages on infant mortality hide great disparities between countries (see figures VI.1 and VI.3).<sup>2</sup> The average for Latin America was 20.4 deaths per 1,000 live births and the median was 16.8 deaths per 1,000 live births. In one group of five countries and territories (Chile, Cuba, Guadeloupe, Martinique and Puerto Rico), the rates were equal to or lower than 7 deaths per 1,000 live births, while the rates for a different group of four countries were over 30 deaths per 1,000 live births. Haiti, the poorest country in the Western Hemisphere, has the highest infant mortality rate in the region: over 46 deaths per 1,000 live births. This figure highlights how far behind the country is overall in terms of development, and this situation will surely only worsen following the earthquake in 2010 (see box VI.1). Nevertheless, despite the high infant mortality rates in Haiti and the Plurinational State of Bolivia, both countries have, in fact, made significant progress during the last 19 years: in 1990 the infant mortality rates were almost double what they are today.

<sup>1</sup> See the child mortality estimates for the countries of the region in the statistical annex. The figures for Latin America used in this report are based on the most recent mortality estimates produced by the Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, in most cases in collaboration with national statistical offices. The figures for the countries of the Caribbean are based on the estimates of the United Nations Population Division (United Nations, 2008b). In the past, United Nations agencies published a number of different mortality estimates for the region and even for individual countries, which led to some confusion between the different agencies and even between countries. The Inter-agency Group on Child Mortality Estimation (IGME) therefore set out to develop a single database and definitive methodology for estimating infant and child mortality within the United Nations system. In Latin America, most of the differences can be explained by the fact that the data is obtained from disparate sources (such as the continuous registration of births, and direct and indirect estimates based on census and survey data) and different methodologies, or varying suppositions within a single methodology, are used. When agencies and countries, in particular, are following up on the Millennium Development Goals some of these factors can lead to controversy. The creation by IGME of a database on child mortality represented a significant step towards harmonization and could put paid to the sources of controversy. There remain some small discrepancies in the child mortality estimates produced by CELADE - Population Division of ECLAC and IGME because of differences in the estimation methodologies, however, these will be resolved as the harmonization process progresses. CELADE - Population Division of ECLAC and the United Nations Children's Fund (UNICEF) are working on a joint publication on mortality estimates in the Latin American region, to be published in the final quarter of 2010, which is working towards the harmonization of data sources and methods for estimating child mortality. CELADE - Population Division of ECLAC and the Pan American Health Organization (PAHO), as well as other agencies of the United Nations system, are providing support to and collaborating with countries to improve continuous statistics (births and deaths) with a view to minimizing the use of estimates in the future.

<sup>2</sup> Since infant mortality rates and trends, as well as the data used to calculate them, differ significantly in Latin America and the Caribbean, the two subregions are considered separately when evaluating this target.

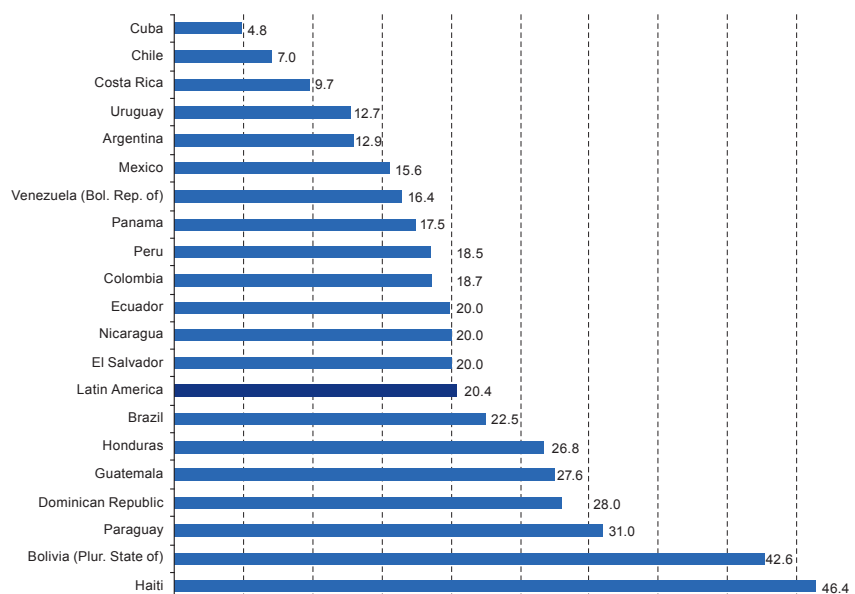
Table VI.1  
**WORLD REGIONS: INFANT MORTALITY RATE (INDICATOR 4.2  
 OF THE MILLENNIUM DEVELOPMENT GOALS), 1990-2009<sup>a</sup>**  
*(Per 1,000 live births)*

Geographic region	1990	2009	Percentage change between 1990 and 2009
World	63.2	46.0	-27.2
Africa	103.9	80.8	-22.2
Asia	61.4	39.9	-35.1
Europe	14.2	6.8	-52.1
<b>Latin America and the Caribbean</b>	<b>42.7</b>	<b>20.6</b>	<b>-51.7</b>
North America	8.2	5.7	-31.1
Oceania	31.1	21.9	-29.5

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, World Population Prospects: The 2008 Revision [online] <http://esa.un.org/unpp/>.

<sup>a</sup> Linear interpolation of estimates of the probability of dying before reaching one year of age, prepared by the source for 1985-1990 and 1990-1995 (data from 1990) and 2000-2005 and 2005-2010 (data from 2009).

Figure VI.1  
**LATIN AMERICA (20 COUNTRIES): INFANT MORTALITY RATE (INDICATOR 4.2  
 OF THE MILLENNIUM DEVELOPMENT GOALS), 2009**  
*(Per 1,000 live births)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), calculations by the Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, on the basis of data obtained by linear interpolation of estimates of the probability of dying before reaching one year of age for 2000-2005 and 2005-2010.

## Box VI.1

**THE EARTHQUAKE IN HAITI AND THE MILLENNIUM DEVELOPMENT GOALS**

Even before the January 2010 earthquake, the basic health indicators for Haiti's population were alarming. Mortality rates were the highest in Latin America and the Caribbean. Infant and child mortality stood at above 45 per thousand, and the maternal mortality rate—at 630 deaths per 100,000 live births—by far exceeded rates elsewhere in the region. Life expectancy at birth, estimated at 61.5 years (59.7 for men and 63.2 for women), was the lowest in the Americas. Birth rates were high: 25 per 1,000 in urban areas and 30 per 1,000 in rural areas. The average number of children was three for urban women and five for rural women. The population is predominantly rural (60%) and young (60% under 25). In 2006, 42% of the population lacked access to safe water (30% in urban areas and 49% in rural areas), and 81% lacked access to proper sanitation (71% of urban and 88% of rural dwellers): eight million persons lacked access to water or sanitation or both—a 5% increase over 2001.

The following table gives some key trends in the determinants of child and maternal health in Haiti. The demographic and health surveys for 1994-1995 and 2005-2006 show opposing trends in some health indicators that are important for fulfilling the under-five and maternal health mortality indicators, as well as in the pattern of distribution of indicators across the different segments of the population. Nationwide, the percentage of women receiving qualified prenatal care rose considerably between 1994 and 2005, from 70% to 84.5%. Other indicators also improved: coverage of the vaccine against diphtheria/pertussis/tetanus (DPT3) increased from 41.4% in 1994 to 53.0% in 2005, and, according to demographic and health survey (DHS) figures, infant and child mortality declined significantly (by 20% and 27%, respectively). Since 1990, the country has brought its infant and child mortality rates down by more than half—a remarkable achievement given the precarious conditions even before the 2010 earthquake.

**HAITI: TRENDS IN THE MAGNITUDE AND DISTRIBUTION OF SOME HEALTH INDICATORS IN  
RELATION TO THE MILLENNIUM DEVELOPMENT GOALS**

Millennium Development Goal health indicator	1994			2005			Percentage change in the overall average between 1994 and 2005	Ratio of indicator for poorest children to indicator for wealthiest	
	Average	Poorest 20%	Wealthiest 20%	Average	Poorest 20%	Wealthiest 20%		1994	2005
Total fertility rate	4.8	7	2.3	3.9	6.6	2	-18.8	3.0	3.3
Under- five mortality rate	140.6	163.3	105.6	102.3	125	54.9	-27.2	1.5	2.3
Infant mortality rate	87.1	93.7	74.3	69.9	78.2	45	-19.7	1.3	1.7
DPT3 vaccine coverage	41.4	29.4	56.2	53	45.4	71.8	28.0	0.5	0.6
Qualified prenatal care	69.6	45.9	92	84.5	72.3	95.4	21.4	0.5	0.8
Skilled care during delivery	46.3	24.0	78.2	26.1	6.4	67.5	-43.6	0.3	0.1

**Source:** Final Demographic and Health Survey (EDS) reports for Haiti, 1994/95 and 2005/06.

The ratio of the poorest quintile to the wealthiest was, nonetheless, worrisome: In the five-year period the gap widened or remained unchanged for nearly all indicators. In 1994, the poorest and the wealthiest groups had quite similar infant mortality rates, but in 2005 the rate was nearly twice as high among the poorest segment as among the wealthiest, and the under-five mortality rate was more than twice as high.

As indicated by the United Nations Development Programme, natural disasters have a much stronger and more severe impact on impoverished populations. The United Nations Children's Fund has warned that the worsening of health conditions, hunger and water scarcity by the earthquake could cause infant mortality and maternal mortality to rise considerably in 2010. The earthquake that devastated the central-western portion of the country in 2010, including the greater metropolitan area of the capital, Port-au-Prince, inflicted a massive loss of life and caused countless injuries requiring surgery and trauma care. The Civil Protection Bureau's most recent official figures report more than 217,000 dead, more than 300,000 injured, some one million internally displaced and two million homeless. Many survivors who have been left with disabilities will require specialized care and rehabilitation. Those who have lost their homes have gathered together in public spaces or makeshift shelters under precarious health conditions. They must also cope with a severe emotional aftermath. The disaster has magnified, to an unimaginable degree, the already precarious health situation. The health system's infrastructure and organizational capacity were seriously damaged and its response capacity has been diminished.

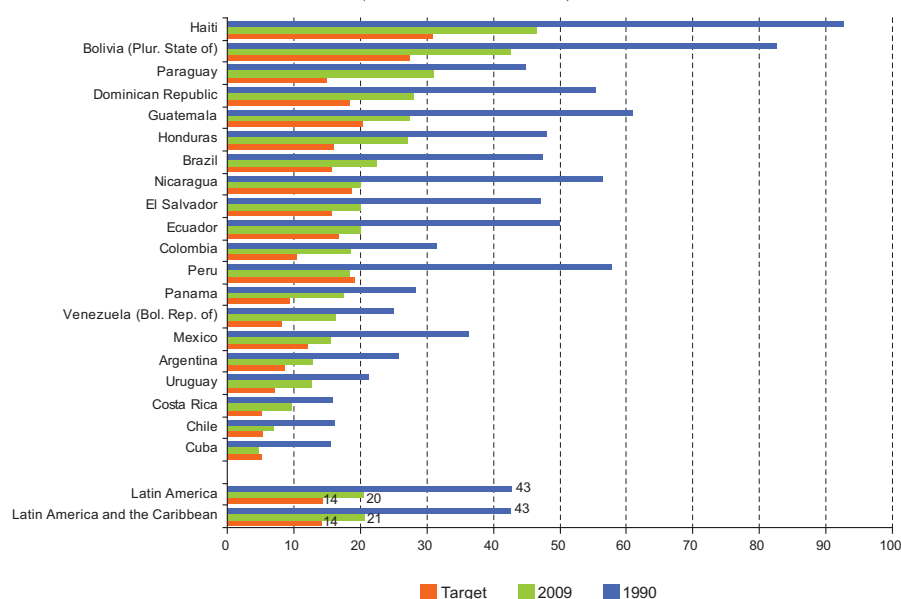
The United Nations had already called the country's calamitous conditions prior to the earthquake a "silent emergency". Domestic and international efforts must be stepped up on an unprecedented scale to support the reconstruction of the country, progress towards fulfilling the Millennium Development Goals and address inequality in its multiple facets.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC) and Pan American Health Organization (PAHO).

If countries are to reach the target by 2015, they should be three quarters of the way there given that the period under consideration (1990-2009) is equivalent to approximately three quarters of the period to 2015, if they are making linear progress. Infant mortality should have fallen by 50.2% between 1990 and 2009.

According to the trends in infant mortality estimated by CELADE-Population Division of ECLAC for 20 countries in Latin America, the infant mortality rate decreased by 52.3% between 1990 and 2009. In nine countries, the rate dropped by over 50%; the decreases recorded in Cuba (69%) and Peru (68%) were worthy of particular note as their rates were over 66.7% lower in 2009 than in 1990. However, in 11 countries a reduction of less than 50% has been achieved and in the Bolivarian Republic of Venezuela, Costa Rica, Panama and Paraguay infant mortality rates have fallen by less than 40%. The countries with the lowest infant mortality rates in 1990, such as Costa Rica and Uruguay, despite not having made enough progress to be on track to meet the target (reducing infant mortality by two-thirds), have nevertheless achieved a substantial reduction (see figure VI.2).

Figure VI.2  
**LATIN AMERICA (20 COUNTRIES): INFANT MORTALITY RATE (INDICATOR 4.2 OF THE MILLENNIUM DEVELOPMENT GOALS), 1990, 2009 AND TARGET FOR 2015<sup>a</sup>**  
(Per 1,000 live births)



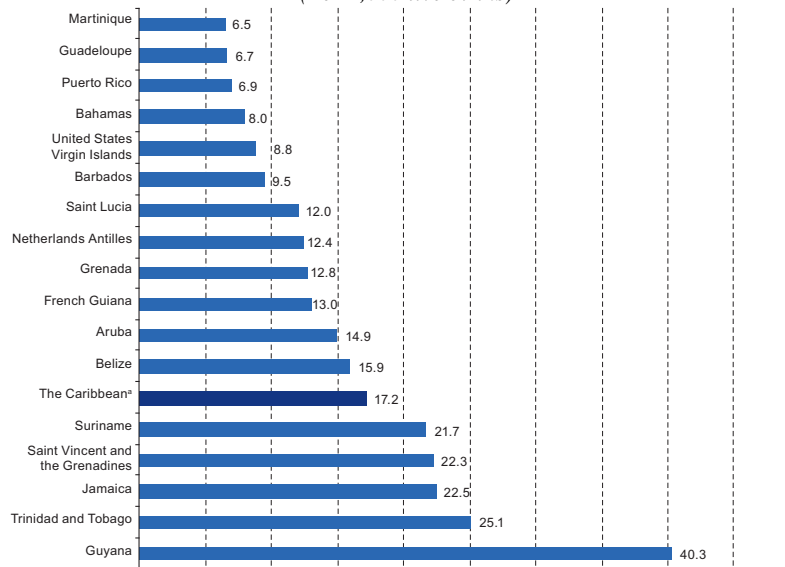
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), calculations by the Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, on the basis of data obtained by linear interpolation of estimates of the probability of dying before reaching one year of age for 1985-1990 and 1990-1995 (data from 1990), 2000-2005 and 2005-2010 (data from 2009).

<sup>a</sup> The target for 2015 is one third of the infant mortality rate in 1990.

Many Caribbean countries had low infant mortality rates in 1990 and now have rates that are better than the regional average: the subregional average for the Caribbean in 2009 was 17.2 deaths per 1,000 live births and the median was 13 deaths per 1,000 live births (see figure VI.3). However, the lowest infant mortality rates in the Caribbean can be found in two territories and one State in association, and the highest rates are at least four times higher. When a closer look is taken at the progress made between 1990 and 2009, it is worrying to note that the subregion as a whole has managed to lower its infant mortality rates by only 50%, which means that it is not on track to meet the target since the time between 1990 and 2009 is equivalent to 76% of the total period between 1990 and 2015 (see figures VI.4 and VI.5).



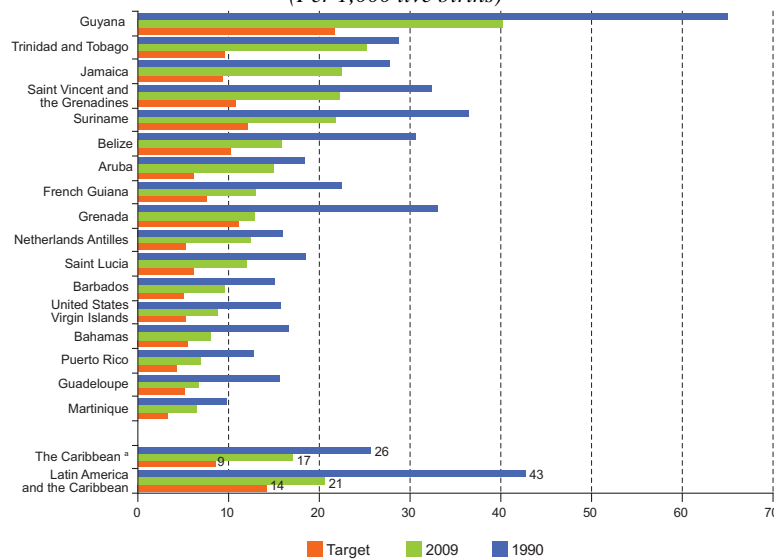
Figure VI.3  
**THE CARIBBEAN (17 COUNTRIES AND TERRITORIES): INFANT MORTALITY RATE**  
**(INDICATOR 4.2 OF THE MILLENNIUM DEVELOPMENT GOALS), 2009<sup>a</sup>**  
*(Per 1,000 live births)*



**Source:** United Nations, Population Division, World Population Prospects: The 2008 Revision [online] <http://esa.un.org/unpp>.

<sup>a</sup> Linear interpolation of estimates of the probability of dying before reaching one year of age, prepared by the source for 2000-2005 and 2005-2010.

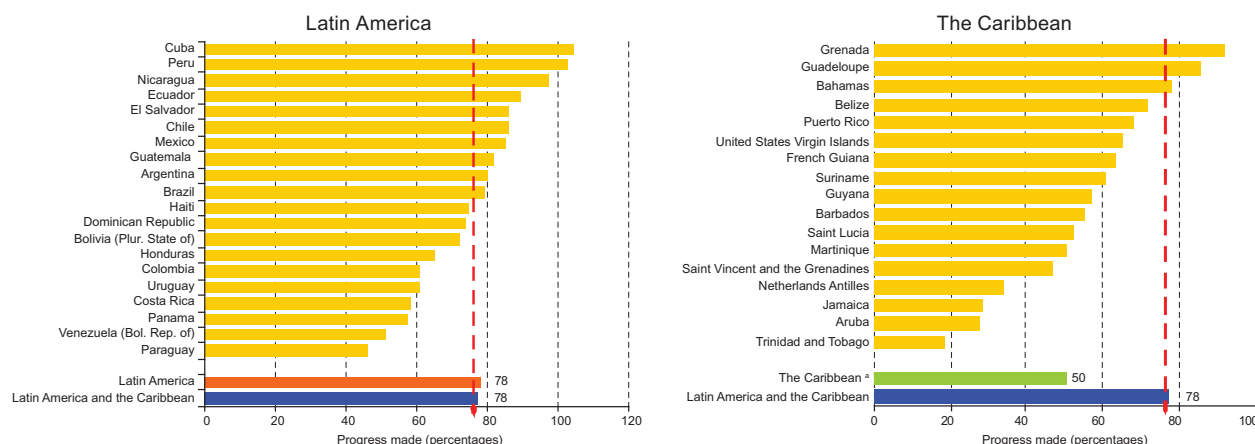
Figure VI.4  
**THE CARIBBEAN (17 COUNTRIES AND TERRITORIES): INFANT MORTALITY RATE (INDICATOR 4.2**  
**OF THE MILLENNIUM DEVELOPMENT GOALS), 1990, 2009 AND TARGET FOR 2015**  
*(Per 1,000 live births)*



**Source:** United Nations, Population Division, World Population Prospects: The 2008 Revision [online] <http://esa.un.org/unpp>.

<sup>a</sup> Calculations by the source, on the basis of data obtained by linear interpolation of estimates of the probability of dying before reaching one year of age for 1985-1990 (data from 1990), 2000-2005 and 2005-2010 (data from 2009), and 2010-2015-2020 (based on projected data for 2015). The target for 2015 is one third of the infant mortality rate in 1990.

Figure VI.5  
**LATIN AMERICA (20 COUNTRIES) AND THE CARIBBEAN (17 COUNTRIES AND TERRITORIES):  
 PROGRESS IN REDUCING THE INFANT MORTALITY RATE (INDICATOR 4.2  
 OF THE MILLENNIUM DEVELOPMENT GOALS), 1990-2009**  
*(Progress made, in percentage terms, towards the target for 2015)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), calculations by the Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, on the basis of infant mortality estimates and data from the United Nations, World Population Prospects: The 2008 Revision [online] <http://esa.un.org/unpp>.

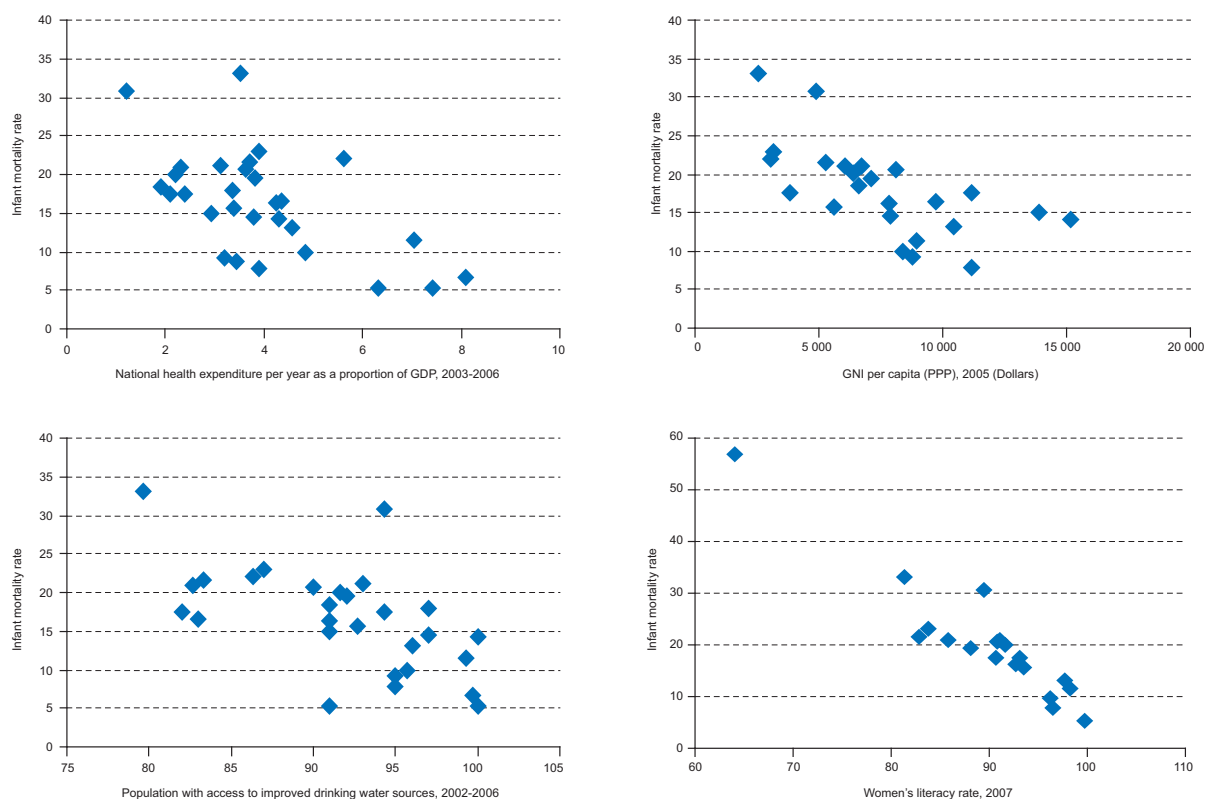
In both subregions, the reduction in infant mortality rates up to 2015 is projected to slow. This can be attributed in part to the measurements themselves since the infant mortality estimates were updated in 2005 and a cautious approach tends to be adopted in relation to projections regarding future reductions. Consequently, although the measurement in 2003 indicated that 12 countries in Latin America and four in the Caribbean were on track to meet the target (United Nations, 2005), current measurements indicate that this is the case for 11 in Latin America and three in the Caribbean (the Bahamas, Grenada and Guadeloupe). While Cuba and Peru have already met the target, the reductions in infant mortality recorded since 1990 in Argentina, Brazil, Chile, the Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico and Nicaragua indicate that these countries are very close to doing so. Included among the countries that have made significant strides towards reducing infant mortality in the region are two of the most populous (Brazil and Mexico), which contribute substantially to the progress recorded for the region of Latin America and the Caribbean (see figure VI.5).

### 3. The main causes of infant mortality: why are infant mortality rates in the region so variable?

As ECLAC, PAHO, UNICEF and other bodies have emphasized repeatedly, the countries of Latin America and the Caribbean are characterized by high levels of social inequality and as a region as a whole it has the highest concentration of income. Infant mortality is not impervious to this reality, and historically the most excluded and vulnerable groups have been hit the hardest.

The countries with the highest infant mortality rates are also those with lower incomes, lower literacy rates among women, less access to potable water and basic sanitation and lower public expenditure on health (see figure VI.6). These factors are the main causes of the high rates of infant mortality in the region, they explain the variability of those rates within the region and highlight the fact that the high rates of infant mortality in the region are attributable to the shortcomings of or the low investment in social and environmental programmes and policies which, in addition to the low public expenditure on health, exacerbate existing social inequalities. The reality in many countries with high rates of infant mortality is therefore unfavourable: in addition to unresolved social problems, low investment in health results in a health policy that does not invest in disease prevention or health promotion, and much less in expanding the coverage of primary health-care services.

Figure VI.6  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): INFANT MORTALITY  
 RATE AND SOCIO-ECONOMIC INDICATORS**  
*(Percentages)*



**Source:** Pan American Health Organization (PAHO), Basic Indicator Database, February 2010.

Reducing inequalities between countries and within countries is the way to reduce infant mortality rates and give the most vulnerable populations an opportunity to lead a decent life. It is particularly important to give the new generation of children and young persons a chance to build themselves a decent life as adults (see box VI.2).

Eradicating extreme poverty and hunger has an immediate and direct impact on the reduction of infant mortality by improving children's nutritional status. Child undernutrition can cause death in the first year of life and can also lead to impaired cognitive development during childhood that affects their future, decreasing their capacity to compete and perpetuating their marginalization in society. As a result of the socio-economic inequalities that exist, undernutrition is also distributed unequally. Mapping these spaces is essential in order to target and prioritize the problem. If households and their inhabitants are living in a difficult socio-economic situation, it not only determines the level of chronic undernutrition experienced by the children, but also points to bad living conditions and an environment that does not favour health, in which those affected do not have access to safe water and basic sanitation, a decent dwelling, sources of employment and educational opportunities. The parents', and especially the mother's, level of schooling has a decisive influence on the level and distribution of chronic undernutrition. Geographical, cultural, ethnic and individual factors interact closely with the distribution of these socio-economic variables.<sup>3</sup>

<sup>3</sup> An in-depth analysis of the determining factors of chronic undernutrition for a group of countries using an econometric analysis of demographic and health surveys can be found in chapter IV of *Millennium Development Goals. Progress towards the right to health in Latin America and the Caribbean* (ECLAC, 2008).

## Box VI.2

### REDUCING INEQUALITIES IN INFANT MORTALITY THROUGHOUT THE COUNTRY: LESSONS FROM BRAZIL

According to recent National Household Survey data cited by the United Nations Development Programme, income in Brazil has consistently risen at a faster rate among the poorest two deciles of the population since 2001, as evidenced by the fall in the Gini coefficient from 0.59 in 2001 to 0.53 in 2007.<sup>a</sup>

To determine whether this encouraging decrease in income inequality has been accompanied by a reduction in infant mortality and in the unequal distribution of that rate (table 1), an exploratory study was carried out using the Minujin and Delamonica methodology (2003).

#### EVALUATION OF CHANGES IN HEALTH INEQUALITY

Average population trend		Relative social gap	
		Narrower	Broader
	Improvement	BETTER RESULT	IMPROVEMENT WITH INEQUALITY Improvement for the upper segments, but not for the lower ones
	Deterioration	DETERIORATION WITH PROTECTION Deterioration with a degree of protection for the needy	WORST RESULT

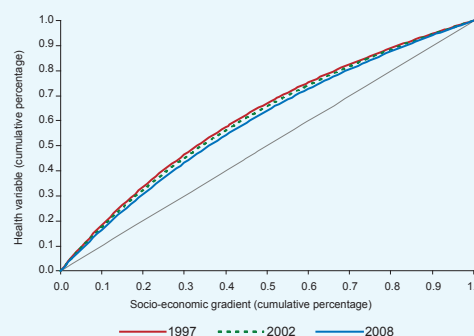
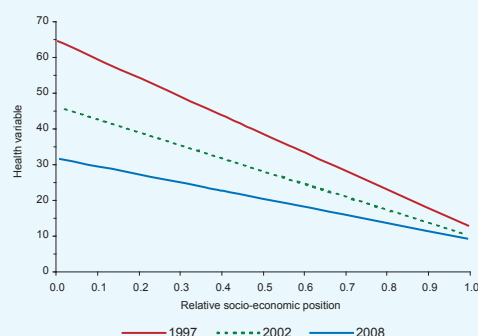
**Source:** Alberto Minujin y Enrique Delamonica, “Mind the gap! Widening child mortality disparities”, *Journal of Human Development*, vol. 4, N° 3, November 2003.

Unlike the situation in other countries, health improvements in Brazil, as measured by average child survival, represent progress towards Goal 4 of the Millennium Development Goal and have been accompanied by a reduction in the unequal distribution in infant mortality.

Between 1997 and 2008, Brazil saw a marked, sustained decrease in its infant mortality rate throughout the country: from 38.8 per thousand to 20.6 per thousand, that is a 46.9% improvement. This improvement was accompanied by an equally marked and sustained reduction in the relative social gap. Excess mortality in the social gradient fell from 52.1 per thousand in 1997 to 36.2 per thousand in 2002 and to 22.6 per thousand in 2008, representing a 56.6% reduction in excess mortality disparities during the period. Still, as shown in the most recent health concentration curve (figure 2), nearly 31% of child deaths continue to be concentrated in the poorest quintiles, which underscores the unfinished work in this area.

**BRAZIL: HEALTH CONCENTRATION CURVES, 1997, 2002 AND 2008**  
(Percentages)

Infant mortality	1997	2002	2008
Health indicator (national average)	38.77	28.27	20.58
Slope index of inequality	-52.12	-36.20	-22.55
Health concentration index	-0.23	-0.21	-0.19



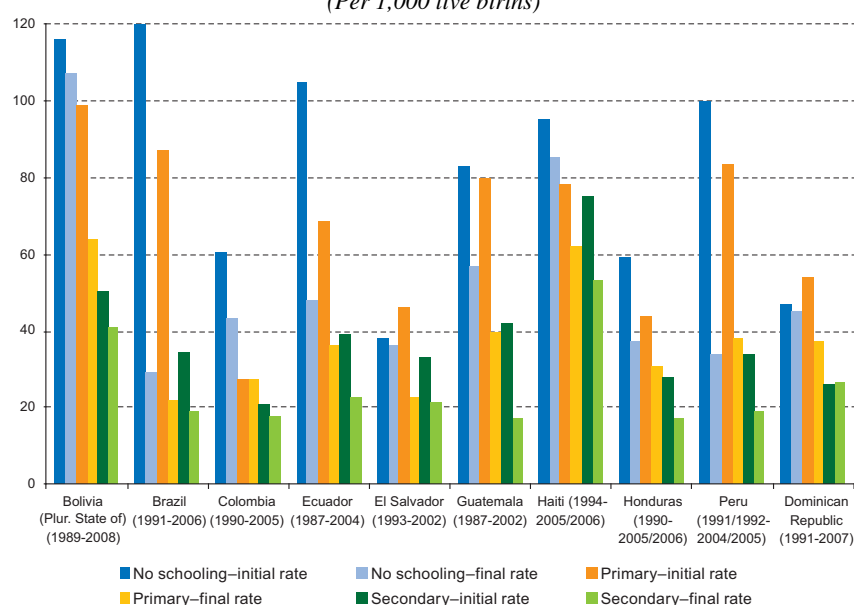
**Source:** Alberto Minujin and Enrique Delamonica, “Mind the gap! Widening child mortality disparities”, *Journal of Human Development*, vol. 4, N° 3, November 2003.

**Source:** Pan American Health Organization (PAHO), Workshop on measuring health inequalities, ninth EXPOEPI, Brasilia, November 2009. Child mortality rates at the state level, basic population counts and gross per capita national income were obtained from the indicator database of the Single Health System (SUS) (see [online] <http://www2.datasus.gov.br/DATASUS/index.php>). Health inequality in 1997, 2002 and 2008 was measured using the inequality index of the slope estimated using the weighted least squares regression method and the health concentration index.

<sup>a</sup> Degol Hailu and Sergei Suarez Dillon Soares, “What explains the decline in Brazil’s inequality?”, *One Pager*, N° 89, International Policy Centre for Inclusive Growth, July 2009.

The mother's level of schooling is also one of the strongest factors in determining the probability of a child dying before reaching age 1. It affects infant mortality indirectly through its influence in various spheres, such as the economic status of the household, the place of residence and ethnic background.<sup>4</sup> In all countries there persist differences in infant mortality according to the mother's level of schooling: a higher proportion of children born to mothers with a low level of schooling die before reaching age 1 than children born to more educated mothers (see figure VI.7). Nevertheless, during the period under consideration, in some countries, such as Brazil and Peru, a large reduction in infant mortality took place precisely in families in which the women had lower levels of schooling, while in other countries the progress made towards closing the infant mortality gap in relation to educational level has not been as substantial, and in El Salvador, Guatemala, Haiti and Honduras, the gap has even widened.

Figure VI.7  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): INFANT MORTALITY RATE,  
 BY MOTHER'S LEVEL OF SCHOOLING, CIRCA 1990 AND CIRCA 2005**  
*(Per 1,000 live births)*



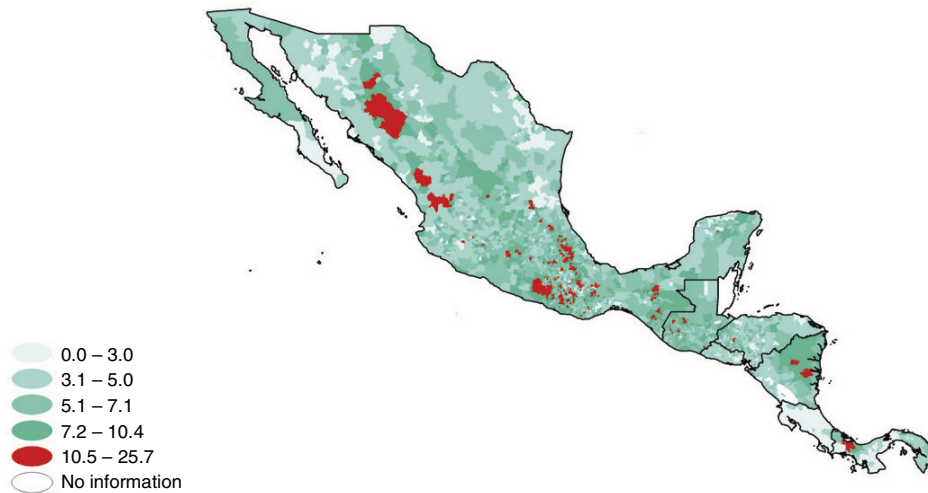
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the system of indicators in follow-up to the Programme of Action of the International Conference on Population and Development (ICPD) [online] [www.cepal.org/celade](http://www.cepal.org/celade); and national reports on demographic and health surveys from Brazil (PNAD 2006) and the Plurinational State of Bolivia (DHS 2008) [online] <http://www.measuredhs.com>.

Place of residence is one of the most reliable indicators of health inequalities; however, it often gets overlooked as analyses focus on larger geographical areas. With regard to area of residence, eight countries have reduced the urban-rural gap, notably the Dominican Republic, where it was cut by half, while in Colombia, El Salvador, Guatemala and Haiti the infant mortality rate gap between urban and rural areas grew.

Inequalities are concentrated in specific areas of the region, especially in rural areas, but certain regions and municipalities are also united by various disadvantages, such as chronic vulnerability, local economic crises and internal conflicts, which can affect either urban or rural areas, or several countries. With respect to infant mortality, the red areas on maps VI.1 and VI.2 indicate the smaller administrative divisions with the highest percentages of deaths among children born to women aged 25 to 39 years (a proxy for child mortality).

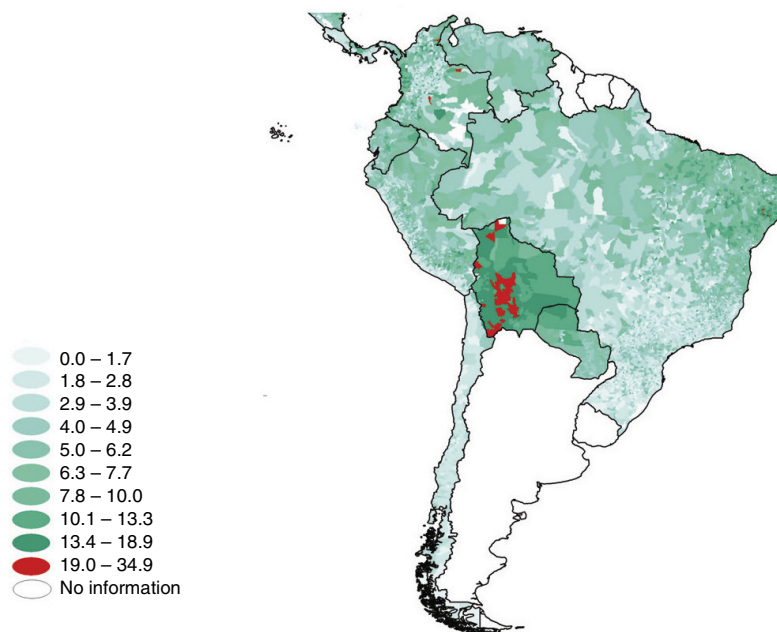
<sup>4</sup> The Latin American and Caribbean Regional Plan of Action on Population and Development (ECLAC, 1996), an instrument for the regional implementation of the Cairo Programme of Action, establishes additional criteria regarding the need to reduce inequalities, by proposing to reduce, by at least 50%, the differences between infant mortality rates observed among different places of residence, geographical locations and social groups.

Map VI.1  
**MESOAMERICA: DEATHS OF CHILDREN BORN TO WOMEN AGED 25-39 YEARS, CIRCA 2000**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), calculations by the Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, on the basis of data from population and housing censuses, within the framework of the PAHO project, Regional atlas of subnational vulnerability and its impact on health, 2010.

Map VI.2  
**SOUTH AMERICA: DEATHS OF CHILDREN BORN TO WOMEN AGED 25-39 YEARS, CIRCA 2000**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), calculations by the Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, on the basis of data from population and housing censuses, within the framework of the PAHO project, Regional atlas of subnational vulnerability and its impact on health, 2010.

## Box VI.3

**THE FACES, VOICES AND PLACES INITIATIVE**

After the inter-agency Millennium Development Goals Report 2005 revealed that Latin America and the Caribbean is the least equitable region in the world, the forty-seventh meeting of the Directive Council of the Pan American Health Organization launched the Faces, Voices and Places initiative. The initiative aims to work in communities which are the most vulnerable in terms of all the Millennium Development Goals from a health and development perspective. The political commitment of ministers of health, mayors and other local authorities, community empowerment and participation and the involvement of academic institutions and non-governmental organizations that facilitate technical cooperation will be a key part of the effort.

To better identify communities at the highest risk within the countries, the Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC and the Pan American Health Organization prepared the *Atlas Regional de Vulnerabilidad Social Subnacional*. In 2006, the directors of the regional agencies of the United Nations joined the Faces, Voices and Places initiative, and the United Nations Development Programme (UNDP) was given the task of coordinating it. Since 2006, all the countries in Latin America and some in the Caribbean have been working in selected communities to demonstrate that, even in the most adverse conditions, it is possible to fulfil the Millennium Development Goals, through political will, community involvement and, above all, joint efforts based on an intersectoral perspective and inter-agency commitment. In 2008, this commitment to the Millennium Development Goals was extended to what have been called the “Transnational Territories”, that is, territories that span two or more countries and are endowed with a combination of great natural resource wealth and biodiversity along with enormous pre-Colombian cultural riches, despite, paradoxically, their extreme poverty. The Transnational Territories initially identified were: the Mosquitia in Honduras and Nicaragua; the Altiplano area of Peru and the Plurinational State of Bolivia in the Lake Titicaca area; the Tri-Border area of Amazonia; and South America’s Gran Chaco, which includes parts of Argentina, Paraguay and the Plurinational State of Bolivia. Intersectoral and inter-agency actions are being conducted in these territories as part of the Faces, Voices and Places initiative.

**Source:** Pan American Health Organization (PAHO).

There are also disparities between urban and peri-urban areas in the mega-cities of the region. In a recent study using vital statistics data from 2007 for the city of Buenos Aires, infant mortality in the city of Buenos Aires was compared with infant mortality in the administrative areas that make up the suburbs of the metropolitan area of Greater Buenos Aires, which has more than 10 million inhabitants. The infant mortality rate for the suburbs stands at 14.2%, which is 70% higher than the rate of 8.4% for the city of Buenos Aires (UNICEF/UNFPA, 2010).

Various territories with high levels of infant mortality also have high concentrations of indigenous and Afro-descendent populations. Although infant mortality rates have dropped considerably among these populations, there remain significant differences between indigenous groups, Afro-descendants and the rest of the population (see table VI.2). The objectives of the Programme of Action of the International Conference on Population and Development, reaffirmed by all countries in the region in 2009, included reducing national infant mortality rates to less than 50 deaths per 1,000 live births by 2005. Although no Latin American country recorded an infant mortality rate of over 50 deaths per 1,000 live births in 2009 (see figure VI.1), the infant mortality rate was higher than that in more than half of the indigenous groups included in the study (Del Popolo and Oyarce, 2005).

It can also be seen, however, that the infant mortality rate for indigenous and Afro-descendent children varies greatly from country to country, which shows that the national context is fundamental. For example, the living conditions of the Quechua and Aymara peoples are very different in Chile and the Plurinational State of Bolivia. In the latter, the risk of a Quechua child dying before reaching age 1 is five times higher than in Chile, and for Aymara children the risk is four times greater. As shown in figure VI.8, the Mbya and Nivacle peoples in Paraguay and the Quechua people in the Plurinational State of Bolivia have the highest probability of dying as infants, with figures comparable to the regional average of 40 years ago. By contrast, the indigenous children who are least at risk are the Mapuches and Atacameños in Chile, with infant mortality rates of 11 deaths per 1,000 live births and 12.5 deaths per 1,000 live births, respectively, and whose settlements are, for the most part, urban. Infant mortality can vary within the same indigenous group in different contexts and between the various indigenous peoples and Afro-descendent groups (see figure VI.8). For example, according to the 2005 census, in Nicaragua, these groups, especially in rural areas, were affected to a greater extent by infant mortality, but in different ways: the mortality rate for mestizos from the Caribbean coast was very high at 40.2 deaths per 1,000 live births, while it was 18.8 deaths per 1,000 live births for the creole population. Maternal and child health programmes should therefore consider the heterogeneity of different peoples, areas and local contexts, and policy should take into account territorial factors and cultural considerations, in both rural areas and cities.



Table VI.2  
**LATIN AMERICA (14 COUNTRIES): INFANT MORTALITY RATE, BY ETHNIC ORIGIN AND  
 AREA OF RESIDENCE, CENSUSES SINCE 1990**  
*(Per 1,000 live births)*

Country	Census year	Country total			Area of residence					
		Indigenous	Afro-descendent	Other	Urban			Rural		
					Indigenous	Afro-descendent	Other	Indigenous	Afro-descendent	Other
Bolivia (Plurinational State of)	1992	104.0	...	65.9	82.7	...	52.9	121.0	...	93.8
	2001	77.7	...	50.5	67.8	...	48.1	87.8	...	57.1
Brazil	1990	61.1	63.9	39.4	76.7	59.7	36.1	56.7	73.1	50.5
	2000	39.7	40.2	26.7	37.2	37.6	24.7	41.8	48.1	35.0
Chile	2002	12.8	...	11.5	12.0	...	11.4	12.7	...	12.0
Colombia	2005	39.5	31.7	23.9	30.9	30.0	23.5	39.8	33.8	25.0
Costa Rica	2000	20.9	11.2	11.5	20.4	8.2	10.7	21.5	15.1	12.3
Ecuador	1990	101.8	...	53.3	61.5	...	39.6	108.0	...	69.4
	2001	72.2	...	30.5	42.9	...	24.7	76.6	...	39.1
Guatemala	1994	61.1	...	49.7	56.9	...	41.0	62.1	...	55.2
	2002	51.1	...	41.0	47.2	...	35.3	52.6	...	46.7
Honduras	2001	43.5	31.9	34.5	27.1	30.1	25.1	45.2	33.7	41.8
Mexico	1990	63.8	...	36.7	48.7	...	31.1	70.8	...	49.8
	2000	42.7	...	26.2	35.4	...	23.7	47.1	...	33.3
Nicaragua	2005	34.0	38.0	26.4	24.4	24.1	18.8	39.1	47.4	33.9
Panama	1990	72.2	...	21.6	39.9	...	17.7	75.3	...	26.0
	2000	53.5	...	17.3	31.7	...	15.7	57.5	...	19.5
Paraguay	1992	96.2	...	45.8	90.8	...	45.9	96.5	...	45.8
	2002	78.5	...	37.7	72.1	...	38.8	79.1	...	36.3
Peru	2007	43.8	...	25.4	29.1	...	20.4	56.1	...	40.9
Venezuela (Bolivarian Republic of)	2001	44.4	...	19.6	31.9	...	19.1	58.1	...	22.6

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), calculations by the Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, special processing of census microdata.

<sup>a</sup> In order to be able to compare the censuses, two criteria were used to define the indigenous population. In Ecuador, Mexico and the Plurinational State of Bolivia, the indigenous population was identified as speakers of indigenous languages, since the option of self-identification was only included in the last census round. In the other countries, the indigenous and Afro-descendent populations were defined on the basis of self-identification. In Peru, ethnic origin was identified on the basis of the mother tongue of the head of household or spouse. See further details on the definitions and criteria applied in relation to ethnic identification in the 1990 and 2000 census rounds in Scholnik (2010).

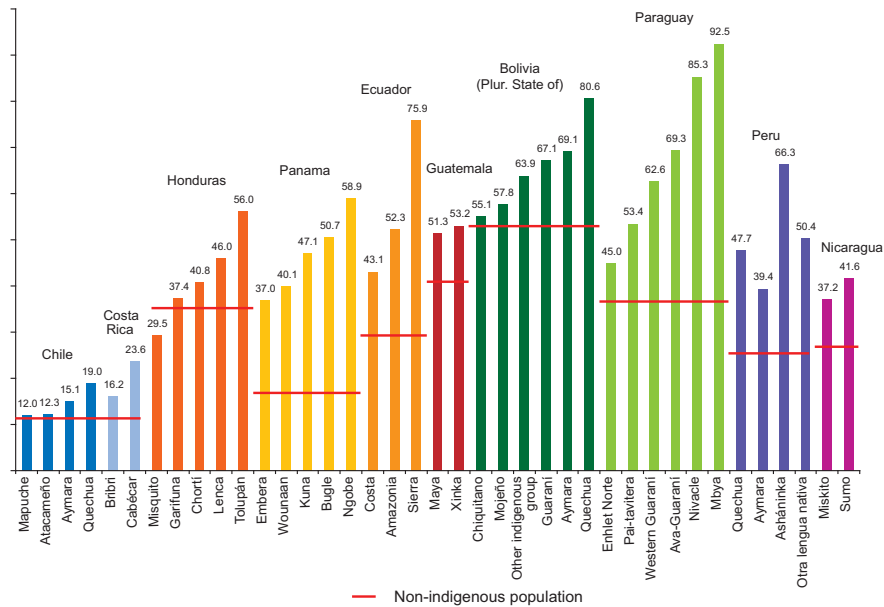
Improving health systems with an emphasis on primary care is an important factor in reducing infant mortality and health inequalities (Macinko, Guanaís and Marinho de Souza, 2006). Access to new vaccinations, good-quality antenatal care and assistance during childbirth significantly reduce inequality gaps in a country or territory.

The decline in infant mortality in the region was achieved mainly by reducing post-neonatal mortality (deaths that occur between 28 days and 11 months after birth). This is reflected in the proportional increase in the neonatal and early neonatal components of infant mortality. Post-neonatal deaths, however, continue to make up a large proportion of child deaths in the region and greater efforts are required to bring their number down (see figure VI.9), especially in the countries with the highest infant mortality rates.

Box VI.4 provides information on the distribution of the causes of infant deaths in Ecuador and the action taken to address the problem of infant mortality in hospitals.

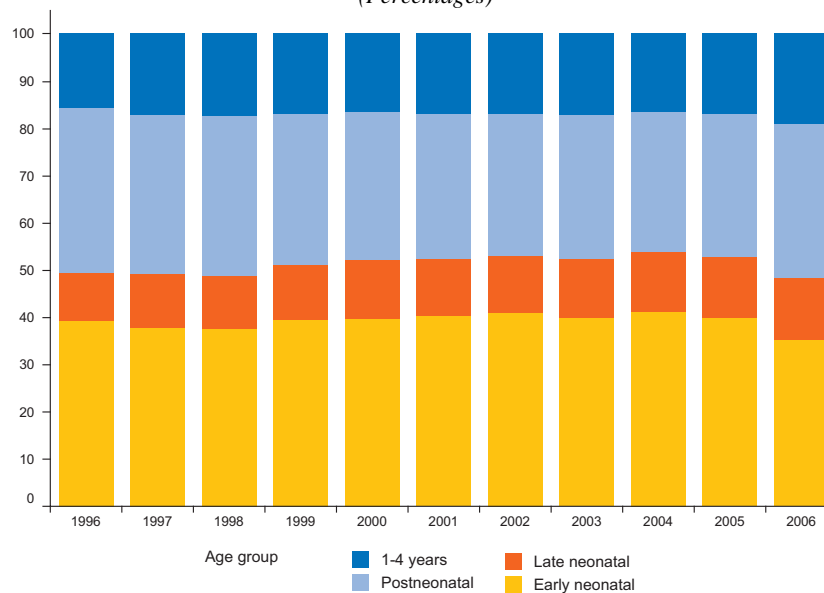


Figure VI.8  
**LATIN AMERICA (10 COUNTRIES): INFANT MORTALITY RATE, BY COUNTRY AND INDIGENOUS GROUP, LANGUAGE, LANGUAGE FAMILY AND TERRITORY, 2000 CENSUS ROUND**  
*(Per 1,000 live births)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC) , calculations by the Latin American and Caribbean Demographic Centre (CELADE) – Population Division of ECLAC, special processing of census microdata.

Figure VI.9  
**THE AMERICAS: DEATHS OF CHILDREN AGED UNDER 5, BY AGE GROUP, 1996-2006**  
*(Percentages)*



**Source:** Pan American Health Organization (PAHO) , mortality information system, April 2010.

## Box VI.4

**CHALLENGES FOR IMPROVING NEONATAL HEALTH IN ECUADOR**

The rate of under-five mortality, including post-neonatal (over 28 days) mortality, has fallen in the Latin American and Caribbean region. In Ecuador, according to reports from the National Institute of Statistics and Censuses (INEC), the under-five mortality rate was reduced by a factor of 1.9, from 43.1 per thousand in 1990 to 21.8 per thousand in 2004. Still, the rate remains 1.5 times higher than the target, 14.4 per thousand.

The infant mortality rate reported by the *Anuario de estadísticas vitales* of INEC is considerably lower than that reflected in a number of surveys. The INEC rate, which is based on the number of live births each year compared with the number of birth certificate applications the next year, points to a downward trend: from 30.3 per thousand in 1990 to 15.5 per thousand in 2004. The nationwide under-one mortality rate, however, conceals large differences among the regions and provinces, given that rates in Guayas, Los Ríos, Tungurahua, Pichincha, Chimborazo and Cotopaxi and other provinces are higher. In addition, the issue of underreporting must be taken into account.

According to the mortality data reported by the country to the Pan American Health Organization (PAHO), 55% of all infant deaths in 2006 were neonatal and 40% were early neonatal (occurring in the first seven days).

In infants aged less than one year, perinatal conditions and communicable diseases were the cause of 49% and 17% of deaths, respectively. Perinatal conditions include: perinatal respiratory ailments (38%); growth retardation, foetal undernutrition, short gestation and low birth weight (30%); neonatal sepsis (10%); and other perinatal conditions (22%). Acute respiratory ailments accounted for 69% of communicable diseases; infectious intestinal diseases, for 20%; septicaemia, for 4%; and meningitis, for 3%.

The major causes of neonatal death can be grouped together as follows: perinatal respiratory ailments (28%); growth retardation, foetal undernutrition, short gestation and low birth weight (24%); neonatal sepsis (7%); congenital malformations and other chromosomal abnormalities (13%); and other causes (28%).

An evaluation of the implementation of the neonatal component of the Strategy for Comprehensive Care for Childhood Illnesses in February and March 2007 at selected hospitals in several provinces of the coastal and highland regions found serious problems with regulatory compliance: record keeping of the different components of under-five morbidity and mortality was inadequate; levels of knowledge among childcare staff were low, outdated and not evidence-based; there was a shortage of staff responsible for neonatal care and staff specifically trained to provide immediate neonatal care; standards of obstetric and neonatal care had not been updated; a high percentage of caesarean sections were performed by non-specialists; obstetric and gynaecological, paediatric and neonatal services were poorly organized and coordination among them was deficient or nonexistent.

An urgent intervention plan, prepared by the Ministry of Public Health, was consolidated in June 2007 with the launch of the National Plan to Reduce Neonatal Mortality". This plan was the first policy included in the Social Agenda in Favour of Children and Adolescents unveiled by the President, also in June 2007, and it was promoted and executed by the ministries responsible for social issues: health, education, economic and social inclusion and labour relations. The ministries received support from the Association of Municipalities of Ecuador and civil society through the National Council on Childhood and Adolescence. The first stage, neonatal mortality, was later combined with measures to address the troubling rate of maternal mortality, and in September 2008 the two were merged to create the Plan for Rapid Reduction of Maternal and Neonatal Mortality.

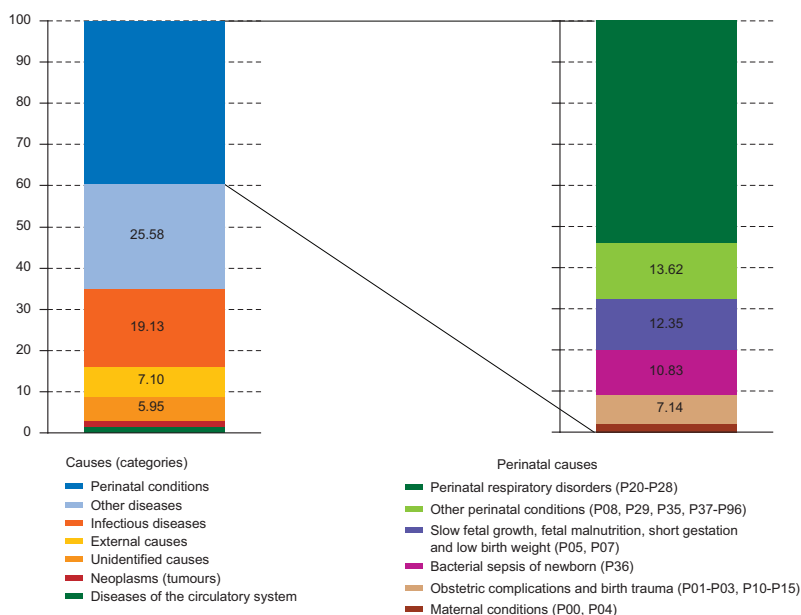
Continued progress towards achieving the fourth Millennium Development Goal will require stepping up efforts and facing significant challenges, such as:

- Addressing the lack of key personnel in certain services or the lack of critical inputs or equipment to improve care quality and meet standards;
- Overcoming some health workers' resistance to the continuous quality-improvement method and to specific changes in care processes;
- Improving prenatal care (addressing process deficiencies: the correct measurement of blood pressure, prescription of iron and folic acid, complete examinations of mothers, correct completion of perinatal clinical history forms and correct laboratory techniques);
- Providing qualified care during childbirth, in compliance with norms and protocols (partogram use, timely umbilical cord clamping, active management of the third stage of labour, hygienic and beneficial practices in care, initial treatment and clinical referrals in the event of complications, caesarean sections only under specific indications and according to protocol, stimulation of foetal lung maturation in the event of a threat of preterm birth, protocol application for premature membrane rupture, elimination of routine practices such as episiotomy, shaving and enemas) and respect for peoples' and ethnic groups' cultural practices and world view that are suitable for preventing neonatal mortality;
- Increased efforts in immediate post-partum care (at least three examinations in the first three hours, initiating skin-to-skin contact, rooming-in and exclusive breastfeeding, early identification of complications);
- Immediate, quality neonatal care, according to norms and protocols (monitoring breathing and encouraging spontaneous breathing, preventing heat loss, preventing and controlling infections, ensuring immediate breastfeeding and rooming-in, granting citizenship).

**Source:** Pan American Health Organization (PAHO), on the basis of Ministry of Public Health, "Lecciones aprendidas por los equipos de MCC (Mejoramiento Continuo de la Calidad) de la atención materno-neonatal", June 2008.

Figure VI.10 shows the main causes of child mortality in Latin America and the Caribbean circa 2006. Perinatal conditions (the period from five months before birth until one month after birth) are responsible for 39% of child mortality and infectious diseases for 19%. Avoidable causes make up a significant proportion of the perinatal conditions (over 20%). Neonatal respiratory problems lead to more than half of all deaths, and fetal malnutrition and low birth weight are responsible for 12%.

Figure VI.10  
**LATIN AMERICA AND THE CARIBBEAN: MAIN CAUSES OF UNDER-FIVE MORTALITY, CIRCA 2006**  
(Percentages of total deaths)



Source: Pan American Health Organization (PAHO), mortality information system.

It has been proven that iodine, vitamin A and zinc supplements can reduce infant mortality and the prevalence of serious conditions. Ensuring that the mother's level of folic acid is sufficient reduces the risk of death caused by neural tube defects. Micronutrient supplementation, especially of vitamin A, iron and zinc, has had a positive effect on reducing infant mortality (SCN, 2004).

The programmes for combating infant mortality in developing countries have focused on pneumonia, diarrhoea and vaccine-preventable diseases, which are major causes of death after the neonatal period. Data obtained from identical surveys carried out in 11 countries in the region (Colombia (2005), the Dominican Republic (2007), Ecuador (2004), El Salvador (2008), Guatemala (2002), Haiti (2005-2006), Honduras (2005-2006), Nicaragua (2006), Paraguay (2004), Peru (2004-2006) and the Plurinational State of Bolivia (2008)) showed that 62% of children aged under 5 years had completed a full vaccination schedule.<sup>5</sup> Countries such as the Plurinational State of Bolivia and Nicaragua presented high vaccination rates (79% and 85% of children with a complete set of vaccinations, respectively). In six countries for which it was possible to analyse vaccination rate according to wealth—Colombia, the Dominican Republic, Haiti, Honduras, Peru and the Plurinational State of Bolivia—on average 49% of children in the poorest quintile had completed their vaccination schedule, compared with 65% of children in the richest quintile. However, there was little difference in vaccination rates between these two quintiles in the Plurinational State of Bolivia. There are also geographical differences for this indicator (completed vaccination

<sup>5</sup> The complete vaccination schedule involves a single dose against tuberculosis (BCG) at birth, three doses of the oral polio vaccine and the pentavalent vaccine in the first year, and one dose of the triple viral vaccine in the second year.

schedule): in some countries there were areas where almost half of all children had not been fully vaccinated, while in others, there was almost 90% coverage (CELADE, 2010a).

Target 4.A also addresses the proportion of children aged from 12 to 23 months immunized against measles. Measles, a significant cause of infant death, can be easily avoided by administering a relatively cheap vaccine followed by a booster at a later stage, which offers lifelong protection (United Nations, 2009). The combination of improved routine immunization and coverage of the second dose has dramatically reduced the number of deaths caused by measles in the region. Since 1990, when 76% of children aged from 12 to 23 months had received at least one dose, coverage has increased continuously, reaching 94% in 2009, matching the coverage of developed regions (United Nations, 2008a and 2007). However, there remain disparities within the region: in Haiti, coverage reached only 30% in the early 1990s and increased subsequently to 58% in 2007, while in the Plurinational State of Bolivia coverage rose from 50% in 1990 to 80% in 2007. Coverage is almost universal (over 95%) in several countries, including Antigua and Barbuda, Argentina, Chile, Cuba, Dominica, Guyana, Saint Kitts and Nevis, Saint Vincent and the Grenadines and Saint Lucia. However, in other countries coverage has fluctuated, for example, in the Bolivarian Republic of Venezuela it increased from 68% in 1990 to 88% circa 2000, only to drop again to 55% in 2007. At present, coverage in most countries is higher than 80% (CELADE, 2010a).

Furthermore, several of the situations of social vulnerability that contribute to increasing the risk of infant mortality stem from women's lack of rights in relation to their sexual and reproductive health. The infant mortality rates for children who are born soon after a previous birth are higher than the country average (see table VI.3). Women with more children are also at greater risk of seeing one of their children die before reaching age 1. Social vulnerability is more common when fertility is high or access to family planning services is limited. Expanding the coverage of sexual and reproductive health care, including contraception, therefore contributes to the fulfilment not only of the agreements established under the Programme of Action of the International Conference on Population and Development approved in Cairo in 1994, but also of the Millennium Development Goals (World Bank, 2003). This relationship between child health and mothers' reproductive health is one the reasons that a specific target on universal access to reproductive health was incorporated into the Millennium Development Goals; this Goal will be addressed in the next section.

Table VI.3  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): INFANT MORTALITY RATE,  
BY BIRTH INTERVALS OF LESS THAN 24 MONTHS, PARITY AND MOTHER'S AGE,  
CIRCA 2005**  
(Per 1,000 live births)

Country	Birth interval	Parity				Mother's age		National total
	< 2 years	One	Two-three	Four-six	More than seven	< 20 years	40 to 49 years	(10 years ago)
Bolivia (Plurinational State of) (2008)	105	46	50	66	91	63	96	50 <sup>a</sup>
Colombia (2005)	35	21	20	27	40	25	35	22
Guatemala (2002)	58	47	36	45	52	51	93	44
Haiti (2005-2006)	97	73	58	66	97	81	98	57
Honduras (2005)	43	28	26	28	42	35	59	29
Dominican Republic (2007)	51	26	30	44	81	34	56	33

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of data from the demographic and health surveys on STATcompiler [online] <http://www.statcompiler.com>, and the final reports for Guatemala (2002), Haiti (2005/2006) and the Plurinational State of Bolivia (2008) [online] <http://www.measuredhs.com>.

<sup>a</sup> The national total for the Plurinational State of Bolivia has been calculated for the five-year period prior to the survey (2003-2008).

In short, progress has been made towards reducing child mortality in the region, but marked inequities remain and action to achieve a significant reduction in the sectors that lag furthest behind, especially among indigenous peoples, must be intensified. Despite their different circumstances, all countries will have to make additional efforts to address the main causes of mortality and adopt measures that are appropriate and specific to each situation.

In order to achieve the fourth Millennium Development Goal, and as part of a comprehensive care strategy, it is essential to implement broad social policies that seek to reduce inequalities between rich and poor, between ethnic groups and between territories and communities. Furthermore, the health sector must coordinate action to identify the populations and territories with the highest infant mortality rates and determine the components of infant mortality and its main social causes, at the State and department level, as well as at the municipality and community level. It is necessary to organize child mortality surveillance systems and develop better information systems because the countries with the highest infant mortality rates also have the weakest health information systems. Good information systems are the only way to be able to identify quickly the main health problems of a population or a group within the population. The action that the health sector needs to take to reduce infant mortality is well known, but in order to achieve this target a broad social policy addressing the social factors that influence health is essential.

## **B. GOAL 5: IMPROVE MATERNAL HEALTH**

The fifth Millennium Development Goal comprises two targets to be achieved between 1990 and 2015: reduce by three quarters the maternal mortality ratio; and achieve universal access to reproductive health.

### **1. Target 5.A: reduce by three quarters, between 1990 and 2015, the maternal mortality ratio**

Maternal mortality and the morbidity associated with its determining factors are serious public health problems that reveal some of the deepest inequalities in living conditions. They reflect the health of women of childbearing age, the state of health services and quality of the care to which women have access, including contraception, antenatal care, the attendance of skilled health personnel during delivery and emergency obstetric services. The absence of this medical attention and these services leads to deaths and health problems that can be avoided through the provision of adequate care before, during and after delivery and in response to post-partum complications. In addition to raising mortality, poor maternal health has other consequences, including, according to the World Health Organization, the high incidence of morbidity and disability arising from the inadequate monitoring of, and provision of care during, pregnancies and deliveries, including infertility, sexually transmitted diseases or, at other stages of the life cycle, genital prolapse and urinary incontinence.

Maternal mortality affects all social strata, but the burden falls very markedly on the poorest in society. Women from groups with low socio-economic status are most at risk, in particular because of limited access to services, the shortcomings of sexual and reproductive health policies and the lack of guaranteed availability of comprehensive and high-quality health services for women (Ortiz, 2002). The problem is also closely tied to women's limited enjoyment of their rights, and it is therefore also a good indicator of gender inequalities and whether women are able to exercise their reproductive rights (UNFPA/CST, 2004). Denial of the right to decide freely whether or not to have children, fear of violence because of gender inequalities, sociocultural pressure in relation to maternity, including on adolescents, the absence or shortcomings of public information services and the provision of sexual and reproductive health services, and the lack of sex education policies all have a causal link to maternal mortality and should be addressed openly.

Through this target, the fifth Millennium Development Goal gives expression to a requirement established in several international instruments regarding the need to protect the health of all mothers without distinction. The Committee on Economic, Social and Cultural Rights has indicated that not adopting adequate measures to reduce maternal mortality rates can constitute a human rights violation; target 5.A and the right to health are therefore mutually reinforcing.

The provision of health care to mothers is a basic obligation and that care should be available, accessible, accepted and of adequate quality. This obligation requires a non-discriminatory approach, namely through the adoption of immediate measures to guarantee an equitable distribution of obstetric care establishments and personnel. This means that the gender and legal barriers to emergency obstetric care must be addressed.

The first indicator for measuring the progress achieved towards this target is the maternal mortality ratio, defined as the number of women who die each year from causes related to pregnancy, childbirth and postpartum complications, for every 100,000 live births.

UNICEF has proposed a conceptual framework on the causes of maternal and neonatal infant mortality with a view to planning effective action to enhance maternal and neonatal health. It emphasizes that health outcomes are determined by interrelated factors, including nutrition, water, sanitation and hygiene, health-care services and healthy behaviours, and disease control. These factors are defined as proximate (individual), underlying (household, community and district) and basic (societal).

It is important to exercise caution when using the maternal mortality indicator to identify trends in the progress made towards this Goal and target, as various factors affect its reliability and there is inadequate detection and recording of cases. Many cases go unreported, especially among poor women and vulnerable populations that are discriminated against on account of their race or ethnicity, or because the deaths are associated with practices such as abortions that are clandestine in most countries of Latin America and the Caribbean because they are illegal (Bergsj, 2001).

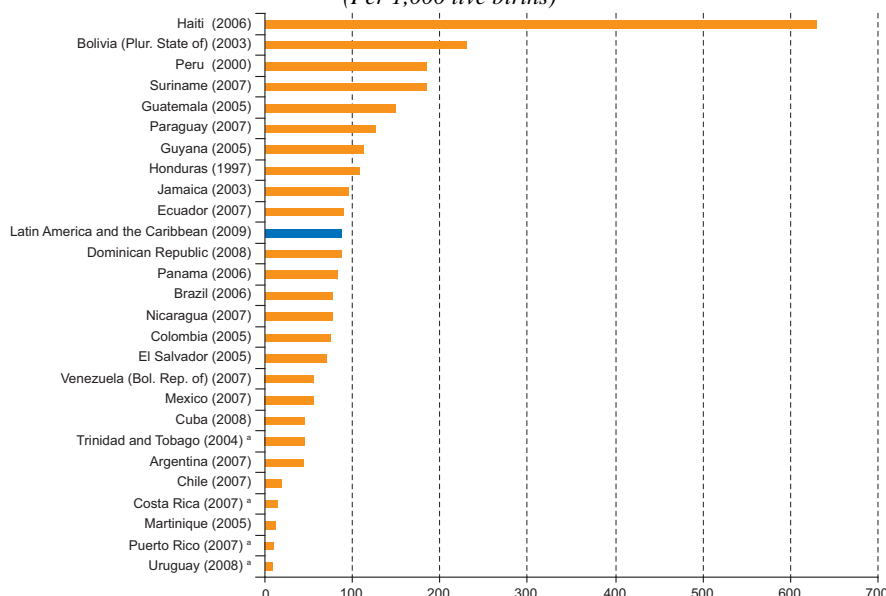
The virtual stagnation of the ratio and the number of maternal deaths recorded in Latin America and the Caribbean in the 1990s is cause for concern, as the region is not moving clearly towards the target of reducing, by three quarters, the maternal mortality ratio by 2015. An additional effort will therefore be needed.

The mortality ratios are very different for the countries in the region and the trends are divergent: in some countries there has been an improvement, while in others there has been a marked deterioration. In Argentina, Chile, Costa Rica, Cuba, Puerto Rico and Uruguay, there are fewer than 50 deaths per 100,000 live births. In the other countries in the region, the ratios vary from 56 deaths per 100,000 live births in Mexico to the extreme of 630 deaths per 100,000 live births in Haiti (see figure VI.11). This paints an unflattering picture of the region compared with developed regions, whose maternal mortality ratios do not exceed 10 deaths per 100,000 live births.

A monitoring system requires better tools for measuring and record-keeping, and the reliability of the data is variable. As has already been mentioned, errors are made in measuring maternal deaths in a large proportion of the countries of the region, whether because of underreporting or misclassification of deaths, or underreporting of births (the denominator). In countries where the coverage of the death registration system is low, underreporting and misclassification are typical problems, while in countries where the coverage of the death registration system is high (90%), the main problem is misclassification whereby an incorrect cause of death is entered on the death certification, preventing a significant proportion of maternal deaths from being coded. In a large proportion of the countries, the lack of data or the inconsistencies in reported data for the period before 2000 prevent the analysis of long data series and even after 2000 problems with the quality and consistency of reported information persist.

With the support of validated methodologies, such as RAMOS (Reproductive Age Mortality Survey), studies into maternal deaths can identify deaths that were not initially classified as maternal deaths and reclassify the ones that can be confirmed, thus improving vital records. Some countries are developing ways of improving records and one of the main effects has been an increase in the number of recorded maternal deaths. The study and documentation of each death provides greater information on the subject and the conditioning factors, which makes it possible to develop prevention strategies. It is essential to continue improving the registration and classification of deaths, and to enhance notification, monitoring and information systems.

Figure VI.11  
**LATIN AMERICA AND THE CARIBBEAN (26 COUNTRIES AND TERRITORIES): MATERNAL MORTALITY RATIO (INDICATOR 5.1 OF THE MILLENNIUM DEVELOPMENT GOALS), CIRCA 2005**  
*(Per 1,000 live births)*



**Source:** Pan American Health Organization (PAHO), "Health Situation in the Americas: Basic indicators", 2007 and 2009.

<sup>a</sup> Given the small number of deaths, the ratio for some countries does not conform to standards of reliability and precision. Ratios given only for countries with more than 10,000 births per year.

Taking into account the situation described above, results are given for only 11 countries and the data for some of those countries are very variable. Evidence of unsatisfactory progress can indicate an improvement in the records. Three categories of countries can be distinguished: countries with a downward trend, countries where there has been little change to the ratio and countries with an upward trend (table VI.4). Only the Bolivarian Republic of Venezuela, Colombia, Mexico, Nicaragua and Paraguay presented a downward trend, but it remains difficult to forecast from these figures whether they will meet the target.

The maternal mortality ratio is steady in Brazil, Chile, Costa Rica and Cuba, to some extent because of the efforts made to improve the quality of records by investigating the deaths of women of childbearing age. Nevertheless, it is difficult to estimate whether these countries will achieve the target because their ratios are still high and show no signs of an impending significant drop. The maternal mortality ratio trended upward in Argentina and the Dominican Republic.

It is interesting to note that the United Nations system set up a working group on maternal mortality in Mexico, composed of ECLAC, the United Nations Development Fund for Women (UNIFEM), the United Nations Development Programme (UNDP), the World Health Organization (WHO), the United Nations Children's Fund (UNICEF) and the Office of the United Nations High Commissioner for Human Rights (OHCHR), with a view to preventing and reducing maternal mortality. The working group facilitated the establishment of a maternal mortality observatory in 2010, with the active participation of civil society; it is an important body in terms of monitoring, transparency and accountability in relation to maternal mortality.

Table VI.4  
**LATIN AMERICA (SELECTED COUNTRIES): TRENDS IN MATERNAL MORTALITY RATIOS**  
**(INDICATOR 5.1 OF THE MILLENNIUM DEVELOPMENT GOALS), 2001-2008**  
*(Per 100,000 live births)*

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Downward trend</b>									
Paraguay	164	159.7	182.1	174.1	153.5	128.5	121.4	127.3	--
Colombia	104.9	98.6	84.4	77.8	78.7	78.7	72.9	70	75.6
Mexico	72.6	70.8	59.9	62.6	60.9	61.8	58.6	55.6	57.2
Nicaragua	--	87	95.6	82.8	87.3	86.5	90.4	76.5	--
Venezuela (Bolivarian Republic of)	--	60.1	67.2	68	57.8	--	59.9	--	56.8
<b>Little variation</b>									
Brazil	73.3	70.9	75.9	73	76.1	74.7	77.2	--	--
Cuba	40.4	33.9	41.1	39.5	38.5	51.4	49.4	31.1	46.5
Costa Rica	35.8	31.4	38	32.9	30.5	36.3	39.3	19.1	--
Chile	18.7	--	16.7	13.4	17.3	19.8	18.1	18.2	--
<b>Upward trend</b>									
Dominican Republic	--	69	82	63	75.3	91.7	80	72.8	86.3
Argentina	35	43.5	46.1	43.6	40.1	39.2	47.8	43.7	--

**Source:** Pan American Health Organization (PAHO). Basic Indicator Database, February 2010.

According to the information available on mortality submitted by the countries, there were 5,613 maternal deaths in 2005.<sup>6</sup> However, this number would be considerably higher were it not for the fact that in recent years Honduras and Jamaica have not sent any data on mortality. Furthermore, although the Plurinational State of Bolivia and Haiti send data, they underreport by more than 50%. If a maximum of 22% is added to account for misclassification in all countries, as well as 2,000 extra deaths to offset missing records and underreporting, the projected number of maternal deaths in the region in 2005 could be about 9,272.

With regard to the causes of maternal mortality, the information submitted by the countries shows that direct obstetric causes were responsible for almost 80% of maternal deaths (78%); of those causes, the most common were: hypertensive disorders (23%), haemorrhage during pregnancy, childbirth or the puerperium (18%), abortion (11%), sepsis and other puerperal infections (5%).<sup>7</sup> The remainder can be attributed to other complications relating to pregnancy, childbirth and the puerperium (21%) and unspecified causes (2%). Deaths caused by HIV/AIDS-related illnesses that led to complications during pregnancy, childbirth and the puerperium were not included in the analysis. Attention should also be paid to indirect obstetric causes, such as infectious and parasitic diseases and other maternal disorders that can cause complications during pregnancy, childbirth and the puerperium, which were responsible for 18% of maternal deaths in 2005. These causes should be included when measuring and analysing maternal mortality. Causes of death vary between countries.

Hypertensive disorders in pregnancy were the most common cause of maternal death in the Bolivarian Republic of Venezuela, Brazil, Colombia and Mexico. By contrast, in Guatemala and Nicaragua, about 30% of maternal deaths were attributed to haemorrhage during pregnancy, childbirth or the puerperium, which was also a major cause of maternal death in Ecuador and El Salvador.

<sup>6</sup> Pan American Health Organization, mortality information system.

<sup>7</sup> Ibid.



Table VI.5  
**LATIN AMERICA (12 COUNTRIES): DISTRIBUTION OF MATERNAL DEATHS, BY CAUSE, 2005**  
*(Percentages)*

Country	Hypertensive disorders	Haemorrhage during pregnancy, childbirth or the puerperium	Abortion	Sepsis and other puerperal infections	Other complications relating to pregnancy and childbirth	Other complications predominantly related to the puerperium	Indirect obstetric causes	Obstetric death of unspecified cause
Argentina	15.2	13.8	28.6	3.3	10.5	4.3	18.5	5.8
Brazil	26.2	13.8	9.5	7.2	14.4	6.2	18.9	3.7
Chile	22.2	11.1	15.6	4.4	4.4	2.2	37.8	2.2
Colombia	28.3	15.4	10.9	5.1	7.3	4.5	22.9	5.7
Costa Rica	22.2	3.7	11.1	3.7	14.8	11.1	33.3	...
Cuba	8.1	24.2	9.7	3.2	4.8	21.0	27.4	1.6
Ecuador	30.8	28.0	11.9	7.0	13.3	...	4.9	4.2
El Salvador	30.4	30.4	17.4	4.3	13.0	4.3	...	...
Guatemala	21.8	39.8	6.8	7.1	19.8	3.7	...	1.1
Mexico	26.1	25.5	7.5	2.4	15.1	5.0	18.0	0.4
Nicaragua	22.6	38.7	1.1	9.7	8.6	5.4	14.0	...
Venezuela (Bolivarian Republic of)	26.0	12.1	13.0	6.9	17.1	3.8	21.1	...

**Source:** Pan American Health Organization (PAHO).

In Argentina, abortion is a significant cause of maternal deaths, responsible for one third of all deaths in 2005, followed by hypertensive disorders.

Sepsis and other puerperal infections were responsible for 10% of maternal deaths in Nicaragua and 7% in the Bolivarian Republic of Venezuela, Brazil, Ecuador and Guatemala.

In Chile, Costa Rica and Cuba, indirect obstetric causes were the most common cause of death, making up 37%, 33% and 27% of all deaths, respectively.

One of the factors most closely and universally related to declines in maternal morbidity and mortality is the presence of skilled health personnel during delivery, which helps prevent complications.<sup>8</sup> The analysis of this indicator makes it possible to identify areas and countries in which more far-reaching measures need to be introduced. Of the 36 countries for which information is available (see the statistical appendix), 27 have reached the threshold of 90% of births with professional attention, which was established as the target for 2015 by the United Nations General Assembly.<sup>9</sup> As is the case for maternal mortality, Guatemala, Haiti, Peru and the Plurinational State of Bolivia are lagging furthest behind, Honduras, Nicaragua and Paraguay are also lagging significantly behind. Although some countries report a high attendance of births by skilled health personnel, in practice they do not comply with the internationally accepted definition.

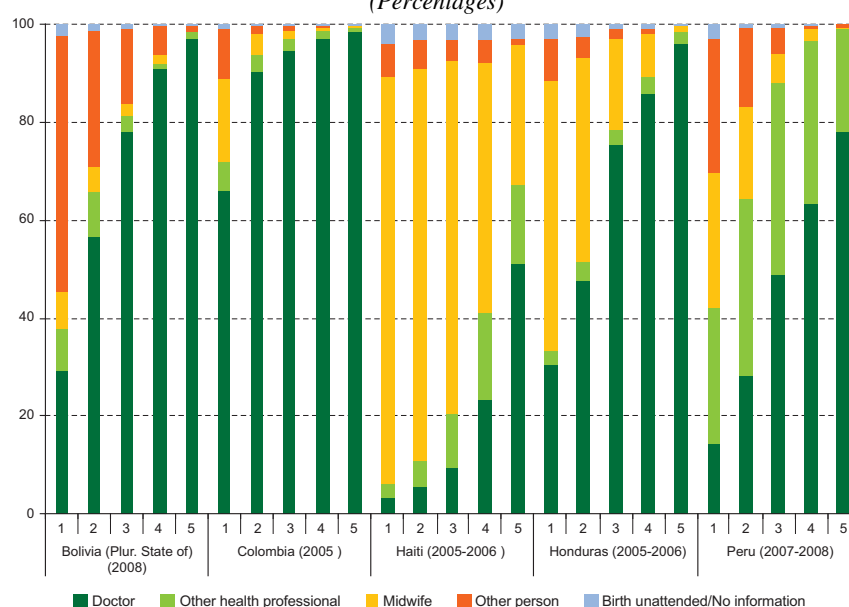
Nevertheless, meeting a certain threshold for the attendance of births alone does not guarantee a reduction in maternal mortality. The effectiveness and quality of health-care services, as well as other socio-economic, cultural and environmental factors also come into play. Furthermore, deaths occurring during the puerperium, the period immediately following and up to 42 days after delivery, should not be overlooked. Delays in seeking medical attention during this period can result in death even when the delivery has been attended by skilled health personnel. Postpartum care to diagnose the risk of postpartum haemorrhaging or infection, for example, is therefore also important to maternal and child health.

<sup>8</sup> Those skilled health personnel include obstetricians, doctors with training in providing care to pregnant women, midwives with university-level training, nurses with training in providing care to pregnant women and qualified midwives; it does not include traditional midwives, whether trained or untrained.

<sup>9</sup> Special session on the follow-up to the International Conference on Population and Development, known as ICPD+5, held in 1999.

Despite the lack of indicators and good information on the effectiveness and quality care during delivery, the inequalities that exist within countries have to be analysed. The proportion of births attended by skilled health personnel is lower for women who live in more remote rural areas. The contrast is particularly marked in Haiti, where approximately four times as many births are attended by skilled health personnel in urban areas as in rural areas (UNFPA/CST, 2004). Socio-economic status also influences the type of care received (see figure VI.12), as shown by demographic and health surveys. The Plurinational State of Bolivia is an extreme example of this: the percentage of births attended by skilled health personnel among women in the top income quintile is more than double that among women in the bottom quintile (98% compared with 45%), and women with limited resources are mainly attended to by family members, relatives or other persons during delivery. In Colombia, care is usually provided by doctors, in Haiti, by midwives, in Honduras, by a combination of doctors and midwives, and in Peru, by doctors and other health professionals. See box VI.5 on the Caribbean.

Figure VI.12  
LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): BIRTHS ATTENDED BY QUALIFIED PERSONNEL, BY INCOME QUINTILE, CIRCA 2005<sup>a</sup>  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of demographic and health surveys. Figures obtained from STATcompiler [online] <http://www.statcompiler.com>, and the final reports on the surveys of Peru (2007-2008) and the Plurinational State of Bolivia (2008) [online] <http://www.measuredhs.com>.

<sup>a</sup> Percentage of births in the five years prior to the surveys.

The inequalities and difficulties associated with access to and use of reproductive health services are marked, especially for rural and indigenous women among whom the maternal mortality rate is very high. This is related to the lack of emergency, and especially obstetric, services and care (see table VI.6), or to their high cost. Systematic information on the availability of emergency obstetric care is scarce, but table VI.6 shows that at the beginning of the current decade, some countries, such as El Salvador and Honduras, did not have obstetric care centres providing the basic services recommended by the United Nations; and barely 11% of the recommended services were available in the Plurinational State of Bolivia. Furthermore, health centres can be located far from where people live and there is little information on the services available. Measures must therefore be adopted to expand access and reduce inequalities. In the countries of Latin America, this will involve strengthening health systems in order to achieve equal access, breaking the cycle of disadvantage that affects vulnerable groups, and promoting economic development and poverty reduction.

Box VI.5  
**MATERNAL HEALTH IN THE CARIBBEAN**

According to data from PAHO, the three Caribbean countries with the highest maternal mortality rates are Suriname, with 184.3 deaths per 100,000 live births in 2007 (PAHO, 2009b); Guyana, with 112.5 deaths in the same year (PAHO, 2009); and Jamaica, with 95 deaths in 2001-2003. There has also been a shift in the profile of maternal mortality, with a greater concentration among adolescent girls (ECLAC/UNFPA, 2009).

Improvements in maternal mortality are associated with skilled attendance at birth. In the Caribbean, however, although coverage is high (see table), it has not necessarily been led by the introduction of high-quality services to reduce maternal mortality (UNDP, 2004). In 2006, Guyana had the lowest proportion of deliveries attended by trained staff (83.3%) and of deliveries attended in health centres (82.6%), with haemorrhaging during pregnancy and childbirth the main cause of maternal mortality (Government of Guyana, 2007). The same applies to prenatal care, which is not always concentrated in the first three months of pregnancy (the key period for the development of the pregnancy and for healthy babies), as occurs in Belize, where only 14% of all medical consultations took place during the first three months (UNDP-Ministry of Social Development, Government of Belize, 2005). In Jamaica, the slight fall in maternal mortality relates to the small proportion of mothers attended during the first three months of pregnancy, and where obstetric complications are the leading cause of maternal mortality (Government of Jamaica, 2004).

**THE CARIBBEAN (FOUR COUNTRIES): REPRODUCTIVE HEALTH MONITORING INDICATORS**  
(Percentages)

Indicator	Belize 2006	Guyana 2006	Jamaica 2005	Trinidad and Tobago 2006
Deliveries attended by specialized personnel	95.8	83.3	97.0	97.8
Contraceptive prevalence	34.3	34.2	...	42.5
Prenatal care (at least once)	94.0	81.4	91.0	95.7
Unmet needs for family planning (for controlling and spacing pregnancies)	31.2	32.4	...	26.7

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations Children's Fund (UNICEF), Trinidad and Tobago, *Monitoring the Situation of Children and Women, Multiple Indicator Cluster Survey 3, Final Report*, 2008; Jamaica, *Monitoring the Situation of Children and Women, Multiple Indicator Cluster Survey 2005, 2007*; Belize, *Multiple Indicator Cluster Surveys (MICS) and Millennium Development Goals (MDG) Indicators*, 2006; and Guyana, *Monitoring the Situation of Children and Women, Multiple Indicator Cluster Survey*, 2006.

Increased contraceptive use, resulting in better birth control among adolescent girls, helps reduce maternal mortality among this group. However, this indicator includes only women who are married or in informal unions, despite the fact that a significant proportion of sexual relations take place outside of this context, and many mothers are single. In Saint Kitts and Nevis, for example, 19% of all births in 2003 were to adolescent mothers and 75% to single mothers (OECS/UNDP, 2006). Fertility, which has declined since 1990 (see table), varies greatly by age group (ECLAC/UNFPA, 2009). This further highlights the need for more widespread contraceptive use.

**CARIBBEAN (FOUR COUNTRIES): SPECIFIC FERTILITY RATE FOR WOMEN AGED 15 TO 19**  
(Births per thousand women)

Country	1990	2002
Belize	135.2	94.1
Guyana	94.8	90.0 <sup>a</sup>
Jamaica	93.6 <sup>a b</sup>	58.2 <sup>c</sup>
Trinidad and Tobago	58.3	32.0

**Source:** United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

<sup>a</sup> Figure for 1995

<sup>b</sup> Figure for 2003

<sup>c</sup> Figure for 2006

Concerning unmet family planning needs, the situation is more encouraging in Trinidad and Tobago, where the higher the use of contraceptives, the lower the rate of unmet needs. In Belize and Guyana, which have similar values for the two indicators, the situation is more complex and contraceptive use is considered low.

Lastly, sex education is one of the reproductive health challenges facing the Caribbean. Insufficient attention is paid to this issue, which continues to be a taboo subject, especially regarding children, adolescents and young people. The focus should be on these age groups, and especially adolescents, in order to improve reproductive health and reduce the spread of HIV/AIDS.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC)/United Nations Population Fund (UNFPA), "Review and Appraisal of the Implementation of the Cairo Programme of Action in the Caribbean 1994-2009" (DDR/2), document presented at the Regional Seminar on the Progress Made and Key Actions for the Implementation of the Cairo Programme of Action 15 years after its Adoption, October 2009; Government of Guyana, "Guyana, Millennium Development Goals, 2007" [online] <http://www.undg.org/docs/7665/Guyana%20MDG%20Report%202007.pdf>; Government of Jamaica, *Millennium Development Goals Jamaica*, April 2004; Organisation of Eastern Caribbean States/United Nations Development Programme (OECS/UNDP), "Saint Kitts and Nevis, Millennium Development Goals, A Plan of Action for Localising and Achieving the Millennium Development Goals (MDGs)" [online] [http://www.eclac.cl/MDG/noticias/paginas/2/35552/MDG\\_Report\\_-\\_St\\_Kitts\\_2006.pdf](http://www.eclac.cl/MDG/noticias/paginas/2/35552/MDG_Report_-_St_Kitts_2006.pdf), 2006; Pan American Health Organization (PAHO), *Health Situation in the Americas, Basic Indicators*, 2007 and 2009; United Nations Development Programme (UNDP), *Regional Report on the Achievement of the Millennium Development Goals in the Caribbean Community*, Trinidad and Tobago, September 2004.

Table VI.6

**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): CENTRES PROVIDING EMERGENCY OBSTETRIC CARE, AS A PERCENTAGE OF THE MINIMUM NUMBER OF FACILITIES RECOMMENDED BY THE UNITED NATIONS FOR THE SIZE OF THE POPULATION, CIRCA 2000**

	Number of centres surveyed	Basic services (4 centres per 500,000 inhabitants) (percentages)	Basic and comprehensive services (5 centres per 500,000 inhabitants) (percentages)
Bolivia (Plurinational State of), 2003	85	11	48
Honduras, 2003	27	0	33
El Salvador, 2003	33	0	43
Nicaragua, 1999/2000 <sup>a</sup>	123	53	86
Peru, 1999/2000 <sup>b</sup>	31	48	58

**Source:** A. Paxton and others, "Global patterns in availability of emergency obstetric care", *International Journal of Gynecology and Obstetrics*, vol. 93, 2006.

<sup>a</sup> The evaluation was carried out for 9 of the 17 comprehensive local health-care systems (SILAIS).

<sup>b</sup> The evaluation was carried out for six of the provinces of the department of Ayacucho. The indicator is calculated by dividing the number of health centres that treat obstetric emergencies by the size of the population divided by 500,000. The United Nations recommends, as a minimum, four centres offering basic services and one centre offering comprehensive services per 500,000 inhabitants.

Box VI.6

**REDUCING MATERNAL MORTALITY IN ARGENTINA**

In Argentina, the breakdown of causes of maternal death has remained unchanged in the past 15 years, with abortion-related complications the leading cause: 24% of all maternal deaths, twice the average estimated by the World Health Organization for the region. Maternal health, sexual health and responsible parenthood are identified as priority areas in the Federal Health Plan 2004-2007. In October 2004, the Commitment to Reduce Maternal Mortality in Argentina was signed, under the auspices of the Federal Health Council (COFESA), which is made up of senior national and provincial health authorities. The Health Ministry's Programme to Improve Post-Abortion Care, conducted since 2006, aims to reduce morbidity and mortality resulting from unsafe abortion and to prevent unwanted pregnancies by using beneficial, cost-effective technologies and a preventive approach centred on women. In addition, Ministerial Resolution No. 989/2005 added manual vacuum aspiration as one of the alternatives to traditional abortion that health professionals may use, under the protocol for health services in the Ministry's Guide for Improving Post-Abortion Care.

**Source:** Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, "América Latina: avances y desafíos de la implementación del Programa de Acción de El Cairo, con énfasis en el período 2004-2009", *Project documents*, No. 311 (LC/W.311). Santiago, Chile, 2010.

In order to promote maternal health, it is essential to improve the quality of the health services available before conception, during the antenatal phase and delivery, and, in particular, emergency obstetric care. Furthermore, it is of key importance to enhance vital statistics, and, using the data that is generated, to monitor effectively the situation as regards maternal mortality and its trends.

## Box VI.7

**STRENGTHENING HEALTH-CARE SYSTEMS BASED ON PRIMARY CARE**

The achievement of national and international health targets, including those contained in the Millennium Development Goals, will call for greater and more effective investment in health-care systems. There is growing agreement in the international community that the Goals will not be achieved unless the performance of health-care systems is strengthened and improved. The main deficiencies of health-care systems include the provision of “inverse care”, where people with the most means consume the most care, while those who have fewer means and more health problems are those who consume the least; “impoverishing care”, where persons and families lacking social protection fall into poverty because of the exorbitant prices that they must pay out of their own pockets in order to receive care; “fragmented care”, which is due to overspecialization in health-care programmes; “unsafe care”, resulting from badly designed systems which do not provide the necessary conditions of hygiene and safety, and “misdirected care”, where resources are allocated disproportionately toward curative services, neglecting prevention and health promotion.

To meet these challenges, the member States of the Pan American Health Organization (PAHO), with support from the Pan American Sanitary Bureau, have undertaken some important initiatives to reform and restructure their health systems with a view to making them more efficient, effective, accessible and inclusive. The most important initiatives are being guided by the principles and strategic orientation of a new vision of primary health care, which PAHO, WHO and the Commission on Social Determinants of Health have noted as the most effective approach to promoting fair and sustainable improvements in this area. The international evidence seems to show that health-care systems based on a solid orientation towards primary care achieve better and more equitable results are more efficient, have lower health-care costs and achieve more user satisfaction compared with systems which pay little attention to primary care.

PAHO and its member States consider that a renewed approach to primary health care is essential for achieving the Millennium Development Goals and for addressing the fundamental causes of health—as defined by the Commission on Social Determinants of Health—and codifying health as a human right, as articulated by a number of national constitutions, civil society groups and others. In order to put this into practice, the World Health Report (WHO, 2008a) proposes four areas for reform based on primary health care, calling for action in the following areas:

- Universal coverage. For inequities in health care to be reduced, all people must have access to it according to their needs and regardless of their ability to pay. The countries must undertake reforms and implement measures to take them towards universal access and social health care, including initiatives to extend coverage to the entire population for a growing number of services and with increasingly small out-of-pocket expenses.
- Service delivery. In response to people’s needs and expectations, health care should be person-centred. The countries must take steps to organize and reform their health services in order to guarantee access to quality care at the local level. This involves developing integrated health service networks to provide equitable and integrated health services to a given segment of the population. These networks must be accountable for their clinical and financial results and the state of health of the population they serve.
- Public policy. Many of the determinants of health are outside the scope of the health sector. The countries should pursue cross-cutting and integrated public policies to foster prevention and health promotion, and ensure intersectoral cooperation to address the social determinants of health.
- Leadership. Health-care systems are not moving of their own accord towards greater justice, efficiency and effectiveness; a new beginning, therefore, requires active leadership. Governments must exercise that leadership to facilitate participatory dialogue involving all sectors, building institutional and individual leadership capacities in relation to health policy formulation, and improving the collection of health data to provide the basis for policies (PAHO, 2007c).

**Source:** Pan American Health Organization (PAHO).

## **2. Target 5.B: achieve, by 2015, universal access to reproductive health**

Experts and professionals drew attention to the serious omission of a specific target to address sexual and reproductive health in the Millennium Development Goals and to the need to rectify that omission since it would not be possible to achieve most of the Goals without improving the population’s sexual and reproductive health. Sexual and reproductive health is an essential aspect of women’s right to health: proof of this can be found in the various international instruments that have included this issue among their provisions.

In 2005, the World Summit outcome document partially filled this gap, by adding universal access to reproductive health by 2015 as target 5.B of the fifth Goal on maternal health. Both this target and the indicators for measuring it, including antenatal care coverage, adolescent birth rate, contraceptive prevalence rate and unmet need for family planning, were identified by the Inter-agency and Expert Group (IAEG) on Millennium Development Goal indicators as being the most relevant to maternal health (WHO/UNFPA, 2008). States should enable women to

exercise control over and decide freely and responsibly on matters relating to their sexuality, in particular their sexual and reproductive health, free from coercion, a lack of information, discrimination and violence (OHCHR/WHO, 2008).

Including this target reaffirms the importance of this issue for the promotion of sustainable development and poverty eradication within a human rights framework. The idea itself was not new: indeed it was the central theme of the International Conference on Population and Development (ICPD), held in Cairo in 1994, which established access to reproductive health and family planning as a basic human right. In accordance with the action to be taken under the ICPD Programme of Action, “all countries should strive to make accessible through the primary health-care system, reproductive health to all individuals of appropriate ages as soon as possible and no later than the year 2015” (United Nations, 1994).

What is more, the ICPD Programme of Action establishes important principles relating to sexual and reproductive health. For example, paragraph 7.3, chapter VII, establishes that reproductive rights are human rights: “reproductive rights embrace certain human rights that are already recognized in national laws, international human rights documents and other consensus documents. These rights rest on the recognition of the basic right of all couples and individuals to decide freely and responsibly the number, spacing and timing of their children and to have the information and means to do so, and the right to attain the highest standard of sexual and reproductive health. It also includes their right to make decisions concerning reproduction free of discrimination, coercion and violence, as expressed in human rights documents. In the exercise of this right, they should take into account the needs of their living and future children and their responsibilities towards the community. The promotion of the responsible exercise of these rights for all people should be the fundamental basis for government- and community-supported policies and programmes in the area of reproductive health, including family planning.”

Since the International Conference on Population and Development, this vision has been reaffirmed by the Fourth World Conference on Women, held in Beijing in 1995, by Commission on Human Rights resolution 2003/28, and by the Committee on the Elimination of Discrimination against Women (CEDAW).

One of the indicators under the new target on universal access to reproductive health is antenatal care coverage, measured as the proportion of births where the woman has at least one postnatal visit and at least four antenatal visits. Antenatal care is in keeping with the ICPD Programme of Action, which refers not only to universal access to reproductive health, including access to family planning, but also the “right of access to appropriate health-care services that will enable women to go safely through pregnancy and childbirth and provide couples with the best chance of having a healthy infant” (United Nations, 1994).

Overall, antenatal care coverage is high in the countries of Latin America and the Caribbean (see table VI.7). Yet at the same time there are high levels of maternal and child morbidity and mortality. One example is the Dominican Republic where there is almost universal antenatal care coverage (97.5%), but also a relatively high rate of infant mortality (28 deaths per 1,000 live births), while maternal mortality is 86.3 deaths per 100,000 live births, which shows that this indicator must be analysed in terms of its effect on maternal and child health.

Unusually, given the levels of economic development in the region and the progress being made towards the rest of the Millennium Development Goals, adolescent fertility is very high. There are no signs of a systematic downward trend as can be seen in other regions, and adolescent fertility has not declined at the same rate as adult fertility; furthermore, most of these pregnancies are unplanned. Since 1990, adolescent fertility in the region has decreased only slightly and to date Sub-Saharan Africa is the only region to have recorded a smaller decline.

It is more difficult for adolescents than adult women to assert their productive and reproductive roles and they lack sufficient opportunity to exercise their reproductive rights. Adolescent pregnancies are both a major cause and result of socio-economic, ethnic, generational and sexual inequalities. Most adolescent mothers live on the margins of society, and their children are highly likely to continue living in that condition, thus perpetuating the transmission of poverty from one generation to the next. It is important to point out that preventing unwanted pregnancies could, in itself, prevent approximately one quarter of maternal deaths, including those caused by clandestine abortions (United Nations, 2007).

Table VI.7  
**LATIN AMERICA (SELECTED COUNTRIES): ANTENATAL CARE COVERAGE**  
**(INDICATOR 5.5 OF THE MILLENNIUM DEVELOPMENT GOALS)**  
*(Percentage distribution of women's antenatal visits)*

Country and year	Number of antenatal visits			
	0	1	2 to 3	4 or more
Bolivia (Plurinational State of), 2008	9.6	3.3	14.7	72.1
Colombia, 2005	6.4	1.4	7.7	83.1
Ecuador, 2004	15.8	3.0	14.3	66.5
El Salvador, 2002	14.0	0.7	6.6	78.6
Haiti, 2005-2006	13.8	4.9	26.8	53.8
Honduras, 2005	8.0	2.0	9.0	80.8
Guatemala, 2002	15.7	2.6	15.3	65.9
Nicaragua, 2006	9.0	2.1	10.2	77.8
Paraguay, 2004	5.8	1.6	21.5	78.7
Peru, 2007-2008	2.5	1.0	4.8	91.6
Dominican Republic, 2007	0.5	0.5	2.5	94.5

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of demographic and health surveys. Figures obtained from STATcompiler [online] <http://www.statcompiler.com>, and the final reports on the surveys of Peru (2007-2008) and the Plurinational State of Bolivia (2008) [online] <http://www.measuredhs.com>.

Tackling adolescent pregnancy is essential for improving sexual and reproductive health in Latin America and the Caribbean and one of the main challenges for meeting the target of universal access to contraception.

Aware of this problem, at the 49th Directing Council of the Pan American Health Organization (PAHO) in September 2009, the ministers of health of the Americas adopted the Plan of Action on Adolescent and Youth Health, making a commitment to strengthen national programmes and to ensure the availability of sufficient resources to implement national plans and guarantee access to good-quality health services with adequate coverage, with a particular emphasis on sexual and reproductive health. The plan has identified the following main areas for action: strengthening strategic information and innovation; developing favourable environments using evidence-based policies; strengthening integrated and comprehensive health systems and services; building human resource capacity; developing family and community-based interventions; and forging strategic alliances and collaboration with other sectors.

Table VI.8  
**WORLD REGIONS: BIRTH RATE AMONG WOMEN AGED 15 TO 19 YEARS (INDICATOR 5.4**  
**OF THE MILLENNIUM DEVELOPMENT GOALS), 1990-2006**  
*(Births per 1,000 women)*

Region	1990	2006	Percentage change
<b>Developed regions</b>	34.7	22.5	- 35.2
<b>Developing regions</b>	66.5	53	- 20.3
North Africa	42.9	28.1	- 34.5
Sub-Saharan Africa	130.6	123.1	- 5.7
<b>Latin America and the Caribbean</b>	<b>77.4</b>	<b>71.8</b>	<b>- 7.2</b>
East Asia	21.3	4.5	- 78.9
South Asia	90.1	52	- 42.3
South-East Asia	50.4	44.4	- 11.9
West Asia	63.6	50.2	- 21.1
Oceania	82.3	61.2	- 25.6
Countries of the Commonwealth of Independent States	52.1	28.4	- 45.5

**Source:** United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.



When the level of schooling of young mothers is taken into account, a gap in terms of information and access to reproductive health services can be seen between the different groups (see table VI.9 and box VI.8). Inequalities stemming from level of schooling, place of residence and ethnic or racial origin must be reduced as these barriers impede the full enjoyment of rights and access to development opportunities. The disadvantages affecting young women with less schooling are clear to see and their future work prospects are affected not only by their inadequate schooling, but also by the fact that they are more likely to be mothers (CELADE, 2010b).

Table VI.9  
**LATIN AMERICA (SELECTED COUNTRIES): TOTAL FERTILITY RATE AND ADOLESCENT  
 MOTHERS AGED 15-19 YEARS, BY LEVEL OF SCHOOLING, CIRCA 2005**  
*(Percentages)*

Country	Level of schooling	Total fertility rate	Adolescents aged 15 to 19 years who are mothers
Bolivia (Plurinational State of), 2008	No schooling	6.1	...
	Primary	4.7	31.9
	Secondary	3	12.7
	Higher	1.9	4.3
	Total	3.5	17.9
Colombia, 2005	No schooling	4.5	52.3
	Primary	3.4	42.3
	Secondary or higher	2.1	16.3
	Total	2.4	20.5
Ecuador, 2004	No schooling	5.9	42.9
	Primary	4.1	34.1
	Secondary or higher	2.6	14.2
	Total	3.2	19.4
El Salvador, 2002	No schooling	4	48.8
	Primary	3.4	34.4
	Secondary or higher	2.2	14.5
	Total	2.8	21.6
Guatemala, 2002	No schooling	6.4	36.4
	Primary	4.7	24.2
	Secondary or higher	2.1	6.6
	Total	4.4	19.2
Haiti, 2005-2006	No schooling	5.9	30
	Primary	4.3	16.6
	Secondary or higher	2.4	8.7
	Total	3.9	14
Honduras, 2005-2006	No schooling	4.9	46.3
	Primary	3.8	31.5
	Secondary or higher	2.2	10.5
	Total	3.3	21.5
Nicaragua, 2006	No schooling	4.4	64.2
	Primary	3.2	34
	Secondary or higher	2	16.3
	Total	2.7	25.2
Paraguay, 2004	No schooling	4.3	34.6
	Primary	4	26.2
	Secondary or higher	2.4	9.4
	Total	--	13.2
Peru, 2007-2008	No schooling	4.3	57.9
	Primary	3.7	32.6
	Secondary	2.5	12.5
	Superior	1.7	4.8
	Total	2.5	10.7
Dominican Republic, 2007	No schooling	3.9	51.3
	Primary	3	32
	Secondary or higher	2.2	14.7
	Total	2.4	20.6

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of demographic and health surveys. Figures obtained from STATcompiler [online] <http://www.statcompiler.com>, and the final reports on the surveys of Peru (2007-2008) and the Plurinational State of Bolivia (2008) [online] <http://www.measuredhs.com>.



## Box VI.8

### SEX EDUCATION AND SEXUAL AND REPRODUCTIVE HEALTH SERVICES FOR ADOLESCENTS AND YOUNG PEOPLE

The figures on the proportion of young mothers in relation to their level of education makes the gap in information and access to services very clear. The facts on the ground show how educational level operates as a relevant factor in teenage motherhood and expose the disadvantages faced by young women with less schooling: their future employment prospects are conditioned not only by insufficient education but also by the vulnerabilities that motherhood exposes them to at such early ages. There is, moreover, evidence that indigenous girls ultimately have more children than other girls. This reflects unequal access to sexual and reproductive health services, which is due to several structural causes: young women's educational level, where they live (usually in a rural area) and the lack of culturally appropriate health care hinder their access to family planning services (ECLAC/UNFPA, 2009).

The disparity in teenage fertility rates depending on educational level, place of residence (urban or rural) or racial or ethnic group must be reduced; it has its origin in gaps that lead to differences in the exercise of rights and access to opportunities for development. To this end, sexual and reproductive health services for adolescents and young people should be expanded and improved to include sex education, services tailored to their needs and developed in consultation with them, and the right to private and confidential access and advice. Bringing sex education into the curriculum of formal and informal education alike is an area where the region has made only timid progress. Despite the importance of this issue, the truth is that the countries, in general, lack concrete adolescent sex education policies for varying reasons, among them social and cultural restrictions (ECLAC/UNFPA, 2009).

**Source:** Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, "América Latina: avances y desafíos de la implementación del Programa de Acción de El Cairo, con énfasis en el período 2004-2009", *Project documents*, No. 311 (LC/W.311), Santiago, Chile, 2010.

In its General Comment No. 4, the Committee on the Rights of the Child expressed concern that early marriage and pregnancy are significant factors in health problems related to sexual and reproductive health, and recommended States to provide adolescents with access to sexual and reproductive information, including on family planning and contraceptives, the dangers of early pregnancy, the prevention of HIV/AIDS and the prevention and treatment of sexually transmitted diseases (STDs).

In some countries, the use of contraceptives among women of childbearing age (15 to 49 years) is still low, and the differences by level of schooling and between rural and urban areas are notable (see table VI.9). However, the gap between rural and urban areas has narrowed in all countries that have data available, apart from Guatemala and Haiti. Six of those countries will reach the target of a 50% reduction established by the ICPD Programme of Action: Brazil, the Dominican Republic, Ecuador, Honduras, Nicaragua and Peru (CELADE, 2010b). Closing the gap between supply of and demand for contraceptives, especially modern ones, remains an unmet challenge in the region.

The unmet need for family planning is the indicator of universal access to reproductive health that is most in tune with a rights-based vision, inasmuch as it takes into consideration the reproductive preferences and intentions of women. Indeed, it is difficult to measure the use of contraceptives as an indicator of access to reproductive health services without taking into account the unmet demand for family planning since limited use of contraceptives can also reflect a simple lack of access to them.

The vast majority of countries in the region have reduced the unmet demand for family planning. They are also narrowing gaps in access between different social sectors, both in terms of place of residence and the level of schooling of women living in unions. Given the close interplay between these factors and access to contraceptives, however, there remain social gaps in unmet demand for family planning (see table VI.11).

Table VI.10  
**LATIN AMERICA (SELECTED COUNTRIES): CONTRACEPTIVE USE BY WOMEN OF CHILDBEARING  
 AGE IN UNION, BY LEVEL OF SCHOOLING (INDICATOR 5.3 OF THE MILLENNIUM  
 DEVELOPMENT GOALS), CIRCA 1990 AND CIRCA 2005**  
*(Percentages)*

	No schooling				Primary education				Secondary education and higher			
	Any method	Any modern method	Condom	Female sterilization	Any method	Any modern method	Condom	Female sterilization	Any method	Any modern method	Condom	Female sterilization
Bolivia (Plurinational State of), 2008	42.0	21.6	0.0	6.5	56.1	29.6	1.7	6.2	68.9	42.6	7.4	6.9
Bolivia (Plurinational State of), 1989	11.6	2.4	0	1	26.3	9.1	0	4.4	49.4	23.8	1	6.7
Colombia, 2005	67.1	57.4	3.6	39.3	78.5	67.5	5	36.5	78.7	69.1	8.4	27.8
Colombia, 1990	52.6	44	0.6	27	63.3	51.8	2.2	23.8	70.7	58.9	3.9	17.2
Dominican Republic, 2007	69.8	68	0.3	54.8	75.2	73.3	1.3	56.1	71.2	67.4	2.6	39.3
Dominican Republic, 1991	41.5	37.8	0	35.2	55.2	52.3	0.2	43.7	61.4	53.7	3	30.9
Guatemala, 2002	24.7	18.3	0.4	9.9	45.6	37.0	2.1	18.9	67.7	54.7	5.9	23.0
Guatemala, 1987	9.8	8.6	0	5.6	29.5	24.3	1.6	13.3	60	46.2	4.9	20.3
Haiti, 2005-2006	24.5	18.5	0.8	2.7	31.9	25.1	3.5	1.9	40.4	31.4	12.5	1.8
Haiti, 1994-1995	11.3	8.4	0.6	3.7	19.7	15.2	2.5	3	34.2	23.2	9.3	1.7
Nicaragua, 2006	65.8	64.9	2.3	22.9	71.5	69.4	2.6	24.7	75.9	72	5.5	24.5
Nicaragua, 1997-1998	46.3	44.6	2.2	26	59.3	57.4	1.9	28.4	68.8	63.9	3.6	23.3
Paraguay, 2004	51	45.5	2.7	24.8	69	56.5	9.9	11	77.5	65.2	14.3	11.4
Peru, 2007-2008	65.6	37.0	1.4	9.6	70.3	41.9	4.4	10.8	74.0	53.3	13.4	9.3
Peru, 1986	19.1	7.6	0.2	4.3	39.3	17.1	0.4	6.8	63.3	35.7	1.3	6.1

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of demographic and health surveys. Figures obtained from STATcompiler [online] <http://www.statcompiler.com>, and the final reports on the surveys of Peru (2007-2008) and the Plurinational State of Bolivia (2008) [online] <http://www.measuredhs.com>.

Table VI.11  
**LATIN AMERICA (SELECTED COUNTRIES): WOMEN AGED 15-49 YEAR IN UNION WITH UNMET DEMAND FOR FAMILY PLANNING, BY LEVEL OF SCHOOLING (INDICATOR 5.6 OF THE MILLENNIUM DEVELOPMENT GOALS)**  
*(Percentages)*

Country and year	Unmet demand to delay pregnancy			Unmet demand to prevent pregnancy			Total unmet demand		
	No formal schooling	Primary education	Secondary education or higher	No formal schooling	Primary education	Secondary education or higher	No formal schooling	Primary education	Secondary education or higher
Bolivia (Plurinational State of), 2008	2.8	6.1	7.2	25.1	17.8	7.2	27.8	24.0	14.5
Colombia, 2005	27.8	15.8	10.5	13.4	5.8	3.8	15.0	7.4	5.8
Haiti, 2005-2006	71.7	63.3	45.3	58.4	50.1	44.8	61.1	55.9	45.1
Peru, 2007-2008	1.3	2.9	3.6	8.7	7.0	3.8	9.9	9.9	7.4
Dominican Republic, 2007	31.3	38.7	26.2	13.1	6.7	7.0	15.0	12.8	14.0

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of demographic and health surveys. Figures obtained from STATcompiler [online] <http://www.statcompiler.com>, and the final reports on the surveys of Peru (2007-2008) and the Plurinational State of Bolivia (2008) [online] <http://www.measuredhs.com>.

The deadline for achieving the Millennium Development Goals is only five years away and there is still a gap between the supply of and the demand for contraceptives in the region. Narrowing that gap is a pending task and forms part of a greater challenge that needs addressing: closing the gap in the exercise of reproductive rights and access to sexual and reproductive health, particularly in relation to access to modern contraceptives and sex education, and reducing the adolescent pregnancy rate and maternal mortality (CELADE, 2010b).

In that connection, it is worth highlighting the contribution of the Plan of Action on Adolescent and Youth Health to sex education. Through the Plan, countries have committed to providing the information that young persons need in order to take responsible and informed decisions about their sex life. In the context of the HIV pandemic, access to sex education and methods of preventing the spread of this disease are all the more imperative.

Despite a promising outlook where reproductive rights and sexual and reproductive health are concerned, several tasks remain pending, and there have even been setbacks in some cases. Maternal mortality rates fell between 1997 and 2005, but the absolute number of deaths remained unchanged, which is both a cause for concern and evidence of the need for additional measures. Many of those deaths violate women's human rights as they could have been avoided through common interventions. It is unacceptable that poor Latin American and Caribbean women continue to put their life and health at risk when giving birth. It is therefore necessary to work towards a broad consensus between Governments, organizations of the United Nations system and civil society. Another fundamental issue that calls for urgent action is the reproductive health of adolescents.

The maternal mortality and adolescent pregnancy rates in the region were much higher than would be expected on the basis of overall fertility and mortality rates, even compared with regional and national averages. No conclusive downward trends were recorded during the period under consideration. These averages mask significant differences between and within countries and, for many people, a situation in which the sexual and reproductive health targets have been met is still a long way off.

In order to meet targets 5.A and 5.B of the Millennium Development Goals, which prescribe universal access to reproductive health by 2015 and reflect two of the quantitative goals of the Cairo Programme of Action, they still need to be promoted to a much greater extent in most countries and stronger legal, institutional, sectoral and financial provisions need to be made. Therein lies the main challenge for the next few years. The purpose and ultimate aim of monitoring the indicators for the new target 5.B is for every person in the region to be able to exercise their reproductive rights through timely access to good-quality sexual and reproductive health services.

Lastly, as part of their commitment to human rights. States must take on certain obligations in order to guarantee that those rights may be enjoyed. To that end, States make a commitment to respect, protect and guarantee those rights through the ratification of international human rights instruments.

## Box VI.9

**THE INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT AND  
THE FUNDING OF THE PROGRAMME OF ACTION**

Reproductive health and population dynamics are key components that should be an integral part of poverty reduction strategies and development plans. At the 1994 International Conference on Population and Development (ICPD), the international community agreed that the implementation of programmes in the area of population dynamics, reproductive health—including family planning, maternal health and the prevention of sexually transmitted diseases—as well as programmes for collecting, analysing and disseminating population data would cost US\$ 17.0 billion in 2000, US\$ 18.5 billion in 2005, US\$ 20.5 billion in 2010 and US\$ 21.7 billion in 2015. Two thirds of these resources would be mobilized by developing countries, and the remaining third—US\$ 5.7 billion in 2000, US\$ 6.1 billion in 2005, US\$ 6.8 billion in 2010 and US\$ 7.2 billion in 2015—would come from the international community.

The funding goals adopted at the Conference were set 15 years ago and do not meet current needs, which have grown dramatically since then. The world's population and health status at the time was far different from today's. The HIV/AIDS pandemic has reached unforeseen proportions, and maternal and child mortality rates are still unacceptably high in many parts of the world. Health-care costs have soared, and the failure to invest in developing and supporting health systems and programmes has been identified as one of the factors contributing to the lack of progress in attaining the goals of the Programme of Action of the International Conference on Population and Development. The cost of collecting data has risen substantially, and the value of the dollar is now far lower than in 1993. The funding goals originally set at the Conference are thus simply not enough to meet the needs of developing countries.

In an attempt to more precisely reflect and reconcile the current financial requirements for attaining the objectives of the Programme of Action and the Millennium Development Goals, the United Nations Population Fund (UNFPA) undertook to review the estimates for the four costed components of the Cairo conference. These revised estimates are much higher than the original goals set in 1994 because they take current needs and costs into consideration. They are set out in a report presented by the Secretary-General of the United Nations to the United Nations Commission on Population and Development in March 2009 (see table).

**LATIN AMERICA AND THE CARIBBEAN: REVISED ESTIMATES OF COSTS DETERMINED AT  
THE INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT, 2009-2015**  
(Millions of dollars)

	2009	2010	2011	2012	2013	2014	2015
Sexual and reproductive health/ Family planning	3 132	3 401	3 627	3 837	3 922	4 119	4 347
Family planning/Direct costs	310	343	378	414	452	492	518
Maternal health/Direct costs	958	1 182	1 431	1 706	2 009	2 340	2 680
Programmes and systems/related costs	1 864	1 876	1 818	1 717	1 461	1 286	1 150
HIV/AIDS	3 072	3 461	3 562	3 630	3 703	3 770	3 867
Basic research/Data/Policy analysis	162	729	250	309	74	78	106
Total	6 366	7 591	7 439	7 775	7 699	7 966	8 320

**Source:** United Nations, Flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development, Report of the Secretary-General (E/CN.9/2009/5), 2009; United Nations Population Fund (UNFPA), *Revised Cost Estimates for the Implementation of the Programme of Action of the International Conference on Population and Development: A Methodological Report*, 2009, forthcoming.

Box VI.9 (concluded)

### **International cooperation for population activities in Latin America and the Caribbean**

In 2007 the region received nearly US\$ 395 million in cooperation resources for population activities. Some 39% was channelled through bilateral programmes, 34% through multilateral institutions and 27% went to international non-governmental organizations. A total of 32 countries in Latin America and the Caribbean benefited from this international aid. Haiti received the most, at US\$ 116.9 million, followed by Nicaragua with US\$ 36.7 million and Peru with US\$ 24.5 million. A total of US\$ 43.5 million was allocated to regional programmes.

### **National investment for population activities in the region, and outcomes**

At the national level, it is estimated that in 2007 the countries of Latin America and the Caribbean allocated more than US\$ 2.55 billion to population activities. Of these resources, 63% came from governments, 32% from out-of-pocket expenses and 5% from national non-governmental organizations. In all, US\$ 2,945 billion (national resources and international aid combined) was invested in the region in 2007. This is far from the US\$ 6,366 billion required in 2009 to fulfil the basic ICPD commitments, according to estimates revised by the United Nations Population Fund and presented by the Secretary-General to the Commission on Population and Development in 2009. Fifteen years have passed since the goals agreed at the Conference were set, and the resources mobilized are not enough to cover current needs and costs, which have risen substantially since then. The goals and objectives of the Programme of Action have not been fully attained. Although progress has been significant, the international community is not on the path to fulfilling all the commitments taken on under the Millennium Development Goals.

To meet current requirements, the local and international resources allocated for population activities should increase from current levels in keeping with estimated costs, based on a revision for each of the four components of the programme. In view of the world economic crisis, it is important for donors and developing countries to mobilize sufficient resources to fully implement the Conference goals and to meet the Millennium Declaration challenge.

**Source:** United Nations, Flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development, Report of the Secretary-General (E/CN.9/2009/5), 2009; United Nations Population Fund (UNFPA), *Revised Cost Estimates for the Implementation of the Programme of Action of the International Conference on Population and Development: A Methodological Report*, 2009, forthcoming.; UNFPA, "Latin America and the Caribbean: Financial Resource Flows and Revised Cost Estimates for Population Activities", 2009; and Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC. "Entre los progresos y las asignaturas pendientes: 15 años del Programa de Acción de El Cairo en América Latina y el Caribe, con énfasis en el período 2004-2009", *Project documents*, No. 317 (LC/W.317), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

The obligation to respect involves the legal recognition of reproductive rights, not making access to those rights difficult and not depriving persons arbitrarily of the enjoyment of those rights, on grounds of customs and practice or religious beliefs.

The obligation to protect involves passing and enforcing legislation that guarantees the exercise of reproductive rights, focusing, in particular, on the most vulnerable, including indigenous communities, minors and persons with disabilities. This obligation also entails ensuring that non-State actors do not compromise the enjoyment of these rights.

Finally, the State's duty to enforce or guarantee rights brings with it an obligation to adopt the legislative, administrative, budgetary and legal measures needed for the exercise of those rights.

## **C. GOAL 6: COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES**

### **1. Introduction**

Although there are some examples of encouraging experiences and results in Latin America and the Caribbean that point to the possibility of halting and reversing the HIV epidemic in some countries in the region, there are also significant challenges on which action will need to be focused in order to meet the sixth Goal on HIV.

At this juncture, following the financial crisis, there is a risk that social inequities could become more marked and vulnerability factors could be aggravated, which is why it will be necessary to redouble efforts to meet the political, economic and social commitment to achieve universal access to HIV prevention, treatment, care and support, and thus to halt and reverse the epidemic.

In the context of epidemics concentrated among key populations that can be found in most countries in Latin America and the Caribbean,<sup>10</sup> including men who have sex with men,<sup>11</sup> sex workers and their clients, and injecting drug users, the main challenge will be to scale up efforts and focus them on prevention among the groups that are most affected by the epidemic in the region. The design of prevention activities should be evidence-informed and should involve the full participation of the key populations, combining biomedical, behavioural and structural elements, with a human rights and gender focus. Activities should also target women, young persons and indigenous populations, as there has been an increase in HIV transmission among these highly vulnerable groups of society.

Overcoming inequities in access to prevention, treatment and support services, starting with access to HIV testing and the elimination of stigma and discrimination on grounds of sexual diversity and HIV status, is another challenge that must be addressed.

The response to HIV must be combined with efforts to achieve broader health outcomes, HIV programmes and services should be part of the services and programmes for sexual and reproductive health, maternal and child health and tuberculosis, thereby contributing to the strengthening of health systems and ensuring that the response is sustainable.

Providing good-quality, timely and rights-based sex education to all young persons in the region will be decisive in reducing HIV transmission.

In order to optimize the outcomes of the HIV response, the gap in the generation and use of strategic information must be closed.

Despite the natural synergies between the response to HIV and the other Millennium Development Goals, there has not been enough focus on maximizing these mutually supportive dynamics. Now is the time to take strategic steps to work with all partners to generate synergies that will yield concrete results across the comprehensive development agenda.

The Millennium Development Goal on HIV is inextricably linked to the other Goals: halting and reversing HIV/AIDS depends heavily on the achievement of the other Goals, including those relating to the eradication of extreme poverty and hunger, access to education, gender equality and maternal health, and, in particular, universal access to sexual and reproductive health. Socio-economic and gender inequalities, violence, gaps in the exercise of human rights, lack of social and legal protection, low levels of schooling and unequal access to health services create situations of vulnerability that promote or exacerbate risky behaviours, which, in turn, increase the likelihood of HIV infection. This Goal requires special attention for this reason and because the response to HIV has the capacity to help countries make comprehensive progress towards achieving the other Millennium Development Goals.

This chapter will look at the indicators relating to the sixth Goal and HIV in Latin America and the Caribbean, it will identify the challenges that still need to be tackled in order to meet the established targets and it will put forward recommendations for drafting effective policies and programmes to give direction to the action taken in pursuit of these targets.

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<sup>10</sup> Key high-risk populations or “key populations at higher risk of exposure to HIV”: key in terms of the dynamics of the epidemic and key to the response; populations that are more exposed. UNAIDS Terminology Guidelines (2007).

<sup>11</sup> “Men who have sex with men”: this term is useful as it includes not only men who self identify as ‘gay’ or homosexual and have sex only with other men but also bisexual men, and heterosexual men who may, nonetheless at times have sex with other men. UNAIDS Terminology Guidelines (2007).

This report is being presented in the year in which the target of universal access to HIV/AIDS treatment, prevention, care and support is supposed to be met; Heads of State and Government representatives made this commitment in 2006. The movement towards universal access has been guided by ambitious targets set in most countries seeking key outcomes and has led to a global commitment to increase access to effective HIV interventions. Interactions between partners, including Governments, civil society, associations of persons living with HIV, the academic sector and international cooperation, have been strengthened in this process and have led to a multisectoral approach in the HIV response, going beyond the scope of the health sector. The year 2010 and the movement towards universal access offer a mid-point to reflect on and analyse the progress that has been made and the challenges that remain outstanding in relation to the sixth Millennium Development Goal for 2015.

## 2. Target 6.A: have halted by 2015 and begun to reverse the spread of HIV/AIDS

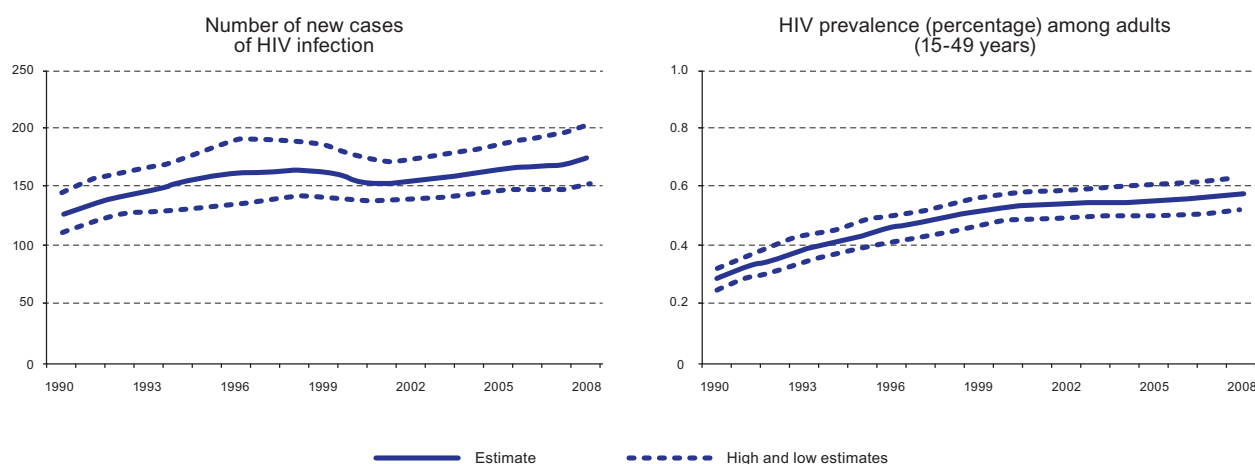
### (a) Indicator 6.1: HIV prevalence among population aged 15-24 years

Since limited data are available for Latin America and the Caribbean on this indicator, in order to analyse the regional situation, this section will first present and analyse data on HIV prevalence among the population aged 15 to 49 years in Latin America and the Caribbean and then among key populations.

#### (i) *HIV prevalence among the general population aged 15-49 years in Latin America*

Regional HIV prevalence among the adult population (15-49 years) was estimated at 0.6% (UNAIDS/WHO, 2009) in 2008. The epidemic is mainly concentrated among key populations, including men who have sex with men, sex workers and injecting drug users. Figure VI.13 shows an upward trend in the number of new cases of HIV infection, while HIV prevalence among the adult population appears to be stabilizing.

Figure VI.13  
**LATIN AMERICA: ESTIMATES OF HIV INCIDENCE AND PREVALENCE, 1990-2008**  
(Number of cases and percentages)

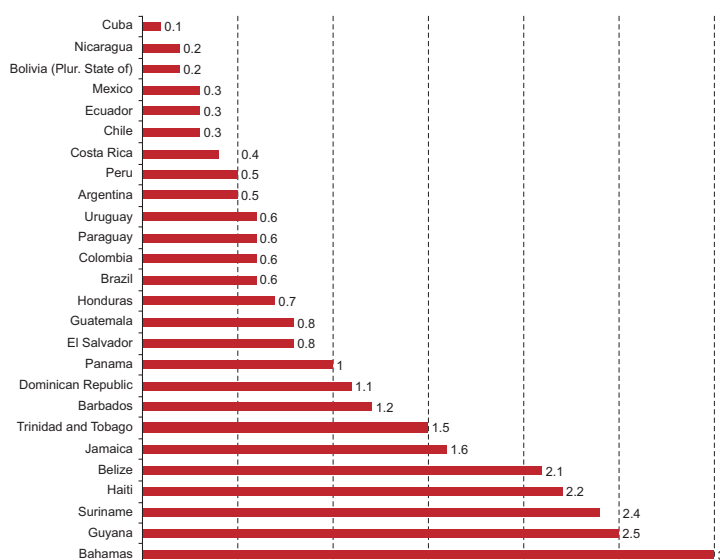


**Source:** Joint United Nations Programme on HIV/AIDS (UNAIDS)/World Health Organization (WHO), *AIDS epidemic update*, Geneva, December 2009.



In 2001, there were an estimated 150,000 new cases of HIV infection. In 2008, 170,000 new cases of HIV infection were recorded, taking the number of people living with HIV to an estimated 2 million. There were an estimated 6,200 new HIV infections among children in 2001 and 6,900 new infections among children in 2008. The epidemic has still not been halted or reversed. On the contrary, there is a risk of an escalation in new cases of infection, including among women, young persons and indigenous persons, as will be described below.

Figure VI.14  
LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): PROPORTION OF  
ADULTS AGED 15-49 YEARS WITH HIV/AIDS, 2007  
(Percentages)



**Source:** Joint United Nations Programme on HIV/AIDS (UNAIDS)/World Health Organization (WHO), 2008 *Report on the global AIDS epidemic*, Geneva, 2008.

(ii) *HIV prevalence among the general population aged 15-49 years in the Caribbean*

The HIV epidemic in the Caribbean seems to have stabilized and the number of new infections is decreasing. There were an estimated 21,000 new HIV infections in 2001. In 2008, 20,000 new infections were recorded, taking the number of persons living with HIV to approximately 240,000. About three quarters of those persons live in Haiti and the Dominican Republic. There were an estimated 2,800 new HIV infections among children in 2001, while 2,300 new infections among children were recorded in 2008. Cuba and Suriname are the only two countries in the Caribbean that, despite low prevalence rates, have growing epidemics.

Although in absolute terms the epidemic in the Caribbean seems small, it is the region most affected by HIV after Sub-Saharan Africa and it has the second highest prevalence of HIV among adults (almost 1%). What is more, AIDS is one of the leading causes of death among adults aged between 15 and 44 years in the Caribbean. The Caribbean presents a mixture of generalized<sup>12</sup> and concentrated<sup>13</sup> epidemics, with prevalence rates of up to 3% in the

<sup>12</sup> In a generalized epidemic, HIV is firmly established in the general population. Although high-risk subpopulations may contribute disproportionately to the spread of HIV, the sexual networking of the general population is sufficient to sustain an epidemic independent of the subpopulations who are at higher risk of infection.

<sup>13</sup> In a concentrated epidemic, HIV has spread significantly among one or more subpopulations, but is not well established in the general population. This epidemic state suggests that active networks of risk exist between subpopulations. The future course of the epidemic is determined by the frequency and type of relations between subpopulations who are at higher risk of infection and the general population.

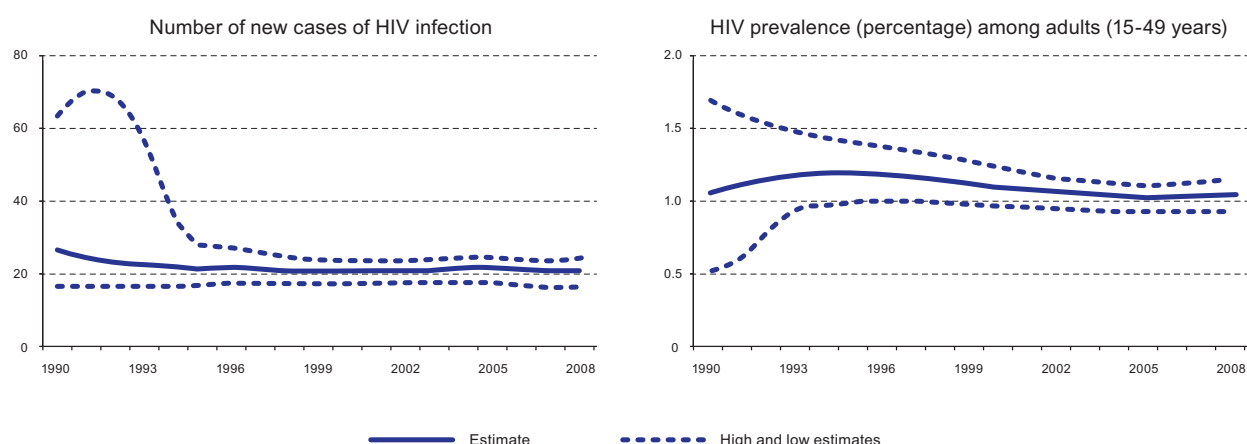


Bahamas. Most transmission occurs through heterosexual relations, often linked to commercial sex, although transmission between men who have sex with men also takes place.

In some countries in the Caribbean, prevalence is particularly high among women aged from 15 to 19 years, who are three to six times more likely to have HIV than young men (ECLAC, 2010).

There is evidence that in Haiti and the Dominican Republic, for example, HIV incidence among young persons has decreased thanks to interventions that promoted reducing the number of partners and using condoms (UNAIDS/WHO, 2009). In the Dominican Republic, the decline in HIV prevalence among the young population (from 0.6% in 2002 to 0.3% in 2007) was documented using seroprevalence surveys. These successes illustrate the potential of comprehensive, evidence-informed prevention measures, combining biomedical elements, and behavioural and structural changes, to halt and reverse the epidemic.

Figure VI.15  
**THE CARIBBEAN: ESTIMATES OF HIV INCIDENCE AND PREVALENCE, 1990-2008**  
(Number of cases and percentages)



**Source:** Joint United Nations Programme on HIV/AIDS (UNAIDS)/World Health Organization (WHO), *AIDS epidemic update*, Geneva, December 2009.

(iii) *HIV prevalence among key populations in Latin America and the Caribbean*

Various surveys have shown HIV prevalence among men who have sex with men ranging from 7.9% in El Salvador to 25.6% in Mexico, with prevalences above 5% in most large cities in the region. In Honduras, for example, HIV prevalence among men who have sex with men aged under 25 years is 4%, while the rate for men who have sex with men aged over 25 years is 11.9% (Ministry of Health of Honduras, 2006). The prevalence rate among transgender persons in Argentina is an estimated, and very worrying, 27.6%. This information is rarely available in countries. In Jamaica, the HIV prevalence rate among men who have sex with men is as high as 31%, while in Trinidad and Tobago 20.4% of men who have sex with men are HIV-positive (UNAIDS/WHO, 2009).

The prevalence among male and female sex workers varies significantly from country to country. In Argentina, the reported prevalence of HIV among female sex workers is 1.8%, while among male sex workers it reaches 22.8%, HIV prevalence among female sex workers can be low, as in Nicaragua (0.2%), or high, as in Honduras (9.6%) or Guyana (27%) (UNAIDS/WHO, 2009). Honduras reports a HIV prevalence rate of 1% among sex workers aged under 25 years and of 3.1% among sex workers aged over 25 years (Ministry of Health of Honduras, 2006).

## Box VI.10

**CONSEQUENCES OF THE EARTHQUAKE FOR HIV/AIDS IN HAITI**

Haiti, the poorest country in the region, made considerable progress over the past decade, gradually bringing HIV/AIDS prevalence down from 6.1% in 1993 to 2.2% in 2006. The prevention effort increased HIV/AIDS awareness and the use of condoms. Access to counselling, HIV testing and antiretroviral treatment expanded to cover the entire country. Between 2005 and 2009 the number of counselling and testing sites increased from 79 to 148, and the number of antiretroviral distribution sites rose from 24 to 50. In 2009, treatment was being provided to 57% of the persons living with HIV who needed it.

A total of 60% of the persons living with HIV under treatment were concentrated in the three departments hit hardest by the January 2010 earthquake. A significant number of persons living with HIV became more vulnerable than ever. Many lost their homes and are scattered across the country. The number of HIV/AIDS orphans and vulnerable children is expected to have increased.

The difficulty of obtaining food and accessing services and medication, life in unhealthy camps or on the street, and the lack of jobs made persons living with HIV and their families tremendously more vulnerable. Fifty hospitals and health centres were destroyed, as were most of the government ministries.

According to the national HIV programme, all of the progress made to date is in danger of being wiped out because a large part of the displaced population is at risk, living in temporary camps where violence, especially gender violence, is a daily occurrence that exposes women, girls and boys to sexually transmitted infections (STIs) and HIV. National programme coordination, services and databases were lost. Associations of persons living with HIV lost members and infrastructure. Nevertheless, the national programme and its partners are working tirelessly to re-establish prevention, treatment and support services. A post-earthquake interim action plan has been developed and appended to the national multi-sectoral plan for 2008-2012. The response over the next 18 months will focus on reinforcing HIV prevention.

It is too early to say how the earthquake will impact the profile of the epidemic and the attainment of the sixth Millennium Development Goal in Haiti and the Dominican Republic. These two countries account for more than 70% of the total estimated cases of HIV infection in the Caribbean countries.

**Source:** Government of Haiti, "Haiti Earthquake PDNA: assessment of damage, losses, general and sectoral needs", 2010, and "Plan intérimaire VIH SIDA suite au séisme du 12 janvier 2010, Addendum au PSNM 2008-2012", March 2010.

HIV prevalence among injecting drug users ranges between 9.1% in Paraguay and 6.7% in Mexico (UNAIDS/WHO, 2008). In Argentina, the prevalence among non-injecting drug users is estimated at 5.3%. In the Dominican Republic, the prevalence among non-injecting drug users is 8% (Ministry of Health of the Dominican Republic, 2008).

These data point to a high burden of disease among both young and adult key populations.

- (iv) *How have these figures changed during the last decade and what indication do they give of the probability of achieving the sixth Millennium Development Goal in relation to HIV?*

Men who have sex with men, injecting drug users, sex workers and their clients, and transgender persons continue to be the populations that are most affected by the HIV epidemic in Latin America and the Caribbean because of the high disease burden among these groups and the institutional and social stigma they suffer.

The proportion of men living with HIV, compared with the proportion of women, has dropped significantly since the 1980s. There has been a reported increase in infection among women, especially women in precarious socio-economic situations or who are otherwise vulnerable, while the number of infections among men has not decreased. The proportion of women living with HIV in Latin America and the Caribbean has stabilized at approximately 34% of the total population living with HIV in Latin America and 48% of those living with HIV in the Caribbean (UNAIDS/PAHO/UNICEF, 2009).

For example, in the Dominican Republic, data from the 2007 demographic and health surveys indicate that HIV prevalence among women without formal schooling is 3.7%, which is much higher than the estimated rate of 0.8% among women in the general population (Dominican Republic, 2007).

Several new studies report an increased number of cases among indigenous populations and young persons in difficult situations (adolescents who live on the street and young persons who are not enrolled in the formal education system) (UNAIDS/PAHO/UNICEF, 2009).

In Honduras, for example, HIV prevalence among the Garífuna population (an Afro-descendent ethnic group on the Caribbean coast in Honduras) was measured and was found to be 2.6% and 2.7% among men and women aged under 25 years, respectively, while among men and women aged over 25 years, it was 5.4% and 5.2%, respectively (Ministry of Health of Honduras, 2006).

It is worth noting that indigenous and Afro-descendent groups constitute 40% of the population in the region, but there is very little strategic information about them, despite the fact that it has been recognized that they are highly vulnerable to HIV. They are considered to be very vulnerable to HIV because of the poverty, illiteracy, migratory movements and certain cultural practices with which they are associated (United Nations, 2005; ECLAC, 2006b; Winkler and Cueto, 2004), and because of the institutional neglect from which they frequently suffer. Risky cultural practices include early initiation of sexual activity, polygamy and a low rate of condom use (Magis and others, 2006; Zavaleta and others, 2007). Various cultural barriers (stigma and discrimination, shame, fear) prevent them from accessing services and information (Ministry of Health and Environment of Argentina, 2005). Some communities are affected by drug trafficking, which has brought with it violence, drug use and sex work (Traa-Valarezo, 2004). Given this situation, it is vital to begin systematically studying, monitoring and analysing the epidemic among indigenous populations and ethnic minorities with a view to finding out more about the extent of the epidemic and to develop effective and culturally appropriate interventions, together with the communities that are affected in order to halt the growth of the epidemic and minimize its impact.

The same recommendations apply to the young persons who are most vulnerable or at risk. In generalized epidemics and where HIV is hyperendemic, experts recommend that HIV programmes should target all young persons, but in other scenarios those programmes should focus their interventions on vulnerable young persons and those most at risk.

#### Box VI.11

##### YOUNG MEN AND WOMEN WHO ARE VULNERABLE TO HIV

Young men and women vulnerable to HIV include those who:

- Are peers of most-at-risk young people
- Have parents or siblings who inject drugs or sell/exchange sex
- Live without parental care (on the streets or in institutions) or live with older relatives or guardians or in broken families
- Have dropped out of school or have limited access to information and education
- Use substances (alcohol and other drugs) that may impair their judgment
- Have limited access to health and social services due to lack of identity documents
- Live in extreme poverty or are unemployed
- Have been displaced through war (internally or externally) or have migrated between rural and urban areas or outside their country of origin in search of employment (because of forced labour or for sexual exploitation)
- Live in areas of high HIV prevalence
- Are socially marginalized (for example, members of national minorities)

The term “most-at-risk young people” includes:

- Male and female intravenous drug users who use non-sterile injecting equipment
- Males who have unprotected anal sex with other males
- Females and males who are involved in sex work, including those who are trafficked for the purpose of sexual exploitation and have unprotected (often exploitative) transactional sex
- Males who have unprotected sex with sex workers

**Source:** Joint United Nations Programme on HIV/AIDS (UNAIDS), “Overview of HIV Interventions for Young People. Guidance Brief”, Inter-Agency Task Team on HIV and Young People, 2008 [online] <http://www.unfpa.org/hiv/iatt>.

In Latin America and the Caribbean, many young persons are vulnerable because of poverty, geographical and social marginalization or displacement. For example, it has been calculated that approximately 35% of young persons (nearly 47.5 million) aged between 15 and 29 years were affected by poverty and 11.4% lived in extreme poverty in Latin America in 2006. Poverty affects more than 37% of young women and approximately 33.5% of young men (ECLAC/OIJ, 2008).

In order to understand transmission patterns and put forward more effective interventions, experts have been studying HIV transmission in key populations (UNAIDS/PAHO/UNICEF, 2009). These studies identify successes and challenges, which are outlined below.

(v) *Men who have sex with men*

An analysis of the data available reveals that sexual relations between men in Latin America are common (between 3% and 20% of men engage in sexual activity with another man during the course of their lifetime). There is information that indicates that many men who have sex with men frequently have sex with or are in a relationship with women. Depending on the country, between 32% and 78% of men who have sex with men report having had sex with women and between 1.7% and 41% are married to women (UNAIDS/PAHO/UNICEF, 2009).

In seroprevalence studies among men who have sex with men in five countries in Central America, extremely high rates of new HIV infection were found (an incidence of 5.1 infections per 100 individuals per year). Other studies report that sexually transmitted infections (STIs) are very common among men who have sex with men, which facilitates the transmission of HIV (UNAIDS/WHO, 2009).

These data point to a need to establish prevention programmes for men who have sex with men, who often do not identify themselves as being part of a non-heterosexual group, in response to the gaps in prevention interventions in relation to men who have sex with men, and suggest the possibility that there could be an increase in heterosexual transmission. A 2009 study on modes of transmission in Peru found that men who had sex with men constituted 55% of HIV incidence in the country. However, the study estimates that the female sexual partners of men who have sex with men represent 6% of new infections and that various forms of heterosexual transmission account for 43% of new HIV infections, with 16% of all infections stemming from so-called “low-risk” sexual activity (UNAIDS/WHO, 2009).

(vi) *Injecting drug users*

In 1992, 26.3% of reported cases of AIDS in Latin America and the Caribbean were attributed to injecting drug use. Since then, as a result of harm reduction programmes, there has been a downward trend in this mode of HIV transmission, to the extent that it represented 4.2% of reported cases of AIDS in 2007. It is estimated, however, that despite the drop in the percentage of cases attributable to injecting drug use, 29% of the approximately 2 million injecting drug users in Latin America and the Caribbean are living with HIV. The largest number of injecting drug users is believed to be in the Southern Cone, Mexico and Puerto Rico.

Although there is abundant international evidence identifying injecting drug users as a bridge population for HIV transmission to the rest of the population, in Latin America and the Caribbean there are still few studies on the sexual partners and children of injecting drug users. In Uruguay, there is evidence that a significant number of women are infected through sexual contact with partners who are injecting drug users. It has also been shown that in the Southern Cone the introduction of HIV in networks of injecting drug users has led to heterosexual transmission among low-income populations.

One area that has received little attention to date is the role of non-injecting drug use in HIV transmission, although it has been described in several studies in different cities in Latin America. Unprotected sex is the usual mode of HIV transmission among non-injecting drug users (users of alcohol and cocaine paste, for example). This phenomenon should be taken into account in new responses to HIV as it represents a substantial risk given the significant consumption of these substances throughout the region.

(vii) *Sex workers*

HIV rates among male and female sex workers vary considerably, with a higher disease burden among male sex workers. More is being learned about the overlap of injecting and non-injecting drug use and sex work, which increases the risk of contracting HIV (UNAIDS/WHO, 2009).

Among Caribbean countries, HIV prevalence has decreased in the Dominican Republic. A decline in HIV incidence among sex workers in Chile and Guatemala has also been recorded. These encouraging figures illustrate the potential of prevention interventions among sex workers.

In the region there have been documented successes in halting and reversing the epidemic, however, there is also evidence that there is a risk of an increase in new infections, which requires the strengthening and scaling-up of prevention interventions among key population groups (men who have sex with men, sex workers, injecting drug users), including women, indigenous populations and young persons who are most vulnerable and at risk. There remain gaps in strategic information, both on key populations and on populations where new infections are being recorded (indigenous groups, young persons, non-injecting drug users). This information is crucial to ensuring the efficiency of responses.

**(b) Indicator 6.2: condom use at last high-risk sex**

The percentage of young persons aged 15 to 24 years who had had more than one sexual partner during the previous 12 months and who used a condom the last time they had sex in 2007 was less than 50% in all countries that provided this information (UNAIDS/WHO, 2008).

According to studies carried out between 2001 and 2006 in the countries of the region, in general, a higher percentage of men than women aged between 15 and 49 years and who had had more than one sexual partner during the previous 12 months reported having used a condom the last time they had sex (for example, 15% of men and 11% of women in Costa Rica and 48% of men and 44% of women in Argentina) (UNAIDS/WHO, 2008).

In the Caribbean in 2007, similar variations were seen between countries: The percentage of men aged between 15 and 49 years who had had more than one sexual partner during the previous 12 months and who reported having used a condom the last time they had sex was 41% in Cuba and 48% in Saint Lucia. The percentage of women was 33% in Cuba and 39% in Saint Lucia (UNAIDS, 2008). In the Dominican Republic, the report on the 2007 demographic and health survey (Dominican Republic, 2007) indicates that among men and women who had sex with a person who was not their spouse or cohabitant, 40% of women and 69% of men used a condom the last time they had sex outside their relationship. It is interesting to note that in both cases reported condom use is higher among men than women.

Among sex workers in general, a higher percentage of women than men report having using a condom with their most recent client (UNAIDS/WHO, 2008). Rates of condom use with the most recent client among female sex workers are high: up to 93,4% in Chile, while reported condom use increased approximately fourfold between 2004 and 2007 in El Salvador (UNAIDS/WHO, 2009).

In the Caribbean, some surveys have revealed that an increasing number of sex workers are protecting themselves (and their clients) against HIV infection, especially in the main tourist and urban areas. In 2007, varying rates of condom use with the most recent client were reported among female sex workers, from 56% in Cuba to 84% in Jamaica and 90% in Haiti (UNAIDS, 2008).

There has been an observed tendency towards the systematic use of condoms with clients by sex workers who are supported by comprehensive community interventions, which include policy change. Despite the relatively high percentages of condom use with clients, in some countries sex workers report using condoms less frequently with casual or regular partners who are not clients. In Honduras, for example, sex workers report using condoms less frequently with casual partners (40.7%) and with their regular partners (10.6%) (UNAIDS/WHO, 2009).

There are also significant disparities between the countries of the region in terms of the percentage of men who report having used a condom the last time they had anal sex with a male partner in 2007, ranging from 29% in Chile to 91% in Argentina (UNAIDS/WHO, 2008). Measures taken to prevent HIV transmission remain insufficient, despite some evidence that prevention programmes are encouraging men who have sex with men to take more precautions. For example, in El Salvador, there has been a reported increase in condom use during the last sexual encounter from 70.5% in 2004 to 82.1% in 2007, and in Argentina condom use also increased among men who have sex with men between 2004 and 2007. In Central America, 39% of men who have sex with men surveyed reported that they did not consistently use condoms with casual partners and only 29% reported having been reached by prevention programmes (UNAIDS/WHO, 2009).

In the Caribbean, the percentage of men who reported having used a condom the last time they had anal sex with a male partner in 2007, ranges from 55% in Cuba to 74% in Saint Lucia (UNAIDS, 2008).

The percentage of injecting drug users who reported having used a condom the last time they had sex in 2008 was recorded for three countries and ranged from 33% to 65% (UNAIDS/WHO, 2008). No information is available on this indicator for the Caribbean.

Although there have been some successes in the region with regard to promoting condom use in high-risk sexual encounters, especially in relation to sex workers, current data shows that practices are varied and that there are still gaps in prevention efforts, especially those targeting men who have sex with men and injecting drug users, which points to a need to increase programming and investment in relation to HIV prevention among key populations. A special effort must be made to empower women and young persons to protect themselves.

**(c) Indicator 6.3: proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS**

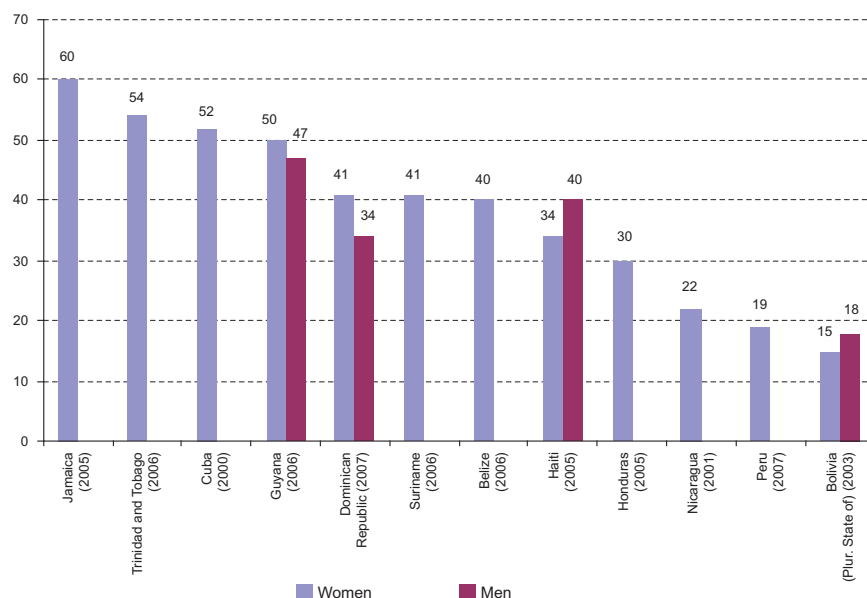
It is estimated that young persons accounted for more than 40% of new infections worldwide in 2008 (United Nations, 2010), therefore, in order to reduce the number of new infections and halt the spread of the epidemic, it is essential to develop education and prevention programmes to ensure that young persons, especially those who are most vulnerable or at risk, are able to protect themselves when they become sexually active.

The percentage of young persons aged between 15 and 24 years who correctly identify ways of preventing the sexual transmission of HIV and who also reject major misconceptions about HIV transmission varies between 9% in Guatemala (2002) and 89% in Argentina (2005) for women, and 10% in Guatemala (2002) and 83% in Argentina (2005) for men (UNAIDS/WHO, 2008). These figures are provided by the countries, Figure VI.16 brings together the figures from the latest demographic and health surveys.

In the Caribbean, the percentage of young persons aged between 15 and 24 years who correctly identified ways of preventing the sexual transmission of HIV and who also rejected major misconceptions about HIV transmission was below 60% in 2007, ranging from 5.2% in Aruba to 56% in Trinidad and Tobago (UNDP/Ministry of National Development of Belize, 2005).

In conclusion, while young persons in some countries have achieved a sound knowledge of HIV, many young persons in the region continue to have limited knowledge. Furthermore, the use of condoms among young persons in higher-risk sexual encounters is still not systematic. Lastly, one study (De María and others, 2008) carried out in Latin America and the Caribbean in 2008 found that school-age young persons had limited access to condoms. Only three countries in the region report that condoms are distributed or available to adolescents in schools; however even in those countries access to or distribution of condoms is not universal. This paints a picture of a lack of access to comprehensive sex education and services relating to sexuality for young persons in the region.

Figure VI.16  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): PROPORTION OF POPULATION  
 AGED 15-24 YEARS WITH COMPREHENSIVE CORRECT KNOWLEDGE OF HIV/AIDS  
 (INDICATOR 6.3 OF THE MILLENNIUM DEVELOPMENT GOALS)**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?idioma=i>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

**(d) Indicator 6.4: ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years**

The majority of countries in Latin America do not provide information on this indicator for various reasons, including the fact that there are few children orphaned by AIDS and that there are social protection systems in place to look after orphans and ensure that they attend school. According to information from the UNICEF office in Colombia, for example, school attendance among orphans was 85% in that country between 2003 and 2008.

Similarly, there is little information available on this issue for the Caribbean. Between 2003 and 2008, the Dominican Republic reported a school attendance rate of 77% among orphans.

It is recommended that specific studies should be carried out to evaluate the social support provided to children affected by or living with HIV.

A study by De María and others (2008) looked at the school attendance of children living with HIV in Latin America and the Caribbean. The study found that all countries recognize that including students living with HIV in the education system is both their right and a necessity, although they provide different levels of protection. Of the 34 countries in the study, 12 report having policies promoting the education of minors living with or affected by HIV, Brazil, Chile, Costa Rica, Mexico and Peru have developed official guidelines for integrating children living with HIV into the education system. In Brazil, for example, guidelines targeting various groups have been issued: municipal and state authorities, teachers and civil society. The official education policies in Chile and El Salvador explicitly provide for the integration in schools of children and young persons living with HIV. In Ecuador and Saint Lucia educational support materials on stigma and discrimination in schools are being developed.

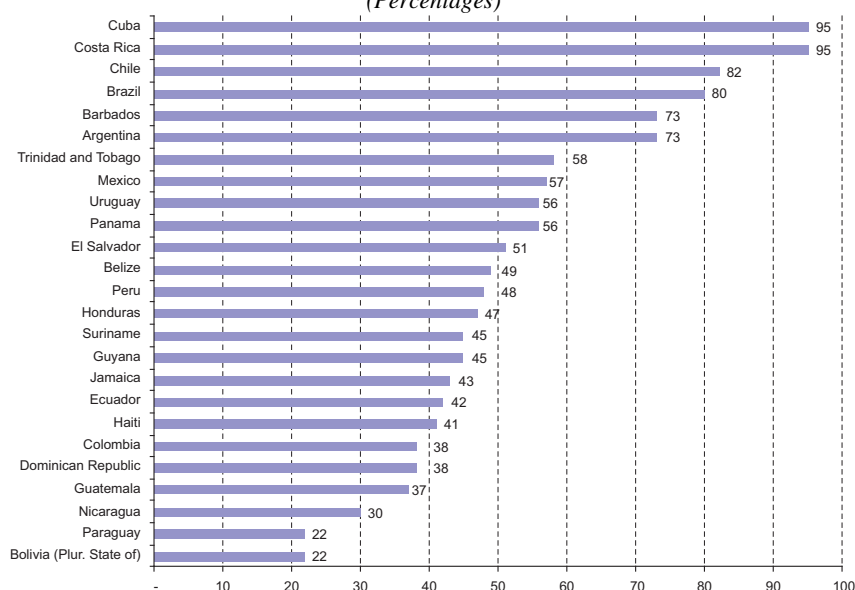
Some cases of discrimination where children living with HIV have been denied access to schools have been resolved in court. According to the information reported, the courts have ruled in favour of the claimants, upholding the legislation that guarantees the access of all children to education and anti-discrimination legislation.

### 3. Target 6.B: achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it

#### (a) Indicator 6.5: proportion of population with advanced HIV infection with access to antiretroviral drugs

Antiretroviral therapy coverage was 54% in Latin America and 51% in the Caribbean in 2008 (UNAIDS/WHO, 2009), higher than the global average, with some countries, including Brazil, Chile and Costa Rica achieving the target of universal access to treatment with coverage of 80% or more. Treatment coverage in Latin America and the Caribbean increased by approximately 36% in 2008 and tenfold over the last five years (UNAIDS/PAHO/UNICEF, 2009). However, significant inequalities in access to treatment in different countries in the region remain and some countries still report limited coverage, for example, coverage in both the Plurinational State of Bolivia and Paraguay was 22% in 2007 (see figure VI.17).

Figure VI.17  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): PROPORTION OF POPULATION WITH ADVANCED HIV INFECTION WITH ACCESS TO ANTIRETROVIRAL DRUGS (INDICATOR 6.5 OF THE MILLENNIUM DEVELOPMENT GOALS), 2007**  
(Percentages)



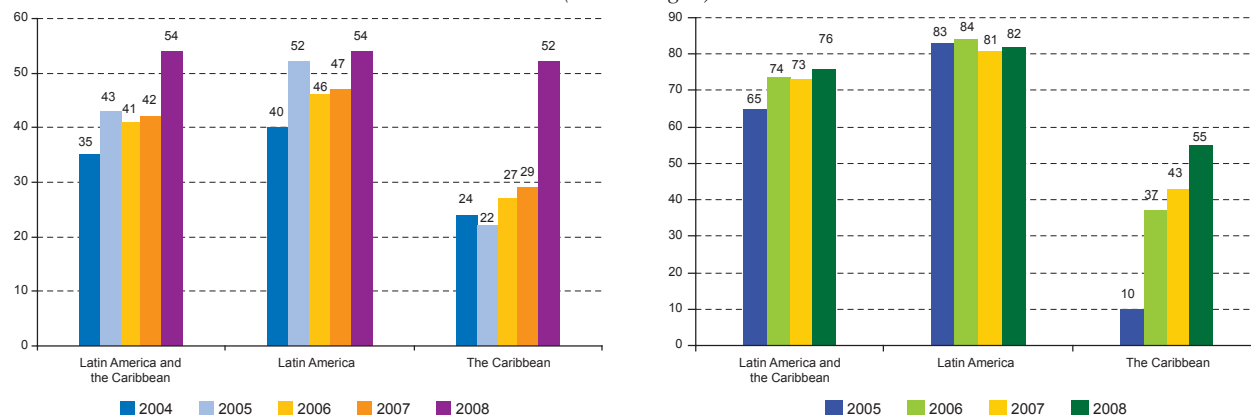
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?idioma=i>. on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

It is worth highlighting that this progress was achieved in years of economic growth with considerable social investment and substantial external support.

It is estimated that, at the end of 2008, 54% of pregnant women in Latin America and 52% in the Caribbean in need of antiretroviral drugs were receiving them (UNICEF, 2009) (see figure VI.18).



Figure VI.18  
**LATIN AMERICA AND THE CARIBBEAN: PREGNANT WOMEN AND CHILDREN UNDER 15 YEARS  
 LIVING WITH HIV WHO ARE RECEIVING ANTIRETROVIRAL TREATMENT**  
 (Percentages)



**Source:** World Health Organization (WHO)/Joint United Nations Programme on HIV/AIDS (UNAIDS)/United Nations Children's Fund (UNICEF), *Towards Universal Access, Scaling up priority HIV/AIDS interventions in the health sector, Progress Report 2009*, Geneva, 2009.

In 2008, treatment coverage among children under 15 years was 82% in Latin American and 55% in the Caribbean (UNICEF, 2009).

The region's encouraging results often conceal the fragility of its health systems, as demonstrated at the beginning of 2010 when there was a shortage of antiretroviral drugs in 7 of 10 Latin American countries that were being studied. Some analyses suggest that this situation is due to weaknesses in planning and the distribution of regimens, rather than limitations on financial resources.

(i) *The challenges of the epidemic*

Although significant progress has been made in expanding treatment, prevention, care and support services, there are still considerable challenges to be faced. These include:

- The political and economic commitment to guarantee a sustainable response to the epidemic (UNAIDS, 2010)

On the basis of the universal access targets established by the countries, it is estimated that US\$ 25.1 billion will be needed in 2010 to respond to the epidemic globally in low- and medium-income countries. An estimated US\$ 3.1 billion dollars will be needed in Latin America and the Caribbean (UNAIDS, 2009a).

UNAIDS calculates that in order to achieve universal access to prevention, treatment, care and support in relation to HIV, approximately 45% of global expenditure on the response should be spent on prevention measures. In 2007, countries spent, on average, only 21% of resources allocated to the HIV response globally on preventing new infections (United Nations, 2010).

The reports on national expenditure on HIV/AIDS drafted by the countries of Latin America indicate that, despite the increase in investment in national responses in recent years, the resources allocated are still insufficient to meet the needs identified to achieve universal access, particularly in terms of prevention and key populations within the concentrated epidemiological context of Latin America (UNAIDS, 2010).

The Global Fund to Fight AIDS, Tuberculosis and Malaria has allocated US\$ 2,034 billion in Latin America and the Caribbean in its nine rounds, a total of 110 grants in 33 countries over 10 years. Of these grants, 69% were allocated to combat HIV. It has also made a substantial contribution to the development of a HIV response in the region. However, with the restructuring of the Global Fund, and the changes to the eligibility criteria, only seven countries in Latin America will be eligible, although the others will still be able to request modest funds targeting key populations. This policy will promote responses that are more in tune with the epidemiological profile of the region. However, the Global Fund's policy change and its consequences for Latin America are worrying. Indeed, most external investment was allocated to prevention, which could be neglected during the recovery from the consequences of the financial, economic and environmental crises.

Various countries in the Caribbean have studies under way to measure expenditure on AIDS. In Trinidad and Tobago, investment from public sources in the HIV response increased between 2002 and 2006. In the Caribbean, an assessment of the foreign investment in the HIV response concluded that only a very small part of this investment was allocated to sex workers.

It is worth mentioning that, over time, demand for second- and third-line regimens in the region is inevitably increasing as resistance to first-line drugs increases. At present, regimens with second- and third-line drugs are much more expensive than those with first-line drugs (United Nations, 2010). In this context, as the situation is aggravated by the pulling-out of donors from Latin America and the Caribbean and faced with the uncertainty of the financial crisis, it is essential for the public and private sectors, as well as multilateral bodies and leaders of philanthropic initiatives, to redouble their collaboration efforts in order to make it possible to achieve universal access to HIV/AIDS prevention, treatment and care in the coming years.

It is also becoming critical to gather evidence in order to show the long-term benefits, profitability and future savings that could be achieved by investing immediately in the population groups that are most in need and in prevention.

In Latin America and the Caribbean there is a high turnover of authorities and officials, which reduces the effectiveness of institutional strengthening processes and affects the sustainability of the interventions. Maintaining the level of commitment and leadership in this environment is also a challenge.

Efforts to combat AIDS in Brazil in recent decades confirm that it is possible to tackle the epidemic when there is a multisectoral Government commitment, in addition to structured alliances with various international cooperation actors and organized civil society, which includes the private sector and persons living with HIV. It has also been shown that, without that commitment, HIV can have a devastating effect on human lives, limiting people's opportunities, causing poverty and leading to setbacks in the human development agenda.<sup>14</sup>

- Stigma, discrimination and human rights violations.

The second biggest challenge is related to the gaps that persist in the exercise of human rights by persons living with HIV and key populations.

In the Caribbean, 5 out of 16 countries have legal frameworks that are neutral in terms of sexual diversity (they do not mention it), while 11 have prohibitive legal frameworks. Despite the fact that the majority of Latin American countries have legal frameworks that are respectful of or neutral towards sexual diversity, stigma and discrimination on grounds of sexual diversity and gender identity are still firmly rooted in many attitudes and behaviours among the general population, as well as among the authorities and health professionals, which leads the most vulnerable populations to fear others discovering their identity or sexual orientation because of the possible consequences, including losing their job, social rejection or violence, and as a result they marginalize themselves. Homophobia and transphobia towards men who have sex with men and transgender persons limit the access of these

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<sup>14</sup> See UNAIDS, "ONU y la respuesta al SIDA en Brasil 2008-2009" [online] <http://www.onu-brasil.org.br/doc/LaONUelarespuestaalSidaenBrasil.WEB.pdf>.

populations to good-quality prevention and health services and restrict their participation in the development of effective policies and interventions that are focused on their needs (UNAIDS/WHO, 2008).

The legal and human rights setting in Latin America and the Caribbean needs to be improved for men who have sex with men and transgender persons, as well as for all persons in more vulnerable situations. It is essential to review the negative consequences in terms of public health of criminalizing drug users and to promote harm-reduction policies to a great extent, as well as to improve the access that drug users, their partners and children have to preventive resources and health care (UNAIDS/PAHO/UNICEF, 2009).

With regard to male and female sex workers, discriminatory policies, such as compulsory screening, have proven to be counterproductive and have further distanced this population from health services. Male and female sex workers must be protected from institutional repression and the violence that they suffer on the streets (REDTRASEX, 2005).

With regard to mobile populations, especially irregular migrants in the Caribbean, the original causes of migration should be addressed by establishing alternative economic programmes (for example, providing microcredit to young women) for higher-risk populations and labour migration programmes that promote regular labour migration in the region. It is crucial to work with Governments to encourage voluntary HIV counselling and testing and to discourage mandatory HIV testing for employment or migration (IOM, 2004; Bombereau and Allen, 2008).

According to the PAHO Regional HIV/STI Plan for the Health Sector 2006-2015, prison populations are a neglected group in terms of public health interventions, despite the fact that HIV prevalence among prisoners is very high throughout the region (UNIFEM/PAHO/IACW, 2009). This situation is evidence that prison populations do not have full enjoyment of their right to health.

Both the United Nations and the inter-American system have a significant body of legal instruments that can be used to protect the human rights and basic freedoms of persons living with HIV/AIDS (PAHO, 2008b).

- Strengthening health systems and access to care and treatment.

Access to HIV testing and counselling is still limited in the region. The percentage of women and men aged 15-49 years who received an HIV test in the last 12 months and who know their results is less than 25% in 6 of the 8 countries that reported on this indicator, which demonstrates a lack of access to this important tool for HIV prevention and the initiation of care (UNAIDS/WHO, 2008). Expanding and improving these services is considered a priority as antiretroviral treatment programmes are being scaled up. The scaling-up of these programmes must go hand in hand with changes to health policies (especially those targeting young persons, who in several countries cannot be tested for HIV before they reach adulthood without being accompanied by a relative, which discourages many young persons from being tested) increased use of rapid tests, management of the supply chain and laboratories, and strengthening human resources capacities, among other improvements.

The low coverage of HIV testing for pregnant women (54% in 2008) (UNAIDS/WHO/UNICEF, 2009) and children represents a barrier to preventing mother-to-child transmission and accessing early treatment during childhood, which is essential for reducing infant mortality.

The decentralization of services and their inclusion in a multidisciplinary approach that incorporates the issue of HIV into primary health care, sexual and reproductive health services, maternal and child health care and tuberculosis treatment is essential for increasing the coverage of antiretroviral therapy in a sustainable way among men, women and children.

The region must continue working towards improving adherence to antiretroviral treatment regimens, guaranteeing a steady supply of drugs, strengthening human resources capacities, reaffirming the respect for and dignity of all persons living with HIV, regardless of their sexual orientation, gender or profession.

- Scaling-up HIV prevention

It is widely recognized that combined prevention programmes constitute the most effective method of reducing the number of new infections. These programmes, which are rights-, evidence-, and community-based, are a strategic combination of biomedical, behavioural, social and structural interventions designed to respond to the prevention needs of individuals and communities.

In Latin America and the Caribbean, strengthening prevention among key populations, including men who have sex with men, sex workers, injecting drug users and transgender individuals, is key to reversing the HIV epidemic. Prevention efforts should also take account of women, young persons, indigenous and Afro-descendent populations, and groups with high levels of social vulnerability. It is unlikely that the social investment of Governments will continue to be as high over the next six years as it has been during the last five years. The risk of social inequities widening in the region, which is already the most unequal in the world, and of a reduction in public spending on health is high and requires action to make decision-makers aware of the possible consequences if prevention programmes targeting those that need them most are neglected.

According to UNAIDS, the economic crisis will affect prevention efforts and community interventions in 8 of the 10 countries being studied in Latin America in 2010 (UNAIDS/WHO, 2009). A reduction in support services to the most exposed populations and persons living with HIV is projected. In the poorest countries, such as Guatemala and Honduras, it is feared that the rates of extreme poverty among persons living with HIV will increase, which could affect the food security of this group and, as a consequence, their adherence to their treatment regimens, leading to a potential increase in associated morbidity and mortality.

Greater inequity could lead to an increase in violence against women, young persons and children, HIV prevention efforts involving a scaling-up of structural programmes that address gender-based violence or domestic violence urgently need to be undertaken. It is essential to develop programmes that contribute to increasing the economic independence of women and young persons and programmes for men that examine models of masculinity so that existing social norms can be changed. Programmes to strengthen the legal response are equally necessary. In order to achieve the targets of the sixth Millennium Development Goal, national HIV programmes in the region must scale up these interventions in collaboration with specialized institutions and civil society actors.

Finally, more attention should be focused on the sexual and reproductive health of young persons, incorporating HIV prevention, counselling and testing and access to condoms in an adolescent-friendly setting, with a view to providing comprehensive sex education. Unfortunately, there are a limited number of health and education services for young persons that offer good-quality, timely and rights-based sex education in many countries because service providers lack the necessary skills and capacities, the adaptation of services is variable, the legal frameworks are inadequate and there is no curriculum that integrates the issue of sexual and reproductive rights; the result of this situation is the high rates of adolescent pregnancy mentioned above. As part of the search for a solution to this situation, an encouraging initiative was adopted in Mexico in 2008 at the seventeenth International AIDS Conference, by 30 ministers of education and health. The Ministerial Declaration “Educating to prevent” seeks to reduce HIV transmission through comprehensive sex education and access to comprehensive and good-quality sexual and reproductive health services. The Ministerial Declaration is exemplary in the way in which it seeks to foster equality among all people and to combat discrimination, including on grounds of HIV status, sexual orientation, or gender identity.

- Use of strategic information and research on HIV

Various activities are being carried out in response to the gap in information available on the epidemic and the response to it, with investments in monitoring studies and other studies, for example, on modes of transmission or estimated population size. Nevertheless, the use of strategic information and research on HIV continues to pose a challenge for the countries of the region. Analysing and using strategic information by translating it into public policy is crucial in order to optimize the outcome of the response, including by allocating resources more efficiently.

(ii) *Policy recommendations: guidelines for a solid and effective long-term response to HIV*

UNAIDS, in consultation with its sponsors, communities and civil society, has put forward 10 priority areas on which to focus efforts in response to the epidemic with a view to picking up the momentum to make joint progress towards meeting the Millennium Development Goals (see UNAIDS, 2009b):

- Reduce the sexual transmission of HIV, by promoting social norms and individual behaviours that result in sexual health; by supporting the leadership of people living with HIV for 'positive prevention'; and by supporting universal access to key prevention commodities and services, especially for the most vulnerable.
- Eliminate mother-to-child transmission of HIV and congenital syphilis, by scaling up access to and the use of good-quality services as an integral part of sexual and reproductive health services for women, their partners and young people.
- Ensure that people living with HIV receive treatment, by integrating nutritional support within treatment programmes and increasing the number of skilled and equipped health workers.
- Prevent people living with HIV from dying of tuberculosis.
- Protect drug users from becoming infected with HIV.
- Remove punitive laws, policies, practices, stigma and discrimination that block effective responses to AIDS.
- Stop violence against women and girls.
- Empower young people to protect themselves from HIV, by providing rights-based sexual and reproductive health education and services.
- Enhance social protection for people affected by HIV.
- Expand comprehensive programmes that aim to reduce HIV transmission among men who have sex with men and transgender persons.

**4. Target 6.C: have halted by 2015 and begun to reverse the incidence of malaria and other major diseases**

**(a) Combating malaria**

The Millennium Development Goals include the target of having halted by 2015 and begun to reverse the incidence of malaria. Some countries in the Americas region have made substantial headway in this regard; however if the target is to be met a sustained effort will be required in all countries, necessitating sufficient financing, greater collaboration between health programmes and those in other sectors, the hiring and training of health personnel and relevant community-based staff, the participation of various sectors of society in prevention and monitoring activities, as well as the strengthening of the health systems and the drafting of policies on the basis of documented evidence.

The incidence of malaria in Latin America and the Caribbean is much lower than in the regions of the world most affected by the disease. However, in 21 of the 35 countries and territories that are members of the Pan American Health Organization/World Health Organization (PAHO/WHO), there are areas in which this disease is spreading, with an estimated 284 million persons at risk, to a greater or less extent, of contracting malaria. In 2008, there were 560,888 cases in the region: 53% less than in 2000. About 77% of cases were caused by *Plasmodium vivax* and most of the rest by *Plasmodium falciparum*.<sup>15</sup> During the same period, deaths in connection with the disease dropped by 75%.

In 18 of the 21 countries in which the disease is endemic, its incidence decreased between 2000 and 2008. In seven of those countries, it decreased by over 75%, thereby achieving the target of reversing the incidence of malaria and the relevant aspect of the associated Millennium Development Goal. Five countries reported decreases between 50% and 75% and a further six recorded decreases of less than 50%. Nevertheless, during the same period, there was an increase in the number of cases in the Bolivarian Republic of Venezuela, the Dominican Republic and Haiti (see table VI.12).

<sup>15</sup> In the Bolivarian Republic of Venezuela, Brazil, Colombia, French Guiana, Guyana, and Suriname, there were also recorded cases caused by *Plasmodium malariae*, equivalent to less than 0.01% of all cases in the Americas region.

Table VI.12  
**LATIN AMERICA AND THE CARIBBEAN: MALARIA INDICATORS IN ENDEMIC COUNTRIES, 2008<sup>a</sup>**

Country (year of last report)	Number of reported cases, 2008	Change since 2000 (percentages)	Annual parasite index (API), 2008	Slide positivity rate (SPR), 2008
Argentina (2008)	130	-70.5	0.04	2.05
Belize (2008)	539	-63.7	1.73	2.44
Bolivia (Plurinational State of) (2008)	9 748	-69.0	7.05	6.10
Brazil (2008)	314 802	-48.7	1.69	11.58
Colombia (2008)	79 230	-26.4	3.01	17.70
Costa Rica (2008)	966	-48.6	0.61	5.58
Dominican Republic (2008)	1 840	+49.2	0.25	0.48
Ecuador (2008)	4 891	-95.3	0.55	1.27
El Salvador (2008)	33	-95.6	0.00	0.03
Guatemala (2008)	7 198	-86.5	1.62	4.19
Guyana (2008)	11 815	-50.8	17.34	8.61
French Guiana (2008)	3 264	-12.0	20.01	27.21
Haiti (2008)	36 774	+117.6	4.64	21.77
Honduras (2008)	8 225	-76.6	1.67	6.89
Mexico (2008)	2 295	-69.0	0.00	0.19
Nicaragua (2008)	764	-96.8	0.19	0.14
Panama (2008)	744	-28.2	0.23	0.37
Paraguay (2008)	1 341	-95.0	0.01	0.04
Peru (2008)	42 214	-38.2	6.54	5.3
Suriname (2008)	2 086	-88.7	31.04	7.41
Venezuela (Bolivarian Republic of) (2008)	32 037	+7.7	5.83	7.74

**Source:** Pan American Health Organization (PAHO).

<sup>a</sup> A minus sign in the percentage change denotes a reduction and a plus sign indicates an increase. In order for a country to be considered in the pre-elimination stage, it must have an API of less than one. A slide positivity rate (SPR) of all febrile patients of less than 5 indicates that the control programme is adequate.

On the other hand, 10 countries in which the disease is endemic reported a slide positivity rate (SPR) of less than five, which indicates that the malaria risk areas are under control. Nine countries reported an annual parasite index (API) of less than 1 per 1,000 inhabitants in risk areas, which is the criterion countries must meet in order to be classified as being in the pre-elimination stage. Taking account of endemic patterns, epidemiological trends and other aspects, Argentina, El Salvador, Mexico and Paraguay are in this category and have the highest possibility of eliminating malaria. On the other hand, epidemiological trends show that the number of cases is on the rise on the island shared by Haiti and the Dominican Republic. Although both countries recorded an increase in cases during the period, the realities of their situations are different: it will be more difficult for Haiti to eliminate malaria because its control programme is less adequate and the country faces an even greater challenge following the earthquake that hit the country in January 2010. Given the risk of transmission to other islands, eliminating malaria in these two countries is crucial and although the disease remains endemic, its elimination is nonetheless considered feasible.

An average of 1,300 cases have been reported annually since 2000 in the countries and territories in the Americas that WHO could consider free from malaria transmission. These cases are “imported”, that is to say that they affect travellers coming from malaria-endemic countries in the region and the rest of the world. In 2006, there were outbreaks in the Bahamas and Jamaica, two countries free from transmission, but they were brought under

control by national efforts in collaboration with PAHO and other international organizations; new outbreaks are now prevented through active vigilance.

The Regional Strategic Plan for Malaria in the Americas, 2006-2010, which dovetails with the working areas of the Global Malaria Programme in the region, has addressed five elements: prevention; monitoring and early detection and control of epidemics; integrated vector management, diagnosis and treatment; an environment conducive to prevention and control of the disease; and strengthening health systems as well as building capacities in the countries. See box VI.12 on the therapies used to combat malaria.

Box VI.12  
**IMPACT OF ANTIMALARIAL COMBINATION THERAPIES**

Since the 1950s, there have been warnings that *Plasmodium falciparum* was becoming resistant to the antimalarial drugs most commonly used as stand-alone therapies (monotherapy), *Plasmodium falciparum* is the most pathogenic of the plasmodia and chiefly affects the countries sharing the Amazon forest in South America. When resistance arises, treatment can be ineffective and the disease can progress to severe malaria and even death.

In 1998, the Pan American Health Organization began working with experts from the countries to draw up a protocol for the management of cases of *Plasmodium falciparum* in the Americas on the basis of a WHO protocol. The protocol was reviewed again by PAHO in 2000 and eventually updated in 2001 at a PAHO meeting on the monitoring of antimalarial drug resistance.

In the framework of the Roll Back Malaria-RBM partnership, PAHO has helped the Amazonian countries set up a monitoring system that follows the protocol. As part of this work, in March 2001 the countries agreed to form the Amazon Network for the Surveillance of Antimalarial Drug Resistance, whose members are the Bolivarian Republic of Venezuela, Brazil, Colombia, Ecuador, Guyana, Peru, the Plurinational State of Bolivia and Suriname, with funding from the Amazon Malaria Initiative (AMI) and the United States Agency for International Development (USAID).

One of the key aspects of the Network is the use of evidence-based treatments. In Peru, before RAVREDA-AMI started, studies had been carried out on the effectiveness of malaria treatment; the findings led to the decision to change the approach and start using combined therapies based on artemisinin. Since 2002, all the other countries in the network have carried out effectiveness studies of the most commonly used antimalarial drugs and they have all used the results of these for evidence-based decision-making.

One example of the impact of these changes can be seen in Guyana and Suriname, the countries with the highest *Plasmodium falciparum* infection and mortality rates in the 1990s. In 2004, once again on the basis of the findings of effectiveness studies, they changed their official treatment policy and began using combination therapy based on artemisinin derivatives. Between 2004 and 2008, Suriname reported an 82% reduction in the number of malaria cases, while Guyana recorded a 60% reduction. Similar trends can be seen in Ecuador, Peru and the Plurinational State of Bolivia, which changed their policies and began using artemisinin-based combination therapies in 2004, as well as in Brazil and Colombia, which began to use combination therapies in 2006.

Besides combination therapies, it is important to stress that the countries have carried out other interventions, such as the prevention, monitoring, detection and containment of outbreaks and the use of insecticide-impregnated mosquito nets. They have expanded malaria diagnosis and treatment facilities, and they have worked to strengthen health-care systems. All these efforts have been made possible by substantial financing from the countries' own funds, supplemented by investments from other financing sources such as the Global Fund to Fight AIDS, Tuberculosis and Malaria.

**Source:** Pan American Health Organization (PAHO).

Box VI.13  
**TOWARDS THE ERADICATION OF MALARIA IN SURINAME: A SUCCESS STORY**

Malaria has been a major health problem in Suriname for 50 years, especially in the inland districts of Brokopondo and Sipaliwini. It was not until the government made a series of political and financial commitments, accompanied by several strategies and programs, that the problem was successfully brought under control.

In 1999 the Government created the National Malaria Board, which formulated the national policies, directives and protocols needed to combat malaria. Nevertheless, despite US\$ 227,272 in government investment, the malaria infection rate remained very high.

Box VI. 13 (concluded)

**MALARIA CASES IN SURINAME, 1999-2003**

Year	1999	2000	2001	2002	2003
Number of cases	9 037	9 936	15 652	12 736	9 340

The goal of reducing the number of malaria cases by at least 50% by the end of 2005 was set later, in 2003. To this end a project was proposed to the Global Fund to Fight AIDS, Tuberculosis and Malaria. The fund, which supports the fight against malaria in developing countries, provided grant funding for the antimalaria programme starting in 2005. The main objective of the project was to reduce, by 2010, the incidence of malaria infection among the indigenous and migrant populations of Suriname's interior.

To the satisfaction of both the Global Fund and the Government of Suriname, the results surpassed expectations, as the following table shows:

**MALARIA CASES IN SURINAME, 2004-2008**

Year	2004	2005	2006	2007	2008
Number of cases	8 560	8 517	3 507	1 809	2 134

In a two-year period (2005-2006), the number of malaria cases was reduced dramatically—by more than 50%. There also was a marked decline in the number of persons visiting the Medical Mission (MZ), a non-governmental organization that operates 45 health posts across Suriname's interior region, staffed by community health assistants. When the programme started up in 2004, Medical Mission posts reported 8,560 new malaria cases and the posts conducted malaria tests on 35,751 people in order to detect malaria. By contrast, in 2008 the number of new cases reported by regular Medical Mission posts was 2,134 and the number of persons examined fell to 11,529.

The malaria mortality rate decreased gradually between 2000 and 2008, and there have been no malaria deaths since 2006.

**MALARIA MORTALITY RATE IN SURINAME**

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008
Malaria deaths	24	23	16	18	7	2	0	0	0

Several factors contributed to the success of this battle against malaria. Noteworthy among them are:

- The national initiative to use the effective drug Coartem to treat malaria;
- Medical Mission's established, well-known network of polyclinics across the country, with experienced health-care assistants;
- The isolated incidence of malaria in the interior of the country, and the availability of information on the disease;
- Intensive and thorough insecticide spraying for mosquitoes, especially in the interior of the country;
- Free distribution of insecticide-impregnated mosquito nets to all inhabitants of the interior;
- Free provision and maintenance of antimalaria products and drugs at all of Medical Mission's polyclinics and in pharmacies;
- Training of local personnel in the rapid testing of persons in gold-mining camps and in diagnosing and providing free treatment with antimalarial drugs as needed;
- The 2006 flood, which decreased the number of malaria cases by destroying pools of standing water harbouring mosquito nests.

Despite the successes, malaria programme and Health Ministry officials remain on alert and are working to continue these strategies. For each report of three or more cases per week at any locality in Suriname's interior, a surveillance team is sent to perform an intensive investigation, carry out active testing among local residents and treat any positive cases of malaria. Most of the new cases have been in gold-mining camps or among persons arriving from French Guiana.

Based on the more than 90% decrease in malaria cases and the absence of malaria deaths (indicator 6.6 of Millennium Development Goal target 6.C) since 2006, it can be said that Suriname has already met this target. As for indicator 6.7 (Proportion of children under 5 sleeping under insecticide-treated bednets), a 2006 survey revealed that 55.3% of the households in the inland districts of Brokopondo and Sipaliwini had at least one insecticide-impregnated mosquito net.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Government of Suriname (2009), *MDG Progress Report 2009*, Ministry of Planning and Development Cooperation/General Bureau of Statistics, November 2009.

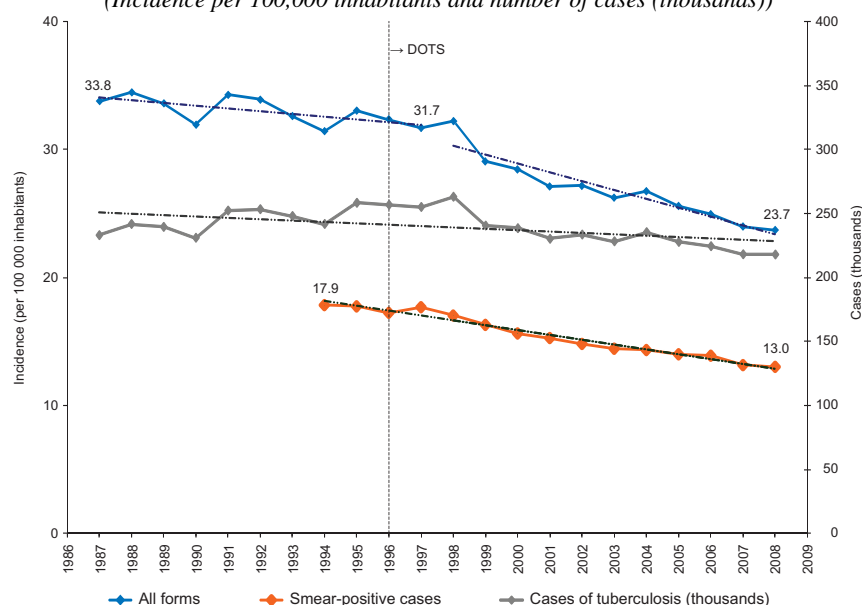


## (b) Controlling tuberculosis (TB)

The incidence of tuberculosis has been decreasing since the 1980s (see figure VI.19) and this trend is expected to continue until 2015. In 2008, 218,249 new cases were reported in Latin America and the Caribbean, 119,862 of those were cases of smear-positive pulmonary tuberculosis, which entails an unfavourable prognosis for the person infected and for the general population because of the high risk of death and of the disease spreading among the community if left untreated (WHO, 2009). Of the reported cases of smear-positive pulmonary tuberculosis, 77.3% affected persons aged between 15 and 54 years, with more cases among men than women (male:female ratio of 1.7:1). The disease tends to affect people during the productive stages of life, with serious economic repercussions for families and society.

The drop in the rates of notified cases of tuberculosis can be attributed to effective control measures implemented in countries with successful, long-term national programmes in a favourable context of economic growth. Thanks to the successful application of the directly observed treatment short course (DOTS) strategy, the downward trend in the incidence of this disease has been successfully accelerated since 1996. As a result, many countries are on track to meet the targets of the Stop TB Partnership, which include detecting 84% of existing cases of contagious tuberculosis and successfully treating 87% of those cases by 2015 (see figures VI.19 and VI.20).

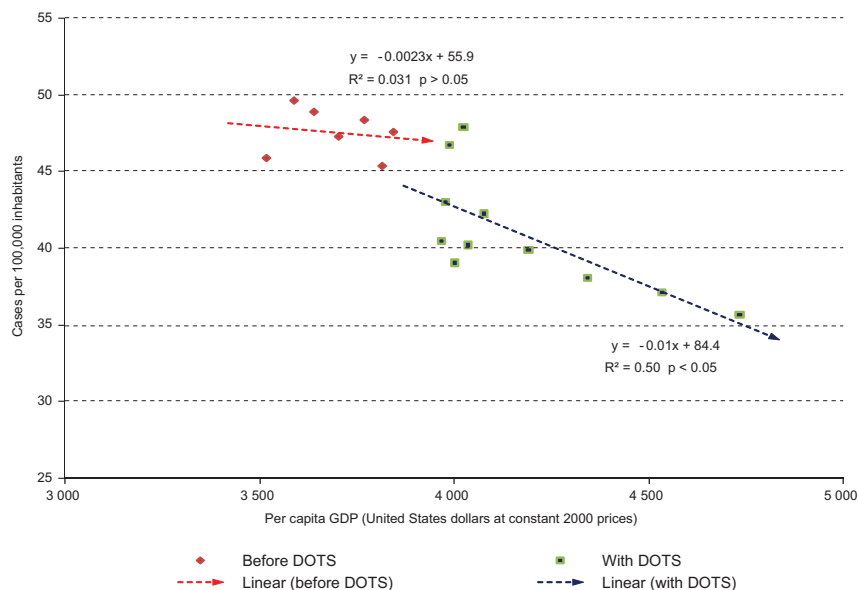
Figure VI.19  
**THE AMERICAS: TRENDS IN REPORTED CASES OF TUBERCULOSIS (INDICATOR 6.9 OF THE MILLENNIUM DEVELOPMENT GOALS), 1987-2009**  
*(Incidence per 100,000 inhabitants and number of cases (thousands))*



**Source:** World Health Organization (WHO), *Global Tuberculosis Control 2009, A short update to the 2009 report* (WHO/HTM/TB/2009.426), Geneva, 2009.

As progress has been made in detecting and treating tuberculosis, its prevalence and associated mortality have decreased. According to estimates from the WHO Global Plan to Stop Tuberculosis, the region of the Americas succeeded in reducing the prevalence of this disease, as well as the death rates associated with it, by more than half since 1990: prevalence fell from 89 cases per 100,000 inhabitants to 25 per 100,000 inhabitants and the mortality rate dropped from 10 deaths per 100,000 inhabitants to 3 deaths per 100,000 inhabitants. The region has therefore met the aspect of target 6.C on having halted by 2015 and begun to reverse the incidence of tuberculosis.

Figure VI.20  
**THE AMERICAS: RELATIONSHIP BETWEEN THE REPORTED INCIDENCE OF TUBERCULOSIS (ALL FORMS) AND PER CAPITA GDP, BEFORE (1990) AND AFTER (2007) THE INTRODUCTION OF DIRECTLY OBSERVED TREATMENT SHORT COURSE (DOTS)**



**Source:** World Health Organization (WHO), *Tuberculosis en las Américas, Reporte regional 2009* (HSD/CD/T/002-10), 2009.

However, there are significant disparities in the figures for the countries of Latin America and the Caribbean in this regard. The countries with the most economic resources or successful control programmes (Argentina, Brazil, Chile, Costa Rica, Cuba, the Dominican Republic, El Salvador, Mexico, Nicaragua, Panama, Peru and Puerto Rico) had already reached the target established under the Millennium Development Goals in 2008. In order for countries such as the Bolivarian Republic of Venezuela, Colombia, Guatemala, Honduras, the Plurinational State of Bolivia and Uruguay to meet this target by 2015, they will have to undertake activities designed specifically to control the disease and, to this end, they will need to make a firm political commitment, underpinned by sustainable sources of financing. Owing to the HIV/AIDS epidemic in Belize, Haiti, Jamaica and Suriname, the incidence and prevalence of tuberculosis and the death rate associated with it have increased steadily and these countries are therefore unlikely to meet the target by 2015 (see table VI.13).

In order to control tuberculosis in the Americas, a Stop Tuberculosis strategy is being applied, which requires a comprehensive, patient-centred approach to tackling the disease that involves not only diagnosing and treating sensitive tuberculosis, but also focuses on individuals or groups that are at higher risk of becoming ill or dying, such as persons with TB/HIV co-infection, persons with multi-drug resistant tuberculosis (MDR-TB) or extensively drug-resistant tuberculosis (XDR-TB) and, in general, vulnerable and marginalized populations. Other initiatives are being implemented alongside this in order to enhance the health response and to involve all health-care providers, with a view to achieving a health system that is efficient, respects basic rights and encourages the participation of those who are affected by the disease and the community.

The regional Stop TB Strategy and the Global Plan to Stop TB, 2006-2015, are being implemented in the region through the Regional Plan for Tuberculosis Control, 2006-2015. These documents establish the steps to take to meet the Millennium Development Goals in relation to tuberculosis and call for a political commitment and mobilization of resources that, in the long term, will make it possible to eliminate tuberculosis as a public health problem. El Salvador is a good example of the implementation of the Stop TB Strategy, as it has increased the detection and treatment of TB cases, brought down the number of TB deaths among persons with HIV and reduced the rate of MDR-TB to less than 1% (new and previously treated cases). In addition, controlling TB in El Salvador

Table VI.13  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): PREVALENCE AND MORTALITY  
 RATES ASSOCIATED WITH TUBERCULOSIS, ALL FORMS (INDICATOR 6.9  
 OF THE MILLENNIUM DEVELOPMENT GOALS), 1990-2008<sup>a</sup>**

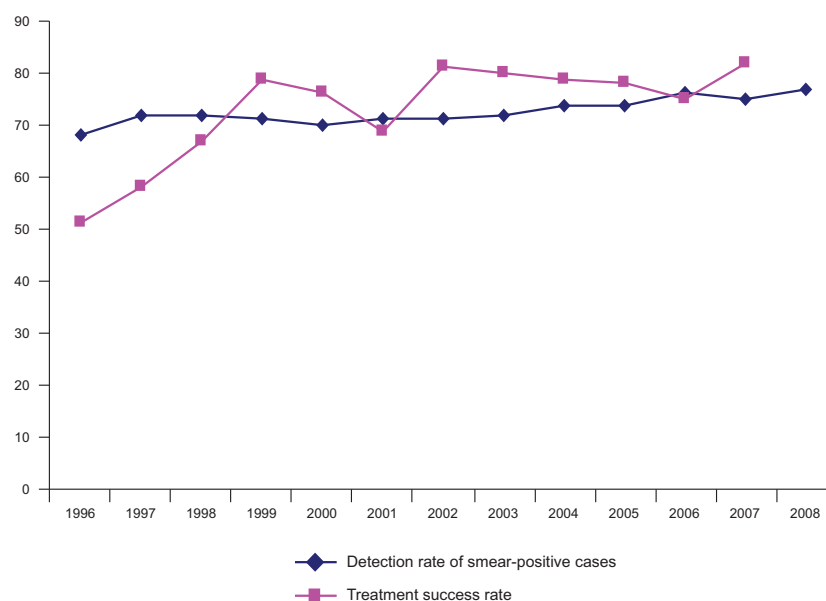
Country	1990		2008 <sup>b</sup>		Percentage change 1990-2008	
	Prevalence	Mortality	Prevalence	Mortality	Prevalence	Mortality
Argentina	74	9.1	22	3.1	-70.3	-65.9
Belize	16	3.1	43	5.1	168.8	64.5
Bolivia (Plurinational State of)	290	37	170	22	-41.4	-40.5
Brazil	98	12	29	3.8	-70.4	-68.3
Chile	11	3	3.6	0.5	-67.3	-83.3
Colombia	59	7.5	37	4.6	-37.3	-38.7
Costa Rica	35	4	2.9	0.5	-91.7	-87.5
Cuba	62	7.1	1.8	0.5	-97.1	-93.0
Dominican Republic	350	39	95	12	-72.9	-69.2
Ecuador	310	36	110	13	-64.5	-63.9
El Salvador	70	8.8	18	2.7	-74.3	-69.3
Guatemala	120	14	110	12	-8.3	-14.3
Guyana	200	22	110	15	-45.0	-31.8
Haiti	280	28	290	32	3.6	14.3
Honduras	140	17	79	9.5	-43.6	-44.1
Jamaica	5.2	1	7.9	0.5	51.9	-50.0
Mexico	130	15	8.4	1.4	-93.5	-90.7
Nicaragua	130	17	26	4.1	-80.0	-75.9
Panama	44	5.7	14	2.8	-68.2	-50.9
Paraguay	13	3.7	40	5.4	207.7	45.9
Peru	450	53	46	8.7	-89.8	-83.6
Puerto Rico	1.4	1	1.4	0.5	0.0	-50.0
Suriname	150	17	270	29	80.0	70.6
Uruguay	9.8	1.8	12	1.7	22.4	-5.6
Venezuela (Bolivarian Republic of)	32	4.3	34	4.3	6.3	0.0
The Americas	89	10	25	3	-71.9	-70.0

**Source:** World Health Organization (WHO), *Global Tuberculosis Control 2009. A short update to the 2009 report* (WHO/HTM/TB/2009.426), Geneva, 2009.

<sup>a</sup> Prevalence rate: number of cases per 100,000 inhabitants, Mortality rate: deaths per 100,000 inhabitants.

<sup>b</sup> Estimated figures, updated in the 2009 report (WHO, 2009).

Figure VI.21  
**THE AMERICAS: TUBERCULOSIS CASES DETECTED AND TREATED SUCCESSFULLY,<sup>a</sup> 1996-2008**  
 (Percentages)



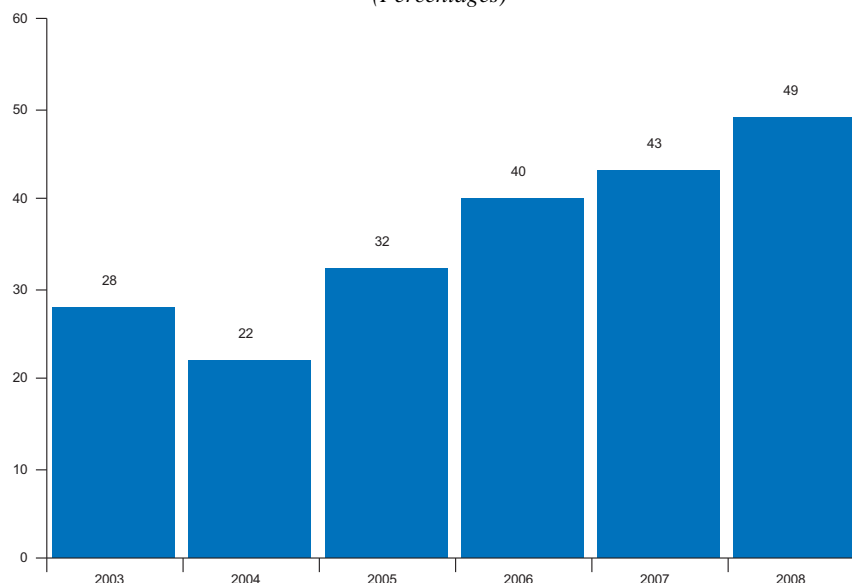
**Source:** World Health Organization (WHO), *Global Tuberculosis Control 2009, A short update to the 2009 report* (WHO/HTM/TB/2009.426), Geneva, 2009.

<sup>a</sup> The treatment success rate is the percentage of registered smear-positive pulmonary tuberculosis cases per year that were cured or in which a full course of treatment was completed. The case detection rate is the number of smear-positive cases divided by the estimated number of smear-positive cases, expressed as a percentage.

There are significant challenges to be overcome in relation to the control of TB in the Americas, including TB/HIV co-infection, MDR-TB and TB among marginalized populations in locations that are difficult to access. In 2008, countries reported 17,000 cases of TB/HIV co-infection and a prevalence of HIV infection among patients with TB of 15%. However, since only 49% of individuals with notified cases of TB received an HIV test (see figure VI.22), according to WHO estimates, only 45% of cases of TB/HIV co-infection were detected. Of the 17,000 persons with TB/HIV co-infection, only 9% received chemoprophylaxis with co-trimoxazole and 53% received antiretroviral therapy.

WHO estimates that in the Americas there are currently 10,200 new and relapse cases of MDR-TB annually. In 2008, only 22% were notified. According to anti-tuberculosis drug resistance surveys between 2004 and 2007, most new cases of MDR-TB occurred in four countries (the Dominican Republic, Ecuador, Guatemala and Peru). All countries in Latin America carry out activities for the diagnosis and treatment of these cases, in accordance with international guidelines; however, the efforts fall short of what is required to meet the international target of diagnosing and treating 80% of cases by 2015.

Figure VI.22  
**THE AMERICAS: PATIENTS DIAGNOSED WITH TUBERCULOSIS WHO  
 HAVE BEEN TESTED FOR HIV, 2003-2008**  
*(Percentages)*



**Source:** World Health Organization (WHO), *Global Tuberculosis Control 2009, A short update to the 2009 report* (WHO/HTM/TB/2009.426), Geneva, 2009.

#### **D. SOME CONCLUSIONS FOR HEALTH POLICY BASED ON THE PROGRESS MADE**

These final thoughts are focused specifically on certain issues that are particularly relevant to health as reflected in the Millennium Development Goals indicators. As the literature shows, enjoyment of health goes far beyond sectoral policies: economic growth and performance, as well as the volatility of that performance, marked inequalities in income distribution, access to basic infrastructure and the effects of natural disasters all play a decisive role. The socio-economic distribution of morbidity and mortality, as well as their determining factors (such as undernutrition), is very unequal in the region and the need to develop intersectoral strategies to address those determining factors is becoming critical; ministries of health can play an important role in this connection because of their regulatory functions. Synergies are required between various policies relating to well-being (on education, housing and income, for example) in a stable macroeconomic environment that favours economic growth and a better distribution of the fruits of development.

Some of these intersectoral activities can, in turn, feed into the health sector and lead to new challenges. One example of this is when conditional transfers took the place of health checks in poverty reduction programmes. As shown in Mexico, improving the quality of the health care available to beneficiaries of the Oportunidades transfers programme requires increased financing and stronger health-care providers (Bertozzi and others, 2008). In Latin America conditional cash transfer programmes have led to an increase in the use of preventive health-care services by transfer beneficiaries. It should also be noted that transfer programmes should be accompanied by an improvement in health services and in the family environment of beneficiaries (PAHO, 2009c).

In general terms, there has been an observable increase in health-related social protection programmes that contribute towards the achievement of the Millennium Development Goals. Table VI.14 lists some of these programmes.

Table VI.14  
**LATIN AMERICA AND THE CARIBBEAN: SOCIAL PROTECTION PROGRAMMES ON HEALTH THAT  
 CONTRIBUTE TOWARDS MEETING THE MILLENNIUM DEVELOPMENT GOALS**

Type of programme	Name	Country
Public health insurance	<i>Fondo Nacional de Salud</i> <i>Seguro Popular de Salud</i> <i>Fondo Nacional de Salud</i>	Chile Mexico Uruguay
Extending social insurance coverage to workers in the informal sector	<i>Seguro Social Campesino</i> <i>Instituto Mexicano de Seguridad Social (IMSS) - Solidaridad</i>	Ecuador Mexico
Free primary health care	<i>Programa de Salud Familiar</i> <i>Programa de Salud Familiar</i> <i>Programa Barrio Adentro</i> <i>Programa de Cuidados Obstétricos Gratuitos (SOG)</i>	Brazil Chile Venezuela (Bolivarian Republic of) Haiti
Free maternal or child care	<i>Ley de Maternidad Gratuita y Atención a la Infancia</i> <i>Seguro Universal Materno-Infantil</i> <i>Plan NACER</i> <i>Seguro Universal de Salud</i>	Ecuador Bolivia (Plurinational State of) Argentina Peru
Conditional cash transfer	<i>Bono materno-infantil</i> <i>Programa OPORTUNIDADES</i> <i>Bono Solidario</i> <i>Bolsa Familia</i>	Honduras Mexico Ecuador Brazil
Conditional in-kind transfer	<i>Plan Nacional de Alimentación Complementaria</i>	Chile

**Source:** World Health Organization (WHO), *Social Protection in Health Schemes for Mother, Newborn and Child Populations: Lessons Learned from the Latin American Region*, Washington, D.C., 2008.

As has been shown, even when there are improvements in relation to indicators such as infant mortality (or life expectancy, which has not been discussed here), inequalities in the region persist, or even grow. In Chile, for example, when groups from the extreme ends of the educational spectrum are taken into account, the infant mortality gap is growing (Ministry of Health of Chile, 2006). Similarly, in Colombia, even though medical care during the antenatal phase and during delivery has improved in recent years and subnational disparities have decreased, very marked inequities remain with regard to complications during delivery and postpartum.

It is therefore fundamental to take an intersectoral approach at the subnational level, particularly in the most vulnerable municipalities or regions, with a view to promoting decentralization and highlighting the challenges of inequity that require a redoubling of efforts in order to reduce inequalities in access to health. This chapter has referred to a number of challenges that are still pending, and that are worth reiterating, with respect to issues such as comprehensive policies; consideration for cultural diversity; the proper implementation of specific programmes, relating in particular to sexual and reproductive health; and the control of infectious diseases, as well as providing care for persons with those diseases. Work must be carried out simultaneously in the areas of management, finance, insurance and the provision of services, in a combined effort seeking to contribute to equity (PAHO, 2002).

The benefits provided by the health systems in the region are deeply segmented, reflecting discriminatory practices, and subsystems are fragmented, which makes it difficult to carry out effective interventions in terms of cost and the efficient use of resources, in line with a solid reference and counter-reference system. Individuals who are not affiliated to a contributory system or who do not have the capacity to pay generally receive care from the public sector as their only health coverage, although they may also receive some care from not-for-profit organizations. In order to meet the Millennium Development Goals it is precisely this population that should be the focus of public policy. It is a source of concern in the region that vast sectors of the population without insurance and lacking other access to health services lack the capacity to pay for their health needs, as seems to be indicated by the high out-of-pocket expenditure on health, according to a recent inter-agency report (ECLAC, 2008).

To strengthen and extend insurance coverage for health risks and attain greater levels of solidarity, comprehensive financing of systems must be considered. Insurance systems must avoid risk selection and a move must be made towards fair and guaranteed coverage. Greater efficiency must be sought through cost-containment

initiatives, appropriate procurement mechanisms and the regulation of the system. Effective improvement of health-service coverage for the entire population requires public-health policies that make a priority of expanding primary care and properly coordinating decentralized services, including compensatory mechanisms to narrow gaps among regions. Although contributory and non-contributory health-care financing take different forms and are interrelated in a variety of ways in Latin American and Caribbean countries, greater integration between social security and the public system can increase the synergies between the two, raising the level of financing available for solidarity purposes and enhancing equity. Furthermore, articulation between social security and public systems can have a positive effect on efficiency if integration leads to fuller utilization of installed capacity and rationalization of resource use through the improved management and administration of those subsystems (ECLAC, 2006a).

Extending the coverage of health systems presents multiple challenges. Given the exclusive nature of the labour markets in the region, it is not enough to put forward a tax-based financing strategy for countries where the coverage of contributory schemes is low. A progressive tax system is key if the solidarity principle is to be applied to financing. As the case of Brazil has shown, the fiscal resources allocated to health need to be protected. With regard to contributory systems, there are avenues that can be explored to extend coverage. For example, institutional strengthening is needed to overcome ingrained resistance and inertia within the system faced with the prospect of reforms that seek to increase equity and effectuate controversial changes, such as overhauling the ceilings on contributions in order to take steps towards universal health care and solidarity financing. Some contributions thresholds are extremely low, for example, in Nicaragua and, to an even greater extent, in Honduras, where they are below minimum wage. Household surveys in some countries show that there are workers in the informal sector and households that receive remittances that would have the capacity to contribute if a subsidized scheme existed (Carrera, Castro and Sojo, 2009).

Health reforms have taken varying courses in the region and have been subjected to various political and economic restrictions. The orthodox approach to reforms taken previously seems, promisingly, to have been left behind. In Chile, which had implemented the most radical reform in the region in terms of departing from the principles of solidarity and universality, the most important change in recent years was the introduction of guarantees in terms of financing and the timely provision of care in relation to a series of high-impact benefits, some of which are high-cost. This demonstrates an increase in solidarity and is an important step forward from a rights perspective. The provision of care is guaranteed through the System of Universal Access with Explicit Guarantees (AUGE plan), following a change to the dual system, thus regulating to some extent the adverse selection that private health insurance institutions in Chile were practicing and establishing guarantees for a range of benefits. It is one of the most advanced systems in Latin America as a whole, precisely because of the guarantees it offers in terms of coverage, financial protection, timeliness and access. From a rights perspective, there is greater emphasis on the scope, obligations, and subjects of these rights and the instruments guaranteeing and protecting them. With regard to infant mortality, it is worth noting that when the plan was implemented, as a result of these guarantees, care was provided in more cases of premature births than had been projected, which also points to the response capacity of the health system.

Another example of extending coverage is the Seguro Popular de Salud (SPS) in Mexico. This programme does not address the segmentation of the insurance system, rather it adds to that system since the financing of guarantees is supported by additional independent resources and the method by which those funds are channelled to providers is complex. The SPS involves institutional changes that seek to strengthen public health centres and adjust the public-private balance by opening up the system to more private providers.

As has been reiterated by PAHO, health systems based on primary care should be expanded. To achieve this, a broad approach is needed in terms of health-system organization and operations, with the right to the highest level of health possible as the main objective, as well as a focus on maximizing the equity and solidarity of the system. This type of health system places the emphasis on prevention and promotion, and guarantees the user's initial contact with the system, using families and communities as the basis for planning and action in relation to health, while also promoting intersectoral action to address other determining factors of health. This approach involves an increase in investment in public health programmes, which requires a combination of greater fiscal resources, and a better use of them, and an increase in social contributions.

In this connection, as health indicators improve, it becomes evident that primary care is in no way synonymous with simple care, since as advances in well-being are made, the tasks to complete in this area become more challenging (for example, treating perinatal conditions or persons with chronic AIDS-related illnesses). In addition, in some poor countries the burden of infectious diseases remains heavy, while chronic and degenerative conditions are also becoming increasingly common.

It is therefore necessary to expand the capacity of primary care to respond, to improve the reference and counter-reference systems and also to adjust the lens through which primary care is sometimes viewed. For example, the valid emphasis on preventive health care should not obscure or negate the need for a sound capacity to provide emergency care at this level (Haggerty and others, 2009). As regards the indicators examined here, this is fundamental in order to address the maternal mortality ratio, which has come to a standstill.

Action must be taken on several fronts. In several countries it is obvious that, in order to make progress towards the Millennium Development Goals, the resources allocated to health need to be increased. For example, countries such as Ecuador, Guatemala, Haiti, Jamaica and Peru need to allocate significant resources to the effective DOTS strategy for the treatment of tuberculosis (Bitrán and others, 2008).

It is also important to avoid creating a “no-man’s-land” in relation to preventive health care. For example, experience in Colombia shows that when reforms involve separations of functions or changes to the roles of health organizations, the responsibilities and resources associated with immunization schemes need to be clearly defined, PAHO discovered that immunization coverage in Colombia had deteriorated since 1997, particularly in departments with poorer living conditions and in rural areas. This trend was confirmed in later studies carried out in rural areas and among poorer population groups. Although immunization coverage has not yet regained its previous level, the greater coverage achieved in the last five years has gone hand in hand with improved equity between regions. That is to say that the corrective measures undertaken —although imperfect— have already had positive results (Flores and others, 2007).

A very important element for the future of health sector is the way in which it interacts with the decentralization reforms. In Brazil, for example, municipalities now have an important role in financing the provision of services. Financial decentralization processes are also very important in Mexico, where the decentralization of financing and the provision of services is part of the Seguro Popular de Salud (SPS).

The region does not seem able to meet the challenge posed by the covariate risks resulting from serious natural disasters. This has an impact on the progress towards the Millennium Development Goals as these disasters affect health infrastructure and increase demands on the system as a result of accidents, morbidity associated with post-traumatic stress and housing insecurity because of damage to and the destruction of homes. The impact of such catastrophes has been underestimated because they happen infrequently, however, their effects on the health sector last for many years. This highlights the need to invest in strengthening health infrastructure so that it is better able to resist natural disasters.

In addition to the historical discrimination against significant groups of the population, such as indigenous and Afro-descendent groups, new forms of discrimination are emerging, for example, against persons with chronic AIDS-related illnesses, which present new challenges in terms of rights and legislation.



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## Chapter VII

## GUARANTEEING THE SUSTAINABILITY OF THE ENVIRONMENT

Goal	Targets	Indicators
Goal 7 Ensure environmental sustainability	<b>Target 7.A</b> Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	<b>7.1</b> Proportion of land area covered by forest
		<b>7.2</b> CO <sub>2</sub> emissions, total, per capita and per \$1 GDP (PPP)
		<b>7.3</b> Consumption of ozone-depleting substances
		<b>7.4</b> Proportion of fish stock within safe biological limits
		<b>7.5</b> Proportion of total water resources used
	<b>Target 7.B</b> Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	<b>7.6</b> Proportion of terrestrial and marine areas protected
		<b>7.7</b> Proportion of species threatened with extinction
	<b>Target 7.C</b> Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation	<b>7.8</b> Proportion of the population using an improved drinking water source
		<b>7.9</b> Proportion of the population using an improved sanitation facility
	<b>Target 7.D</b> By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	<b>7.10</b> Proportion of urban population living in slums

## A. INTRODUCTION

The economic development of the Latin America and Caribbean countries depends as never before on factors directly associated with the environment. The region's most important productive activities are natural resource intensive, and are therefore affected by the degradation of ecosystems, especially when necessary management practices are not adopted. Water and energy —vital inputs for productive activity— are intimately connected with ecosystems. Demand is growing while the supply outlook is uncertain (in view of climate change in particular), and energy generation is central to development as well as having crucial implications for the environment. Fossil fuels are widely used in the region and tend to cause environmental problems. Their use in the region contributes to climate change —even if only marginally in comparison with other regions.

The region's social development goes hand in hand with economic development. It depends on meeting certain basic needs, a process that draws on ecosystems with their goods and services. In particular, health services, drinking water and sanitation systems, education and culture are fundamental elements that depend very much on healthy ecosystems.

The sustainability of development, then, is no longer simply a noble aspiration for the future to be addressed once basic needs are met. Today, it is essential that national development —as addressed in public policy,

private production and consumption initiatives, regulatory instruments, and so on— be based on sustainable development paradigm.

Against this backdrop, the Millennium Declaration's inclusion of environmental sustainability constitutes a recognition not only of the intrinsic value of the environment but of its importance for overcoming poverty and ensuring health, gender equality and the other components of human welfare.

The Millennium Development Goals reflect development priorities agreed on by the international community in economic, social and environmental areas, and are associated with specific targets measured against a 1990 baseline that the member States are to meet by 2015. Essentially, they are tools for assessing to what extent Millennium Development Goal commitments have translated into appropriate policies and practices, and for measuring the responses of the countries' key actors and institutions. The seventh goal established in the Millennium Declaration made environmental sustainability one of the development priorities.

Millennium Development Goal 7 seeks to “ensure environmental sustainability.” The term environmental sustainability refers to the integral but distinguishable environmental aspect of sustainable development. In other words, it implies meeting current human needs without destroying the environment's ability to meet those same needs in the longer term (Millennium Project Task Force on Sustainable Development and the Environment, 2005).

The Millennium Development Goals are highly interdependent, as well as interdependent with socioeconomic development in general, and with environmental sustainability in particular. The relationship between environmental degradation and poverty specifically is a very close one, since it is the poor who suffer most from environmental degradation —witness, for example, the effects of air and water pollution, forest and fisheries degradation, or climate change (OHCHR, 2008). Thus, reducing poverty (Millennium Development Goal 1) and advancing on other fronts of human development are highly dependent on certain environmental achievements (World Bank, 2008).

Millennium Development Goal 7 stands out from the other Millennium Development Goals because of the global effects of local action on some of its targets. In this connection, Latin America and the Caribbean play a special role in the world. The region provides important global ecosystem services<sup>1</sup> —for example, by maintaining biodiversity and storing anhydrous carbon. This should be borne in mind in climate change negotiations. Biodiversity provides ecosystem services by regulating atmospheric contamination, regulating hydrological and climate cycles, restoring soil fertility, decomposing wastes, absorbing contaminants and pollenizing crops. It also provides resources of direct economic value, such as wood, non-wood forestry products, basic ingredients of traditional and modern medicine, and germ plasm —a source of plant varieties for agriculture— as well as cultural, scenic and tourism resources. The benefits of ensuring environmental sustainability in Latin America and the Caribbean thus go beyond the welfare of the region's inhabitants and have global importance.

This chapter outlines advances, challenges and major lines of suggested action that have emerged in relation to Millennium Development Goal 7. Most of the information here has been drawn from the recent United Nations Publication “Millennium Development Goals: Advances in environmentally sustainable development in Latin America and the Caribbean” (2010).

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<sup>1</sup> The Millennium Ecosystems Assessment (MEA) defines ecosystem services as the benefits that people obtain from ecosystems, and classifies them as sources of supply (food, water, fuels and fibres), regulation (climate regulation, control of flood, drought and soil degradation, and disease control), fundamental services (soil formation and nutrient cycles) and cultural services (recreational, spiritual, religious and aesthetic, as well as services with other intangible benefits) (WRI, 2003).

## B. LATIN AMERICA AND THE CARIBBEAN: SUMMARY OF TRENDS IN PROGRESS TOWARDS MILLENNIUM DEVELOPMENT GOAL 7

Indicator	Trend	Factors that impede or facilitate meeting the target	Feasibility of meeting the target
<b>Target A:</b> Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources			
<b>7.1</b> Proportion of land area covered by forest	Forest cover continues to diminish, and Latin America and the Caribbean have the highest deforestation rate in the world.	There is scant economic incentive to preserve forest land. Consolidated mechanisms to internalize the costs of destroying forest or the benefits of conservation (ecosystem services) are not in place. Thus, some economic activities that cause deforestation are more profitable than activities compatible with the preservation of forest.	There is a trend away from meeting the target in the region. In recent years, there has, however, been some progress in stopping illegal deforestation (for example, by increasing the cost of such activity through enforcement of the relevant laws). In order to significantly reverse the trend, such measures need to be strengthened and replicated, and mechanisms need to be implemented to ensure that economic agents internalize the value of the forests' ecosystem services, as well as the social and environmental costs of destroying them.
<b>7.2</b> CO <sub>2</sub> emissions, total, per capita and per \$1 GDP (PPP)	Carbon dioxide emissions due to the burning of fossil fuels and the production of cement (included in government statistics) have increased steadily, a trend that will continue in the region as it grows demographically and economically. There has been a slight drop in emissions in relation to GDP. In per capita terms, they are relatively stable and comparatively low. Although there are no official statistical series on emissions due to changing soil use, they are estimated to represent a significant proportion of the region's carbon dioxide emissions, and Latin America and the Caribbean are estimated to generate over 48% of world emissions of this type.	Emissions due to changes in soil use are associated with deforestation. Among the benefits of progress in energy efficiency and the development of renewable energy is a reduction in the growth of emissions.	The trend in the region is away from reducing total carbon dioxide emissions. Reversing the upward trend in emissions due to the burning of fossil fuels by 2015 will depend on investments in energy efficiency and in renewable energy sources. Advances on indicator 7.1 (deforestation) will slow emissions due to changes in soil use. Technological and financial support from the international community is crucial in this process.
<b>7.3</b> Consumption of ozone-depleting substances	Emissions of substances that deplete the ozone layer have declined considerably.	This success reflects efforts in the framework of the Montreal Protocol, which include successful collaboration between the public and private sectors, international cooperation and technological advances. The challenge is to ensure that changes achieved are permanent.	Current trends indicate that if the actions already undertaken are maintained, it will be possible to eliminate chlorofluorocarbon consumption. The major challenge is now to control the production and use of hydrofluorocarbons.
<b>7.4</b> Proportion of fish stock within safe biological limits	There are no good statistics for this indicator. Studies show that the growth of fishing and industrial aquaculture, changes of habitat and increasing pollution are creating major pressure on hydrobiological resources, and this is aggravated by climate change.	Sustainable management practices have been incorporated in the management of some species, but they are not yet applied either universally or at the scale needed to alleviate the pressure.	If sustainable management practices are not adopted at a larger scale and more systematically, the problems identified will not be solved. Producing a more accurate and comprehensive evaluation of the regional situation requires systematic information gathering.

Indicator	Trend	Factors that impede or facilitate meeting the target	Feasibility of meeting the target
<b>Target B:</b> Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss			
7.5 Proportion of total water resources used	Estimates of the coefficient of water use (freshwater extraction) indicate that South and Central America as a whole use approximately 1% of their available water. In the Caribbean, the coefficient is close to 14%, while the world average is 9%.	The distribution of water in the region is highly unequal, and water resources are under pressure from many sources, including excessive extraction for agriculture and mining, exhaustion of aquifers, increasing water pollution, and the destruction of hydrological capture basins and recharge areas.	Although the region is blessed with abundant water resources, there are major risks to water quality and availability over time and geographical distance. Climate change and an expected increase in demand aggravate problems of availability. In the face of these challenges, effective water resources management cannot be put off if progress towards the target is to proceed.
7.6 Proportion of terrestrial and marine areas protected	The total area covered by protected areas has grown steadily over the last decade.	There is evident loss of habitat due to deforestation and coral bleaching, among other factors. In many cases, this problem is associated with large-scale economic activities, the introduction of exotic species and climate change.	The increase in the proportion of protected areas is on target. However, this indicator in isolation does not fully reflect the problems. Reducing the loss of biodiversity requires better management of protected areas and more funding for them. Furthermore, protected areas must be representative of biomasses and ecosystems to be effective as a biodiversity preservation mechanism, and in addition to protected areas, other conservation mechanisms are needed. National and international financial and regulatory structures need to be changed to transmit and internalize the social and environmental costs of losing biodiversity and the benefits of conserving it.
7.7 Proportion of species threatened with extinction	Information on endangered species is still precarious, and comparable, harmonized statistics are lacking to establish a historical trend. For example, 75% of the genetic diversity of the region's crops is estimated to have been lost in the last 100 years.		Despite a lack of official time series, there are signs of a loss of biodiversity. Reversing this depends on consolidating mechanisms that internalize the benefits of preserving biodiversity, such as conservation mechanisms (protected areas and other tools) and regimes to ensure equitable participation in the benefits of biodiversity exploitation.
<b>Target C:</b> Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation			
7.8 Proportion of population using an improved drinking water source	The region has made great progress in expanding the coverage of drinking water services. However, there are differences between the countries, and between levels of coverage in rural and urban areas, as well as between different cities, provinces, states, regions and municipalities, not to mention between different income groups.	Improving and expanding drinking water and sanitation services requires progress in mechanisms of funding and regulation, and integration of the relevant policies with water resource management measures. Climate change creates new challenges for drinking water and sanitation, and makes improving coverage and quality a matter of urgency.	Sustainable access to drinking water is a quantitative target for Millennium Development Goal 7. It calls for halving the proportion of people without such service by 2015, against a 1990 baseline. The region's urban areas are meeting the sustainable access to drinking water target. However, the quality of service (especially water quality, effective disinfection, interruptions of service, and losses) needs to be improved, and the sustainability of service in a context of climate change and increasing pollution needs to be ensured.
7.9 Proportion of population using improved sanitation facility	The region has made progress in expanding the coverage of sanitation services. However, the distribution of service is very unequal within and between countries. The greatest progress has been in urban areas. Greater efforts are needed to move towards the target, especially in rural areas and poor urban areas.		In the aggregate, the region is close to meeting the target for access to sanitation. In 2006, coverage had increased by 78%, while the target for 2015 is 84%. Advances in the quality of service and in urban wastewater treatment are still needed.



Indicator	Trend	Factors that impede or facilitate meeting the target	Feasibility of meeting the target
<b>Target D:</b> By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers			
<b>7.10</b> Proportion of urban population living in slums	The number of people living in slums and the percentage of the urban population that this represents in the region diminished over the period studied. However, over 100 million people are still living in unacceptable conditions in Latin America and the Caribbean.	Economic growth in the 2000-2005 quinquennium and redistributive social policies and housing and urban improvement programmes targeting slums were key factors in reducing the number of people living in slums. However, the reduction has not been linear, and the current economic crisis could end up distancing the region from the target. Slums are not automatically reduced by reducing poverty. Specific policies are required to do so. Moreover, this challenge is an integral part of a broader group of challenges relating to sustainability in the cities on a continent whose urbanization rates are the highest in the world.	Although the trend has reduced the number of people living in slums, the region's governments will have to increase their efforts to reach the target set for 2020. Moreover, the target itself is a timid one in relation to the number of slum dwellers in the region, and in relation to the countries' international commitments to the right to housing.

**Source:** United Nations, *Millennium Development Goals: Advances in Environmentally Sustainable Development in Latin America and the Caribbean* (LC/G.2428-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

## C. THE REGIONAL PICTURE: PROGRESS TOWARDS THE TARGETS

This section presents advances and setbacks in Latin America and the Caribbean in approaching the targets of Millennium Development Goal 7.<sup>2</sup> Since the targets and indicators are global, they do not always adequately reflect a region's or subregion's realities. Thus, supplementary indicators are included to provide a more complete picture of the dynamics of environmental sustainability in Latin America and the Caribbean.

The section is structured around three thematic areas that cover the issues associated with the Millennium Development Goal 7 targets. The first covers the first component of target 7.A, which includes the elements that policy and management need to cover in order to incorporate the principles of sustainability in decisions on public policies, plans, programmes and projects. The second thematic area covers the second component of target 7.A as well as target 7.B, which aim to reduce the loss of environmental resources and biodiversity. The third thematic area covers targets 7.C and 7.D, addressing the basic issues of quality of life in human settlements: sustainable access to drinking water and sanitation, and a reduction of the number of people living in slums.

### 1. Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources: target 7.A

#### (a) Conditions and trends

Latin America and the Caribbean have seen substantial progress in environmental legislation and in the creation of institutions with mandates directly bearing on environmental concerns. However, major challenges remain in effectively implementing the institutional arrangements and new legal provisions, as well as in integrating an approach based on the principles of sustainability—especially environmental sustainability—in decision-making in other policy sectors, such as energy, agriculture and demographics. In most of the region's countries, environmental protection is championed by relatively new institutions whose relative political weight and capacity, as well as their funding, are generally unsuited to the magnitude of their mission, which thus tends to be neglected in

<sup>2</sup> The values of the indicators presented in this chapter are drawn from official databases with a statistical closing date of 5 October 2009.

favour of politically entrenched sectoral objectives whose economic affects are measurable and easily understood by the population.

**(b) Obstacles and challenges**

Many institutions are only beginning to understand the environment and sustainable development and to incorporate them in decision-making. Deficiencies remain in terms of coordination and the consistency of governmental decision-making and policy. This creates incentives to permit environmental degradation for the sake of sectoral objectives. Thus, subsidized credits are available for livestock raising in areas exposed to deforestation, infrastructure projects are promoted with only partial assessment of their environmental and social costs, and technological alternatives with lower negative impacts are not considered.

Effective incorporation of the principles of sustainable development in policies and programmes is a long and complex process in which national realities, with their governments and specific types of policy, must be taken into account. Nevertheless, there are some shared challenges, such as: (i) improving decision makers' knowledge of the economic and social importance of the environment as a element of their countries' patrimony; (ii) achieving a better level of coordination and consistency in public action, in order to ensure the sustainability of development, and (iii) implementing the foundation for a development model that incorporates the external costs of environmental degradation, as well as the external benefits of activities that do not threaten the integrity of ecosystems.

**(c) Supplementary information on the incorporation of the principles of sustainable development in national policies and programmes**

The first component of Millennium Development Goal 7 target 7.A invites the countries to “integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources”. Although there are no official indicators for this, it is crucial for sustainable development, and an analytical approximation can be made by using some supplementary or approximate indicators such as changes in the budgets of ministries of the environment, and in the amount of public environmental spending.

*(i) The financial and human resources of ministries/secretariats of the environment*

The funding available to environmental agencies and ministries is an indicator —albeit an incomplete one— of actual budget execution over time. In 2009, ECLAC made an effort to gather the relevant statistics by means of a specialized instrument, and the resulting figures allow for some preliminary findings. As table VII.1 shows, the total budget in current dollars executed by ministries of the environment has evolved differently in the different countries.

As to the magnitude of these resources in relation to national GDP, they represented 0.3% in Mexico's case and 0.06% in Brazil's. The relative figures for Argentina, Belize, Chile, Colombia and Uruguay were substantially lower —between 0.01% and 0.05% of the countries' GDPs (see figure VII.1).<sup>3</sup>

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<sup>3</sup> It is important to realize that, in addition to the ministries of the environment as providers of leadership for the specialized institutions, the region's countries tend to have inter-institutional systems associated with their environmental institutions, or with institutions that have mandates in the area of sustainable development, and these systems include other sectoral entities that have bearing on environmental management. Such entities must be taken into account when estimating the volume of financial and human resources allocated to environmental matters, which further complicates measurement. Given this constraint, the values presented here are limited, and underestimate public budget execution for environmental sustainability.

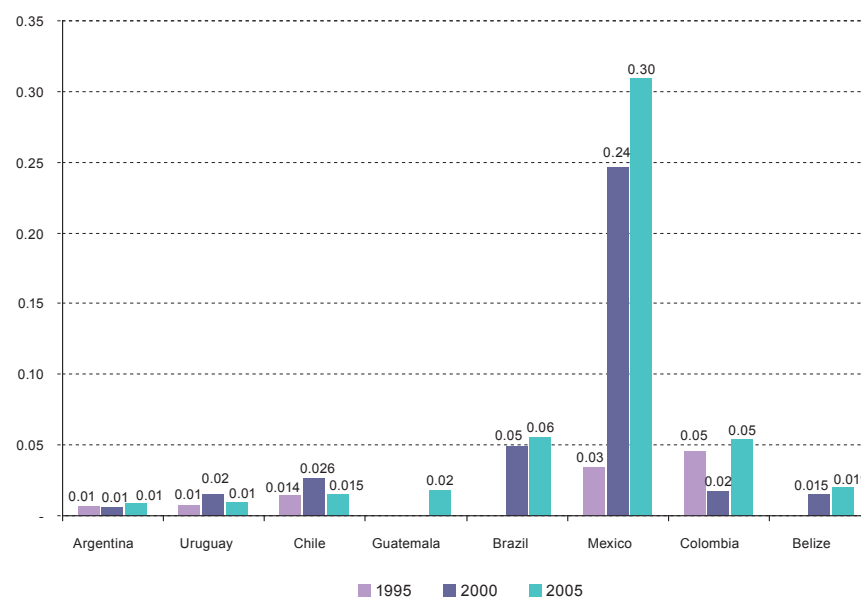
Table VII.1  
**LATIN AMERICA (8 COUNTRIES): TOTAL BUDGET EXECUTED BY MINISTRIES  
OR SECRETARIATS OF THE ENVIRONMENT<sup>a</sup>**  
*(Current dollars and cumulative percentages of change)*

Country	1995	2000	2005	Cumulative percentages of change 1995-2000	Cumulative percentages of change 2000-2005	Cumulative percentages of change 1995-2005
Argentina	17 342 051	16 878 338	15 349 971	-2.6	-9.0	-11.4
Belize	...	126 880	218 041	...	71.8	...
Brazil	...	315 696 239	490 132 036	...	55.2	...
Chile	10 375 448	20 224 588	18 341 236	94.9	-9.3	76.7
Colombia	47 965 823	16 514 081	79 307 549	-65.5	380.2	65.3
Guatemala	...	...	4 999 332	...	...	...
Mexico	1107 252 680	1 569 965 185	2 612 000 848	1 363.8	66.3	2 335.3
Uruguay	1 591 269	3 222 016	1 676 786	102.4	-47.9	5.3

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from ministries or secretariats of the environment of the respective countries.

<sup>a</sup> Preliminary figures.

Figure VII.1  
**LATIN AMERICA (8 COUNTRIES): TOTAL BUDGET EXECUTED BY MINISTRIES OR SECRETARIATS OF THE  
ENVIRONMENT IN RELATION TO CURRENT GDP, 1995, 2000 AND 2005<sup>a</sup>**  
*(Percentages)*

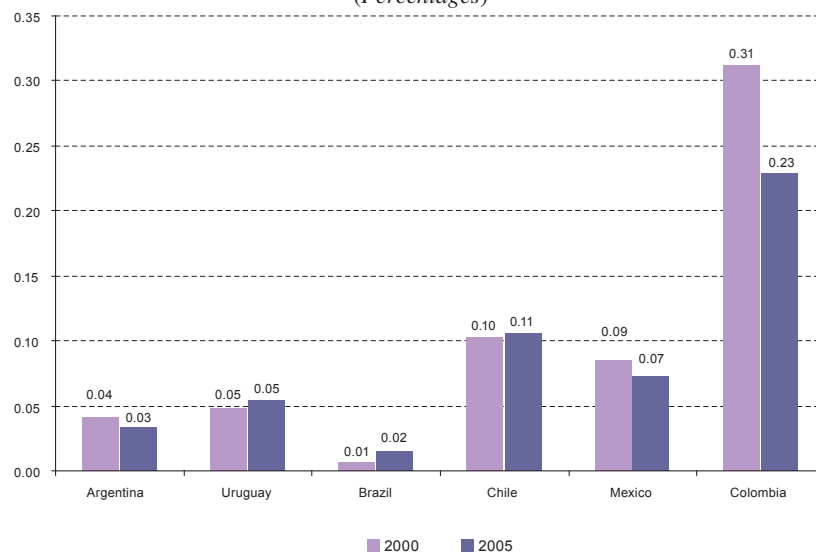


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from ministries or secretariats of the environment of the respective countries.

<sup>a</sup> Preliminary figures.

As regards staffing, the number of personnel employed in ministries/secretariats of the environment as a proportion of all government employees is under 1% in the six countries examined (see figure VII.2).

Figure VII.2  
**LATIN AMERICA (6 COUNTRIES): NUMBER OF PERSONNEL EMPLOYED IN MINISTRIES  
 OR SECRETARIATS OF THE ENVIRONMENT AS A PROPORTION OF ALL  
 GOVERNMENT EMPLOYEES<sup>a</sup>**  
 (Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from ministries or secretariats of the environment of the respective countries.

<sup>a</sup> Preliminary figures. The information on countries' total numbers of employees and percentages of public-sector employees come from the International Labour Organization (ILO) QUIPUSTAT database.

(ii) *Public environmental spending*<sup>4</sup>

As table VII.2 shows, in none of the cases studied did the proportion of public environmental spending exceed 1% of GDP. By way of reference, the figures for the OECD countries are between 1% and 2% of GDP.

Table VII.2  
**LATIN AMERICA AND THE CARIBBEAN (9 COUNTRIES): PUBLIC ENVIRONMENTAL SPENDING  
 AND INVESTMENT AS A PROPORTION OF GDP**  
 (Percentages)

Country	Period	Period average	Last year with available information	Trends
Argentina	1994-2007	0.14	0.12	Decreasing, with an inflexion since 2002
Brazil	1996-2008	0.39	0.69	Growing
Chile	1998-2001	0.50	0.40	Stable
Colombia	1995-2008	0.30	0.27	Stable
Costa Rica	1992-2000	0.50	0.64	Growing
Ecuador	1995-2008	0.29	0.47	Volatile, growing since 2003
Mexico	1993-2007	0.58	1.11	Growing since 2001
Peru	1999-2003	0.29	0.25	Stable
Trinidad and Tobago	1993-1999	0.18	0.20	Stable

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of updated information from ECLAC-UNDP project, Financing for Environmentally Sustainable Development, and official figures.

<sup>4</sup> The budget lines that are considered to represent spending on environmental protection are clearly defined in the international classification endorsed by the United Nations entitled Classification of Environmental Protection Activities (CEPA). This makes it possible to analyze which areas are priorities for the countries. The objective of these guidelines is to generate compatible measurements that facilitate comparison.

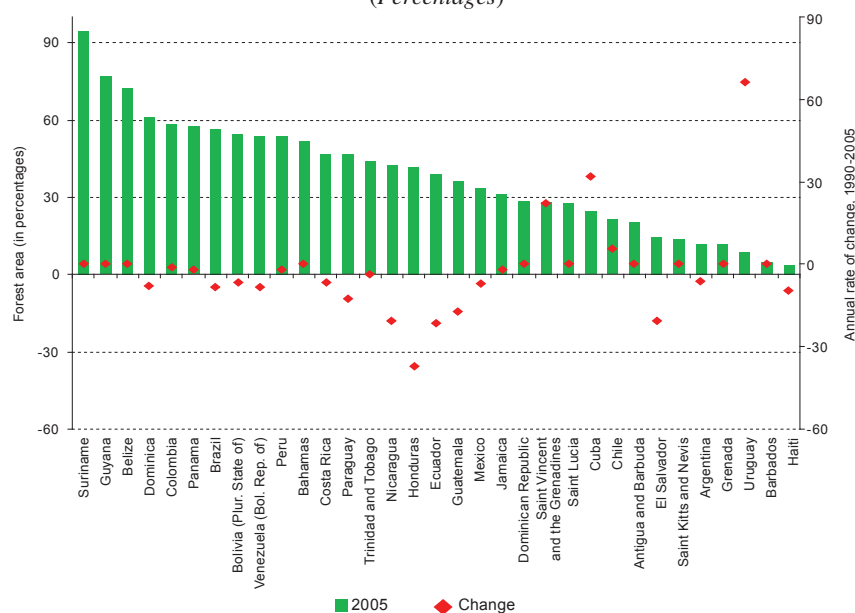
## 2. The sustainability of the natural environment: targets 7.A and 7.B

### (a) Proportion of land area covered by forest: indicator 7.1

#### (i) Conditions and trends

Between 1990 and 2005, Latin America and the Caribbean lost close to 69 million hectares of forest, or 7% of the region's forest cover. Thus, the forest cover dropped from 49.1% of total land area in 1990 to 45.6% in 2005. Figure VII.3 shows national changes in the indicator.

Figure VII.3  
LATIN AMERICA AND THE CARIBBEAN (33 COUNTRIES AND TERRITORIES): PROPORTION OF LAND AREA COVERED BY FOREST AND RATES OF CHANGE (MILLENNIUM DEVELOPMENT GOAL INDICATOR 7.1), 1990-2005  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of Food and Agriculture Organization of the United Nations (FAO), *Global Forest Resources Assessment 2005* (FRA 2005), for national forest surface, and FAO Statistical Databases (FAOSTAT), for national land area.

A full 86% of the forest area lost in the region between 1990 and 2005, or 59 million hectares, was in South America, and much of this was in the Amazon, although the deforestation rate there has declined in the last few years (see box VII.1).

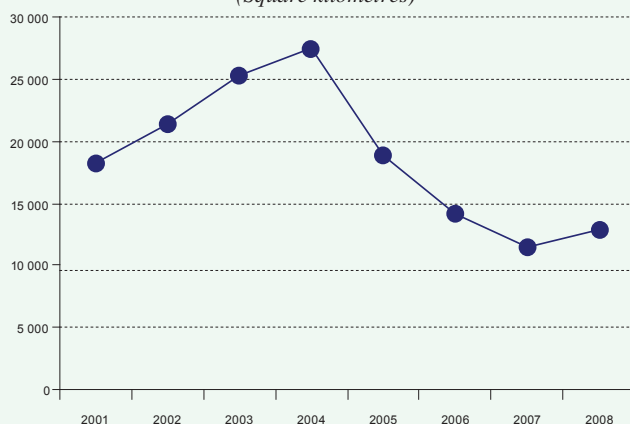
The negative repercussions of deforestation include, among other things, lost biodiversity, destabilized soils, disturbed hydrological cycles and less CO<sub>2</sub> sequestration. These situations are nearly irreversible and affect productivity in major parts of the region, with significant social and economic consequences. Agriculture is a particularly sensitive issue in this connection, since it directly affects food security.

## Box VII.1

## CHANGES IN BRAZIL'S ECONOMIC INCENTIVES STRUCTURE: FIRST STEPS IN THE AMAZON

The Brazilian Amazon represents a large portion of the region's forested area, and has also been the principal locus of forest loss over the last few decades, contributing significantly to the regional trend up to 2005 as shown in figure II.3. Since then, however, the deforestation rate in the Amazon has declined (see figure).

**BRAZIL: DEFORESTATION IN THE LEGAL AMAZON<sup>a</sup>**  
(Square kilometres)



**Source:** National Institute for Space Research (INPE), “INPE divulga dados consolidados do PRODES 2007-2008”, [INPE publishes consolidated data from PRODES 2007-2008], *Press communiqué*, 4 August 2009.

<sup>a</sup> Includes the states of Acre, Amazonas, Amapá, Maranhão, Mato Grosso, Pará, Rondônia, Roraima and Tocantins.

The drop in the deforestation rate is due to a number of factors, including: (i) more intense action by the Federal Police to prevent illegal activity; (ii) strengthened monitoring by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA); and (iii) the fact that a National Monetary Council decree has eliminated credits to firms and individuals with a history of illegal activity detrimental to the environment.

**Source:** United Nations, *Millennium Development Goals: Advances in Environmentally Sustainable Development in Latin America and the Caribbean* (LC/G.2428-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010.

## (ii) Obstacles and challenges

The loss of forest cover is attributable to the expansion of large-scale industrial agriculture and increasing livestock and forestry activity. This growth of activity is a response to global demand for food, fuel and wood products, among other things. Such traditional activities become even more profitable and attractive in the absence of mechanisms that place value on the forest's ecosystem services—for example, appropriate legislation and economic instruments accompanied by funding for implementation. Wood extraction is one factor behind the loss of forest area, although some parts of the region are beginning to see a transition towards sustainable timber extraction. Meanwhile, between 2000 and 2004, approximately 3.3 million hectares of forest were lost to fire, principally in arid and semi-arid tropical forests. Burning for fertilization continues to be a major factor as well (UNEP/GEO-LAC, forthcoming).

The pending challenges for reaching the target include: (i) adopting measures to internalize the costs of degradation by reducing the profitability of activities that cause it and by encouraging activities that are compatible with the sustainable use of forests; (ii) encouraging sustainable management of native forests by promoting integral exploitation of wood and other forest products, as well as of environmental services; (iii) strengthening prosecution of and sanctions for illegal conduct; (iv) increasing the use of satellite imagery to monitor deforestation and protect biodiversity; (v) developing more profitable alternative industries for local communities, which are often the agents of deforestation; (vi) implementing mechanisms to pay for ecosystem services; and (vii) investing in the capacity to develop knowledge, technology and innovations and apply them to biological resources, with a special focus on biotechnology, bearing in mind the region's enormous genetic resources and its biological wealth more generally.

**(b) CO<sub>2</sub> emissions, total, per capita and per \$1 GDP (PPP): indicator 7.2**

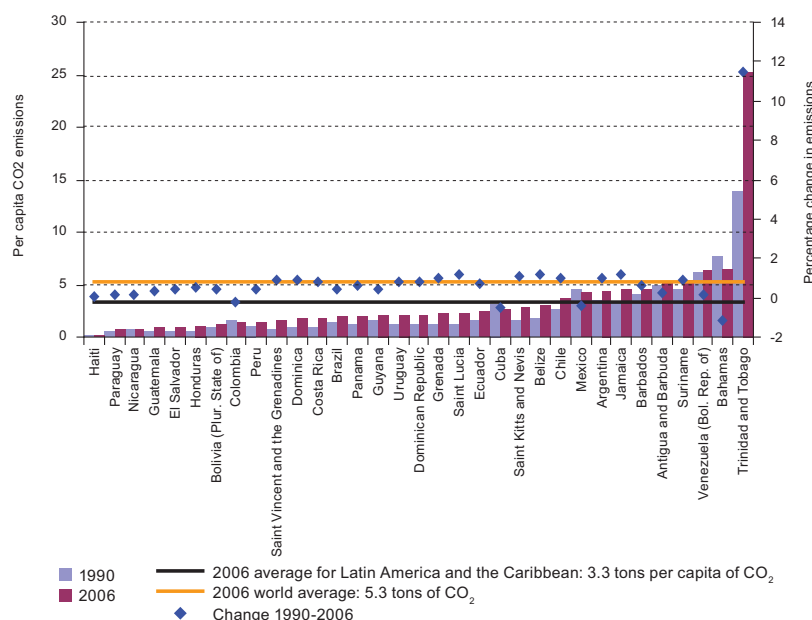
*(i) Conditions and trends*

The total volume of CO<sub>2</sub> emissions in Latin America and the Caribbean has increased steadily since 1990. Considering emissions from the burning of fossil fuels and cement production, but disregarding emissions from changes in soil use, the volume of emissions as a proportion of GDP has fallen slightly.

According to projections by ECLAC (United Nations, 2010), the region's CO<sub>2</sub> emissions are highly likely to continue increasing, since its economies' energy decoupling and decarbonization are not yet sufficient to compensate for strong and growing energy demand.

Although there is a great deal of variance between countries (see figure VII.4), the region's per capita CO<sub>2</sub> emissions, averaging between 2.5 and 3.3 metric tons per capita annually between 1990 and 2006, are far below the developed economies' emissions levels.<sup>5</sup>

Figure VII.4  
**LATIN AMERICA AND THE CARIBBEAN (33 COUNTRIES AND TERRITORIES): CO<sub>2</sub> EMISSIONS**  
**(MILLENNIUM DEVELOPMENT GOAL INDICATOR 7.2), 1990 AND 2006**  
(Metric tons of CO<sub>2</sub> and percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>, with CO<sub>2</sub> statistics collected by the Carbon Dioxide Information Analysis Center (CDIAC).

*(ii) Obstacles and challenges*

One of the main challenges confronting the region is to reduce CO<sub>2</sub> emissions from changes of soil use—deforestation in particular—which are directly related with the forest cover indicator. In contrast to other

<sup>5</sup> For example, in 2006 per CO<sub>2</sub> emissions in the Group of Eight (G8) countries were: Germany, 10.7; Canada: 17.2; United States, 19.7; France, 6.7; Italy, 8.3; Japan, 10; United Kingdom, 9.2 and Russian Federation, 11 (see United Nations Statistics Division, official website of the Inter-agency *Expert Group on Millennium Development Goal Indicators*, online database (<http://mdgs.un.org>)).

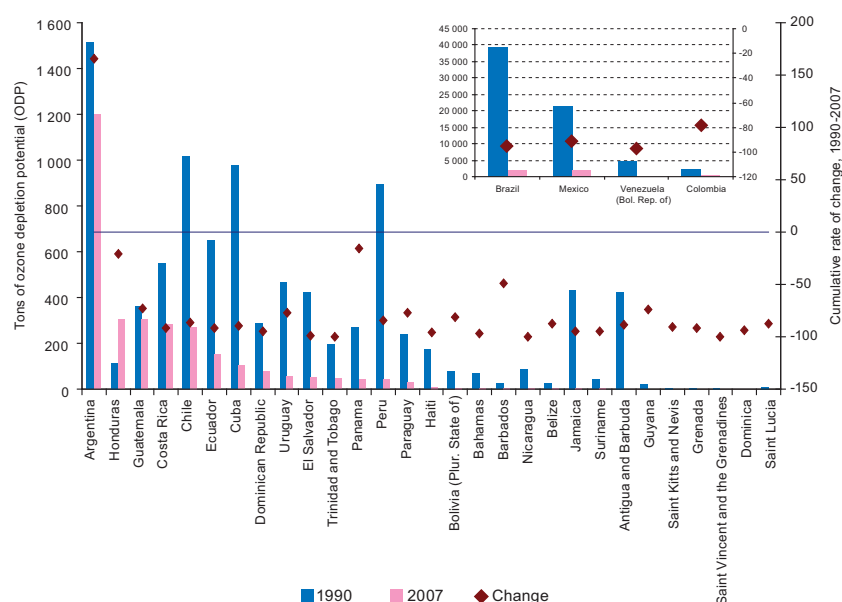
developing regions, net emissions due to changes in soil use and forestry are positive in Latin America and the Caribbean. In the other regions, the effect of carbon sinks exceeds the effect of emissions. The Amazon is critical in this process, because while it is a major carbon reserve, its role as a sink is in jeopardy from the fact that, as an ecosystem, it is at the equilibrium point in terms of biomass growth and loss, which means that its capacity to sequester additional carbon is limited. Beyond its contribution to emissions and its potential for mitigation, the Amazon jungle plays a fundamental role in the region's climate. Furthermore, the region has one third of the world's forest biomass and two thirds of its tropical forest biomass. Thus, it has great potential to contribute to global efforts to mitigate climate change through the CO<sub>2</sub> retention services available in its forests.

**(c) Consumption of ozone-depleting substances: indicator 7.3**

*(i) Conditions and trends*

The region has shown a great deal of commitment to protecting the ozone layer. Between 1990 and 2007, its consumption of substances that deplete the ozone layer fell nearly 90%, from 74,652 tons to 7,445 tons. Figure VII.5 shows the change by country over this period.

Figure VII.5  
**LATIN AMERICA AND THE CARIBBEAN (29 COUNTRIES AND TERRITORIES): CHANGE IN CONSUMPTION OF OZONE-DEPLETING SUBSTANCES (MILLENNIUM DEVELOPMENT GOAL INDICATOR 7.3), 1990-2007**  
(Tons of ozone depletion potential (ODP) and percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database, with data from the Ozone Secretariat of the United Nations Environment Programme (UNEP) [online] [http://www.unep.ch/ozone/Data\\_Reporting/index.shtml](http://www.unep.ch/ozone/Data_Reporting/index.shtml).

*(ii) Obstacles and challenges*

The good results achieved to date call for maintained effort, not for letting up. The production and consumption of substances damaging to the ozone layer need to be curtailed. Substances such as hydrofluorocarbons (HFCs) have less drastic effects on the ozone layer, but do contribute to global warming. This is why the countries



decided to accelerate the calendar for eliminating them—which will also help reduce greenhouse gas (GHG) emissions. Such results are known to be to a large extent a function of the international replacement of substances that deplete the ozone layer by substances whose use and production is economically and technically viable. The challenge is thus to consolidate the indicated reduction and promote the safe storage or destruction, or both, of substances such as chlorofluorocarbons (CFCs).

**(d) Proportion of fish stocks within safe biological limits: indicator 7.4**

*(i) Conditions and trends*

There are no adequate statistics for indicator 7.4. However, the growth of fishing and industrial aquaculture, habitat changes and increasing pollution exert heavy pressure on hydrobiological resources. This is reflected in the reduction of some commercially important fish populations. In response to this situation, sustainable management practices have been incorporated in the management of some species, though the results of such efforts are not yet clear.

*(ii) Obstacles and challenges*

The combination of intensive fishing with other environmental factors could accelerate the exhaustion of some fisheries. In this context, the increase of certain climatic phenomena and climatic instability will doubtless have important effects on the region's fisheries. One possible effect is the displacement of fish populations to colder areas, which could increase their availability there, while making them scarcer in traditional fishing grounds.

As mentioned above, although the management of some species has incorporated sustainable management practices, this is a recent development, and findings regarding its success are not yet entirely valid or consistent.

Pending challenges in this area include: (i) moving forward with the creation and availability of reliable, pertinent and up-to-date information; (ii) developing appropriate resource management instruments; (iii) formulating plans to restore jeopardized fisheries resources through repopulation programmes or periods of prohibition on capture, or both; (iv) encouraging good practices in fishing and aquaculture by designing national policies and strategies for sustainable development in both activities; (v) taking a conservative approach to assessing the local environment's capacity to support more aquaculture, and instituting environmental quality standards; and (vi) increasing the per-unit profitability of fishing.

**(e) Proportion of total water resources used: indicator 7.5**

*(i) Conditions and trends*

In the aggregate, the region has abundant water resources. Although it represents but 15% of the world's territory and 8.4% of its population, it receives 29% of the globe's precipitation and has one third of the world's renewable water resources (WWAP, 2009). Despite this relative abundance, there are major problems with the quality of water available at different times and places. These problems will intensify under the current climate change scenario.

Indicator 7.5 reflects the relationship between water extraction and availability, showing the volume available in each country in relation to how much is used. Estimated coefficients of water use (freshwater extraction) indicate that South and Central America as a whole consume roughly 1% of their water resources. In the Caribbean, the coefficient is around 14%, which is attributable primarily to consumption in Cuba and the Dominican Republic. The world average is 9% (see table VII.3).

Table VII.3  
**FRESHWATER EXTRACTION BY REGION AND ECONOMIC SECTOR, 1998-CIRCA 2002**  
*(Cubic kilometres and percentages)*

Continent/region	DRWR <sup>a</sup> km <sup>3</sup>	Volume used km <sup>3</sup>	Extraction by sector						Extraction (percentage DRWR) <sup>a</sup>
			Domestic km <sup>3</sup>	Percentages	Industrial km <sup>3</sup>	Percentages	Agricultural km <sup>3</sup>	Percentages	
World	43 659	3 813	380	10	781	20	2652	70	9
Africa	3 936	213	21	10	9	4	182	86	5
Asia	11 594	2 357	172	7	249	11	1936	82	20
Latin America <sup>b</sup>	13 477	165	32	19	21	13	112	68	1
The Caribbean <sup>c</sup>	93	13	3	23	1	9	9	68	14
North America	6 253	526	70	13	253	48	203	39	8
Oceania	1 703	26	5	18	3	10	19	72	2
Europe	6 603	340	59	17	177	52	104	30	5

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Food and Agriculture Organization of the United Nations (FAO), Information System on Water and Agriculture (AQUASTAT) [online] <http://www.fao.org/nr/water/aquastat/main/index.stm>

<sup>a</sup> DRWR: Domestic renewable water resources.

<sup>b</sup> Includes Argentina, Belize, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Plurinational State of Bolivia, Malvinas Islands (Falkland Islands), French Guyana, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Bolivarian Republic of Venezuela, Suriname and Uruguay.

<sup>c</sup> Includes Anguilla, Antigua and Barbuda, Netherlands Antilles, Aruba, Bahamas, Barbados, Cuba, Dominica, Grenada, Guadalupe, Haiti, Cayman Islands, Turks and Caicos Islands, United States Virgin Islands, British Virgin Islands, Jamaica, Martinique, Montserrat, Puerto Rico, Dominican Republic, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Saint Lucia and Trinidad and Tobago.

## (ii) *Obstacles and challenges*

The Latin America and Caribbean region is among the world's best supplied with water. However, the water is distributed very unevenly, and is subject to many pressures, including increasing contamination; degradation of hydrological capture basins and exhaustion or unsustainable use of aquifers as a result of demographic growth; socioeconomic development, and growing human interference in the hydrological cycle. Effective management of water resources has become more important with growing human impact, and in the light of the effects that climate change is likely to have on the distribution and intensity of precipitation, sea levels, changes in temperature patterns and consequences for glaciers.

One important challenge for water planning and management is how to meet demand in spite of spatial and temporal variations in supply. Geographically speaking, human settlements and water-intensive economic activities are often located in areas where water quantity and quality are insufficient. Even in areas of abundance, the lack or deficiency of the infrastructure necessary to facilitate use of the water is a serious problem. From the temporal point of view, variability entails problems such as cycles of drought and flood, which will increase with climate change.

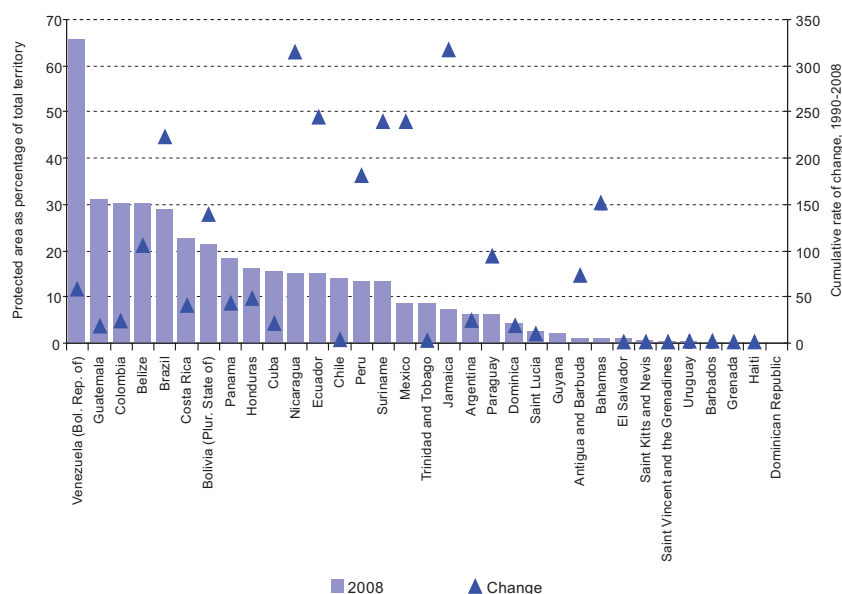
The shrinking of glaciers and the reduction of available water resources represent a major concern for the Andean countries. The Andes contain 90% of the world's glaciers, which produce 10% of the planet's water. The high Andean and glacier ecosystems mostly drain into the Amazon. A change in these flows will naturally have considerable effects on the region's water sources, hydroelectric power and agriculture, as well as the conservation of natural ecosystems—in the Amazon in particular. For example, in the last 30 to 35 years, the total area covered by Peru's Andean glaciers declined by 22%, and the area of the smaller glaciers by up to 80%, reducing available freshwater in the coastal areas, where 60% of Peru's population lives, by 12%. The possible bonanza that some glacial basins will receive in the coming years as a result of deglaciation, as well as the imminent shortage of water in dry or trough periods after hydrological peaks, requires planning today (Andean Community, 2008).

(f) **Proportion of terrestrial and marine areas protected: indicator 7.6**

(i) *Conditions and trends*

Between 1990 and 2008, the region's protected land and marine areas have increased (see figure VII.6). However, ensuring their effectiveness requires meeting a number of management challenges and addressing issues involving certain resources. Even combined with other strategies to contain the loss of biodiversity (such as plantations and community forest management, payment for environmental services, land-use regulations and certification), protected areas have not sufficed to halt the region's loss of biodiversity. Among other economic activities, large-scale agriculture creates heavy pressure on natural habitat. Moreover, the region's protected areas have been shown to suffer from important deficiencies of representativeness and connectivity.

Figure VII.6  
**LATIN AMERICA AND THE CARIBBEAN (33 COUNTRIES AND TERRITORIES): PROPORTION  
 OF TERRESTRIAL AND MARINE AREAS PROTECTED (MILLENNIUM DEVELOPMENT  
 GOAL INDICATOR 7.6), 1990-2008**  
*(Percentages and rate of change)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>, and World Database on Protected Areas (WDPA).

(ii) *Obstacles and challenges*

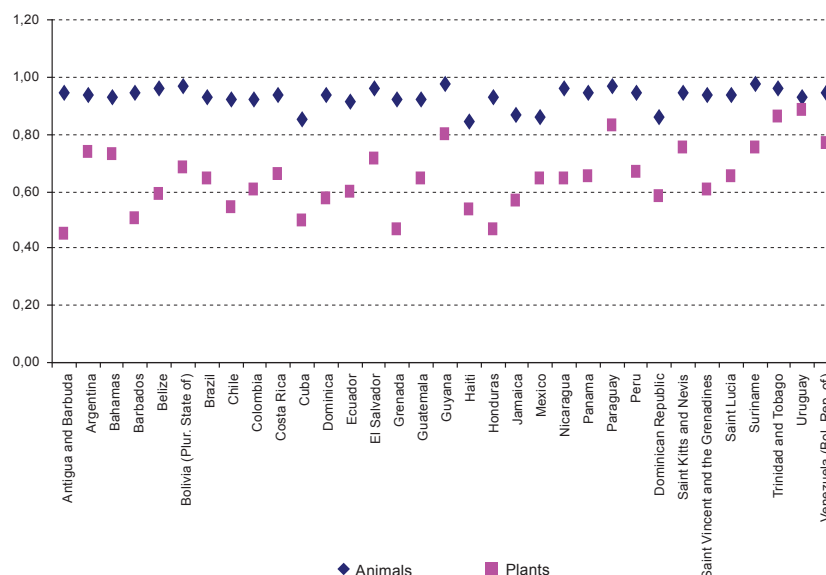
The pressures associated with production, along with the expansion of cities and agricultural frontiers, make it difficult to set aside and maintain protected areas. Within protected areas, it is common to find permanent or temporary settlements as a result of economic problems and inadequate national legal provisions. Thus, one of the region's central challenges is to go beyond simply increasing the amount of area protected, and to manage protected areas effectively. This requires strategic planning that takes account of the areas' diverse characteristics and potentials. Financial resources are also necessary.

(g) **Proportion of species threatened with extinction: Indicator 7.7**

(i) *Conditions and trends*

Since this indicator was recently added, information on endangered species is still unreliable, and it is impossible to establish historical trends by examining comparable harmonized statistics. However, a good number of the latest assessments and studies suggest that the region's immense biodiversity is being eroded or seriously threatened by human activity at all levels and throughout almost the entire territory. Five of the 20 countries with the greatest number of endangered animal species, as well as 7 of the 20 with the greatest number of endangered plant species, are in Latin America and the Caribbean. Figure VII.7 shows the proportion of animal and plant species endangered in the countries of Latin America.

Figure VII.7  
**LATIN AMERICA AND THE CARIBBEAN (33 COUNTRIES AND TERRITORIES):  
 PROPORTION OF SPECIES THREATENED WITH EXTINCTION  
 (MILLENNIUM DEVELOPMENT GOAL INDICATOR 7.7), 2008**  
*(Red List Index<sup>a</sup>)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Union for Conservation of Nature and Natural Resources (IUCN), "The IUCN Red List of Threatened Species" [online] <http://www.iucnredlist.org/>.

<sup>a</sup> The index associated with the Red List of Threatened Species of the International Union for Conservation of Nature (IUCN) ranges from 1 (indicating that the danger of the extinction of all the species is considered to be a "minor concern") and 0 (where all the species are classified as extinct).

(ii) *Obstacles and challenges*

The pending challenges include: (i) moving forward with generating and making available reliable, relevant and up-to-date information (allocating the necessary budgetary funds); (ii) improving controls (monitoring and response) on improper practices, including legal sanctions; and (iii) advancing in the sustainable management of wild plant and animal life.

**(h) Supplementary information on the sustainability of the natural environment**

*(i) Land and soil degradation in Latin America and the Caribbean*

Although land degradation is not among the official Millennium Development Goal 7 indicators, it is a significant environmental problem in the region. It consists of loss of productive capacity in the soil, and affects human activity and certain ecological functions, as well as compromising the future potential of ecosystems to supply goods and services.

According to Global Environmental Outlook (UNEP, 2007), 15.7% of the territory in Latin America and the Caribbean shows some degree of degradation. The problem is particularly serious in Mesoamerica, where it affects 26% of the territory, while the corresponding proportion is 14% in South America. According to data from the Global Land Degradation Assessment (GLADA) of the Global Environment Fund (GEF), UNEP and FAO, Guatemala is the country in Latin America and the Caribbean with the greatest amount of degraded land as a proportion of its total national territory (51.3%), followed by Uruguay (49.6%), Guyana (43.4%) and Haiti (42.6%) (Bai and others, 2008).

The process of degradation in arid, semi-arid and sub-humid zones is a result of erosion caused by deforestation and excessive grazing, over-exploitation of the soil, failure to rotate crops, monoculture and improper practices of intensive irrigation. There are desert or arid areas in one fourth of the region (UNEP/GEO-LAC, forthcoming). It is clear that these pressures have intensified in recent times with climate change.

Desertification is an extreme form of soil degradation, affecting arid, semi-arid and sub-humid areas as a result of climate and human activity. Studies by the Global Mechanism of the United Nations Convention to Combat Desertification on Chile and Mexico concluded that the costs of desertification range between 3% and 7% of gross agricultural output (ECLAC, 2008).

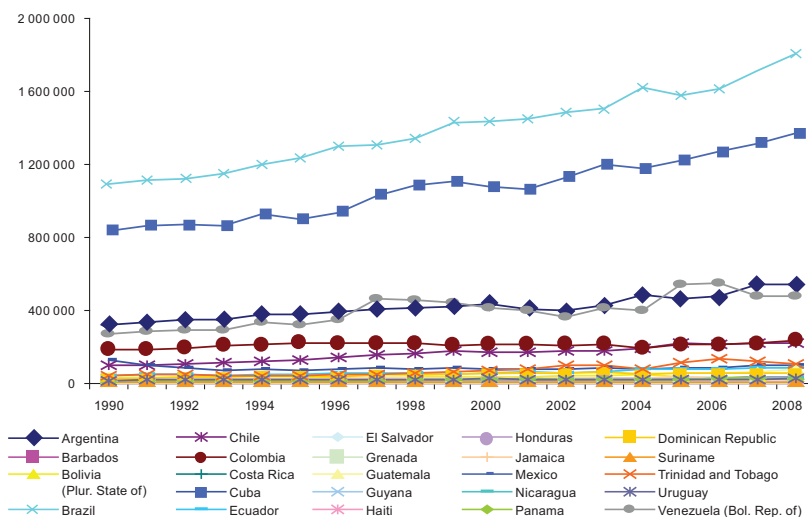
*(ii) Energy supply, intensity and renewability in the region*

Energy production and consumption in Latin America and the Caribbean as a whole are on the rise, although at different paces in the different countries (see figures VII.8 and VII.9). This is a function of energy needs related with current patterns of production, distribution, consumption and demographic change. If these factors remain in place, the future will be one of gradual but continuous increase in energy production and demand.

As figure VII.10 shows, the energy intensiveness of GDP diminished slightly in the region as a whole in the 1990-2007 period. In other words, GDP has grown faster than energy consumption.

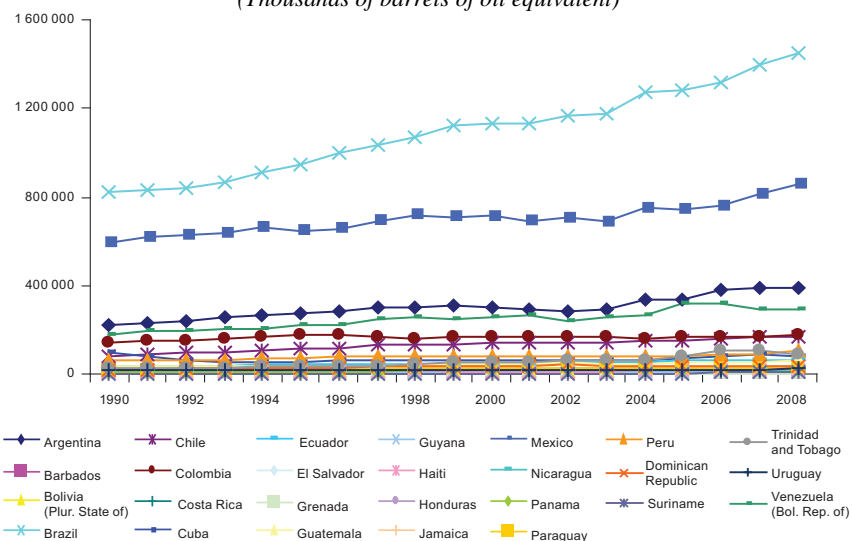
Two advances in the energy sector could help reduce the region's CO<sub>2</sub> emissions and improve the sustainability of energy production: an increase in renewable sources, and implementation of energy efficiency measures. Currently, roughly 23% of the region's energy is renewable.

Figure VII.8  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES):  
 TOTAL ENERGY SUPPLY, 1990-2008**  
*(Thousands of barrels of oil equivalent)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of Latin American Energy Organization (OLADE), Energy-Economic Information System (SIEE).

Figure VII.9  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES):  
 TOTAL ENERGY CONSUMPTION,  
 1990-2008**  
*(Thousands of barrels of oil equivalent)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of Latin American Energy Organization (OLADE), Energy-Economic Information System (SIEE).

Figure VII.10  
**LATIN AMERICA AND THE CARIBBEAN: ENERGY INTENSIVENESS OF GDP, 1990-2008<sup>a</sup>**  
*(Thousands of barrels of oil equivalent per million dollars of GDP,  
 constant 2000 prices )*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of Economic Indicators and Statistics Database (BADECON), and Latin American Energy Organization (OLADE).

<sup>a</sup> Energy consumption in relation to GDP.

### 3. The sustainability of the human environment: targets 7.C and 7.D

Targets 7.C and 7.D are of direct importance to human health and the quality of life, above all for the poor. The importance of both of these dimensions has been endorsed by the fact that water, sanitation and housing have been established as human rights.

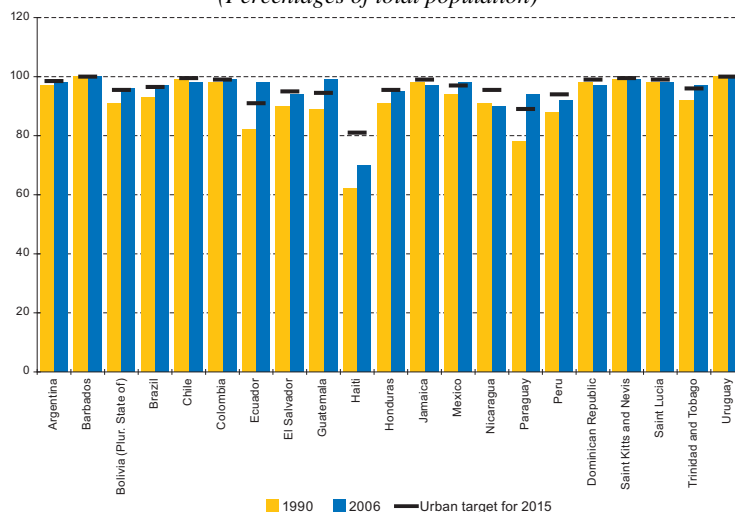
#### (a) **Proportion of population using improved drinking water sources and sanitation facilities: indicators 7.8 y 7.9**

##### (i) *Conditions and trends*

Although the situation continues to be quite diverse, the region has advanced significantly in expanding drinking water and sanitation. Regionally, most of the urban population enjoys access to improved drinking water sources, and the sanitation target is within close reach. The situation in the aggregate is generally better for drinking water than for sanitation, and the coverage of both these types of service is better in urban areas than in rural areas (see figures VII.11, VII.12, VII.13 and VII.14). Both between countries and within countries and cities, however, there are substantial disparities, reflecting the region's high levels of income inequality. As far as drinking water is concerned, coverage, quality and disinfection need improvement, and problems of interruption in supply and loss of water need to be addressed.<sup>6</sup> The situation is similar for sanitation. The weak points are coverage and quality of service, as well as the treatment of urban wastewater, which is a major cause of serious contamination in many of the region's countries (see boxes VII.2 and VII.3).

<sup>6</sup> It should be noted that, among other things, the availability and healthiness – absence of microorganisms or health-endangering chemicals or radioactivity – as well as the physical and economic accessibility of water are necessary for the exercise of the right to water as established in the International Covenant on Economic, Social and Cultural Rights (Committee on Economic, Social and Cultural Rights, 2002).

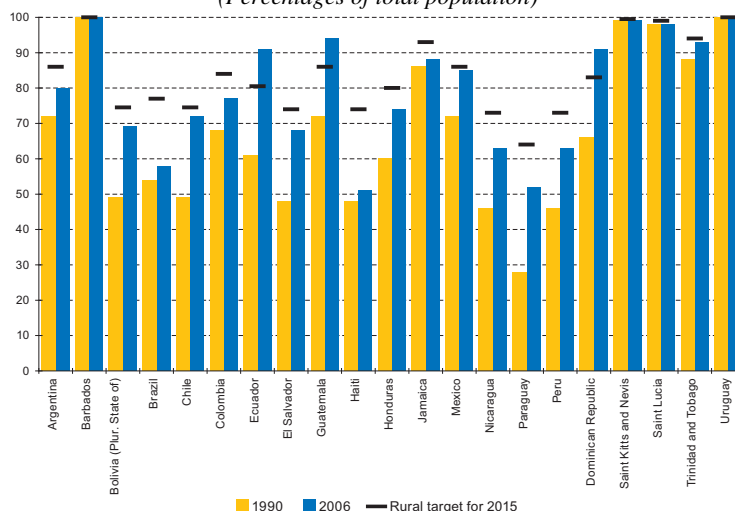
Figure VII.11  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): URBAN POPULATION  
 USING IMPROVED DRINKING WATER SOURCES (MILLENNIUM DEVELOPMENT  
 GOAL INDICATOR 7.8), 1990 AND 2006 <sup>a</sup>**  
*(Percentages of total population)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>, with data from the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF).

<sup>a</sup> Given lack of available data on 1990 for Costa Rica and Guyana, and on 2006 for the Bolivarian Republic of Venezuela, the figures for these countries could not be calculated.

Figure VII.12  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): RURAL POPULATION  
 USING IMPROVED DRINKING WATER SOURCES (MILLENNIUM DEVELOPMENT  
 GOAL INDICATOR 7.8), 1990 AND 2006 <sup>a</sup>**  
*(Percentages of total population)*

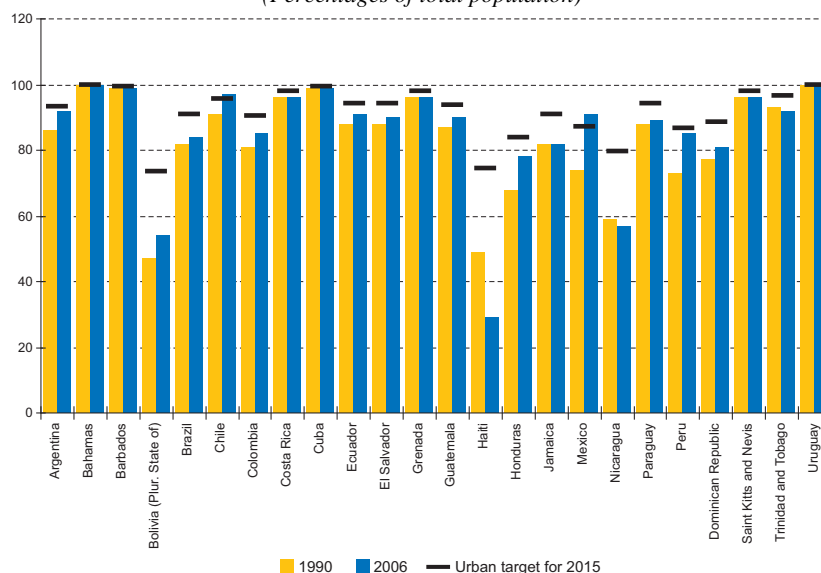


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

<sup>a</sup> Given lack of available data on 1990 for Cuba, Dominica, Grenada, Guyana and Panama, and on 2006 for the Bolivarian Republic of Venezuela, the figures for these countries could not be calculated.



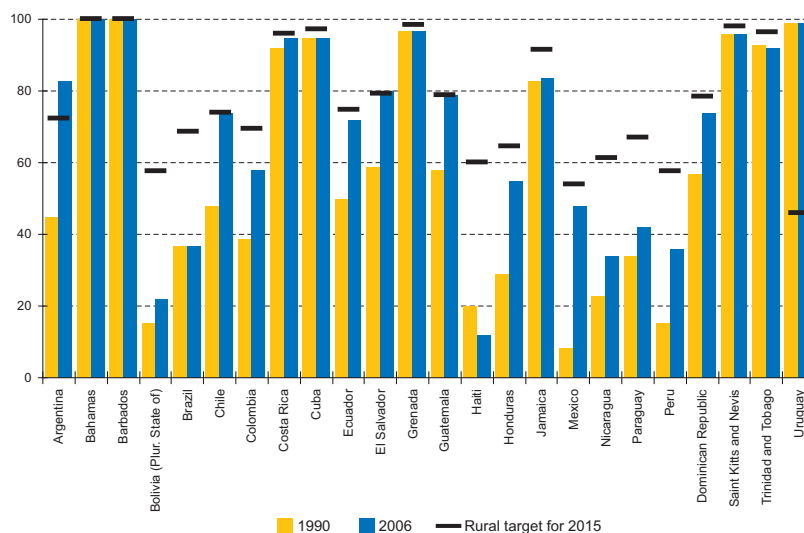
Figure VII.13  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): URBAN POPULATION USING IMPROVED SANITATION FACILITIES (MILLENNIUM DEVELOPMENT GOAL INDICATOR 7.9)<sup>a</sup>**  
*(Percentages of total population)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

<sup>a</sup> Given lack of data on Belize, Dominica, Guyana, Panama, the Bolivarian Republic of Venezuela, Saint Vincent and the Grenadines and Saint Lucia, the figures for these countries could not be calculated.

Figure VII.14  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): RURAL POPULATION USING IMPROVED SANITATION FACILITIES (MILLENNIUM DEVELOPMENT GOAL INDICATOR 7.9)<sup>a</sup>**  
*(Percentages of total population)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

<sup>a</sup> Given lack of data on Antigua and Barbuda, Belize, Dominica, Guyana, Panama, the Bolivarian Republic of Venezuela, Saint Lucia and Suriname, the figures for these countries could not be calculated.

## Box VII.2

**THE RIGHT TO WATER AND SANITATION**

Water was first declared a human right by States in the 1977 Mar del Plata Action Plan, which stipulates that all peoples have the right to have access to drinking water in quantities and of a quality to meet their basic needs. More recently, in 2001, the member States of the Council of Europe, in their European Charter on Water Resources, declared water a human right, while developing countries supported the right to water at the former Commission on Human Rights. Some countries have included the right in their laws and constitutions.

In 2002, the Committee on Economic, Social and Cultural Rights adopted General Comment No. 15 on the right to water. It has received the support of numerous States, United Nations agencies and the World Bank. It states that the right to water entitles everyone to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses. The United Nations Development Programme (UNDP) has affirmed these as the five core attributes for water security. The standard sets out State obligations, such as the duty to ensure non-discrimination, pay particular attention to the rights of women and disadvantaged groups, take steps to realize the right, and adopt implementation and accountability measures.

With regard to sanitation, the general comment recognizes the duty to provide it in order to ensure adequate water quality. Others view sanitation as an independent and emerging right. The Office of the United Nations High Commissioner for Human Rights (UNHCHR) recently urged States to consider it a human right.

**Source:** Office of the High Commissioner for Human Rights (OHCHR), *Claiming the Millennium Development Goals: A Human Rights Approach* [online] [http://www.ohchr.org/Documents/Publications/Claiming\\_MDGs\\_en.pdf](http://www.ohchr.org/Documents/Publications/Claiming_MDGs_en.pdf).

## Box VII.3

**PROGRESS WITH WATER AND SANITATION ACCESS IN COSTA RICA**

Costa Rica has made considerable progress in increasing access to water and improving sanitation. The results obtained make Costa Rica one of the most advanced countries in the Latin America and Caribbean region. Thanks to these efforts, Costa Rica will be in a position to meet the seventh Millennium Development Goal target of halving by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation.

According to the Constitutional Chamber of the Supreme Court of Justice, access to safe drinking water constitutes an inalienable human right that may be enforced in national courts. Under the country's legislation, the use of water for human consumption prevails over any other use, especially in times of water scarcity.

Costa Rica has made significant efforts to improve the quality of water for human consumption. They include the adoption of the national programme for potable water improvement and quality sustainability of potable water services for the period 2007-2015 and the creation, in 2002, of the Seal of Quality Public Health Programme, awarded by the National Water Laboratory as an incentive for water providers to improve the quality of water they supply.

**Source:** United Nations, *Promotion and Protection of all Human Rights, Civil, Political, Economic, Social and Cultural Rights, Including the Right to Development. Report of the independent expert on the issue of human rights obligations related to access to safe drinking water and sanitation, Catarina de Albuquerque (A/HRC/12/24/Add.1)*, 23 June 2009.

*(ii) Obstacles and challenges*

It is important to note that the data presented do not measure quality problems with the services provided. The assessment of improved drinking water sources does go beyond plumbing to houses, yards and land parcels, including other forms of supply that do not necessarily represent uniform quality of service (public hydrants or sources, wells, protected sources and rainwater collection devices). Thus, the water reaching a great number of people is not in fact potable, and the supply is irregular.

There have been significant advances in the last decade, then, but treatment of urban wastewater remains a pending challenge in much of the region. In the meantime, surface water, seawater and coastal areas, as well as groundwater, are being contaminated. In most of the cities, wastewater is discharged into rivers and seas untreated, or with minimal treatment.

The region has had both good and bad experiences with services provided by public operators as well as private-sector firms. Success and failure have not been a function of ownership regime, but of regulatory and institutional frameworks, financial systems and surrounding structural conditions —macroeconomic and social conditions, corruption, and other factors. In this context, progress in supplying potable water and sanitation depends on the priority

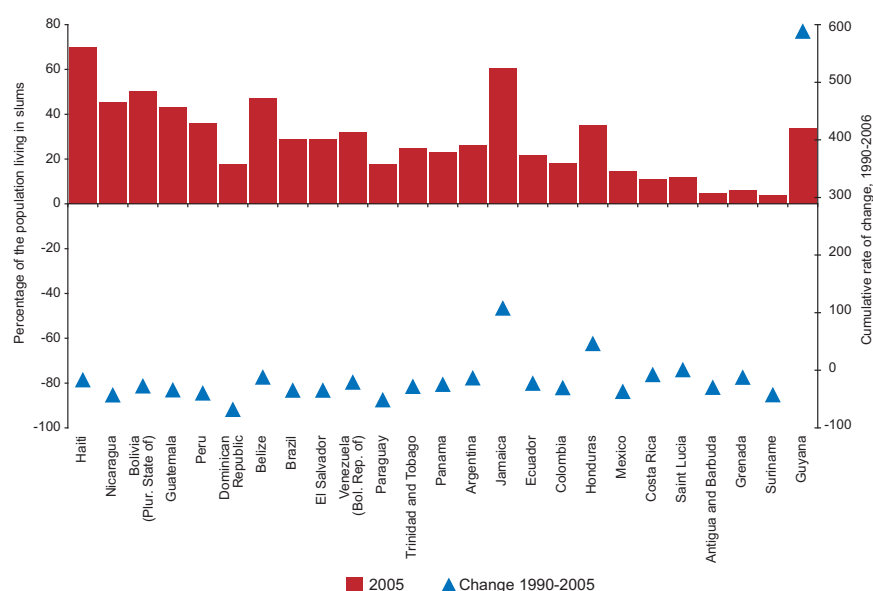
that governments place on it, especially in terms of budget allocations, creation of solid institutions with long-range vision, and improvement of regulation and funding for services, particularly where poor populations are concerned.

**(b) Proportion of urban population living in slums: indicator 7.10**

*(i) Conditions and trends*

Between 1990 and 2005, the number of the region's inhabitants living in slums declined by nearly 5 million. Although this is a significant reduction in the proportion of the urban population living in marginal areas—from 37% (110 million people) in 1990 to 25% (106 million) in 2005, faster progress is clearly needed (see figure VII.15). Given that the 2020 target for Latin America and the Caribbean implies a reduction of approximately 13.8 in this population by that time, if performance proceeds during the 2005-2020 period as it has so far, the target will not be reached. However, the problem is more complex than the speed with which the target is approached. The changes in the number of people living in slums have not been linear progressions and are heavily dependent on cycles of economic growth and recession. It is impossible to say that a dynamic has been established leading to progressive reduction of marginal residential areas, or to improving their inhabitants' living conditions. Concretely, 100 million people are still living in unacceptable conditions in Latin America and the Caribbean (see box VII.4).

Figure VII.15  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): PROPORTION OF  
 URBAN POPULATION LIVING IN SLUMS (MILLENNIUM DEVELOPMENT GOAL  
 INDICATOR 7.10), 1990-2005<sup>a</sup>**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

<sup>a</sup> Data not available for Bahamas, Barbados, Chile, Cuba, Dominica, Saint Vincent and the Grenadines, Saint Kitts and Nevis and Uruguay.

Box VII.4  
**THE RIGHT TO HOUSING**

The right to housing is enshrined in the Universal Declaration of Human Rights, whose article 25 (1) states that “everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services”.

The right has subsequently been recognized in many international treaties such as the International Covenant on Economic, Social and Cultural Rights, the Convention on the Rights of the Child and the International Convention on the Elimination of All Forms of Racial Discrimination. The Human Rights Committee, the African Commission on Human and Peoples’ Rights and the European Court of Human Rights have all condemned forced evictions on the basis that they violate various civil rights.

In General Comment No. 4, the Committee on Economic, Social and Cultural Rights outlined the content of the right to housing. Defined as a place to live in peace, security and dignity, housing must meet specific criteria:

- security of legal tenure
- availability of services, materials, facilities and infrastructure
- affordability
- habitability
- accessibility
- adequate location
- cultural adequacy

Governments are also expected to ensure non-discrimination and the equal rights of men and women to housing. The Committee has particularly focused on security of tenure, stating that it takes a variety of forms, including rental accommodation (public and private), cooperative housing, lease, owner occupation, emergency housing and informal settlements, including occupation of land or property. Regardless of the type, all persons should possess a degree of security of tenure which guarantees legal protection against forced eviction, harassment and other threats.

**Source:** Office of the High Commissioner for Human Rights (OHCHR), *Claiming the Millennium Development Goals: A Human Rights Approach* [online] [http://www.ohchr.org/Documents/Publications/Claiming\\_MDGs\\_en.pdf](http://www.ohchr.org/Documents/Publications/Claiming_MDGs_en.pdf).

(ii) *Obstacles and challenges*

Economic growth during the 2000-2005 quinquennium, along with redistributive social policies and housing and urban improvement programmes specifically targeting slum areas (Chile-Barrio, Favela-Barrio, Hábitat-Mexico and others) were key elements in the reduction, which is a contrast with the increase in the slum population that occurred in the 1990s. However, the current economic crisis could curtail the region’s progress towards target 7.D. Hence, the effort required for Latin American and Caribbean government to reach the target in the next 10 years must be such as to yield three times the results of the past period examined here.

In general terms, it is important to consider three approaches in designing initiatives to reduce the number of people living in slums: (i) preventing the formation of marginal housing areas through timely urban land-use planning and by making rural areas liveable (providing basic services, jobs, housing, and so forth); (ii) changing conditions in existing slum areas, and (iii) improving living conditions in the rural environment to discourage further migration to the cities, which saturates basic services and triggers the emergence of new precarious settlements in areas where they have not been present.

Improving the quality of life of slum inhabitants requires poverty reduction strategy that deals comprehensively with housing, job and income needs, as well as basic services and infrastructure, public spaces, land-use policies and secure land tenure. Simply correcting past errors, resisting migration, preventing urban growth and assuming that precarious settlements will disappear automatically with economic growth are not effective strategies.

(c) **Supplementary information on the sustainability of the human environment**

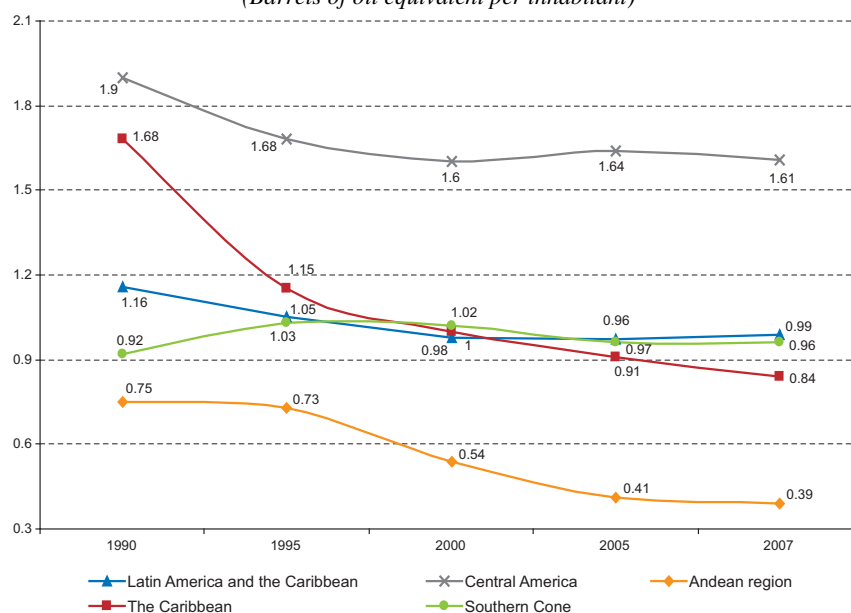
(i) *Air pollution*

Air pollution is responsible annually for an estimated 2.3 million cases of chronic respiratory disease in children, approximately 105,000 cases of chronic bronchitis in older people and some 65 million lost work days. Exposure to the types and concentrations of contaminants usually found in urban areas has been associated with increased mortality and morbidity from health conditions such as respiratory and cardiovascular disease. Also, exposure to atmospheric contaminants during pregnancy adversely affects foetal growth (UNEP, 2003).

Most contaminants found in the air as gas, dust or particulates are the result of human activities: transportation, energy generation, industry, food preparation and residential heating.

In rural areas, contaminants are generated primarily by household burning of biomass (PAHO, 2007) for cooking and heating, generally in the form of solid fuels (biomass) such as wood, harvest residues or other plant carbon, as well as dung and charcoal. The use of these fuels increases risk of respiratory illness, especially in women and children. The region's per capita consumption of biomass is relatively stable, with slight downward trends in the Caribbean, Central America and Andean region, and an increase in the Southern Cone (see figure VII.16).

Figure VII.16  
**LATIN AMERICA AND THE CARIBBEAN: PER CAPITA ENERGY CONSUMPTION, BY REGION, 1990-2007**  
(Barrels of oil equivalent per inhabitant)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Latin American Energy Organization (OLADE), Energy-Economic Information System (SIEE).

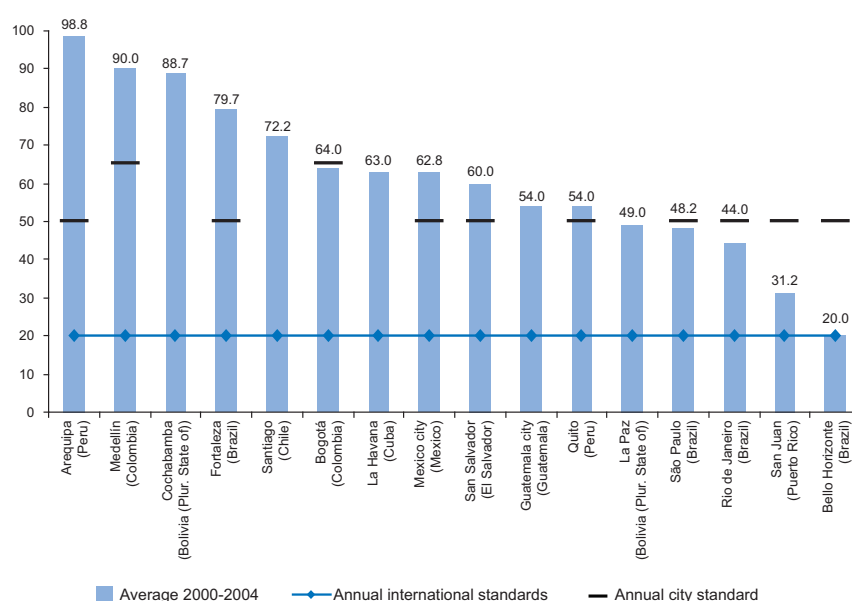
In urban areas, air pollution is associated with the use of fossil fuels<sup>7</sup> for transportation, energy generation and industry (PAHO, 2007). The principal source of air pollution in the region's cities is transportation, especially private transportation. In this respect, it is not only the number of vehicles that are decisive, but the age of the

<sup>7</sup> The main contaminants generated by the burning of fossil fuels are particulates and gases, including nitrogen oxides, sulphur oxides, carbon monoxide and ozone.

vehicle fleet, its state of maintenance —generally poor in the region— emissions control technology and fuel quality. The most used fuel in the transportation sector is diesel, which has high levels of sulphur and generates particulates and gas pollutants that affect morbidity and mortality among chronic cardiac and respiratory patients.<sup>8</sup>

The growth of urban areas and the consequent increase in energy consumption and motor vehicle use have led to concentrations of coarse particles (PM10) that exceed air quality standards in many of the region's cities (see figure VII.17).<sup>9</sup>

Figure VII.17  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED CITIES): AVERAGE ANNUAL CONCENTRATION OF PM10 IN RELATION TO NATIONAL AND INTERNATIONAL STANDARDS, 2000-2004**  
(Micrograms per cubic metre ( $\mu\text{g}/\text{m}^3$ ))



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of Pan American Health Organization (PAHO), *An Assessment of Health Effects of Ambient Air Pollution in Latin America and the Caribbean*, Washington, D.C., 2005.

(ii) *Sustainability and eco-efficiency in cities*

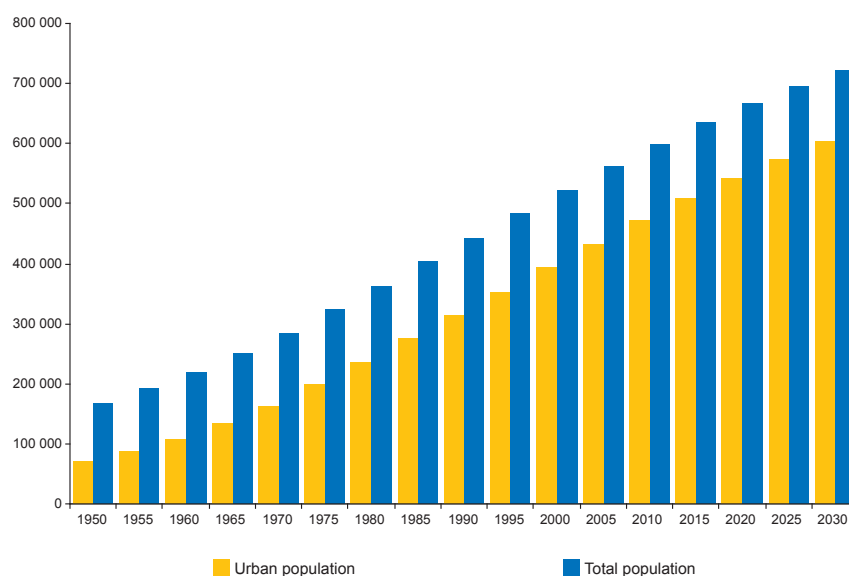
Policies to reduce the number of people living in slums and improve their quality of life are a part of the larger challenge of ensuring the sustainability of Latin American and Caribbean cities. Currently, 75% of the region's population lives in urban areas, and the urban population is expected to number 526 million by 2020, which would be 80.4% of the population projected for that time (see figure VII.18). Urban migration and the natural growth of cities are major factors in this connection, although climate change could lead to a greater increase than expected. In this scenario, the region's urban sustainability faces challenges that go beyond slums and deficiencies of basic services directly affecting poor populations, such as access to health and education services. The challenges include:

<sup>8</sup> One initiative that could help prevent and mitigate the problems associated with the region's use of fossil fuels is the Inter-Governmental Network on Air Pollution in Latin America and the Caribbean, which was created in March of 2009. Its main objectives are to share techniques, promote the development of capacities and identify the best options for reducing air pollution, including improving fuel quality by reducing the sulphur content of petroleum-based fuels.

<sup>9</sup> PM10 consists of solid and liquid particles with diameters not exceeding 10 micrometers (one thousandth of a meter) dispersed in the atmosphere, including dust, ash, soot, metal fragments, cement and pollen particles.

- Urban transportation. Mass transport continues to be inefficient and insufficient. This translates into a high cost of mobility for the poor, and has led to large and growing fleets of private vehicles that make movement within cities difficult.
- Solid waste. Solid waste management in the region's large cities is inadequate and unacceptable. The direct and indirect social and environmental costs of this are significant and affect marginal areas disproportionately.
- Green areas. Most Latin American and Caribbean cities have at least the minimum amount of green area per capita recommended by the World Health Organization (WHO), which is 9 m<sup>2</sup> per inhabitant, as well as urban designs that include accessible green areas within a 15 minute walk of residences. Green areas are distributed within the cities in a way that is clearly inequitable, however.

Figure VII.18  
**LATIN AMERICA AND THE CARIBBEAN: URBAN POPULATION BY FIVE-YEAR INTERVALS, 1950-2030**  
*(Thousands of persons)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of data from the Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC.

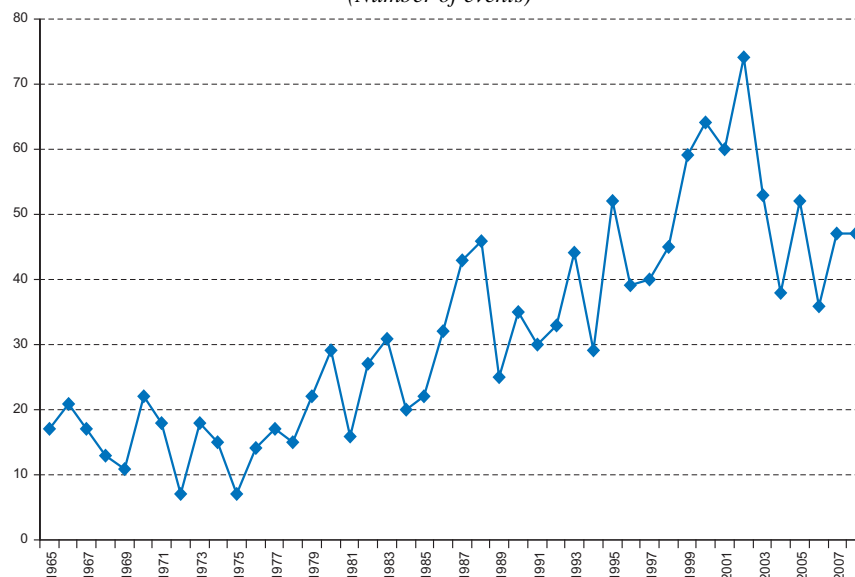
(iii) *Extreme events and disasters due to natural phenomena*

The incidence and intensity of extreme events and disasters due to natural causes have increased as a result of climate change. This is why proactive measures to address disasters must include risk management and reduction. In other words, prevention should be stressed above reaction and response. Financial considerations, including insurance and investment instruments, should be an important element of risk reduction strategy. According to available evidence, the risks are increasing and intensifying, and are becoming progressively global as well as severe (see figure VII.19). Extreme events underline the vulnerability of human systems.

Changes in patterns of extreme climate events are of special concern in the Caribbean, where disasters of meteorological origin, such as floods, droughts and tropical cyclones, affected more individuals than in any other part of the world between 1950 and 2007.<sup>10</sup> In the last three decades, the Caribbean region has suffered direct and indirect losses between roughly US\$ 700 million and US\$ 3.3 billion from natural disasters (IDB, 2002).

<sup>10</sup> See Centre for Research on the Epidemiology of Disasters (CRED), Emergency Events Database (EM-DATA) [online].

Figure VII.19  
**LATIN AMERICA AND THE CARIBBEAN: OCCURRENCE OF EXTREME EVENTS  
 AND DISASTERS OF METEOROLOGICAL ORIGIN, 1965-2007**  
*(Number of events)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Centre for Research on the Epidemiology of Disasters (CRED), Emergency Events Database (EM-DATA) [online] <http://www.emdat.be/Database/terms.html>.

## D. CLIMATE CHANGE AND THE MILLENNIUM DEVELOPMENT GOALS

### 1. Climate change and the environmental sustainability of development

One fundamental element should be added to the list of major milestones that explain the importance that the concept of sustainable development has acquired in this century and account for its incorporation in the Millennium Development Goals —namely, climate change. The fourth assessment report of the Intergovernmental Panel on Climate Change (IPCC), published in 2007, demonstrates the effects of human action on the environment and its impact on the development and welfare of living beings.<sup>11</sup>

Unlike other environmental problems that are addressed internationally, climate change is due principal to the externalities of fossil fuel use for energy and changes of soil use, both of which play central roles in a broad range of activities driving the planet's economies. Evidence of the economic costs of climate change makes consideration of environmental issues imperative, where criteria of economic efficiency have generally dominated in the past.

Various studies show that the impact of climate change in the region varies between and within countries, since some territories are highly vulnerable to changes in climatic variables, while others may benefit from such changes. In the aggregate, though, the sustainability of the region's development could be seriously impaired if the

<sup>11</sup> The IPCC was created in 1988 by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) as a group open to all members of the United Nations and WMO. The Panel's principal function is "to assess on a comprehensive, objective, open and transparent basis the scientific, technical and socio-economic information relevant to understanding the scientific basis of risk of human-induced climate change, its potential impacts and options for adaptation and mitigation" (see [online] [www.ipcc.ch](http://www.ipcc.ch)). As a part of its functions, the IPCC publishes periodic reports, the first of which appeared in 1990, with subsequent ones published in 1995, 2001 and 2007.



upward trend in average global temperatures continues without a rapid and pronounced flattening. In economic terms, it is estimated that the cost of climate change in Mexico in 2100 will be three times the costs of mitigating 50% of its emissions. In Chile, the annual economic cost of climate change could be as high as 1.1% of GDP by 2100, depending on the hypothetical scenario consulted (ECLAC/Government of Chile, 2009). Table VII.4 shows how the capacity of the region's countries to achieve the Millennium Development Goals could be affected by climate change.

Table VII.4  
EFFECTS OF CLIMATE CHANGE THAT COULD AFFECT REACHING  
THE MILLENNIUM DEVELOPMENT GOALS

Goal	Potential consequences of climate change <sup>a</sup>
<b>Goal 1:</b> Eradicate extreme poverty and hunger	Climate change is projected to affect the ways of life of the poorest, especially as regards health, water access, housing and infrastructure. Changes are projected in the type and rate of economic growth as a result of changes in natural systems, infrastructure, patterns of commercial specialization and labour productivity. Changes in food security are expected as a result of changes in the productivity of cultivated species. Social tensions are predicted around resource use that could effect income-generation opportunities and thus trigger migrations.
<b>Goal 2:</b> Achieve universal primary education	Changes in ways of life (social, natural, physical, human and financial capital) could reduce opportunities for full-time education. Natural disasters and drought reduce the time available for the education of children, since they displace populations and cause migration. Malnutrition and illness reduce school attendance and children's ability to learn in class.
<b>Goal 3:</b> Promote gender equality and empower women	Climate change is expected to exacerbate current gender inequalities. The reduction of natural resources and agricultural productivity could increase women's health problems and reduce the time available to them for participating in decision-making, as well their available time for income-generating activities. Climatic disasters have been shown to have serious consequences in households led by women, particularly where heads of family have limited opportunities for starting over again.
<b>Goal 4:</b> Reduce child mortality	Projections call for a possible increase in mortality, and a possible increase in diseases associated with rising temperatures, as vector-transmitted diseases and pressure on water resources make it more difficult to meet the goal of combating these diseases, some of which (such as diarrhoea and malaria) specifically affect children. Children and pregnant women are particularly susceptible to vector-transmitted diseases.
<b>Goal 5:</b> Improve maternal health	Climate change could reduce the quantity and quality of drinking water, which is a prerequisite for good health, and a scarcity of which exacerbates malnutrition. Climate change could also affect access to sexual and reproductive health services. Natural disasters could be detrimental to food security, increasing malnutrition.
<b>Goal 6:</b> Combat HIV/AIDS, malaria, and other diseases	Hydrological stress and higher temperatures can be expected to increase disease. Vector-transmitted diseases such as malaria could be more difficult to control in a climate more favourable to their vectors. The living conditions of AIDS patients could make them more vulnerable, and malnutrition would accelerate the disease's negative effects.
<b>Goal 7:</b> Ensure environmental sustainability	Climate change will affect the quality and productivity of natural resources and ecosystems, with consequent changes in the uses to which soil is devoted. Some of these changes could be irreversible, reducing biological diversity and accentuating environmental degradation. The impact of climate change on water resources could make universalizing access to potable water and sanitation and assuring their sustainable provision difficult. Extreme events associated with climate change will be harmful to those living in precarious settlements (slums) and to indigenous populations.
<b>Goal 8:</b> Develop a global partnership for development	Climate change is a global problem, and solving it requires international cooperation, especially cooperation designed to help the developing countries adapt to its negative consequences. Potential commercial requirements for products as a function of their carbon footprint could have immediate adverse effects on export sectors in developing countries. In the face of expected climatic changes, mechanisms of international cooperation, as well as their scope and funding, must be strengthened.

**Source:** J. Samaniego (coord.), "Cambio climático y desarrollo en América Latina y el Caribe: una reseña", *Project documents*, No. 232 (LC/W.232), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), February 2009, on the basis of United Nations Framework Convention on Climate Change (UNFCCC), "National communications from non-Annex I Parties" [online] [http://unfccc.int/national\\_reports/non-annex\\_i\\_natcom/items/2716.php](http://unfccc.int/national_reports/non-annex_i_natcom/items/2716.php), 2007; and World Health Organization (WHO), *Climate Change and Human Health: Risks and Responses. Summary*, Washington, D.C., 2008

<sup>a</sup> Evaluated on the basis of the national communications of countries not subscribing to Annex I of the Framework Convention on Climate Change (UNFCCC) and on the basis of the sixth report on the compilation and summary of the initial national communications of countries not included in annex I.

## 2. Climate change and Millennium Development Goal 7

The relationship between climate change and Millennium Development Goal 7 is a two-way one. On one hand, climate change is an obstacle to improvement in the Millennium Development Goal 7 indicators, given its effect on health, fisheries, water resources and biodiversity. On the other hand, progress (or setbacks) in the Millennium Development Goal 7 indicators —particularly those involving forest cover and CO<sub>2</sub> emissions— contribute to (or impede) mitigation of and adaptation to climate change.

The region's forest cover has been diminishing steadily since 1990 (when it was 49.1%), as reflected in data through 2005 (when it was 45.6%). In other words, climate change and forest cover constitute a vicious circle with wide-ranging economic, social and environmental consequences.

The total volume of CO<sub>2</sub> emissions due to the burning of fossil fuels and cement production in Latin America and the Caribbean has increased steadily since 1990. Official estimates of the region's CO<sub>2</sub> emissions do not include emissions from changing soil use —and from deforestation specifically— which are of major importance in comparison with the emissions from energy production and industrial activity. Improvement is needed here.

The other indicators for targets associated with the environment and biodiversity (7.A and 7.B), which reflect the state of fisheries resources, protected areas, endangered species and water resources, are in a similar relation to climate change, which is a significant threat to their quantity and quality and to the quantity and quality of the services with which they support human welfare.

As regards the drinking water target (7.C), reduced precipitation and increased temperatures pose problems of quality and quantity. Impact on sanitation (7.C) may be less direct. In this context, a need to redirect fiscal resources to adapt to climate change could reduce funding for efforts to improve the coverage and quality of sanitation.

The relation between climate change and slum areas (target 7.D) is cause for alarm in terms of the region's vulnerability to the consequences of disasters resulting from meteorological phenomena. In this connection, the growing number of disasters, with their concomitantly growing economic consequences, must be borne in mind (see foregoing section).

## 3. The implications of Copenhagen

December of 2009 was marked by the fifteenth session of the Conference of Parties (COP 15) in Copenhagen (Denmark), and the fifth session of the Conference of Parties in the form of a meeting of the Parties to the Kyoto Protocol of the UNFCCC. Among the critical issues on the negotiation agenda were: (i) commitments to reduce the developed countries' emissions in the period after 2012 (when the first period of Protocol commitments ends) and modes of participation for the developing countries in the mitigation efforts required to keep global GHG emissions on a course compatible with the stabilization of global temperatures by the end of the century, and (ii) the support required from the developing world to accomplish this (funding, development of capacities, technology transfer) as well as to meet the challenges of adapting to the impacts of climate change that are inevitable despite efforts to curtail this process.

The Copenhagen meeting did not lead to concrete agreements or commitments on any of these matters, which were rescheduled for debate at the next meeting of the Conference of Parties in Mexico in December 2010. However, the Copenhagen Accord, approved by representatives of all the industrialized countries and by the developing countries with the highest emissions levels, and which many other countries have signed subsequently, has been described by the Secretary General of the United Nations as “an essential beginning” on the pending task.

## Box VII.5

**POPULATION, ENVIRONMENT AND HUMANITARIAN EMERGENCIES**

According to estimates by OCHA (the Office for the Coordination of Humanitarian Affairs), the number of natural disasters worldwide rose from 200 a year to 400 in the last 20 years, and over 75% of the natural disasters that occurred between 1988 and 2007 have been associated with climatic phenomena.

The countries of Latin America and the Caribbean are not in any way buffered from this scenario, and are at high risk from natural disasters, being vulnerable to volcanic eruptions, earthquakes, heavy rains with floods and landslides, tropical storms, hurricanes, forest fires and drought. The risk of impacts from natural disasters is aggravated by the presence of urban settlements in areas of seismic activity, on mountain slopes where there is elevated risk of landslides and in river flood zones.

Natural disasters frequently destroy or impede a population's access to social services —health services in particular— at moments when health needs persist or actually increase. Furthermore, in the wake of a natural disaster or emergency, people's access to information on their rights suffers, as well as their access to information on how to protect their health and integrity, and how to obtain emergency medical care. Meanwhile, women continue to get pregnant and give birth —and, in the worst cases, have their pregnancies interrupted (aborted) under highly risky conditions, or give birth without access to the most basic tools needed for clean delivery. Persons who are displaced and deprived of protection and support from their families and communities can be more vulnerable to violence, sexually transmitted diseases including HIV, and to sexual violence, abuse and exploitation.

Young people are also profoundly affected by the breakdown of traditional social and cultural traditions, and by personal traumas involving the loss of family members, exposure to violence and interruption of their education.

Climate change may affect all of the countries of Latin America and the Caribbean, bringing more intense climatic phenomena —floods, hurricanes and drought in particular. A clear regional example is climate change associated with the El Niño / Southern Oscillation (ENSO), which causes drought or flood, depending on the place and time of year. The frequency and intensity of extreme phenomena more generally is a major issue.

Studies of vulnerability to rising sea levels have suggested that the countries of the Central American isthmus, the Bolivarian Republic of Venezuela and Uruguay could suffer loss of coastal area and biodiversity, intrusion of saltwater, and damage to coastal infrastructure. The impacts of such events would be multiple and complex, with major economic implications (UNEP and SEMARNAT, 2006). All of this will noticeably influence Latin American efforts to achieve sustainable development and reach the Millennium Development Goals, as it jeopardizes the lives of the poorest populations, increases their risk and vulnerability to climate-associated natural disasters, diminishes their resilience and threatens their opportunities for development.

The current scenario requires comprehensive regional, subregional and national coordination of risk reduction strategies, humanitarian response and reconstruction efforts among all actors and sectors. There has been significant progress in Latin America through the creation and consolidation of subregional mechanisms for preparedness and disaster response. They include the Andean Committee for Disaster Prevention and Response (CAPRADE), the Center for the Prevention of Natural Disasters in Central America (CEPREDENAC), the Caribbean Disaster Emergency Management Agency (CDEMA) and the MERCOSUR countries' Specialized Meeting for Socio-Natural Disaster Risk Reduction, Civil Defence, Civil Protection and Humanitarian Assistance (REHU). All of these are strategies for action aligned with the Hyogo Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters. Investment in sustainable development, poverty reduction and provision of quality services through a rights-based approach to prevention, mitigation, preparedness and risk reduction is indispensable in improving emergency response and minimizing the devastating impacts of natural disasters and complex humanitarian crises. Despite achievements to date, this continues to represent a challenge for the region's countries.

In this context, a demographic analysis focusing on the size, growth, composition and distribution of the population is indispensable for proper action and risk reduction planning, efficient and effective person-centred humanitarian response and sustainable reconstruction. Taking responsibility for the human face of climate change and its humanitarian consequences means considering the different capacities and needs of men, women, young people, adolescents, children, older people and disabled individuals. Understanding the differences in their vulnerabilities is essential for adopting short-, medium- and long-term mitigation and adaptation measures that ensure the exercise of human rights by creating integrated social services models that take account of social, demographic, economic, cultural and political factors, as well as the geographical distribution of risk and its consequences.

**Source:** United Nations Environment Programme (UNEP)/Secretariat of the Environment and Natural Resources (SEMARNAT), *El cambio climático en América Latina y el Caribe*, México City, 2006, and Economic Commission for Latin America and the Caribbean (ECLAC), "Entre los progresos y las asignaturas pendientes: 15 años del Programa de Acción de El Cairo en América Latina y el Caribe, con énfasis en el período 2004-2009", *Project documents*, No. 317 (LC/W.317), Santiago, Chile, 2010.

## E. LINES OF ACTION AND POLICY OPTIONS FOR ENVIRONMENTAL SUSTAINABILITY

As the major lags in progress towards the targets of Millennium Development Goal 7 (see section C) under the development model that has prevailed to date suggest, efforts to solve the region's problems of poverty and social exclusion have not met with unalloyed success, nor have environmental protection and deterioration been successfully addressed to ensure meeting the basic needs and anchoring the prosperity of future generations. The situation thus calls for creating a different —sustainable— development model that values the importance of environmental resources for the long-term welfare of the region's inhabitants, and for the sake of global ecological balance. The traditional public policy approach to environmental issues, in which the quality of the environment is a secondary objective and is seen as superfluous for economic development and social welfare, is anachronistic. The reaction of the international community to the double challenge of the crisis of contemporary capitalism and climate change points in this direction. Thus, the region must adopt a proactive vision. Global discussion has begun to feature the subject of “green” growth, which involves internalizing the total cost of polluting and environmentally damaging activities, so that decision-making is founded on realistic data.

Although changes in the prevailing development model depend on the perseverance of different actors in the public and private sectors as well as civil society, the State will play an important and unique role in creating conditions that pave the way for and promote the change.

While the subregions and countries have obviously progressed to differing degrees towards the Millennium Development Goal 7 targets, some common needs can be identified. Below are six basic lines of action for progress towards environmental sustainability in the region (see table VII.5). They are arranged in two groups: (i) institutional and regulatory policies, and (ii) economic policies to adjust relative prices.

Table VII.5  
LINES OF ACTION TO ADVANCE TOWARDS MILLENNIUM DEVELOPMENT GOAL 7

Institutional and regulatory policies		
Line of action/Policy options	Relationship with targets 7.A, 7.B, 7.C and 7.D	Examples of good practices
1. Complete and improve the information and knowledge base	This is a fundamental need that is horizontal to all of the Millennium Development Goal 7 targets. Most of the aspects of resource management and environmental management have weaknesses and gaps in the area of information and knowledge.	Strengthen national statistical capacities (especially in the environmental area). Create up-to-date databases with information relevant to natural resources. Implement mechanisms for the monitoring and oversight of activities that exploit natural resources. Use satellite images (or other information and communication technologies) to monitor deforestation and protect biodiversity.
2. Increase and strengthen intersectoral coordination and citizen participation.	This is directly related to target 7.A, which calls for incorporating the principles of sustainability in national policies and programmes. Intersectoral coordination and citizen participation are also important in relation to the other Millennium Development Goal 7 targets.	Establish permanent coordination mechanisms for action in the different branches, sectoral areas and administrative levels of government. Design and implement impact evaluation and monitoring systems for policies, programmes and projects. Promote the harmonization and consistency of national public policy governing the activity of productive sectors that have heavy environmental impact, by implementing environmental policies that regulate the use of the natural resources associated with these activities (for example, instruments such as strategic environmental assessment).
3. Consolidate integrated resource management through better regulatory frameworks and land-use regulations.	This is imperative for progress towards all of the Millennium Development Goal 7 targets. Regulatory frameworks and land-use regulations are particularly germane to targets 7.C and 7.D. Regulatory frameworks are especially important for water resources and drinking water services.	Promote integrated management for multiple water use. Strengthen the governance of integrated water resource management, observing the principles of participation, transparency and accountability. Promote the integrated management of cross-border water resources. Make water resources public assets under State control. Create planning entities that generate a shared vision of future changing uses of water resources at the basin level. Strengthen management schemes for protected areas. Promote measures to adapt to climate change.

Table VII.5 (conclusion)

Economic policies to adjust relative prices		
Line of action/Policy options	Relationship with targets 7.A, 7.B, 7.C and 7.D	Examples of good practices
4. Internalize costs and promote green enterprise.	This can contribute significantly to meeting targets 7.A and 7.B by reducing pressure on ecosystems and their resources.	<p>Review and eliminate subsidies for activities that degrade the environment. Adopt regulatory measures and instruments of various types (fiscal, economic, and others) that encourage efficient resource use. Use financial, human and technological resources to strengthen monitoring and control of activities. Make mechanisms for reducing emissions from deforestation and forest degradation (REDD) a part of the market mechanisms of the climate regime. Implement mechanisms of payment for ecosystem services. Promote effective access and distribution of the benefits of exploiting genetic resources, and of the benefits of the technology deriving from research on them. Develop and expand the use of economic valuation techniques (as applied to environmental assets and the costs of degradation). Implement the other measures recommended by the UNEP Green Economy Initiative. Create incentives for firms to take an active role in sustainability efforts by promoting social responsibility and innovation. Develop policies to promote sustainable building, and implement carbon-neutral projects. Implement action for eco-efficiency in the public and private sectors.</p>
5. Use energy efficiently and develop alternative energy sources.	In their relationship with climate change, these energy issues directly and indirectly affect the indicators for targets 7.A, 7.B and C.	<p>Provide incentives for improving energy efficiency. Develop and implement technologies that contribute to energy efficiency. Implement permanent sustainable public procurement policies that are oriented to energy efficiency. Develop policies to encourage energy efficiency in industrial activities and construction (social housing). Develop a normative framework that encourages less carbon-intensive activity by promoting efficient energy use and the development of renewable sources. Take steps to mitigate and adapt to climate change. Exploit the methane gas from sanitary landfills.</p>
6. Ensure the financial sustainability of services (water, sanitation, housing).	This is a fundamental issue, especially in connection with the provision of drinking water and sanitation.	<p>Strengthen the regulatory framework and institutions related to water and sanitation. Take measures to improve operators' financial situations; allocate funds for investment, subsidies for the poorest, and systems to readjust rates schedules in accord with objectives; encourage improvements in the sector's industrial structure; improve the availability of information and indicators. Increase budget allocations for investment in the sector and controls over their use. Move towards self-financing by service providers (whether they are public, private or mixed). Implement effective subsidy systems that guarantee basic minimum consumption of drinking water for low-income sectors. Develop innovative funding mechanisms that give the population access to the housing market (microcredit, materials banks, land warehousing by the State, mutual-aid cooperative housing schemes and the like).</p>
7. Promote sustainable consumption and production.	This can contribute significantly to meeting targets 7.A and 7.B by reducing pressure on ecosystems and their resources.	<p>In the context of the Ten-year framework of programmes on sustainable consumption and production patterns:<sup>a</sup></p> <ul style="list-style-type: none"> <li>• Establish national policies and strategies that promote sustainable consumption and production.</li> <li>• Support small and mid-size enterprises.</li> <li>• Promote sustainable public procurement.</li> <li>• Encourage sustainable lifestyles.</li> </ul>

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, *Millennium Development Goals: Advances in Environmentally Sustainable Development in Latin America and the Caribbean* (LC/G.2428-P), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2010, and "Summary of the discussion at the regional implementation meeting for Latin America and the Caribbean", (E/CN.17/2010/10/Add.4), New York, 2010.

<sup>a</sup> Based on the recommendations made to the Forum of Environment Ministers of Latin America and the Caribbean, Fifth Meeting of the Council of Government Experts on Sustainable Production and Consumption of Latin America and the Caribbean. Cartagena de Indias, Colombia, 16 to 18 September 2009.

## 1. Institutional and regulatory policy

### (a) Completing and improving the information and knowledge base

The region in general suffers from a persistent and endemic lack of pertinent, up-to-date information and knowledge. The lack of improvement in the various indicators reveals a lack of awareness and knowledge in the society at large, as well as on the part of decision-makers, of the benefits provided by ecosystems, of the ways in which we damage them and of the possible costs of this damage, especially in the long term. Information deficiencies vary widely—from basic data on such matters as ecosystems and their goods and services, the pressures created by productive activities and human welfare indicators, to more elaborate information and knowledge as input to predictive models and for the construction of scenarios and trends, all ultimately to serve as a basis for decision-making.

From an economic point of view, environmental protection generates positive externalities, and contributes to creating public goods such as resilient ecosystems and climatic stability. In the absence of information and instruments to internalize these externalities, the importance of environmental protection tends to be undervalued, ultimately working against society's interests. In this sense, one of the prerequisites to the changes needed to meet targets 7.A and 7.B is full knowledge of the economic and social costs of degradation, as well as of the economic benefits of environmental protection, and consideration of these matters in public and private-sector policy formulation and decision-making.

One crucial place where progress towards environmental sustainability can be made with the participation of civil society is education. Five years after the United Nations Decade of Education for Sustainable Development, most of the Latin American countries and some of the Caribbean countries have approved national environmental education policies or strategies. Persistent challenges to the effectiveness of these policies, according to a recent study by the United Nations Educational, Scientific and Cultural Organization (UNESCO, 2009), are lack of sufficient and sustained economic support, insufficient teacher training, lack of evaluation mechanisms and lack of programme continuity. Such problems have created weaknesses both institutionally and in terms of achieving significant progress (UNEP, 2003a). As in other public policy areas, the success of environmental education as a tool for consolidating the principles of sustainable development in the society requires incorporating environmental concerns in educational policy at all levels and in all types of schooling, not neglecting either formal or informal educational contexts. It also requires formulating and strengthening normative frameworks and the procedures, instruments of execution and resources that encourage the emergence and consolidation of initiatives by both organizations and citizens. Finally, democratizing access to new information and communication technologies is a key element in improving education in general, and is needed for social networks and the media to play their role as strategic vehicles for public awareness of the environment and sustainable development.

### (b) Increasing and strengthening intersectoral coordination and participation

One of the region's most urgent needs is set forth in Millennium Development Goal target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources. A major element in reaching this target consists of improving intersectoral coordination and integration within certain groups of policies, namely: (i) environmental, urban and territorial development policies; (ii) fiscal and environmental policies, and (iii) productive development and environmental policies.

As regards the first of these combinations, it is essential to have urban policy that anticipates coming realities in the context of sustainable development—particularly those realities that are a function of climate change—and that is thus able to analyze options, consider hypothetical situations and assess the future consequences of proposed measures. Municipal governments need to take an increasingly fundamental role in the key aspects of sustainable development. This should be accompanied by support in the form of training, funding, information and knowledge.

The importance of integrating fiscal and environmental policy emerges from the fact that, despite advances in environmental institutions, total environmental spending in the region (over the last decade) has been no more than

1% of GDP. This is the minimum figure for spending in the OECD countries. Moreover, environmental spending is affected by the volatility of public finance. Most countries still lack an adequate legal and institutional platform for collaboration between fiscal and environmental authorities, so as to create the incentives needed to internalize environmental externalities and fund national environmental management systems. Also pending in the region is a detailed review of the distortions and failures that result from current policy on subsidies and tax exemptions, and from public guarantees for contingent debt, among other things. Identifying and assessing the social cost of these distortions can open up many opportunities for improvement on both the environmental side and the fiscal side.

Finally, clean production initiatives are a good start for integrating productive development and environmental policy. However, a good deal is lacking for the consolidation of productive solutions to prevent environmental contamination and improve the competitiveness of productive sectors, and much remains to be done to consolidate more sustainable consumption and production patterns. Initiatives such as sustainable public procurement systems, for example, can send important signals to both the production and consumption sides of the market. Some specific productive sectors, such as construction and energy, can take crucial steps to be more compatible with environmental goals. The development of environmental goods and services and ecosystem services —implementation of payment schemes, in particular— constitutes an opportunity, especially if the region's installed capacities are taken advantage of.

At the same time, civil society is an increasingly important player in national environmental performance and sustainability. Community members not only organize spontaneously to respond to sensitive environmental issues that affect their quality of life, but increasingly participate in organizations that work to foster sustainability in local, national and global contexts. Although there is progress in national legislation, some of which recognizes the right to participation and structures opportunities for it, such mechanisms generally face challenges when it comes to implementation. In particular, there is a general tendency to limit participation to consultative processes, which usually fail to incorporate contributions from society or fails to ensure follow-up in the form of actual decisions.

**(c) Consolidating integrated resource management through better regulatory frameworks and land-use regulations**

Ecosystems do not allow for segmented functioning, for they are integrated wholes. The hydrological cycle, including the natural purification of water, illustrates the interdependency of the different components of ecosystems —an interdependency that necessitates integrated management of ecosystems and their goods and services.

Integrated natural resource management must be based on relevant geographical units —water basins, ecosystems and eco-regions, among others— in a way consistent with the aims of water management and with the political, economic, environmental and geographical features of specific situations. These geographical units rarely coincide with existing administrative structures. There are opportunities for environmental innovation and development in modifying standards and institutions so as to facilitate the coordination of policies and thereby promote integrated resource management for biophysical areas (areas defined in terms of their ecological or geographical features).

As to regulatory frameworks, needs are numerous and diverse. In connection with drinking water (target 7.C), for instance, more emphasis should be placed on encouraging efficiency (which, since it lowers costs, contributes to equitable access). One key is that governments must impose adequate regulation for public, private and mixed service providers, based on fair and reasonable principles of profitability, investment that is useful in practice, good faith, due diligence, mandatory efficiency standards and a transfer of the benefits of efficiency to consumers.

The region's pronounced vulnerability to natural disasters underlines the need for integrated analysis and management approaches. Reducing vulnerability requires preventive tools such as land-use regulation, early warning systems, preservation of plant cover and construction of appropriate infrastructure. It also calls for mitigation instruments, including insurance for housing, agricultural production, infrastructure and other assets, and response mechanisms such as civil defence, shelters, reactive investment, disaster education, and preparedness on the part of productive sectors and services.



## 2. Economic policies to adjust relative prices

### (a) Internalizing costs and promoting green enterprise

The basic goal here is to make activities and sectors that have high environmental costs less profitable, while making activities, sectors and technological options of lighter environmental impact more profitable. To a great extent, this means conducting detailed review of price distortions and policy failures, including problems with some types of concessions, and with certain subsidies and tax exemptions. In addition, major unprecedented efforts are needed to move towards a “green” economy. In this connection, the United Nations Environment Programme (UNEP) in 2008 put forward its Green Economy Initiative (GEI), which seeks to accelerate the transition to an environmentally sustainable economy (see box VII.6).

#### Box VII.6 THE GREEN ECONOMY

The recent crises (financial, food and fuel) differed significantly in the general context from the situation in 2007, with an increase in unemployment from 18 to 51 million individuals, and with at least 100 million people in extreme poverty worldwide, higher energy bills in developing countries to the tune of US\$ 400 billion, and food price increases of US\$ 324 billion for the developing countries. In response to this situation, major and costly efforts were made to restore economic health, although to a great extent only with a view to regaining the *status quo ante*. However, many believe that the crises should be seen as an opportunity to reformulate the development model in a way that ceases to make economic growth a higher priority than environmental sustainability, social justice and equitability.

In fact, our dominant economic model has led us to consume more biomass than the earth produces on an ongoing basis. In other words, our collective ecological footprint already exceeds the earth’s capacity. We are consuming the natural capital that provides ecosystem services that are an essential part of the welfare of the poor, thus aggravating already persistent poverty. The global risks that our dominant model created—including the social risk of ongoing disparities, as well as widespread disparities and environmental risks associated with GHG emissions that are greater than the earth’s capacity to absorb them—are grave menaces to present and future generations.

There is currently a significant international drive to foster transition to a green economy, one that promotes growth and creates decent jobs while combating poverty.

#### The Green Economy Initiative (GEI) put forward by UNEP

The Green Economy Initiative launched by the United Nations Environment Programme in October 2008 focuses on taking advantage of the opportunities that this concept suggests. It aims at two results. First, it attempts to make a macroeconomic case that goes beyond the anecdotal to encourage investment in sectors that generate environment-friendly products and services, or that improve the environment (“green investments”). The phrase “a macroeconomic case” refers to the notion that green investment can contribute to the growth of production and the creation of decent jobs. Second, the initiative seeks to provide guidance on how to encourage green investment that is helpful to the poor. The goal is to motivate politicians and empower them to support increased investment in both the public and private sectors.

The initiative is designed to counsel the countries in “greening” their economies, working with a broad range of partners to provide economic analysis and state-of-the-art research products. The issues addressed are wide-ranging, including energy efficiency in new and existing buildings; renewable energy technology, such as wind, solar, geothermal and biomass power; sustainable transportation technologies such as hybrid vehicles, high-speed rail and rapid transit bus systems; “green infrastructure” in the form of natural resources like freshwater, forests and soils; and sustainable agriculture, including organic production. The activities of the GEI include advisory services for countries interested in making their economies greener, and generating research products such as the Green Economy Report, the series of reports known as The Economics of Biodiversity and Ecosystems (TEEB) and Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World, as well as evoking commitments by partners to promoting and actually implementing green economy strategies.

**Source:** United Nations Environment Programme (UNEP), *Global Green New Deal. Policy Brief*, March 2009, and *Green Jobs: Towards Decent Work in a Sustainable, Low-Carbon World*, Nairobi, Worldwatch Institute, 2008.



**(b) Making efficient use of energy and developing alternative energy**

The region faces two significant energy challenges: (i) efficiently addressing the growing energy demand that will accompany its economic and demographic growth in the coming decades, and (ii) positioning itself competitively within a new low-carbon international trade and investment paradigm.

It is important to create and maintain the conditions, incentives, technologies and standards needed to make significant progress on energy efficiency. There is still great unexploited potential, for example, in developing energy efficiency policy for industrial activities and buildings, as well as social housing. Another area of notable potential is sustainable public procurement. Here, the States' very significant purchasing power can be used to shape markets, forcing production and consumption to become sustainable. Pioneering efforts in this regard in the region, such as Chile's, have made energy efficiency a centrepiece.

Such efforts must be accompanied by standards that promote less carbon-intensive activity through efficient energy use and the development of alternative sources. Normative frameworks must include economic incentives, tax exemptions and other similar measures. Behind this new generation of public policy measures is the motivation—to put it in economic terms—to change the relative profitability of different types of energy so as to favour those that emit less CO<sub>2</sub>. Thus, technologies, industry, materials and construction methods that produce high levels of CO<sub>2</sub> will become more expensive than less contaminating alternatives. As far as standards are concerned, the implementation of strategic environmental assessment in national and subnational energy development policies, programmes and plans would contribute to early internalization of environmental and social externalities, and pave the way for a long-term vision that generates more sustainable solutions.

As regards climate change (see foregoing section), although the region is not a major source of emissions in the world context, international agreements—and trade conditions in particular—make some steps towards mitigation imperative. One such step is progress on estimating the emissions generated by changes in soil use and deforestation. Information and communication technologies (ICT) can be very useful in this connection, as can cooperation between countries that share ecosystems. Meanwhile, in international negotiations, the region's countries should push for improving and integrating carbon markets, as well as for taxing global operations to fund adaptation initiatives. Another opportunity to mitigate climate change in the region lies in the exploitation of methane gas from sanitary landfills. If this gas is channelled to energy production, it will cease to contribute to the greenhouse effect, and become an important source of clean energy.

Progress in these areas must be based on a firm political will in government that is fully reflected in energy policy, not simply evoked by crisis situations.

**(c) Ensuring the financial sustainability of services**

Financial sustainability in the provision of services, especially drinking water and sanitation, is fundamental to guaranteeing their quality, and should facilitate access to these services for the poorest populations as well.

One essential condition for drinking water and sanitation of good quality to reach the entire population on a sustained basis, regardless of whether they are provided by public, private or mixed enterprises, is that the providers function under conditions that allow them to fund their own operations. This requires substantive and major support from the State, as well as recognition of local capacities and conditions (economic, social, and other). Of special importance, too, are effective direct or cross-subsidy schemes that ensure basic service for low-income consumers. The subsidy structure must be carefully designed to ensure that it in fact benefits the needy. Without measures of this type, services provided by the private sector in areas with high levels of poverty, insufficient coverage and low payment capacity can hardly be expected to prove profitable or sustainable.

As regards the provision of housing, recommendations suggest, among other things, developing innovating funding mechanisms to ensure access to the housing market, and to justify public investment in infrastructure—mechanisms such as microcredit, materials banks, land warehousing by the State, subsidies that take account of the positive externalities of urban infrastructure, mutual-aid housing cooperatives, and the like.

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## Chapter VIII

**THE INTERNATIONAL INTEGRATION OF LATIN AMERICA  
AND THE CARIBBEAN AND DEVELOPMENT FINANCING**

Goal	Targets	Indicators
<b>Goal 8</b>  Develop a global partnership for development	<p><b>Target 8.A</b></p> <p>Develop further an open, rule-based, predictable, non-discriminatory trading and financial system</p> <p>Includes a commitment to good governance, development and poverty reduction —both nationally and internationally</p> <p><b>Target 8.B</b></p> <p>Address the special needs of the least developed countries</p> <p>Includes: tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction</p>	<p><b>Market access</b></p> <p><b>8.6</b> Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty</p> <p><b>8.7</b> Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries</p> <p><b>8.8</b> Agricultural support estimate for OECD countries as a percentage of their gross domestic product</p> <p><b>8.9</b> Proportion of ODA provided to help build trade capacity</p>

**A. TOWARDS A FAIR AND BALANCED SYSTEM OF TRADE: ENDING THE CRISIS,  
AND THE OUTLOOK FOR WORLD TRADE**

During 2005-2009, Latin America and the Caribbean recorded significant advances in its international integration. Its exports grew between 2003 and the first half of 2008, mostly thanks to a favourable external context which was due to high commodity prices. The growth of those exports slowed, however, from the second half of 2008, and in 2009 they fell sharply as a result of the world economic crisis, in line with the falls experienced by trade worldwide.

The most recent figures available show that almost 95% (in value terms) of the region's exports to the developed countries enter those markets free of duty, a much higher proportion than that for the developing countries as a whole; higher even than that for the group of least developed countries. Nonetheless, the developed countries still practise high levels of tariff protection in sectors of particular importance for the region's exports, especially agriculture. Non-tariff barriers such as rules of origin or strict sanitary and technical standards can, in many cases, prevent the region's exporters from benefiting from the tariff preferences available to them.

The aid provided by developed countries to their agricultural sectors declined from 2% of GDP in 2000 to 0.8% in 2008, but it remains high both in absolute terms and in relation to the official development assistance granted by the same countries. Subsidies continue to distort the conditions for competing on world markets for a sector of particular importance to the developing countries in general and the region in particular. It is therefore imperative that the parties should conclude binding agreements for reducing those subsidies and eliminating those on agricultural exports. To that end, the Doha Round of the World Trade Organization (WTO) must be concluded and the protectionist pressures which have arisen following the crisis must be contained.

While its access to the principal markets has considerably improved by means of trade agreements, Latin America and the Caribbean is still faced with considerable internal restrictions which prevent its greater integration into international trade flows. The restrictions include the lack of information on trade opportunities, excessive export and import formalities, insufficient financing for small and medium-sized enterprises and problems with logistics and infrastructure. The WTO Aid for Trade initiative of 2005 is precisely intended to overcome these restrictions.

Although the region's share of worldwide Aid for Trade flows increased from an average of 7.1% in 2002-2005 to 8% in 2007, it is well below that of other developing regions. To remedy this situation, the countries of the region must place Aid for Trade as a central component in their demand for international cooperation, linking it to trade facilitation through the presentation of projects to help them make progress in this area.

Despite its sharp fall as a result of the crisis in 2009, world trade will remain a source of opportunities for medium- and long-term economic growth and sustainable development in the region, especially if the countries succeed in improving their international integration. Despite some progress in market access, the region still needs to move from a pattern of inter-industry trade, based on natural-resource exports with low levels of processing, to one of growing integration into global value chains of an intra-industrial type. The main challenge for the achievement of that transition remains the attainment of higher productive and export diversification, strengthening links between productive and export development and incorporating more knowledge and technology into exports. Latin America and the Caribbean should take a much more proactive and coordinated approach to Asia, where the world's strongest economic growth is expected to take place over the coming decades. Lastly, it is vital that the subject of climate change should be mainstreamed in national and regional agendas of growth, competitiveness and innovation.

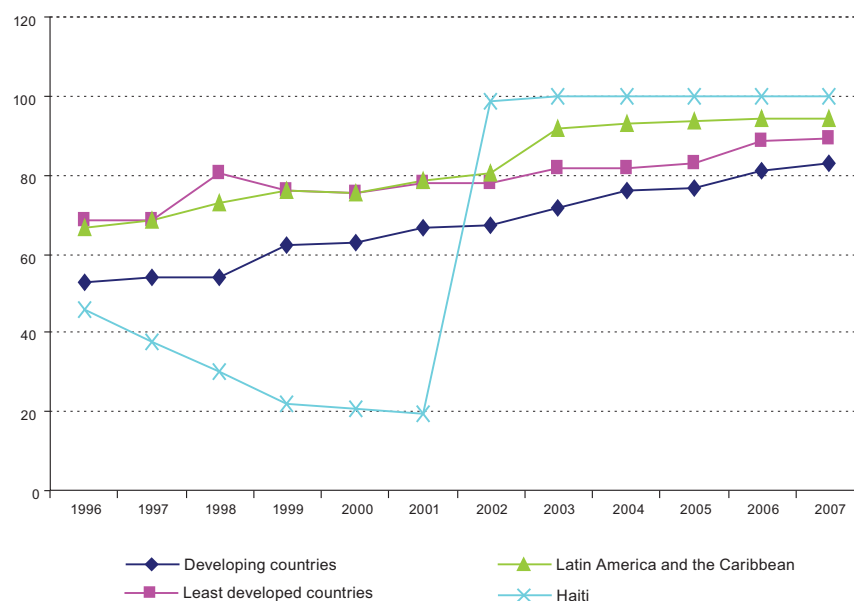
### 1. Trends in market-access indicators

In the second half of the 2000s, despite the severity of the worldwide economic crisis, the countries of Latin America made significant progress towards international integration. In particular, their exports grew between 2003 and the first half of 2008 thanks to a very favourable external context, reflected most of all in high commodity prices. The region also made some progress in terms of access to developed-country markets, as mentioned below.

**(a) Indicator 8.6: Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty**

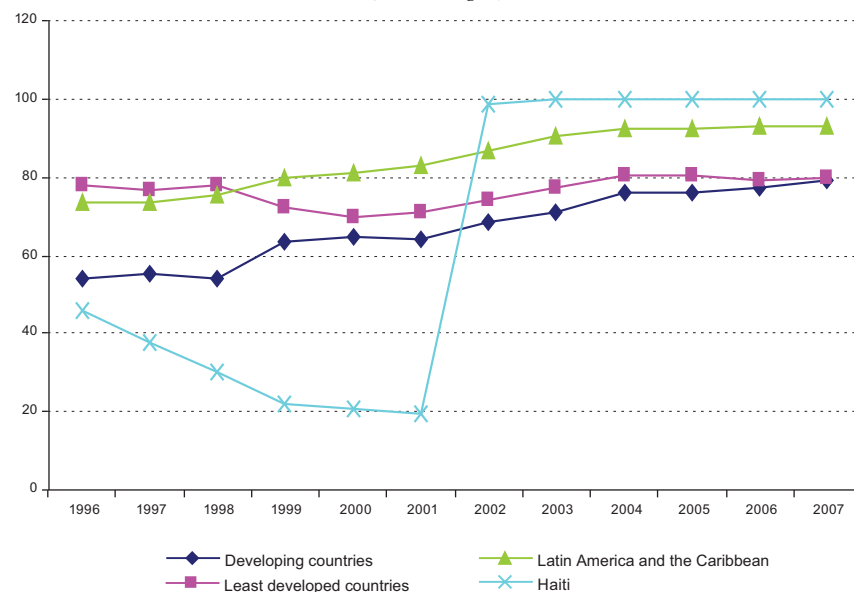
Since the adoption in 2000 of the Millennium Development Goals, there has been a sustained increase in the proportion of imports by the developed economies from both the developing countries and the least developed countries, measured in value terms and not including armaments, which enter those economies free of duty (see figure VIII.1). In 2007, those proportions stood at 83% and 89%, respectively. If petroleum—which tends to be subject to very low import duty, or even exempt, in the industrialized countries—is excluded from the calculation, those proportions fall to 79% and 80%, respectively (see figure VIII.2).

Figure VIII.1  
**PROPORTION OF TOTAL DEVELOPED-COUNTRY IMPORTS (BY VALUE AND EXCLUDING ARMS) FROM DEVELOPING AND LEAST DEVELOPED COUNTRIES, ADMITTED FREE OF DUTY (MILLENNIUM DEVELOPMENT GOAL INDICATOR 8.6), 1996-2007**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of figures from the database of the International Trade Centre UNCTAD/WTO for compliance with indicators 8.6 and 8.7 [online] <http://www.mdg-trade.org>.

Figure VIII.2  
**PROPORTION OF TOTAL DEVELOPED-COUNTRY IMPORTS (BY VALUE AND EXCLUDING ARMS) FROM AN OIL DEVELOPING AND LEAST DEVELOPED COUNTRIES, ADMITTED FREE OF DUTY (EXCLUDING ARMS AND OIL), 1996-2007**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of figures from the database of the International Trade Centre UNCTAD/WTO for compliance with indicators 8.6 and 8.7 [online] <http://www.mdg-trade.org>.

The Latin American and Caribbean region enjoys a higher proportion of duty-free exports to the developed countries than the developing countries as a whole, and even more than the least developed countries. In 2007 that proportion was 94% if armaments alone are excluded, and 93% if petroleum is also excluded. This was due to a series of factors: (i) the fact that the region's main exports to the industrialized countries are raw materials or natural-resource based manufactures, which tend to attract low tariffs or to be exempted in those markets; (ii) the various unilateral trade preference schemes existing in industrialized countries, and which benefit countries in the region; and (iii) the entry into force, more recently, of free-trade agreements between countries in the region and industrialized partners. Haiti, the only least developed country in the region, has since 2003 enjoyed tariff-free access for all its exports to the developed countries (see figures VIII.1 and VIII.2).<sup>1</sup>

**(b) Indicator 8.7: Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries**

The high percentages of developed countries' total imports from the developing countries and the least developed countries —particularly from Latin America and the Caribbean— which are free from duty nonetheless conceal pockets of protection in sectors of particular importance for the exports of the developing countries as a group. This is true of agricultural products, textiles and clothing. The period 2005-2009 was marked by the expiry of the WTO Agreement on Textiles and Clothing, and this put an end to the quota system which had regulated trade in those products for decades.

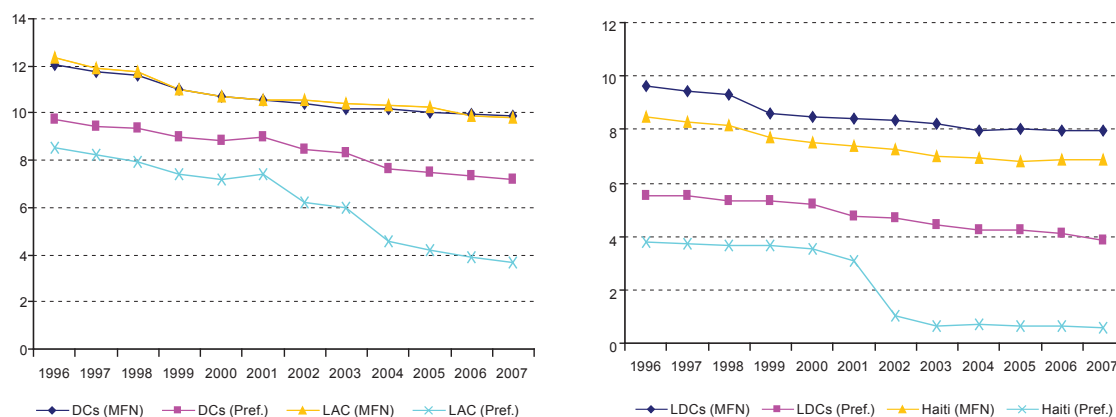
Between 2000 and 2007, there were modest reductions in the average most favoured nation (MFN) tariffs applied by the developed countries to textiles and clothing, while for agricultural products MFN tariffs essentially remained unchanged. During the same period, the preference margins enjoyed by both the developing countries and the least developed countries rose considerably in both sectors (see figure VIII.3 and table VIII.1).<sup>2</sup>

A comparison of the situation in the region with that of the developing countries and least developed countries as a whole shows that in 2007, the region enjoyed greater preference margins than both those groups of countries for all agricultural products, textiles and clothing (62.7% compared with 27.4% and 51.3%, respectively) (see table VIII.1). Nonetheless, this situation varies between agricultural products, on the one hand, and textiles and clothing, on the other. For the former, the preference margin enjoyed by Latin America and the Caribbean (24.4%) is similar to that for the developing countries as a whole (21.9%) and much lower than the rate applied to the least developed countries (61.9%). In the case of textiles and clothing, however, the preference margin enjoyed by Latin America and the Caribbean (86.6%) is much higher than those applied to the least developed countries (48.3%) and especially to the developing countries (30.5%).

<sup>1</sup> It should be noted that tariff preferences granted by the industrialized countries are generally associated with rules of origin which can be difficult to fulfil for exporters in the least developed countries and other developing countries. This, together with the presence of strict health, phytosanitary and technical requirements, can make it difficult —and in some cases impossible— to benefit from existing preferences.

<sup>2</sup> The preference margin is the difference between the tariff generally applied (most favoured nation) to a particular product in a particular country, and the preferential tariff that the same country applies to imports of that same product from particular countries of origin. This preferential tariff can be the result of unilateral (non-reciprocal) programmes applied by the importing country to developing or least developed countries, or of an exchange of concessions in the framework of trade negotiations.

Figure VIII.3  
**AVERAGE MOST-FAVOURLED NATION (MFN) AND PREFERENTIAL TARIFFS IMPOSED BY DEVELOPED COUNTRIES ON AGRICULTURAL PRODUCTS AND TEXTILES AND CLOTHING FROM SELECTED COUNTRIES AND GROUPS OF COUNTRIES (MILLENNIUM DEVELOPMENT GOAL INDICATOR 8.7), 1996-2007**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of figures from the database of the International Trade Centre UNCTAD/WTO for compliance with indicators 8.6 and 8.7 [online] <http://www.mdg-trade.org>

Table VIII.1  
**DEVELOPING COUNTRIES, LEAST DEVELOPED COUNTRIES, LATIN AMERICA AND THE CARIBBEAN AND HAITI: AVERAGE MOST FAVOURLED NATION AND PREFERENTIAL TARIFFS APPLIED IN THE DEVELOPED COUNTRIES, 2000 AND 2007**  
*(Percentages)*

Sector and group of countries	2000				2007			
	Average tariff		Preference margin		Average tariff		Preference margin	
	MFN	Preferential	Percentage	MFN – Pref	MFN	Preferential	Percentage	MFN – Pref.
<b>Agricultural products, textiles and clothing</b>								
Developing countries	10.7	8.9	17.4	1.9	9.9	7.2	27.4	2.7
Least developed countries	8.5	5.2	38.6	3.3	8.0	3.9	51.3	4.1
Latin America and the Caribbean	10.7	7.2	32.7	3.5	9.8	3.7	62.7	6.2
Haiti	7.5	3.5	53.1	4.0	6.9	0.6	91.6	6.3
<b>Agricultural products</b>								
Developing countries	10.7	9.2	13.6	1.5	10.7	8.4	21.9	2.3
Least developed countries	5.3	3.7	29.5	1.6	5.4	2.1	61.9	3.4
Latin America and the Caribbean	12.1	10.4	14.1	1.7	11.3	8.6	24.4	2.8
Haiti	2.0	0.7	66.2	1.3	2.2	0.3	84.3	1.8
<b>Textiles and clothing</b>								
Developing countries	10.7	8.7	19.3	2.1	9.5	6.6	30.5	2.9
Least developed countries	10.1	6.0	40.9	4.1	9.2	4.8	48.3	4.5
Latin America and the Caribbean	10.1	5.7	43.8	4.4	9.1	1.2	86.6	7.9
Haiti	10.3	5.0	51.8	5.3	9.3	0.7	92.3	8.6

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of figures from the database of the International Trade Centre UNCTAD/WTO (ITC) relating to performance on indicators 8.6 and 8.7 [online] <http://www.mdg-trade.org>.

The situation described above suggests that the preferential tariffs applied by the developed countries to imports from developing and least developed countries respond to a great extent to the trade sensitivity of the developed countries. In the case of agricultural products, the least developed countries' export profile corresponds mainly to "tropical" products, which tend not to compete strongly against the developed countries' agricultural output. This explains their low most-favoured nation and preferential tariff levels. The export profile of Latin America and the Caribbean, on the other hand, relates more to temperate agriculture, which is more likely to compete with the production of the industrialized countries. This is why the region faces higher tariffs (both most-favoured nation and preferential) in the developed countries.

The advances achieved over the past 10 years in indicators of market access to the developed countries for the region's exports have not been reflected in major progress in the range of agricultural products exported to those countries. Latin America and the Caribbean still depends on a modest range of products as sources of stable export earnings. This faces it with the challenge of adopting a long-term strategy to diversify its basket of export products as well as its target markets, in order to reduce its dependency and vulnerability in terms of the stability of its trade income (ECLAC/FAO/IICA, 2010).

In the case of textiles and clothing, as indicated above, Latin America and the Caribbean enjoys a preference margin much greater than that of the developing countries as a whole and even the least developed countries. This is because the latter two groups include large producers and exporters in those sectors, mainly in Asia (such as China, India, Indonesia and Pakistan among the developing countries, and Bangladesh and Cambodia among the least developed countries). Their exports are in direct competition with certain segments —generally those with low value added— of the industrialized countries' textile and clothing industries, which is why they are faced with higher tariffs than Latin America and the Caribbean in those markets.

Lastly, the ending of the quota system for textiles and clothing has had differentiated impacts on the developing countries. On the one hand, the most competitive Asian products —such as those mentioned above— have benefited, meaning that the quota system represented a constraint on its export potential. On the other hand, a number of developing countries (including those in Central America) have been faced with major challenges in adapting to the new regime. The quotas under the old system had guaranteed them certain opportunities for exports to the industrialized countries, but since 2005 they have had to cope with the full weight of competition from low-cost Asian producers.

**(c) Indicator 8.8: Agricultural support estimate for OECD countries as a percentage of their GDP**

The total aid provided by the developed countries to the agricultural sector fell from 2% of GDP in 2000 to 0.8% in 2008 (see table VIII.2). That aid remains high, however, both in absolute terms and in relation to official development assistance granted by the same countries (see figure VIII.4 and table VIII.3).

OECD has noted that much of the reduction in aid to agricultural producers in developed countries has resulted from rising food prices rather than changes in agricultural policies (OECD, 2009a). Should those prices fall, aid to agricultural producers may increase again. For example, Newfarmer and Gamberoni (2009) projected a 22% increase in distorting internal aid to that sector in the United States, from around US\$ 8.1 billion in 2008 to US\$ 9.9 billion in 2009, owing to falling world prices of a series of products (such as maize, rice, soy and wheat) from mid-2008.



Table VIII.2  
**ESTIMATED AGRICULTURAL AID IN DEVELOPED COUNTRIES (MILLENNIUM DEVELOPMENT  
 GOAL INDICATOR 8.8), 1990 AND 2003-2008**  
*(Billions of dollars and percentages)*

	1990	2003	2004	2005	2006	2007	2008 <sup>a</sup>
<b>Total agricultural aid<sup>b</sup></b>							
Billions of dollars	327	350	383	375	363	364	376
Percentage of GDP	2.0	1.2	1.1	1.0	1.0	0.9	0.8
<b>Aid to agricultural producers</b>							
Billions of dollars	249	258	286	271	258	260	265
Percentage of the estimated aid to producers within the farm's gross profit <sup>c</sup>	32	30	30	28	26	22	21

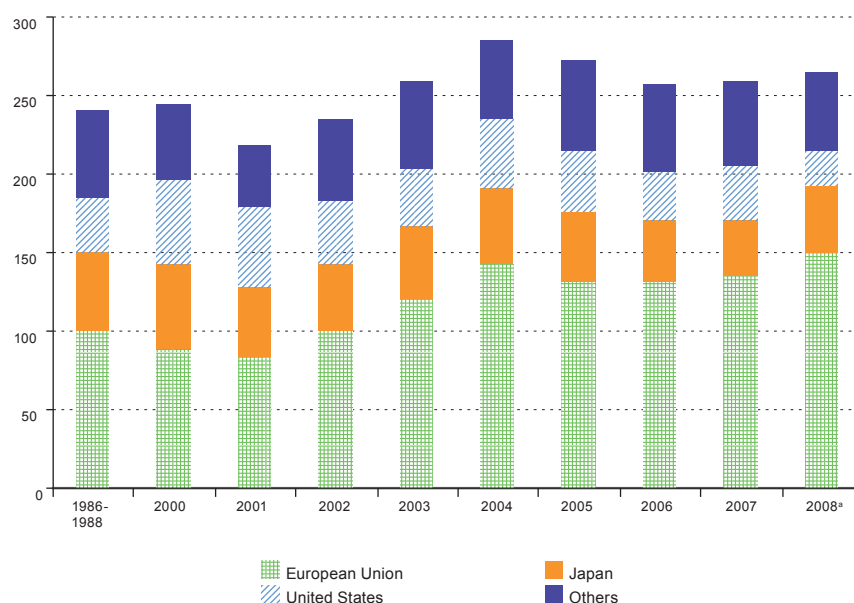
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Co-operation and Development (OECD), PSE/CSE database, 2009.

<sup>a</sup> Figures for 2008 are provisional.

<sup>b</sup> Includes aid to agricultural producers and consumer subsidies.

<sup>c</sup> The estimated aid to producers includes aid provided directly to agricultural producers.

Figure VIII.4  
**AGRICULTURAL AID PROVIDED BY OECD COUNTRIES<sup>a</sup>**  
*(Billions of dollars)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Co-operation and Development (OECD).

<sup>a</sup> Corresponds to the Producer Support Estimate (PSE). Figures for 2008 are provisional.

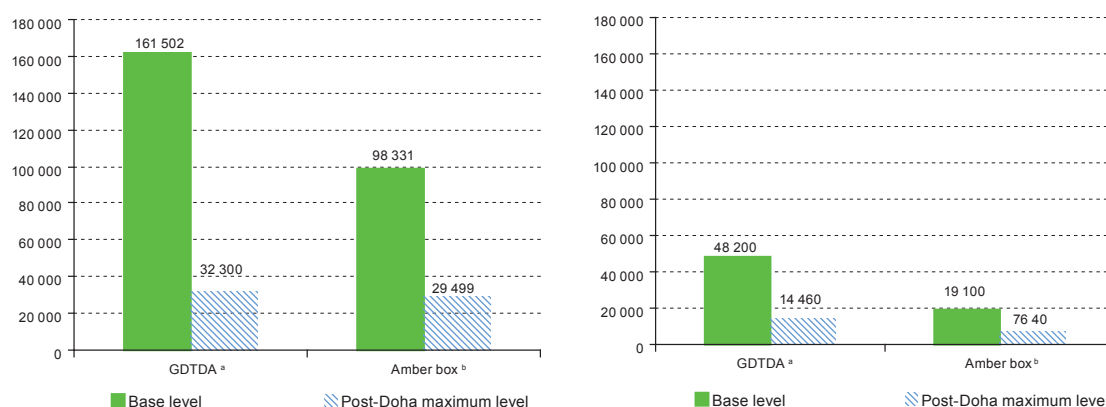
Table VIII.3  
**AID FOR TRADE AND SECTOR ALLOCATION OF OFFICIAL DEVELOPMENT ASSISTANCE (ODA)**  
**(MILLENNIUM DEVELOPMENT GOAL INDICATOR 8.9), 2002-2007**  
*(Millions of dollars, at constant 2006 prices)*

Heading	Average for 2002-2005	2006	2007
Total Aid for Trade	21 101	23 527	25 422
Sector allocation of ODA	62 342	76 875	79 871
Aid for Trade as a percentage of ODA allocated by sector	33.8	30.6	31.8

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Co-operation and Development (OECD/WTO), *Aid for Trade at a Glance 2009: Maintaining Momentum*, 2009.

It is noted in United Nations (2009) that there is still scope for introducing new reforms in industrialized countries' agrarian policies, aiming to improve efficiency and make competitive conditions more equitable for producers in the developing countries. As mentioned above, it is essential that the Doha Round should be concluded. According to the draft negotiating modalities issued in December 2008 by the then Chairman of the negotiations on agriculture, the European Union and the United States, responsible for most of the world's trade-distorting agricultural subsidies, should agree to reductions of 80% and 70%, respectively, of their maximum permitted levels of such subsidies (see figure VIII.5). This would drastically cut the scope that both of them currently have for increasing subsidies at times of low world prices.

Figure VIII.5  
**UNITED STATES AND EUROPEAN UNION: REDUCTIONS IN MAXIMUM AUTHORIZED LEVELS**  
**OF TRADE-DISTORTING AGRICULTURAL SUBSIDIES, ACCORDING TO**  
**THE DRAFT MODALITIES OF DECEMBER 2008**  
*(Billions of dollars)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Trade Organization (WTO), "Unofficial guide to the 6 December 2008 'revised draft modalities'" [online] [http://www.wto.org/english/tratop\\_e/agric\\_e/ag\\_modals\\_dec08\\_e.htm](http://www.wto.org/english/tratop_e/agric_e/ag_modals_dec08_e.htm).

<sup>a</sup> Global domestic trade-distorting aid. This category includes all trade-distorting aid (amber box, blue box and *de minimis*). The draft modalities of December 2008 provide for reductions of 80% for the European Union and 70% for the United States.

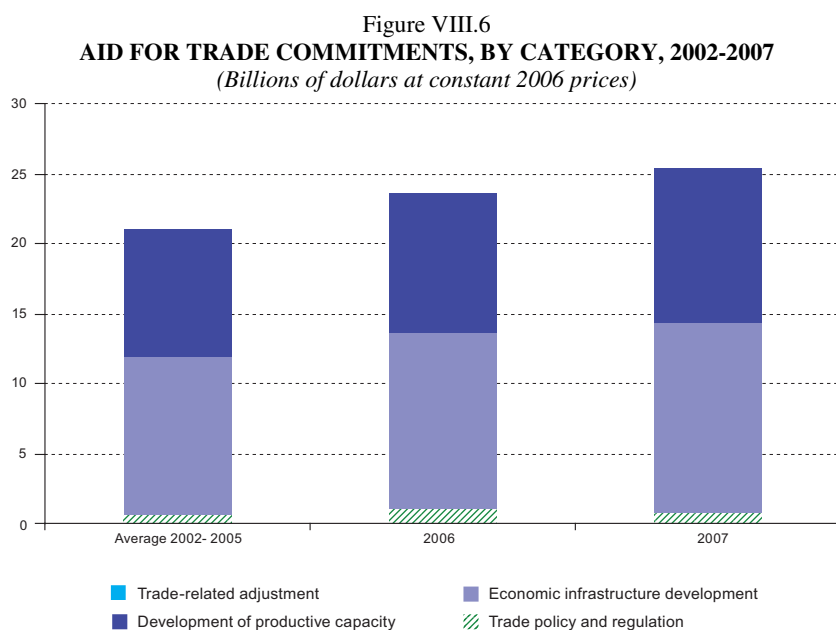
<sup>b</sup> The amber box contains the domestic aid measures considered to cause the most distortion to production and trade, such as price support measures or subsidies relating directly to output volume. The draft modalities of December 2008 provide for reductions of 70% for the European Union and 60% for the United States.

**(d) Indicator 8.9: Proportion of official development assistance provided to help build trade capacity**

The Aid for Trade initiative was launched during the Ministerial Conference of the World Trade Organization, held in Hong Kong Special Administrative Region of China in December 2005. It aims to overcome the many obstacles which make it difficult for the developing and least developed countries to benefit from their participation in world trade, such as deficiencies in infrastructure, productive capacity and human resources. It is therefore a highly important initiative for progress towards fulfilling the eighth Goal, “Develop a global partnership for development”.

In 2007 (the last year for which complete data are available), new Aid for Trade commitments stood at US\$ 25.4 billion, an increase of 20.5% in real terms over the average for 2002-2005. The share of Aid for Trade in total sector-allocable official development assistance commitments remained stable in 2002-2007, at about a third (see table VIII.3).<sup>3</sup> This suggests that the increase in Aid for Trade commitments between 2002-2005 and 2007 did not take place at the expense of official development assistance in other areas such as health care and education (OECD/WTO, 2009).

In 2007, new Aid for Trade commitments were virtually all oriented towards two categories: economic infrastructure development (54%), in areas such as transport, energy and communications, followed by the development of productive capacity (44%), in areas which included agriculture, the forestry sector, fisheries, industry, mining and services (see figure VIII.6). The category of trade-related adjustment was introduced into statistics in 2007, when it made up just 0.1% of new commitments.

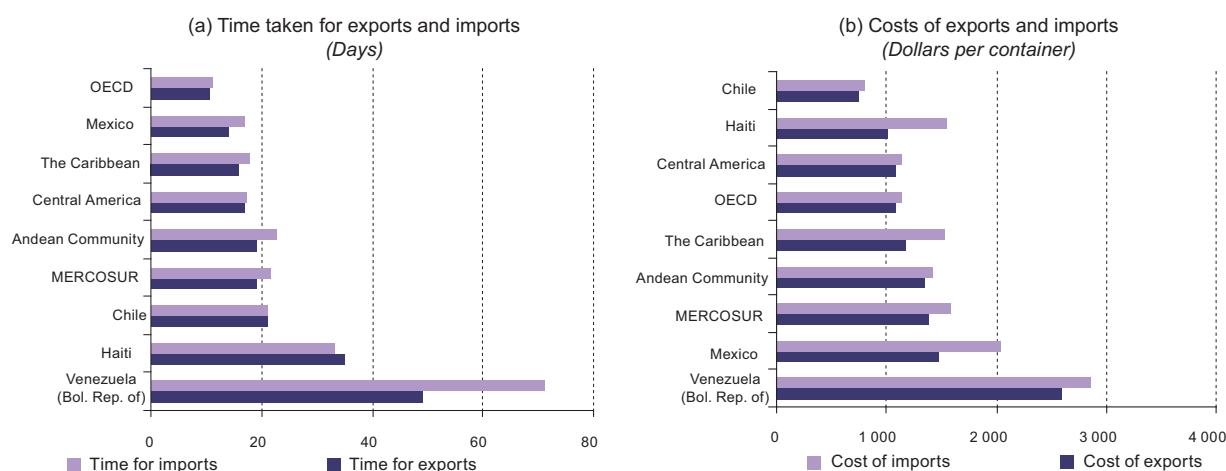


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Co-operation and Development/World Trade Organization (OECD/WTO), *Aid for Trade at a Glance 2009: Maintaining Momentum*, 2009.

<sup>3</sup> This relates to the assistance provided in specific economic or social sectors (as opposed to that which is devoted to debt relief, emergencies, covering administrative costs or refugees).

While it now has much-improved access to its principal markets by means of trade agreements, Latin America and the Caribbean is still faced with considerable internal constraints which prevent its greater integration into international trade flows. These include insufficient information on trade opportunities, excessive export and import formalities, insufficient financing for small and medium-sized enterprises and infrastructure problems (see figure VIII.7 for a comparison with the standard represented by the OECD countries). It is therefore very important for the region to take full advantage of the opportunities offered by Aid for Trade.

Figure VIII.7  
LATIN AMERICA AND THE CARIBBEAN AND THE ORGANIZATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT (OECD) COUNTRIES: SUPPLY-SIDE  
CONSTRAINTS, 2008-2009



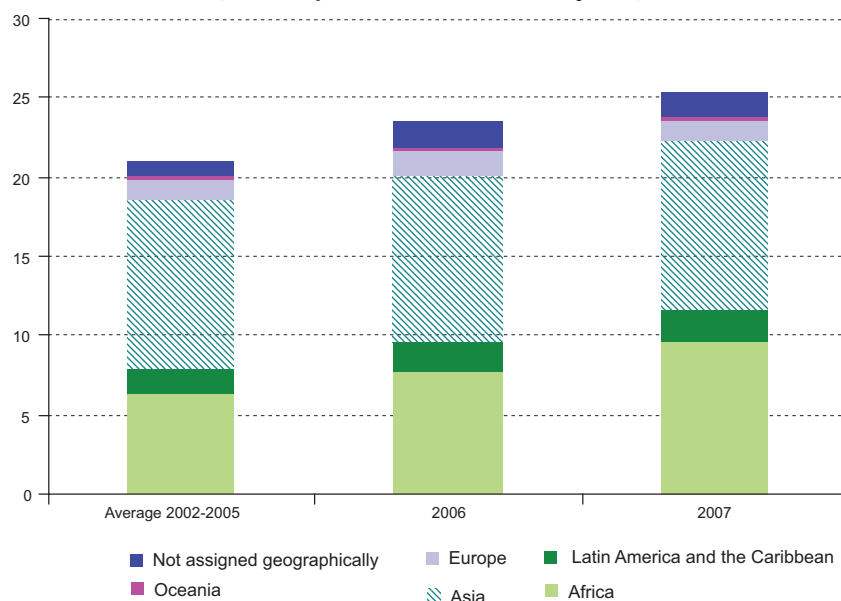
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, *Doing Business 2010*, Washington, D.C., 2009.

The region's share of worldwide Aid for Trade flows (measured as new commitments) increased from an average of 7.1% in 2002-2005 to 8% in 2007. This is well below the levels achieved in other developing regions; in 2007, Asia achieved 42% and Africa 37% (see figure VIII.8). This reflects a number of factors, including the region's relatively high levels of per capita income and access to international private capital markets, as well as lower levels of population in comparison with Africa and Asia. Only two of the countries of the region (El Salvador and the Plurinational State of Bolivia) were among the 20 largest recipients of Aid for Trade in 2007, with shares of 1.5% and 1% of the total of new commitments, respectively (WTO/OECD, 2009). At the subregional level, Central America and the Andean countries were the main recipients.

This shows that there is scope for Latin America and the Caribbean to increase its share of Aid for Trade flows. The countries of the region need to define priorities and identify and present relevant projects so that new resource flows can be established, responding to the principles of additionality, sustainability and effectiveness of the aid (WTO, 2009b). Emphasis should be placed on attracting donor funds to projects, such as the Initiative for the Integration of Regional Infrastructure in South America (IIRSA) and the Meso-America Project, which involve several countries and have a clear trade facilitation component.

It must also be recognized that realities and needs vary among the subregions of Latin America and the Caribbean, reflecting differences in their production and export patterns and other important variables. The Caribbean subregion, for example, will need considerable aid in order to deal with the commitments arising out of its recent economic partnership agreement with the European Union.

Figure VIII.8  
**AID FOR TRADE COMMITMENTS: REGIONAL DISTRIBUTION, 2002-2007**  
*(Billions of dollars, at constant 2006 prices)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Co-operation and Development/World Trade Organization (OCDE/WTO), *Aid for Trade at a Glance 2009: Maintaining Momentum*, 2009.

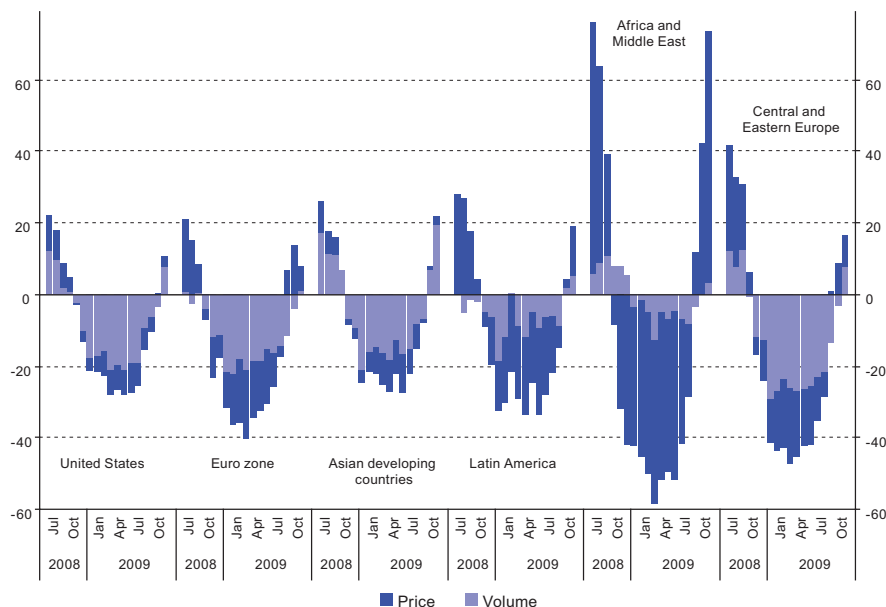
Several major Aid for Trade donors (including the European Union and its member States, together with the United States and Japan) have stated that they have fulfilled or are about to fulfil the commitments they entered into at the Ministerial Conference held in Hong Kong Special Administrative Region of China, in terms of increasing their Aid for Trade commitments in 2010 (OECD/WTO, 2009). During the second Global Review on Aid for Trade, held in July 2009, a number of donor States such as France, Japan, the Netherlands and the United Kingdom announced multi-year disbursement plans, aiming to continue the growth of Aid for Trade flows in the coming years. There is, however, still uncertainty as to the impact of the recent economic crisis on the fulfilment of those commitments; the shortage of resources for official development assistance in the developed countries is due to slow economic recovery and the need for those countries to return to fiscal equilibrium.

## 2. The crisis: its impact and uncertain recovery

### (a) The impact of the crisis

The recent financial and economic crisis, whose epicentre was in the United States and other developed countries, spread to the real economy of Latin America and the Caribbean through a number of channels. One of the most significant was international trade: in late 2008 and the first half of 2009, the value of the region's exports fell at an annualized rate of about 25%. The contraction in the region's exports was less sharp than in Africa and the Middle East and central and eastern Europe, but it was similar to that in the United States and the euro zone (see figure VIII.9). While export losses in the industrialized countries and the Asian developing countries were mostly due to falling export volumes in industrial goods, the losses in Latin America and the Caribbean were mainly caused by falls in the prices of commodity exports.

Figure VIII.9  
**SELECTED COUNTRIES AND REGIONS: EXPORT VOLUMES AND PRICES,**  
**JULY 2008-DECEMBER 2009**  
*(Twelve-month variations)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Netherlands Bureau of Economic Policy Analysis, “World-Trade Monitor”, 2010 and official figures for Latin American and Caribbean countries.

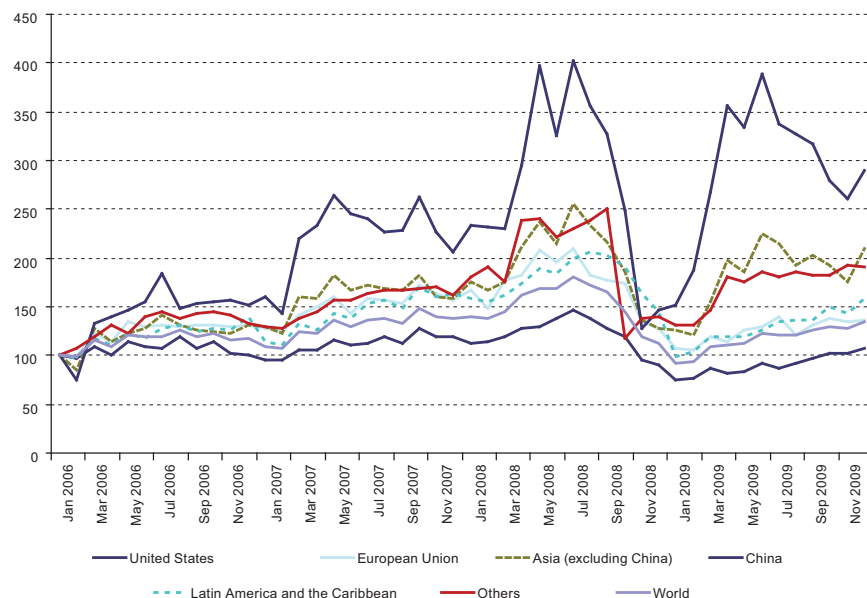
The magnitude of the external shock suffered by the region and the resulting fall in regional trade are unprecedented in recent history.<sup>4</sup> ECLAC estimated that the region’s export volume dropped by 9% in 2009, but this figure is lower than the WTO estimate of a 12.2% fall in world trade in the same year.

The decline in the region’s export volumes was less, mostly owing to the rapid recovery of demand in China (see figure VIII.10). Although the region suffered substantial and widespread falls in its exports to all destinations in the second half of 2008, sales to China recovered more strongly from early 2009 onwards than those to other countries. It was partly thanks to this that the region’s total exports to Asia fell substantially less than those to the European and United States markets. This confirms the growing significance of China as an export destination for the region, especially for a number of South American countries as net commodity exporters. The countries of Asia-Pacific, and South-South trade in general, have been of key importance in helping the Latin American and Caribbean countries to recover from the crisis and will be central to future growth in trade relations for the region.

There were recoveries in 2009 in the prices of a number of commodities, including copper, zinc, petroleum, wheat and soy; this again was mostly due to growing demand from China and other Asia-Pacific countries. With export volumes and prices rising, the value of Latin American and Caribbean exports experienced an upturn in the second half of 2009, in line with the recovery of world trade. Nonetheless, the value of the region’s exports in 2009 was around 23% below the 2008 figure (ECLAC, 2010b).

<sup>4</sup> To find a comparable fall in both volumes and prices in the region’s trade indices, it would be necessary to go back 72 years (to 1937) in the case of exports, and 27 years (to 1982) for imports. This is a historic record surpassed only by the sharp fall in trade growth in the period immediately following the crisis of 1929.

Figure VIII.10  
**LATIN AMERICA AND THE CARIBBEAN: MONTHLY TRENDS IN THE EXPORT  
 VALUE INDEX, BY MAIN DESTINATION**  
*(Index January 2006=100)*



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

The contraction in the value of the region's exports masks considerable differences among subregions and countries. The volume of Mexican exports fell sharply in 2009, whereas a number of South American countries specializing in commodity exports saw smaller falls in the volumes exported, but sharp drops in prices (although in several cases the situation began to improve in the second quarter of 2009). In the case of imports, there was a more even decline across the board.

#### (b) Growing signs of protectionism

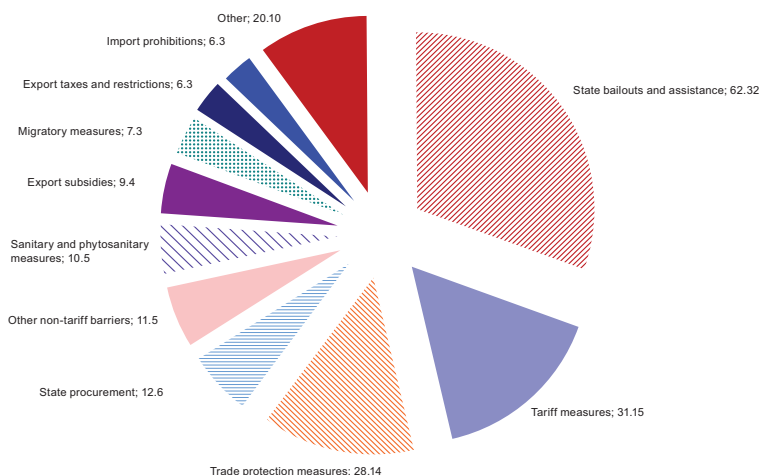
In response to the crisis, many countries—both developed and developing—adopted measures which had a restrictive impact on trade. These included all the world's largest economies and all the members of the Group of Twenty (G20).<sup>5</sup> This is inconsistent with the undertaking to introduce no protectionist measures until the end of 2010, adopted by the G20 leaders at the Washington Summit in November 2008 and reiterated at subsequent meetings.

It should be noted that events during the current world crisis are far from a return to the massive protectionism of the 1930s. Estimates by the WTO Secretariat suggest that the trade-restrictive measures introduced worldwide from October 2008 to October 2009 involved no more than 1% of world trade in goods. Undoubtedly, the existence of a multilateral trade system structured around WTO and its agreements has contributed decisively to this outcome. The crisis has clearly led to worrisome signs of protectionism, however, and this will not help to achieve "an open, rule-based, predictable, non-discriminatory trading and financial system", as called for by target 8.A of the eighth Millennium Development Goal.

<sup>5</sup> The G20 countries are: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russian Federation, Republic of Korea, Saudi Arabia, South Africa, Turkey, United Kingdom, United States, and the European Union.

The trade-restrictive measures adopted during the crisis are highly diverse. Around a third of them relate to State assistance to sectors hit by the crisis, including financial services and the motor-vehicle and steel industries. In order of significance, these are followed by tariff increases and trade protection measures such as safeguards, anti-dumping duties and countervailing duties (see figure VIII.11).

Figure VIII.11  
**PRINCIPAL DISCRIMINATORY MEASURES AGAINST EXTERNAL TRADE INTERESTS**  
**ADOPTED WORLDWIDE, NOVEMBER 2008-15 SEPTEMBER 2009**  
*(Numbers of measures and percentages of the total)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of S. Evenett, “What can be learned from crisis-era protectionism? An initial assessment”, Discussion Paper, No. 7494, Centre for Economic Policy Research, October 2009 [online] [www.cepr.org/pubs/dps/DP7494.asp](http://www.cepr.org/pubs/dps/DP7494.asp)

The types of restrictive measures adopted vary widely between the industrialized and developing countries. The former have mostly used financial assistance to sectors affected by the crisis, such as motor vehicles, financial services and (to a lesser extent) agriculture, as well as discriminatory practices in State procurement and restrictions on the employment of foreign workers. Many such measures have been adopted in the framework of economic stimulus packages which, in the words of the Director-General of WTO, Pascal Lamy, include elements of “buy/invest/lend/hire local” (WTO, 2009b).

The developing countries, for their part, have tended more to use traditional border measures such as higher tariffs, quantitative restrictions on imports and exports, import licences and countervailing duties. This is due, among other factors, to the relative ease of erecting barriers of this type and the fact that the developing countries have less financial capacity to subsidize productive sectors, compared with the developed countries.

In the specific context of Latin America and the Caribbean, the crisis has not led to a general tendency to restrict trade flows. Responses in that regard have varied widely among countries and have also included measures designed to increase trade liberalization. Since the crisis broke out, the region’s most common restrictive measures have been non-automatic import licensing, countervailing duties and anti-dumping duties, the latter particularly targeting manufactured goods from Asia, especially China.<sup>6</sup>

In sum, the rise in protectionist pressures since late 2008 implies that the discrepancy between the real situation and the target of creating an open, rule-based, predictable, non-discriminatory trading and financial system

<sup>6</sup> For a description of the measures adopted in Latin America and the Caribbean, see chapter II of ECLAC (2009a).



became more distant with the outbreak of the current crisis. This gap may continue to widen in the coming months despite the incipient recovery of the world economy, to the extent that unemployment rates remain high in the industrialized countries and they seek to tackle the competitiveness issues associated with combating climate change by means of unilateral actions of a punitive nature. All this would be very harmful for the developing countries, including those of Latin America and the Caribbean. A swift conclusion of the Doha Round could go a long way towards reversing this negative trend (see box VIII.1).

#### Box VIII.1

#### WHY IT IS IMPORTANT TO CONCLUDE THE DOHA ROUND SOON

After more than eight years of negotiations and several interruptions, the Doha Round is now the longest-lasting in the history of the multilateral trading system. At a time when trade-restricting measures are on the increase as a result of the crisis, a rapid conclusion is imperative for several reasons.

First, an agreement at Doha would constrain protectionist pressures by substantially reducing the scope that currently exists for raising tariffs (especially in developing countries) and farm subsidies (in industrialized countries). By way of example, in 2009 the European Union, the United States and Switzerland reintroduced subsidies on dairy exports, going against the spirit of the agreement to abolish agricultural export subsidies by 2013 at the latest that was reached at the Ministerial Conference held in Hong Kong Special Administrative Region of China in 2005. This agreement will not be binding unless a global agreement is reached in the Doha Round.

A second argument for concluding the Doha Round quickly is that it would represent a stimulus package for the world economy worth at least US\$ 150 billion annually, considering only the agricultural and industrial market access package currently on the table (WTO, 2009a). This package would support the recovery of the world economy in the difficult post-crisis scenario currently envisioned.

Third, an agreement at Doha would make it possible to generate new multilateral rules in areas of systemic importance such as fishing subsidies, trade facilitation and, albeit incipiently, the relationship between the World Trade Organization (WTO) agreements and multilateral environmental agreements. Because the Doha Round negotiations are conducted on an “all or nothing” basis, the major benefits that would ensue from accords in these areas will not materialize in the absence of an agreement covering the whole set of issues on the Doha Round agenda. Failure to complete the Round has also been something of an obstacle to full implementation of the agreement reached at the Ministerial Conference held in Hong Kong Special Administrative Region of China under which the industrialized countries undertook to provide tariff- and quota-free access to at least 97% of tariff lines originating in the least-developed countries.

Lastly, a Doha agreement would open up opportunities within WTO to address new issues of increasing importance for world trade that are not on the agenda of the current Round. One such is the link between the rules of the multilateral trading system and trade measures designed to combat climate change. This subject can be expected to take on ever-greater importance for the developing world over the coming years, as initiatives currently being considered or negotiated in industrialized countries come into force.

On a number of occasions over the course of 2009, for example in declarations at the meetings of the Group of Twenty (G20) (Pittsburgh, United States, September 2009) and the Asia-Pacific Cooperation Forum (APEC) (Singapore, November 2009), the leaders of the world’s largest economies affirmed their commitment to completing the Doha negotiations in 2010. However, these statements of high-level political intent have not been matched by greater flexibility at the negotiating table, and this has cast doubt over the feasibility of this goal.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), *Latin America and the Caribbean in the World Economy 2008-2009. Crisis and opportunities for regional cooperation* (LC/G.2413-P), Santiago, Chile, 2009, United Nations publication, Sales No. E.09.II.G.62; and World Trade Organization (WTO), *Report to the Trade Policy Review Body from the Director-General on the Financial and Economic Crisis and Trade-Related Developments* (JOB (09)/62), Geneva, 1 July 2009.

Since the outbreak of the crisis, the Group of Twenty (G20) has become increasingly important as a forum for cooperation and the adoption of agreements on a wide range of subjects relating to world economic governance. This is positive, as it implies recognition of the growing importance of the developing countries in the world economy and gives hope that higher priority will be given to development issues in international forums.

#### (c) The post-crisis outlook

The rapid recovery which began to appear in the region in the second half of 2009 suggests that a number of countries will enjoy positive expansion in 2010, with growth rates similar to those of the pre-crisis period. This

projection is not free of risk, however, in both the short and medium terms. It remains to be seen whether this recovery will lead to a period of sustained growth both in the region and worldwide (ECLAC, 2009b).

ECLAC projects economic growth of around 4.3% for the region in 2010. The growth rate is expected to be higher in South America than in other subregions, given the larger relative size of internal markets in some countries (Argentina, Brazil and Colombia), more diversified export markets, and the greater role of China as a destination for various countries' exports (Argentina, Brazil, Chile and Peru). Slower growth is expected, on the other hand, in economies having less diversified trading partners and a concentration on manufactures, as is the case with Mexico and the Central American economies.

For the coming years, analyses tend to converge towards a situation of "new normality", characterized by the following elements: (i) the OECD economies will suffer a reduction in their potential growth and may have even recorded growth below this rate at least until 2015; (ii) world trade will grow more slowly than during the expansion period of 2003-2007; (iii) the protectionist measures applied in response to the crisis will persist, rather than being removed quickly once the economy is gradually recovering its earlier levels of activity; and (iv) excess capacity in a number of productive sectors. As a result, modest international demand will increase competitive pressure on the supply side. This will strengthen the trend towards mergers and acquisitions, complicating the competitive scene and generating a greater tendency to concentration in world markets.

Fiscal and financial considerations corroborate the above analysis. They suggest that there is still much scope for families and financial entities in the industrialized economies, particularly the United States, to adjust their portfolios, clean up their balance sheets, reduce indebtedness and even get out of debt entirely. This supposes rather limited import demand from those economies, as a result of which the world economy will need to find new engines of demand. China and the other emerging economies cannot yet equal the weight of the industrialized economies in the evolution of worldwide demand or as markets for world exports (see table VIII.4). Although the relative position of the emerging economies in the international economy and world trade continues to grow, they cannot make up for the greater strength of the United States and Europe. In any case, this rebalancing of world trade highlights the growing role of South-South trade.

Table VIII.4  
**PRINCIPAL WORLD IMPORTERS OF GOODS, 2009**  
(Billions of dollars and percentages)

	Billions of dollars	Porcentaje
Total world imports (1)	12 647	100.0
European Union <sup>a</sup>	4 714	37.3
United States	1 604	12.7
China	1 006	8.0
Japan	551	4.4
Hong Kong (Special Administrative Region of China)	353	2.8
Canada	330	2.6
Republic of Korea	323	2.6
Singapore	246	1.9
India	244	1.9
Mexico	242	1.9
Russian Federation	192	1.5
Taiwan province of China	175	1.4
Australia	165	1.3
Switzerland	156	1.2
Turkey	141	1.1
United Arab Emirates	140	1.1
Thailand	134	1.1
Brazil	134	1.1
Malaysia	124	1.0
Subtotal (2)	10 974	86.8
Others (1) - (2)	1 673	13.2

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of figures from World Trade Organization (WTO), *International Trade Statistics 2009*, Geneva.

<sup>a</sup> Includes trade among the 27 member countries of the European Union.

### 3. New challenges for the region's international economic integration

After a period of lower trade and financial flows, it is expected that the globalization process will be back on track and that three major challenges for the region's international integration will become intensified: technological change, the growing importance of the Asia-Pacific region in world trade, and climate change.

#### (a) Challenges of technical progress

The modern world is experiencing a “technology shock” which is redefining the competitive prospects of a broad range of productive sectors.<sup>7</sup> The countries which succeed in detecting and meeting the challenges and opportunities of this technological dynamic will be able to take better advantage of the opportunities offered by globalization.

Of key importance in today's world is interconnectedness among agents, facilitated by new technologies for the exchange of information and knowledge. Production tends to be organized around global value networks; this relates to the geographical fragmentation of productive processes, taking advantage of the increasing digitization of many activities, the growing internationalization and commercialization of services, and falling transportation and logistical costs. In addition to technological advances, this process has been supported by the liberalization of financial flows and the gradual opening up of markets to trade and investments.

The internationalization of services and the explosion of subcontracting have promoted the global supply of activities described as design, consulting and the manufacture of specific inputs. Chains seek to incorporate knowledge or “intangibles” at each of their stages: quality, timeliness, connectivity, patentability and registration of brands, traceability, safety, environmental conservation and energy efficiency. All these attributes improve product differentiation and access to the most profitable sectors of demand (Rosales, 2009).

On the whole, the countries' future performance will depend increasingly on their ability to absorb new technological and economic paradigms creatively. Innovation and new technologies offer fresh opportunities for narrowing the gap with the industrialized countries. It requires a considerable internal effort to strengthen the human-resources base and presence in international networks of innovation and technological business, in order to guide the productive and export structure towards more innovation- and knowledge-intensive activities. In sum, the countries' performance depends on their systemic competitiveness, that is, competitiveness founded upon deliberate and systematic mainstreaming of technical progress in productive activities, seeking both to achieve growing levels of productivity and to reduce excessive productivity gaps between different enterprises and sectors (ECLAC, 1990).

#### (b) The growing role of Asia in the world economy: opportunities and dangers

A trend which will grow in the coming decades is the growing weight of China, and Asia in general, as global actors in the international economy, trade and finance. The focus of growth in world output and trade will move from the Atlantic to the Pacific. China is already the world's second largest economy after the United States in purchasing power parity, and in third place —behind the United States and Japan— when measured in dollars at current prices. In 2009, China displaced Germany as the world's largest exporter of goods.

Projections by Goldman Sachs (2003) show that the Chinese economy will overtake that of the United States in 2027, and that by 2050 it will be 84% larger. The economy of India will equal that of the United States in 2050. China and the rest of Asia are rapidly expanding their shares of world trade, and represent a growing proportion of the world's industrial output. China is at the centre of “Factory Asia”, a complex network of regional chains of supply by transnational businesses. China, Japan, the Republic of Korea and the countries of the Association of Southeast Asian Nations (ASEAN) make up one of the world's largest centres of intra-industrial trade.

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<sup>7</sup> This is a multiple convergence of information and communications technologies, biotechnology and various general-purpose technologies such as nanotechnology and the development of new materials and renewable energy sources.

In recent years, China and the Asia-Pacific region have become very important trading partners for Latin America and the Caribbean, although there are considerable disparities among the countries of the region. In 2008, China was the main destination market for Brazil and Chile and the second for Argentina, Costa Rica, Cuba and Peru. For another four countries, China is among the top five partners (see table VIII.5).

Table VIII.5  
**LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES): POSITION OF CHINA  
AS A TRADING PARTNER, 2000 AND 2008**

	Exports (Destination)		Imports (Origin)	
	2000	2008	2000	2008
Argentina	6	2	4	3
Brazil	12	1	11	2
Chile	5	1	4	2
Colombia	35	4	15	2
Peru	4	2	13	2
Venezuela (Bolivarian Republic of)	37	3	18	3
Costa Rica	26	2	16	3
Mexico	25	5	6	3
Cuba	5	2	5	2
China is an important destination:		China is the main origin for 32 countries:		
- It is among the top five in 10 countries		- It is one of the top five for 23 countries		
- It is one of the top two in 6 countries		- It is one of the top two for five countries		

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

The region's exports to China are concentrated in South America. The role of Central America and Mexico is relatively modest; for these countries, with the exception of Costa Rica, China remains an underexploited export market. Its significance as a trading partner is greater in imports than in exports, leaving that subregion with a growing trade deficit with China.

As the Asian economies gain ground worldwide in terms of output and demand, trade with them and South-South trade in general will become more vital for Latin America and the Caribbean. The rapid development of China and India is reflected in increased demand for the region's exports and rising prices for its commodities. The Asian economies will boost world demand for energy, foodstuffs and metals and minerals, boosting the volume and value of the region's exports. This means that, in comparison with earlier decades, and without losing their traditional volatility, commodity prices will be relatively high. This will favour improved terms of trade but it will also make it more difficult to diversify exports, by depressing the profitability of non-traditional exports.

Furthermore, with rising per capita incomes in the emerging economies starting from low levels, the income-elasticity of the goods and services demanded by those economies will be high. The workforce in the emerging economies will increase and diversify its consumption as its income increases. This will offer a number of opportunities: from massive high-volume and low-value demand to consumption niches for high-priced special goods and services, through numerous intermediate situations.

The corollary is that the region must tackle not only the "BRIC" markets (Brazil, Russia, India and China) as a way of increasing traditional exports. Import demand in the BRIC markets will be characterized by the growing weight of more sophisticated goods and modern services. The same will also be increasingly prevalent in South-South trade in general. Ultimately, the increasing significance of emerging markets opens up new opportunities for progress in productive and export diversification. This trend could be strengthened through a more determined contribution from national public policies and the efforts of regional integration and cooperation schemes.

At the same time, China and India are intensifying competitive pressure in world markets. Both countries have not only abundant cheap labour at the unskilled levels, but also large numbers of highly-skilled scientists and engineers. This will enable them to become major actors in world production and the growth of new technologies. These two new global competitors are a growing threat to the competitive advantages of natural-resource-intensive industry and manufacturing in Latin America and the Caribbean.

In other words, a major limitation on biregional trade and mutual investment is the low level of intra-industrial trade, both vertical and horizontal, which is the type of trade which contributes the most to the creation of value added and the generation of new knowledge. Latin America's exports to Asia-Pacific are mostly commodities and natural-resource-based manufactures. Its imports from Asia-Pacific, however, are mainly manufactured goods, ranging from labour-intensive products to the output of the motor-vehicle and electronics sectors.

The region's efforts to strengthen its links to Asia-Pacific have to a great extent been sporadic and individual, through the signing of bilateral free trade treaties. In recent years, Chile, Mexico, Peru and Central America have entered into trans-Pacific trade agreements. These initiatives reflect the determination of certain Latin American countries to establish long-term relationships with the Asia-Pacific region. What is lacking, however, is a better-coordinated strategy between countries or groups of countries to create a connection with Asia-Pacific, reinforcing links between trade and investments and strengthening productive and technological ties through a variety of public-private partnerships (ECLAC, 2010b).

#### **(c) Challenges of climate change**

The new competitiveness, in addition to known forms of innovation, incorporates growing demands in respect of the environment and concern for climate change, as well as less carbon-intensive productive processes. The Latin American countries must therefore include the issue of climate change in their trade and production agendas, and this will lead to both opportunities and challenges.

In terms of opportunities, the Latin American countries already occupy a number of low-carbon export niches, which could be multiplied and could help to form a new sustainable export model. They are major world producers and exporters of organic products, for example. Mandl Motta (2008) estimates that almost a fifth of the world's organic agricultural land is in Latin America. Exports of organic agricultural products have risen rapidly in the past ten years, now representing 90% of output. Indeed many of the countries have begun the process of institution-building for control and certification in that sector, by adopting special legislation.

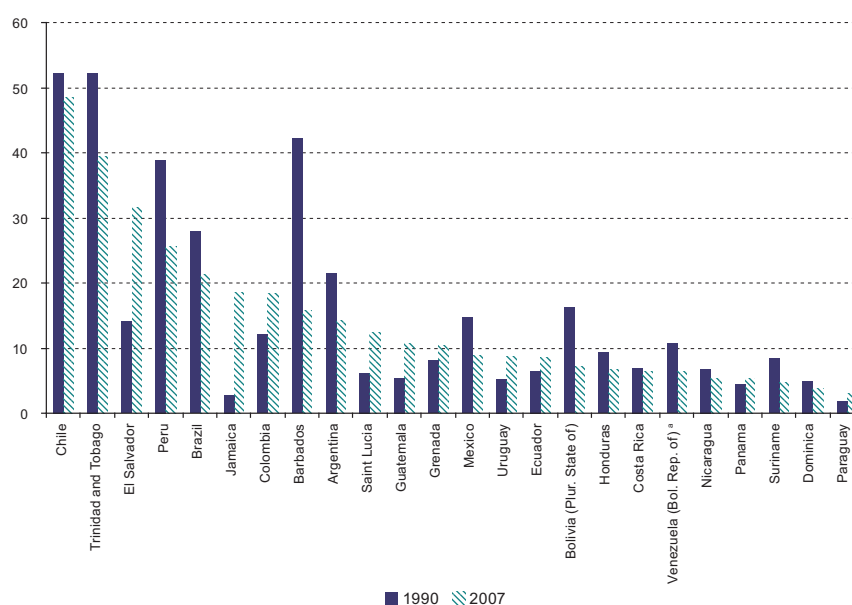
Other examples can be found in the durable generation of electric power. Mexico is a major exporter of products such as solar-energy water heaters, and the Plurinational State of Bolivia has the world's largest lithium deposit at its Uyuni salt flats. Lithium is of key importance for the batteries of "clean" motor vehicles. The liberalization of trade in climate-friendly products is therefore a major source of opportunities for several countries in the region.

The other face of the increasingly important link between trade and climate-change mitigation is the challenge for exporters in Latin America to adapt to growing climate-related demands in order to have access to markets in industrialized countries. These demands are reflected in a variety of measures, which include a number of carbon footprint labelling schemes but also initiatives for the application of carbon taxes to imports from the developing countries.

The modest results achieved at the fifteenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 15), held at Copenhagen in December 2009, make it more likely that unilateral initiatives such as those mentioned above will become more numerous in the coming months. This involves a number of potential risks for access for the region's exports to markets in industrialized countries. It is therefore important that there should be further efforts to achieve a binding multilateral accord during the sixteenth session of the Conference of the Parties (COP 16), which will convene in Mexico in late November 2010.

The Latin American and Caribbean countries show a wide variety in terms of the weight of environmentally-sensitive industries (ESI) in their exports (see figure VIII.12). Such industries include iron and steel, non-ferrous metals, industrial chemicals, pulp and paper and non-metallic minerals. The share of ESI in the countries' exports varies widely: in countries such as Mexico, Paraguay and some Central American countries (apart from El Salvador and Guatemala) the figure was below 10% in 2007, but in others, such as Chile, El Salvador and Trinidad and Tobago, it was over 30%.

Figure VIII.12  
**ENVIRONMENTALLY-SENSITIVE INDUSTRIES AS A PROPORTION OF EXPORTS, 1990 AND 2007**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Latin America and the Caribbean Statistics (CEPALSTAT)[online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of Foreign Trade Data Bank for Latin America and the Caribbean (BADACEL).

<sup>a</sup> The figure corresponds to 1999.

In 2003-2007, the commodity export boom in a number of Latin American countries accentuated their tendency towards specialization in energy- and capital-intensive and high-pollution industries over the previous decade, especially in South America. Mexico adopted a trade pattern which clearly moved away from industries of that type, adopting an export model with higher technology content and a smaller carbon footprint (ECLAC, 2009c).

The region has insufficient experience in planning to adapt production and exports to climate change. This is due to lack of information or insecurity as to the appropriate way to achieve that adaptation, uncertainty on the interaction between climate change and other economic and social pressures, insufficient public perception and awareness on climate change and its impacts, a short-term planning horizon, a shortage of mechanisms for public participation, a lack of technical knowledge (statistical, economic, legal and institutional), limited familiarity with tools and procedures for assessing the performance of adaptation and a lack of political will and resources to move forward in this area (Magrin and others, 2007; UNEP/SEMARNAT, 2006). Consequently, most of the countries of the region need technical and economic assistance for the coordinated design and implementation of mitigation and adaptation programmes.

**(d) Towards a strategy for internationalization and greater regional cooperation**

International competitiveness now extends beyond low prices to include issues such as proper infrastructure, efficient transport systems, telecommunications connectivity and flexible customs procedures. This requires stronger institutions in the areas of trade logistics, harmonized standards and regulations at the regional and multilateral levels, and improved capacity-building, especially to benefit small and medium-sized exporters.

Guiding regional cooperation and Aid for Trade towards those themes would improve the potential of intraregional trade; this in turn could produce a space more compatible with advances in trade integration. The latter tends, in various areas of competitiveness, to reflect dominant characteristics in expanded economic spaces which do not necessarily coincide with national borders. Hence the importance of efforts towards regional and subregional cooperation to progress with innovation and internationalization in businesses, both challenges calling for a critical dimension of scale, and this, with few exceptions, tends to exceed the size of the region's national markets.

This is a dual challenge: on the one hand, to take a strategic approach to coordinating policies for export promotion and diversification, for innovation and technology diffusion, for attracting foreign direct investment (FDI) and for human resources training; on the other hand, to promote public-private partnerships to define shared objectives and work jointly towards their achievement, emulating—with the necessary adaptations to varying national realities—the experiences of a variety of countries in Asia, Europe and Oceania which have achieved successful integration into the world economy.

Regional integration processes must take into account these new challenges, otherwise they run the risk of being increasingly ignored by private economic agents and even national governments. There are many reasons why the regional market is essential to improving the international integration of Latin America and the Caribbean and to advancing towards changing production patterns with equity. Intraregional trade: (i) contributes to productive diversification by being more manufacturing-intensive and contributing greater value added and knowledge content than trade with the rest of the world; (ii) is more friendly to small and medium-sized enterprises (and therefore to employment); (iii) is closely linked to intraregional investment flows and trade in services, and (iv) produces economies of scale and learning which make it a potential platform for penetrating more demanding markets.

To these traditional reasons for integration must be added the realization that in today's globalized markets, competitiveness includes elements which are increasingly regional (or subregional), rather than national.<sup>8</sup> National specificities tend to become diluted in the presence of major trends in the world economy. In particular, the economies of the region—probably with the two exceptions of Brazil and Mexico—are not sufficiently large to be attractive in themselves outside the regional level.

Despite 50 years of efforts, the performance of integration in the region is well below its potential level. It has not yet been possible to construct an integrated economic space, and convergence among the various subregional schemes appears remote. Despite some significant advances, the liberalization of trade in goods remains incomplete both within and between subregions, preventing convergence between them. There are still considerable non-tariff barriers, associated with high levels of discretionary power. There has also been insufficient progress in the gradual cumulation of origin, which may promote the birth of real regional value chains. The liberalization of trade in services is still further behind, as is the harmonization of policy criteria on crucial issues such as investments and public procurement.

Progress is also scarce in reducing the large asymmetries which characterize the region. Promises have not been kept in terms of incorporating businesses in less developed countries into subregional value chains; as a result, those countries have become disillusioned about existing integration schemes. There has also been insufficient progress in several key areas of international competitiveness, such as energy integration (in a region rich in energy resources), physical integration, in which the region has a notable infrastructure deficit (compared with Asia, for

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<sup>8</sup> For example, using free trade agreements with megamarkets as a platform for the exports of several geographically contiguous countries requires similar levels of infrastructure, logistics, customs facilities, quality and other requisites, all closely linked to homogeneity in levels of competitiveness between those economies.

example), and cooperation on policy areas such as innovation, science and technology, and education. Underlying all this is a level of compliance with agreements which is below desirable levels and worsened by the lack of credible mechanisms for trade dispute settlement. Lastly, progress has also been slow in trade facilitation, and this lack is particularly harmful for landlocked and small countries, which are the most heavily dependent on intraregional trade.

As a result of these problems, the region currently shows low levels of intraregional trade, and —despite the positive cycle of 2003-2007— has been falling behind Asia in the attraction of FDI, in its share of world trade in services and in its participation in global value chains. This is no trivial matter, since it is reflected in slower reduction of poverty and inequity. Frustration at these inadequacies (among other factors) has led a number of countries to negotiate free trade agreements with partners outside the region. Such agreements —although they contribute to improved access to important markets— tend to lack a broad development perspective and, as a result, do not ensure greater international competitiveness. In sum, they are not a real alternative to regional integration.

A number of views now coexist in the region on the role of international trade and modalities of integration into the world economy. This has been accentuated by the current crisis. The challenge is to construct integration out of these varied visions, with realism and on the basis of interests common to all the participants. In this context, differences on trade should not prevent progress on other matters, perhaps more urgent, to deal with the region's competitiveness issues. ECLAC has proposed that regional cooperation efforts should focus on eight areas: infrastructure investment, promotion of intraregional trade, innovation, reduction of asymmetries, social cohesion, closer ties with Asia-Pacific, reform of the worldwide financial system and climate change.<sup>9</sup> Gradual but concrete progress in each of these areas seems more desirable than major foundational projects. Ultimately, the region needs to move from rhetoric to practical integrationism.

Other vital challenges for the region are to preserve an appropriate business climate, maintain institutional achievements in integration and make progress in compliance with existing agreements, as well as to ensure convergence between them. Ultimately, the most important thing is to seek to tackle the various challenges of competitiveness by means of initiatives which emphasize regional cooperation.

Advancing in the above areas —and in integration, generally speaking— requires that the region should construct stronger and more effective institutions on the basis of subregional integration agreements, using the essentially intergovernmental model which currently predominates. These institutions will have a critical role to play in protecting the interests of smaller countries from those of bigger partners. They will also need to collaborate in the mediation of any conflicting interests arising among the member countries. In both cases, the region will be investing in strengthening the credibility of integration processes.

## **(e) Conclusion**

The global economic crisis has had a strong impact on world trade, on foreign direct investment and on private bank lending, and in the short term a scenario of partial deglobalization is threatening. It will take two or more years to return to the levels of growth which characterized the years immediately before the crisis, but this deglobalization is likely to be only temporary. Ultimately, the structural trends of the world economy will prevail, particularly rapid technological change and its swift application to productive activities. Asia-Pacific will remain the world's most dynamic region in terms of growth, international trade, foreign direct investment, technological innovation and as a source of financing, and will become established as a highly important focal point for the world economy in the twenty-first century.

Despite its sharp fall as a result of the crisis in 2009, international trade will remain a source of opportunities for medium- and long-term economic growth and sustainable development in the region. This will mean improving the quality of the region's international integration, moving from the dominance of inter-industrial trade based on natural resources with little processing, to a situation of growing integration into global value chains. To achieve this, the main challenge remains the achievement of greater productive and export diversification.

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<sup>9</sup> For specific proposals in each of these areas, see ECLAC (2010b).



The main message for the region is that it must adapt to the undercurrents described above, especially the strong, relentless pace of technological progress and the soaring importance of Asia in the world economy. There is now an urgent need to mainstream climate change in national and regional agendas of growth, competitiveness and innovation. Countries which can correctly interpret these structural trends and succeed in adapting to them will be those which will derive the greatest benefit from the opportunities offered by globalization. Those which are unable to do so, however, will necessarily experience slower international integration, with the consequent impact on their prospects for moving towards decreased poverty levels and improved equity.

## B. FINANCING THE MILLENNIUM DEVELOPMENT GOALS AND INTERNATIONAL DEVELOPMENT ASSISTANCE

Goal	Targets	Indicators
<b>Goal 8</b> Develop a global partnership for development	<p><b>Target 8.A</b> Develop further an open, rule-based, predictable, non-discriminatory trading and financial system Includes a commitment to good governance, development and poverty reduction, both nationally and internationally</p> <p><b>Target 8.B</b> Address the special needs of the least developed countries Includes tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction</p> <p><b>Target 8.C</b> Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)</p>	<p><b>Official development assistance (ODA)</b></p> <p><b>8.1</b> Net ODA, total and to the least developed countries, as a percentage of the gross national income of donor countries of the Development Assistance Committee (DAC) of OECD</p> <p><b>8.2</b> Proportion of total bilateral, sector-allocable ODA of DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)</p> <p><b>8.3</b> Proportion of bilateral official development assistance of DAC donors that is untied</p> <p><b>8.4</b> ODA received in landlocked developing countries as a proportion of their gross national incomes</p> <p><b>8.5</b> ODA received in small island developing States as a proportion of their gross national incomes</p>

The fall in the global availability of financial flows caused by the crisis which began in 2008 makes it essential to fulfil the target agreed at the International Conference on Financing for Development (held in Monterrey, Mexico, in March 2002), that 0.7% of GDP should be dedicated to official development assistance (ODA), to prevent setbacks in the level of progress towards fulfilling the Millennium Development Goals. Levels of ODA, however, remain well below that target. Progress towards fulfilment of the Goals requires not only increased resources, but also improved efficiency and effectiveness in their use. This requires balancing the channelling of ODA towards productive and social sectors and strengthening institutions to coordinate efforts and interests and attain the goals contained in the development agenda.

The heterogeneity and diversity of the needs of the countries of the region mean that the concept of middle income as a criterion for allocation of ODA should be reassessed. The operating definition of middle income fails to reflect the heterogeneity of the countries which make up this group and the great diversity of their needs. The middle-income countries do not all show the same capacity to gain access to the international financial system, do not all have the same levels of institutional development, and they have varying levels of poverty and show different capacities to generate domestic savings. On the basis of the middle-income criterion, the countries of Latin America and the Caribbean, regardless of their specific situations, have lost relative shares in ODA flows: from 1990 to 2008, the volume of ODA received as a percentage of gross national income (GNI) in the region fell from 0.5% to 0.22%.

## 1. Introduction

The worldwide economic and financial crisis caused a fall in sources of financing, both external and internal, for the emerging economies. On the external front, private capital flows to all the developing regions were cut back.<sup>10</sup> The same happened to the availability of foreign exchange. Owing to falling global demand and sharp liquidity restrictions, world trade plummeted even faster than during the Great Depression.

On the internal front, the impact of the crisis on economic activity —added, in some cases, to rising public spending owing to countercyclical policies in response to the crisis— led to a worsening of the fiscal situation in the developing countries, leaving them a limited margin for mobilizing resources at the national level.

In the case of Latin America and the Caribbean, the net financial flows minus foreign direct investment (FDI) of six of the region's largest economies fell from 1% of annual cumulative GDP in the third quarter of 2008 to a low point of -1.6% in the second quarter of 2009, a decline of 2.6 percentage points of GDP.<sup>11</sup> FDI into Latin America and the Caribbean as a whole was also badly hit, shrinking by some 37% in 2009, the largest fall in 30 years at least, and foreign-exchange inflows from exports experienced a nosedive unprecedented in the previous 70 years.<sup>12</sup> Lastly, inflows of remittances received by the region, which in many cases are a vital complement to the incomes of the poorest households, fell by around 10% in 2009 and are not expected to recover significantly in the near future.<sup>13</sup>

On the domestic front, together with all these problems, 2010 will find the region in a tighter fiscal situation. The fall in economic activity —the region's GDP declined by 1.8% in 2009— together with rising public spending to implement countercyclical fiscal policies caused a downturn in the primary balance, from a surplus of 1.4% of GDP in 2008 to a deficit of 1% of GDP in 2009.<sup>14</sup>

In light of the above, in a context such as the present one, ODA flows become more vital than ever in order to counteract limitations on resources at the internal and external levels and prevent serious setbacks in the social situation in developing countries and, above all, in their level of progress towards the Millennium Development Goals.

Regrettably, this vital need for ODA flows to be maintained and increased to alleviate falls in other sources of financing occurs at a time when the developed countries are also faced with other financing needs resulting from the impact of the crisis. The huge fiscal and monetary rescue packages implemented by most of the main developed economies in order to deal with the crisis resulted in sharp deteriorations in their public finances. As a result, those countries may be reluctant to substantially increase their ODA volumes.

Aside from the general shortage of resources, the possibility of increased ODA flows to Latin America and the Caribbean has been weakened by an additional factor. The thinking that has generally guided the allocation of ODA has given priority to low-income over middle-income countries, thereby relegating many of the countries of the region to a second rank even when they had major unmet needs and sectors with high levels of economic and social vulnerability. This approach to allocation governed by the criterion of middle-income countries has been why Latin America and the Caribbean has traditionally had a very small share in total ODA flows to the developing regions. It may also be the reason why, since the lack of resources has worsened in comparison with earlier periods, the fall in the region's share is gathering pace.

<sup>10</sup> See Institute of International Finance (IIF), 2009.

<sup>11</sup> Weighted average of the figures for Argentina, Brazil, Chile, Colombia, Mexico and Peru.

<sup>12</sup> Although a fall in FDI flows of about 47% was observed from 1999 to 2003, it was centred on just two countries (Argentina and Brazil), whereas in this instance the fall was much more widespread throughout the region (see ECLAC, 2009d).

<sup>13</sup> For 2010 and 2011, slight increases in flows of remittances to the region are expected, at 0.5% and 3.5%, respectively (World Bank, 2009).

<sup>14</sup> In some of the countries of the region, falling commodity prices were another factor in the reduction of fiscal revenue. In many countries, rising deficits were partly due to the implementation of public spending programmes to deal with the social impact of the crisis.

This part of the chapter will initially discuss overall trends in development assistance flows in recent decades (section 1), analyse the thinking behind the allocation of assistance during that period (section 2) and assess what has been the specific situation of Latin America and the Caribbean as a recipient of development assistance (section 3). The last two of these sections will review certain changes in the way in which ODA has been allocated in recent years, both in sectoral terms and in respect of the specific characteristics of assistance flows, and will discuss future challenges for development assistance and what can be expected in the near future in that regard.

Throughout the chapter, attention will be drawn to certain points worthy of particular attention: for example, the region's pressing need for changes in the allocation policies and priorities currently governing development assistance, so that they will take into account the specific needs of the countries and not be based on criteria shaped by the concept of the middle-income country. It will also underline the urgent need for donor countries and the relevant multilateral institutions to make an effort to mobilize greater resources for ODA, so that increases in assistance to certain countries or regions do not take place at the expense of others. The donor countries and multilateral institutions need to realize that worsening social indicators in any of the developing economies not only are a problem for those who are currently suffering from unmet basic needs, but also can have consequences in the much longer term, with the damage continuing for generations. One such example is human capital, whose deterioration as a result of lack of food, health care and education is a long-term impact which will continue to affect countries' development capacity long after a recovery begins in the economic indicators and those which refer to those social problems. This fact must be taken into account by donor countries when they decide whether to give priority to their own public finances or to the growing needs of the developing countries.

The chapter will also underline the need to optimize the way in which assistance flows to the region are allocated, so that they produce the greatest possible multiplier effect. Resources should be allocated in accordance with a precise strategy defined jointly by the donor and recipient countries, and this strategy should give greater weight to sectors having the most capacity for job creation. Beyond the natural importance of ODA targeting social sectors, the allocation strategy should aim at country-level capacity-building in order to make the best use of the available funds, not only in the short term, but also in the medium and long terms, to counteract the possible impact of the crisis on the direction of the region's future growth.

Lastly, it will discuss the need for the developed and developing countries together to continue studying additional and innovative sources of financing, to add them to those already in use so that they will provide fresh resources in the face of today's general picture of scarce resources. In a future world that will be characterized, at least in the short and medium terms, by greater growth in the emerging economies compared with the developed countries, South-South and triangular cooperation will be essential complements to the traditional type of ODA.

## **2. General trends in flows of official development assistance**

Official development assistance (ODA) is a flow of financing in the shape of grants or soft loans, whose solidarity-based goal is to help deal with problems and meet the needs of developing countries and thereby reduce worldwide disparities and inequities (ECLAC, 2005).<sup>15</sup>

As early as 1970, a resolution of the General Assembly of the United Nations proposed that 0.7% of the GNI of donor countries should be dedicated to ODA.<sup>16</sup> This commitment was ratified on a number of occasions, particularly at the International Conference on Financing for Development, held at Monterrey, Mexico, in March 2002.

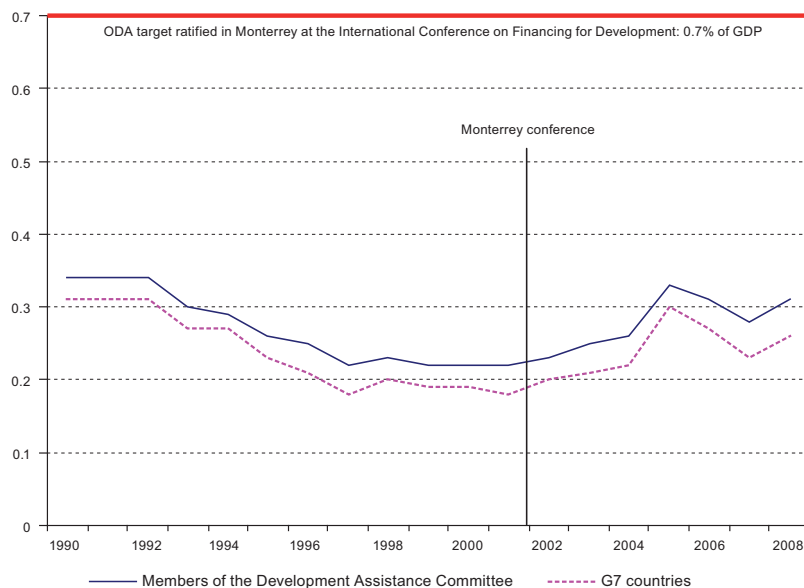
Nonetheless, despite a slight upward trend begun at Monterrey, the necessary financial resources have still not been mobilized and the level of ODA is still well below the agreed target. In 2008, the level of net ODA from

<sup>15</sup> ODA includes grants or soft loans to developing countries and territories included in the list of assistance recipients of the Development Assistance Committee (DAC) of OECD (see list in annex 2). In the case of soft loans, it includes 25% in the form of a grant. Assistance for military purposes is not included. Multilateral assistance includes financing from multilateral development banks, United Nations bodies and regional institutions (such as European Union bodies) (ECLAC, 2005).

<sup>16</sup> Resolution 2626 (XXV) of the General Assembly of the United Nations, of 24 October 1970.

the countries of the Development Assistance Committee (DAC) averaged only 0.31% of their GNI. This figure was not only below the 0.7% target, but also below the 1990 level, when net ODA stood at 0.34% of the donor countries' GNI (see figure VIII.13).<sup>17</sup>

Figure VIII.13  
**OFFICIAL DEVELOPMENT ASSISTANCE GRANTED BY THE MEMBER COUNTRIES OF  
 THE DEVELOPMENT ASSISTANCE COMMITTEE (MILLENNIUM  
 DEVELOPMENT GOAL INDICATOR 8.1), 1990-2008**  
*(Percentages of gross national income)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

Of the 22 countries making up the DAC, only five —Denmark, Luxembourg, the Netherlands, Norway and Sweden— exceeded the 0.7% target in 2008. The highest figure related to Sweden (0.98% of GNI), and the lowest-scoring countries were Japan and the United States (both with 0.19% of GNI). In 11 of the 22 countries, ODA as a percentage of GNI was lower in 2008 than in 1990.

In absolute terms, volumes of development assistance have also shown a disappointing trend in the last 20 years, with the exception of certain years when there were significant increases for exceptional reasons.<sup>18</sup>

Although it reached a record level of US\$ 128.6 billion<sup>19</sup> and a growth rate in real terms of 14% in 2008, its annual growth between 1991 and 2008 averaged only 2.2% (see tables VIII.6 and VIII.7).<sup>20</sup>

<sup>17</sup> The total amount of ODA from member countries of the DAC includes not only bilateral aid, but also the contributions made by those countries to multilateral bodies.

<sup>18</sup> For example, the 2005 increase was temporary, resulting from ODA provided to the countries affected by the tsunami of 2004, and also to Iraq and Nigeria.

<sup>19</sup> For a list of member countries of the DAC, see annex 1.

<sup>20</sup> A positive note concerning trends in the volumes of ODA: a comparison of the amounts that some of the DAC countries spend on ODA with an indicator of the amount that those same countries spend on supporting their agricultural producers shows that, although ODA is at a clear disadvantage, this has tended to decrease with time. In the case of the United States, for example, in 2000 the amount of support for agricultural producers (producer support estimate (PSE)) was five times larger than the amount of ODA, whereas in 2008 the two figures were equal.

Table VIII.6  
**NET DISBURSEMENTS OF OFFICIAL DEVELOPMENT ASSISTANCE (ODA) TO THE DEVELOPING COUNTRIES (INDICATOR 8.2 OF THE MILLENNIUM DEVELOPMENT GOALS), 1990-2008**  
*(Millions of dollars at current prices)*

	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total net ODA,											
of which:											
Bilateral from DAC	56 959	58 975	49 791	52 267	60 858	71 121	79 399	107 975	106 149	107 102	128 608
member countries	38 462	40 481	36 064	35 111	40 757	49 735	54 304	82 424	76 901	72 881	86 455
Multilateral	12 609	17 733	12 943	16 231	17 372	18 222	21 863	22 542	24 794	29 518	33 856

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

<sup>a</sup> Development Assistance Committee.

Table VIII.7  
**ANNUAL GROWTH IN NET OFFICIAL DEVELOPMENT ASSISTANCE (ODA) TO DEVELOPING COUNTRIES**  
*(Percentages)*

	1991-2008	2008
Total developing countries	2	14
Europe	7	46
Africa	1	7
Latin America and the Caribbean	1	26
Asia	3	18
Oceania	-2	13
Unspecified	5	10

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

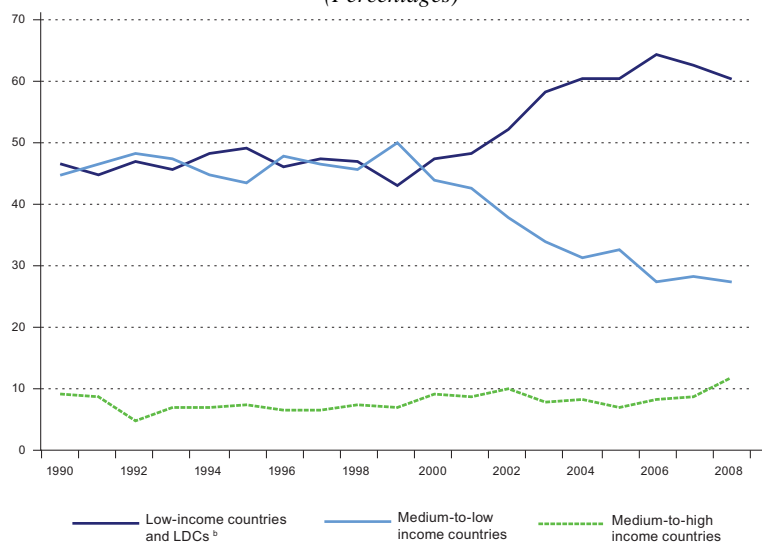
### 3. Approach to allocation of official development assistance: channelling to the lowest-income economies

The reasoning on ODA allocation by donor countries, and in the past 20 years by multilateral institutions, has been dominated by the channelling of a greater proportion of ODA towards the economies classified as low-income (including those classified as the least developed countries), to the detriment of middle-income countries. This trend began to grow from the late 1990s onwards (see figure VIII.14).

Thus, in the period 2000-2008, the low-income countries (including the least developed countries) absorbed almost 60% of total ODA flows, and the middle-income countries received the remaining 40%. Within the latter group, the lower-middle income countries absorbed three quarters of the total.

The channelling of ODA towards low-income countries has led to its concentration in the regions where most of those countries are located. As a result, Asia and Africa have historically enjoyed the lion's share of those resources and currently have the highest participation, with 34% each. The relative share of Latin America and the Caribbean as a recipient of ODA, on the other hand, fell from 9% of the total in 1990 to 7% in 2008 (see figure VIII.15).

Figure VIII.14  
**COUNTRIES' SHARE OF TOTAL NET DISBURSEMENTS OF OFFICIAL  
 DEVELOPMENT ASSISTANCE (ODA) BY INCOME LEVEL**  
*(Percentages)*

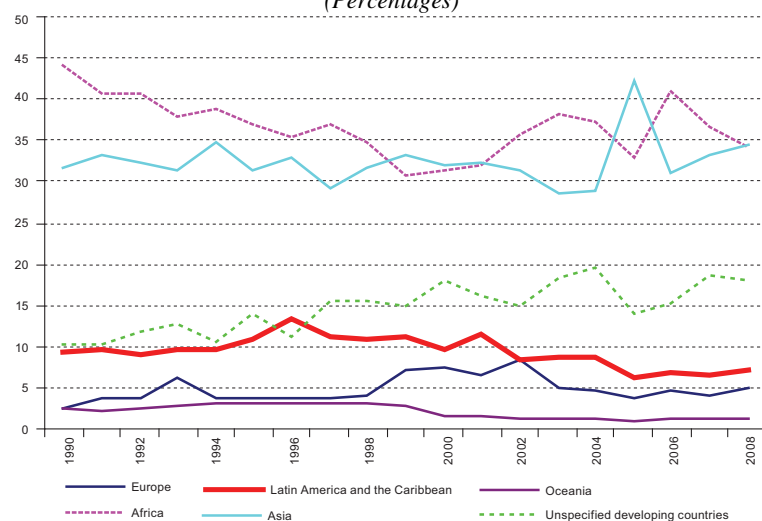


**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

<sup>a</sup> Total ODA was construed as the sum of the three categories appearing in the figure. From 1990 to 2008, a number of countries changed income groups according to the OECD classification. In the figure, however, data were calculated for the whole period using the latest available classification, corresponding to 2008. Iraq was excluded from the medium-to-low income group because in 2005 a large proportion of the ODA for that group was concentrated in that country.

<sup>b</sup> LDCs: Least developed countries.

Figure VIII.15  
**SHARES OF TOTAL NET OFFICIAL DEVELOPMENT ASSISTANCE (ODA)  
 RECEIVED BY THE VARIOUS REGIONS**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

This low and falling share of Latin America and the Caribbean in total ODA flows to the developing world is precisely due to the fact that most of the region's economies are classified as upper-middle income countries and receive very modest amounts of ODA. Not even the relatively low-income countries in our region are among the main recipients of ODA at the worldwide level. In the average for the period 2000-2008, no country in Latin America and the Caribbean appears among the top 10 recipients of ODA as a percentage of GNI.<sup>21</sup>

While it makes sense that ODA should seek to narrow the gap between possibilities and needs in the poorest countries, it should be remembered that there are major disparities within each group of countries as classified by their level of income. For example, taking the average for the period 2000-2008, in the group of countries classified as lower-middle income at the world level, per capita income varied between a minimum level of US\$ 1,943 and a maximum of US\$ 9,077. The poverty rate in that group ranges from 2% to 81%.<sup>22</sup> The same disparity exists in the group of upper-middle income countries; the level of per capita income varied between a minimum of US\$ 4,100 and a maximum of US\$ 19,547, and the poverty rate varied from a minimum of 2% to a maximum of 43% (see table VIII.8).

Table VIII.8  
**LATIN AMERICA AND THE CARIBBEAN AND THE WORLD: DESCRIPTIVE  
STATISTICS OF PER CAPITA INCOME AND POVERTY <sup>a</sup>**  
(Dollars and percentages)

World						
Lower-middle income countries						
Variable	Number of observations	Total	Average	Standard deviation	Minimum	Maximum
Per capita GDP	41		4 395	1 712	1 943	9 077
Poverty rate (percentages)	33		29.6	20.7	2	81
Upper-middle income countries						
Per capita GDP	35		10 579	3 838	4 100	19 547
Poverty rate (percentages)	16		13.0	10.0	2	43
Latin America and the Caribbean						
Lower-middle income countries						
Variable	Number of observations	Total	Average	Standard deviation	Minimum	Maximum
Per capita GDP	11		4 661	748	2 264	7 140
Poverty rate (percentages)	10		25.1	6.8	15	35
Population living in poverty	11	66.5	6.0	5.0	0.3	19
Population living in absolute poverty	11	33.1	3.0	2.6	0.2	10
Upper-middle income countries						
Per capita GDP	19		10 301	3 946	5 854	19 547
Poverty rate (percentages)	9		12.2	6.6	3	21
Population living in poverty	20	108.0	4.9	12.7	0	49
Population living in absolute poverty	16	32.9	1.5	3.9	0	14

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, World Development Indicators.

<sup>a</sup> Figures refer to the level of per capita GDP measured in PPP and the poverty rate is based on the US\$ 2 per day line. The classification of countries by income groups is from the Organisation for Economic Co-operation and Development (OECD).

<sup>21</sup> On the contrary, of the world's 10 smallest ODA recipients, seven were in Latin America and the Caribbean.

<sup>22</sup> See the classification of countries by income group, as provided by OECD, in annex 2. The figures relate to the level of per capita GDP measured in purchasing power parity (PPP) and the poverty rate is measured using the poverty line of US\$ 2 per person per day. Data are from the World Bank database (World Development Indicators).

In the group classified as lower-middle income countries in Latin America and the Caribbean, per capita income varied between a minimum level of US\$ 2,264 and a maximum of US\$ 7,140. The poverty rate in that group of countries varied between 15% and 35%. In the group of upper-middle income countries in Latin America and the Caribbean, per capita income varied between a minimum of US\$ 5,854 and a maximum of US\$ 19,547, and the poverty rate ranged from 3% to 21% (see table VIII.8).<sup>23</sup>

It would be natural for development assistance to be allocated according to countries' specific needs and, within the countries, to the worst affected sectors. When allocating development assistance flows, the donor countries should reassess the allocation criteria based on the concept of middle-income countries. There is considerable diversity within this group of countries, which comprises sectors exposed to high levels of economic and social vulnerability.

#### 4. Latin America and the Caribbean as a recipient of ODA

Of the US\$ 128.6 billion of ODA to the developing countries in 2008, only US\$ 9.3 billion (7.2%) went to Latin America and the Caribbean. Of this total, US\$ 6.9 billion (almost three quarters) was bilateral ODA from the countries of the DAC, and US\$ 2.3 billion (almost a quarter) was ODA from multilateral agencies (see table VIII.9).

Table VIII.9  
NET OFFICIAL DEVELOPMENT ASSISTANCE (ODA) DISBURSEMENTS  
TO LATIN AMERICA AND THE CARIBBEAN  
(Millions of dollars at current prices)

	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total net ODA, of which:	5 233	6 384	4 838	5 990	5 076	6 129	6 803	6 706	7 308	6 954	9 262
Bilateral DAC countries <sup>a</sup>	4 188	4 807	3 846	4 456	3 892	4 569	5 122	4 819	5 236	4 744	6 907
Multilateral	1 032	1 543	941	1 489	1 119	1 520	1 646	1 841	2 032	2 109	2 264

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

<sup>a</sup> Development Assistance Committee.

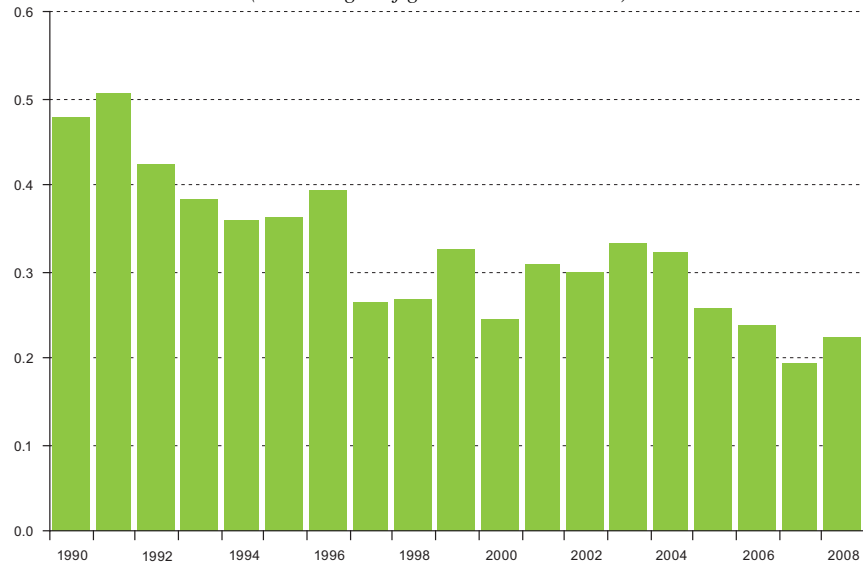
As shown in table VIII.7, the annual growth of ODA to Latin America and the Caribbean from 1990 to 2008 averaged only 1% in real terms. This growth was insufficient to ensure that the amount of ODA received as a percentage of the region's GNI increased, or at least did not fall. Thus, between 1990 and 2008, Latin America and the Caribbean saw the volume of ODA received as a percentage of regional GNI decline from 0.5% in 1990 to 0.22% in 2008 (see figure VIII.16).

Allocation criteria in the region have been similar to the global criteria whereby the countries classified as low-income or lower-middle income have received greater volumes of ODA as a percentage of their incomes than the countries classified as upper-middle income (see table VIII.10). Thus, there is a clear correlation between countries' levels of per capita income and the ODA they have received in recent years (see figure VIII.17).

<sup>23</sup> These pronounced disparities between the countries within the groups are even larger if, instead of income, the dimensions of poverty considered in the Millennium Development Goals (such as access to basic services, nutrition, education and health care) are taken into account.

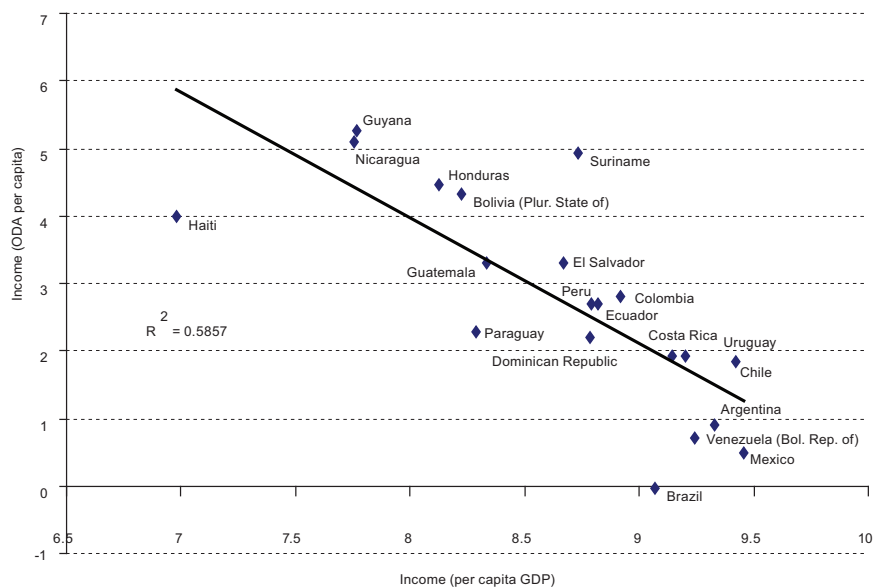


Figure VIII.16  
**LATIN AMERICA AND THE CARIBBEAN: OFFICIAL DEVELOPMENT  
 ASSISTANCE (ODA) RECEIVED, 1990-2008**  
*(Percentages of gross national income)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank. For 2008, the figure for Official Development Assistance (ODA) is from the Organisation for Economic Co-operation and Development (OECD).

Figure VIII.17  
**LATIN AMERICA AND THE CARIBBEAN (20 COUNTRIES): RATIO OF PER CAPITA INCOME TO  
 PER CAPITA OFFICIAL DEVELOPMENT ASSISTANCE, 2004-2007<sup>a</sup>**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

<sup>a</sup> Both figures are averages for the period 2004-2007.

Table VIII.10  
**NET OFFICIAL DEVELOPMENT ASSISTANCE (ODA) DISBURSEMENTS  
 TO THE LATIN AMERICAN AND CARIBBEAN COUNTRIES**  
*(Percentages of gross national income)*

	1990	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	
LDC Haiti	5.9	24.7	5.4	4.7	4.5	7.1	6.6	10.1	11.7	11.5	13.1	
Lower-middle income countries	Bolivia (Plurinational State of)	11.8	11.0	5.9	9.4	9.0	12.1	9.4	5.9	6.8	3.7	3.9
	Colombia	0.2	0.2	0.2	0.4	0.5	0.9	0.5	0.4	0.6	0.4	0.4
	Ecuador	1.7	1.2	1.0	0.9	0.9	0.6	0.5	0.6	0.5	0.5	0.5
	El Salvador	7.4	3.1	1.4	1.8	1.7	1.3	1.4	1.2	0.9	0.4	1.1
	Guatemala	2.7	1.4	1.4	1.3	1.2	1.1	0.9	1.0	1.6	1.3	1.4
	Guyana	61.0	15.1	17.5	17.6	10.8	13.9	21.5	20.1	19.6	12.3	14.5
	Honduras	16.0	11.0	6.4	9.4	6.4	5.1	7.9	7.5	5.8	4.0	4.1
	Nicaragua	33.4	23.0	15.0	24.1	13.5	21.5	29.1	16.1	14.2	15.0	11.5
	Paraguay	1.1	1.7	1.1	0.9	1.1	0.9	0.3	0.7	0.6	0.9	0.8
	Peru	1.6	0.7	0.8	0.9	0.9	0.9	0.7	0.6	0.5	0.3	0.4
	Dominican Republic	1.5	0.8	0.2	0.4	0.6	0.3	0.4	0.3	0.2	0.3	0.3
Upper-middle income countries	Anguilla	..	..	..	..	..	..	..	..	..	..	..
	Antigua and Barbuda	1.3	0.5	..	1.3	2.0	..	..	0.9	0.4	0.7	0.7
	Argentina	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
	Barbados	0.2	-0.1	0.0	0.0	0.1	0.8	1.1	-0.1	..	..	..
	Belize	7.4	3.0	1.9	2.8	2.6	1.3	0.8	1.2	0.8	1.9	2.1
	Brazil	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Chile	0.3	0.2	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.0
	Costa Rica	3.2	0.3	0.1	0.0	0.0	0.2	0.1	0.1	0.1	0.2	0.2
	Cuba	..	..	..	..	..	..	..	..	..	..	..
	Dominica	12.1	11.8	6.5	8.1	12.9	4.7	11.6	7.7	6.9	6.0	6.3
	Grenada	6.6	4.1	4.4	3.1	2.8	2.7	4.1	11.6	6.0	4.0	5.5
	Jamaica	6.5	1.9	0.1	0.6	0.3	0.1	0.9	0.4	0.3	0.2	0.6
	Mexico	0.06	0.14	-0.01	0.02	0.02	0.02	0.01	0.02	0.03	0.01	0.01
	Montserrat	..	..	..	..	..	..	..	..	..	..	..
	Panama	1.97	0.53	0.14	0.23	0.17	0.22	0.17	0.19	0.20	-0.74	0.13
	Saint Kitts and Nevis	5.24	1.77	1.30	3.28	8.95	0.05	0.02	0.64	1.12	0.72	9.12
	Saint Lucia	3.33	9.24	1.78	2.89	5.01	2.25	-2.95	1.30	2.21	2.19	2.04
	Saint Vincent and the Grenadines	8.18	18.68	1.95	2.47	1.31	1.82	2.74	1.07	1.00	12.35	4.71
	Suriname	15.63	11.09	3.85	3.39	1.12	0.89	1.67	2.53	3.08	6.20	3.71
	Trinidad and Tobago	0.38	0.51	-0.02	-0.02	-0.10	-0.03	-0.01	-0.01	0.08	0.10	0.05
Uruguay	0.59	0.35	0.08	0.07	0.10	0.20	0.22	0.09	0.11	0.15	0.11	
Venezuela (Bolivarian Republic of)	0.17	0.06	0.07	0.04	0.06	0.10	0.04	0.04	0.03	0.03	0.02	
Upper-middle income countries	3.9	3.4	1.2	1.5	2.0	0.9	1.1	1.5	1.2	1.9	2.0	
Low and lower-middle income countries	12.0	7.8	4.7	6.0	4.2	5.5	6.6	5.4	5.3	4.2	4.3	

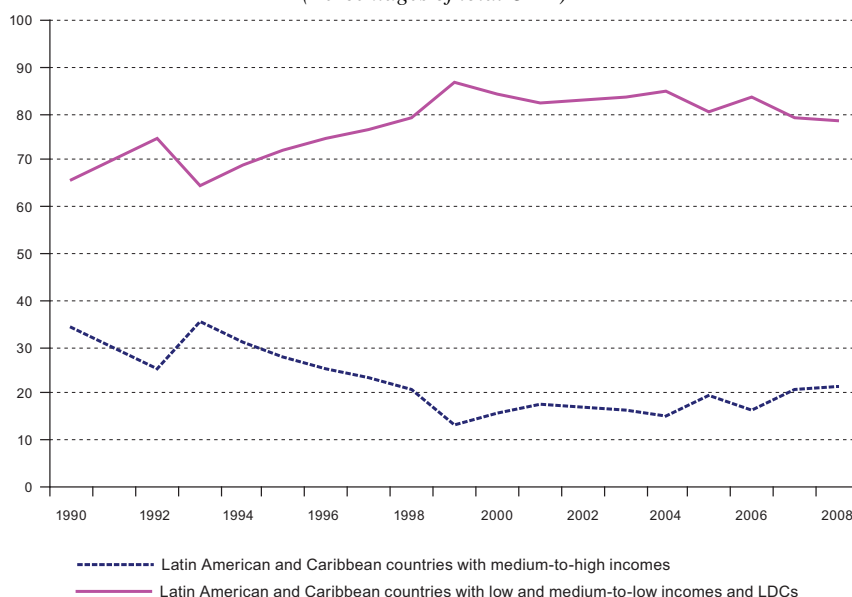
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

**Note:** LDC: Least developed countries. In Latin America and the Caribbean this category includes only Haiti.

<sup>a</sup> For the income classification of countries, the latest available OECD classification was used.

Because of this trend in the way assistance flows are allocated to Latin America and the Caribbean, almost 80% of total ODA to the region since 1990 has been captured by low- and lower-middle-income countries, on average (see figure VIII.18).

Figure VIII.18  
**LATIN AMERICA AND THE CARIBBEAN: SHARE IN FLOWS OF OFFICIAL  
DEVELOPMENT ASSISTANCE (ODA), BY NATIONAL INCOME**  
(Percentages of total ODA)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

It should be noted that some countries in the region which are classified as upper-middle income countries and which receive an insignificant share of official assistance (see table VIII.10) face considerable challenges in terms of persistent inequality and poverty, generally concentrated in certain strata of the population. A number of small States or territories classified as island developing countries or territories—a very heterogeneous group—show high levels of vulnerability to external shocks such as the natural disasters which regularly destabilize development processes in many of them, and to pressures caused by the small size of their economies.<sup>24</sup> As mentioned earlier, criteria for ODA allocation should focus on countries' specific needs rather than the group to which they belong in terms of the classification of their incomes.

Even in the case of the lower-middle income group of countries, specific needs should be borne in mind in order to channel ODA as effectively as possible. Although in some cases these countries may be receiving large volumes of ODA in relative terms, the shape the assistance takes is also vitally important. For example, among the region's lower-middle income countries which have received the highest volumes of ODA in relative terms, there are some which at the same time are classified as heavily indebted poor countries (Guyana, Honduras, Nicaragua, the Plurinational State of Bolivia and, more recently, Haiti). This means that, in some cases, a high proportion of the ODA received has been in the shape of actions relating to their external debt (including debt forgiveness) and not in

<sup>24</sup> The group of small island States and territories comprises the following: Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Netherlands Antilles, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago and United States Virgin Islands (United Nations Statistics Division, on the basis of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States).

the form of “fresh funds” directed towards other sectors.<sup>25</sup> In particular, the share of debt-related actions as a proportion of ODA funds committed between 2002 and 2007 stood at 25% for the Plurinational State of Bolivia, 27% for Nicaragua and almost 30% for Honduras. The converse of this is the lesser proportion of ODA in the shape of social services and social infrastructure. In those three countries, the combined share of these two segments was between 32% and 39% in 2002-2007, well below the level for Latin America and the Caribbean as a whole.

In sum, although ODA in the shape of debt-related actions reflects the concern and determination on the part of the donor countries, and the international community in general, to relieve the debt burden borne by the lowest-income countries, their concrete need for assistance in the form of “fresh funds” should also be taken into account.

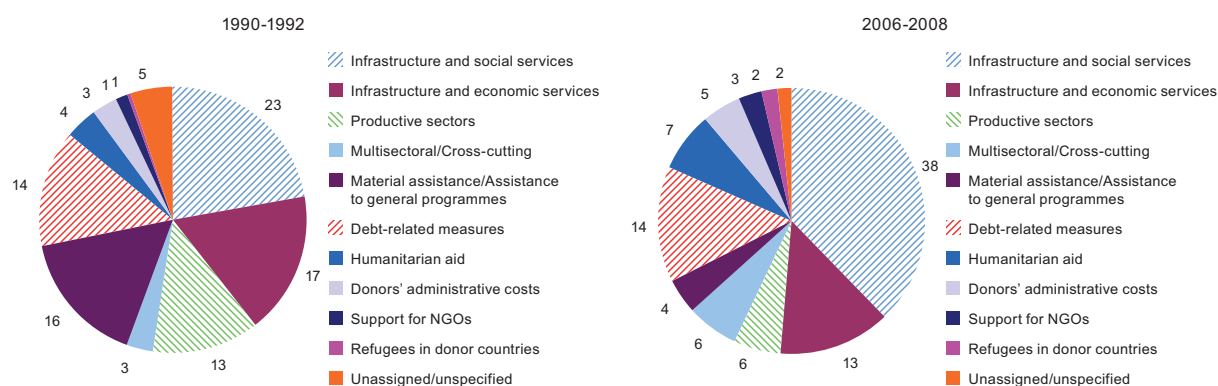
### 5. Changes in ways of allocating official development assistance

There are a number of notable aspects in the ways in which ODA has been allocated by donor countries and multilateral institutions. First, the social services and social infrastructure sectors have received an increasing proportion of total ODA. There has been a continuing move —as called for in the Millennium Development Goals— towards giving greater weight to grants rather than lending within total ODA. This has advantages, but also some drawbacks which may not be obvious.

#### (a) Increase in the share of the social services and social infrastructure sectors within total resources committed to official development assistance.

The past 20 years have seen an increase in the social services and social infrastructure sectors as a share of total ODA committed by donor countries (see figure VIII.19).

Figure VIII.19  
DEVELOPING COUNTRIES: ODA COMMITMENTS FROM TOTAL DONORS, BY SECTOR  
(MILLENNIUM DEVELOPMENT GOAL INDICATOR 8.2)<sup>a</sup>  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

<sup>a</sup> Owing to insufficient information, analysis by sector was based on data on ODA commitments rather than on each year's effective disbursements.

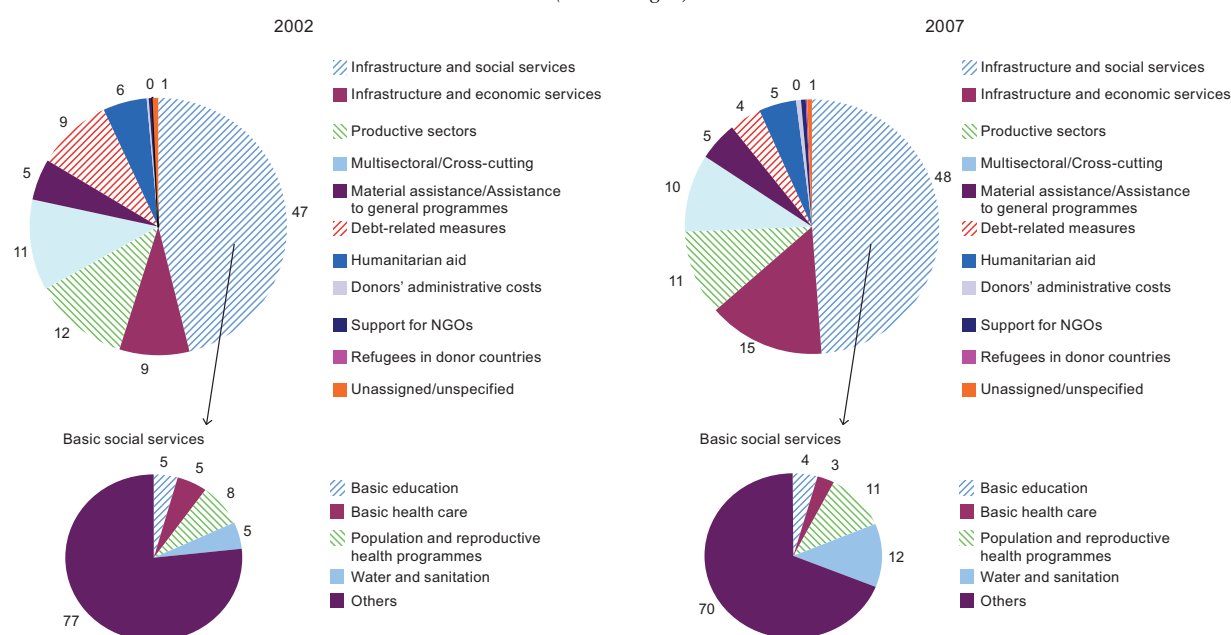
<sup>25</sup> The Heavily Indebted Poor Countries Debt Initiative, adopted in 1996, has essentially focused on reducing debt servicing, by means of debt forgiveness and the rescheduling of outstanding debt. For a current list of countries eligible for IMF/World Bank assistance under this initiative, see [online] <http://www.imf.org/external/np/exr/facts/hipc.htm>.

A similar trend has been seen in Latin America and the Caribbean. As was noted in an ECLAC study (United Nations, 2005), the 1990s saw a reorienting of ODA allocations from economic infrastructure and general development targets (including assistance for structural adjustment) towards the social services and social infrastructure sectors. By 2002, they made up almost half of total ODA in the region. Although there was a further increase in the relative weight of economic infrastructure sectors from 2002 to 2007 (from 7% to 15%), social sectors continued to receive the lion's share, reaching 48% of total development assistance by 2007.

In each social sector, the share of resources allocated to basic social services, specified by indicator 8.2 of the Millennium Development Goals (basic education, primary health care, nutrition, safe water and sanitation) rose from 23% to 30% between 2002 and 2007 (see figure VIII.20).

Actions relating to external debt, such as forgiveness, swaps, refinancing and renegotiation—which were increasingly important between 1990 and 2002 (see United Nations, 2005)—began to have a lesser role thereafter, and in 2007 they made up only 4% of ODA commitments to the region.

Figure VIII.20  
**LATIN AMERICA AND THE CARIBBEAN: DISTRIBUTION OF OFFICIAL DEVELOPMENT ASSISTANCE (ODA) COMMITTED BY DONORS, BY SECTOR, 2002 AND 2007**  
(Percentages)



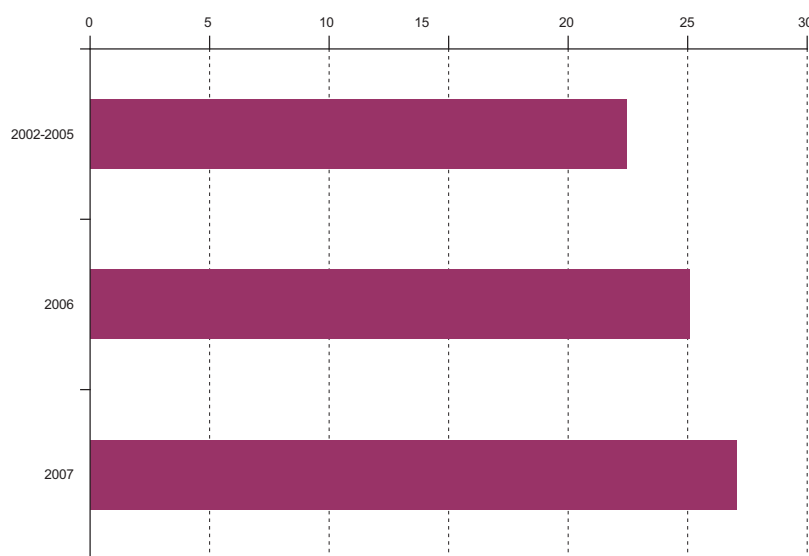
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

Although ODA targeted on social sectors and that which focuses directly on sectors linked to the targets of the Millennium Development Goals are of fundamental importance in the attainment of the Goals, assistance directed at productive sectors and those with the greatest job-creating capacity should not be overlooked. Assistance should be allocated according to a strategy which, in addition to strengthening social sectors, focuses also on those which generate a greater multiplier effect. Aid for Trade, the type of official assistance which is intended to build trade capacity, aims to strengthen the countries' capacities so that they can make the best use of the available funds and have an impact not only in the short term but also in the medium and long terms. The Aid for Trade initiative does not constitute a new specific fund for trade or a specific category of ODA. It simply provides recipient and

donor countries with a framework to connect a range of development activities within a coherent trade development strategy (OECD/WTO, 2009). In a more concrete sense, the Aid for Trade concept includes ODA mainly targeted at: (i) the provision of technical assistance for trade policy and regulation (for example, working with the countries to develop trade strategies and negotiate trade agreements); (ii) the creation of trade-related infrastructure (such as roads, ports, telecommunications to link the domestic market to world markets); (iii) the building of productive capacity (for example, helping the private sector to exploit comparative advantages and diversify its exports); (iv) helping countries with the cost of adjustments relating to trade integration (for example, the cost of lowering tariffs); and (v) other trade-related needs (OECD/WTO, 2009).

Total Aid for Trade funds for developing countries have shown an upward trend in recent years, reaching US\$ 27.1 billion in 2007, 21% over the average for 2002-2005 in real terms (see figure VIII.21). Out of that total, over 55% was concentrated in 20 countries, the majority of which are classified as least developed countries (7) or low-income countries (5).<sup>26</sup> Thus, as with total ODA flows, in the case of Aid for Trade it is once again Asia and Africa which receive the largest share of the total funds. Latin America and the Caribbean received only 8% of total Aid for Trade to the developing world in 2007; this share has varied very little in recent years.

Figure VIII.21  
**SCALE OF AND RECENT TRENDS IN ASSISTANCE DESIGNED TO BUILD TRADE CAPACITY IN DEVELOPING COUNTRIES (MILLENNIUM DEVELOPMENT GOAL INDICATOR 8.9)**  
*(In billions of constant dollars at 2007 prices)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Organisation for Economic Cooperation and Development (OECD).

With global demand having fallen steeply because of the crisis and resources for trade financing becoming scarce, the support of the international community and the donor countries is vital in order to mitigate the worsening of long-term growth prospects in the developing regions, particularly Latin America and the Caribbean. In sum, not only the volume of assistance, but also its quality in terms of the sectors it targets and the priorities it deals with, are vitally important for restarting growth in the coming years and avoiding a worsening of social conditions in the recipient countries.

<sup>26</sup> In the case of low-income countries, most of the resources are used to meet infrastructure needs. In the middle-income countries, greater emphasis is generally placed on creating productive capacities (OECD/WTO, 2009).

**(b) Increasing ODA in the form of grants and unconditional ODA**

Concerning the characteristics of ODA flows to the developing countries, there have been some positive notes which relate directly to the fulfilment of the Millennium Development Goals. In particular, there has been a rise in ODA in the form of grants as opposed to loans. The proportion of grants in total gross ODA disbursements to the developing countries rose from 68% in 1990 to 81% in 2008. In other words, in 2008 only 19% of ODA was in the form of loans.

Something similar took place in the case of Latin America and the Caribbean, where the proportion of ODA in the form of grants as against loans has increased. The proportion of grants in total gross ODA disbursements to the region rose from 69% in 1990 to 84% in 2008, so that in that year only 16% of ODA was in the form of loans.

ODA in the form of grants has the clear advantage of providing resources that the recipient countries will not have to pay back to the donors. The drawback, not always obvious, is that grants are sometimes subject to more conditions for their use than is the case with loans, which can generally be used more freely. In this regard, the ideal situation regarding the characteristics of assistance flows would be for the resources to be allocated in accordance with a precise strategy defined jointly by the recipient countries and the donors, not just conditions imposed by the latter. One example of the conditions which can be imposed is where the beneficiary country is required to use the assistance received to purchase goods and services produced by the donor country (conditional assistance). The variation in the proportion of bilateral ODA committed by the DAC donors which is not conditional in that sense shows a positive trend, with unconditional aid increasing. In line with what the Millennium Development Goals have sought to promote (indicator 8.3), unconditional assistance rose to 87% in 2008, compared with 81% in 2000 and 59% in 1990.

**6. The future of development financing: what can be expected and what are the challenges?**

The current worldwide economic and financial crisis, whose epicentre was in the United States and the developed countries, has been the deepest in 60 years; its consequences have been felt to a greater or lesser extent in all the regions of the developing world. One of the fundamental effects of the crisis has been a reduction in sources of financing, both external and internal, available to the emerging economies.

Private capital flows to all the developing regions were reduced as a result of the crisis. The same happened to the availability of foreign exchange for exports. With falling global demand and sharp liquidity restrictions, world trade plummeted even faster than during the Great Depression.<sup>27</sup>

The impact of the crisis on economic activity —added, in some cases, to rising public spending as a consequence of countercyclical policies— led to a worsening of the fiscal situation in the developing countries, leaving them little margin for mobilizing resources at the national level.

In the case of Latin America and the Caribbean, the net financial flows minus foreign direct investment (FDI) of six of the region's largest economies fell from 1% of annual cumulative GDP in the third quarter of 2008 to a low point of -1.6% of GDP in the second quarter of 2009, a decline of 2.6 percentage points of GDP.<sup>28</sup> FDI into Latin America and the Caribbean as a whole was also badly hit, contracting by some 37% in 2009, the largest fall in 30 years at least, and foreign-exchange inflows from exports experienced a nosedive unprecedented in the previous 70 years (ECLAC, 2009a).<sup>29</sup> Lastly, inflows of remittances to the region, which in many cases are a vital

<sup>27</sup> Between July 2008 (the highest point in the year) and May 2009, a 37% fall in the value of world trade was observed, and all the world's regions suffered falls in their exports (see ECLAC, 2009a).

<sup>28</sup> This calculation was based on a simple average of Argentina, Brazil, Chile, Colombia, Mexico and Peru.

<sup>29</sup> Although FDI flows plummeted by around 47% between 1999 and 2003, the contraction centred on just two countries (Argentina and Brazil), whereas in this instance the fall is much more widespread across the region (see ECLAC, 2009d).

complement to the incomes of the poorest households, fell by around 10% in 2009 and are not expected to recover significantly in the near future.<sup>30</sup>

The region will begin 2010 with a much tighter fiscal situation. The fall in economic activity —the region's GDP declined by 1.8% in 2009— together with increased public spending to fund countercyclical fiscal policies— has caused a downturn in the primary balance, from a surplus of 1.4% of GDP in 2008 to a deficit of 1% of GDP in 2009.<sup>31</sup>

In such a situation, ODA flows are more vital than ever in order to counteract limitations on resources at the internal and external levels and prevent serious setbacks in the social situation in developing countries and, above all, in their level of progress in respect of the Millennium Development Goals.

Regrettably, the fundamental need to maintain and increase ODA flows to alleviate falls in other sources of financing arises at a time when the developed countries are faced with other financing needs of their own as a result of the crisis. The huge fiscal and monetary rescue packages implemented by most of the main developed economies in order to deal with the crisis, together with falling levels of economic activity, resulted in notable deteriorations in their public finances. The G20 developed countries will close 2009 with fiscal deficits averaging 9.7% of GDP, according to IMF estimates, and the 2010 figure will be 8.7% of GDP. The gross public debt of the G20 countries will close 2009 at 98.9% of GDP and in 2010 it is expected to be close to 106.7% of GDP (report of the IMF, 3 November 2009). Those economies may therefore become more reluctant to make major increases in the volume of development assistance, to avoid further imbalances in their fiscal accounts. What happens with ODA flows in the near future (2010 and 2011) will therefore essentially depend on whether the donor countries give priority to caring for their own public finances rather than the growing needs of the developing countries.

In 2005, at the G8 summit in Gleneagles, United Kingdom, and at the Millennium+5 Summit in support of the Millennium targets, the donor countries undertook to increase ODA volumes. This was reaffirmed at the G20 meeting on 2 April 2009. Most of those commitments were expressed as proportions of the countries' GNI, and some established concrete targets for 2010 (see table VIII.11). Simulations from an OECD study (OECD, 2009b) show that fulfilment of those commitments would mean that by 2010, the level of aid would stand at 0.39% of the countries' joint GNI (see table VIII.11). This would involve a real annual increase in total ODA of 10% between 2008 and 2010.

Table VIII.11  
**OFFICIAL DEVELOPMENT ASSISTANCE BY DONOR COUNTRIES  
IN 2008 AND SIMULATIONS FOR 2010<sup>a</sup>**  
(Millions of dollars, at constant 2008 prices)

Country	2008 (preliminary)		Assumption (ratio of ODA to GNI)	2010			
	Net ODA (millions of dollars, at 2008 prices)	ODA/GNI		Net ODA (millions of dollars, at 2008 prices)	ODA/GNI	Real change in ODA compared with 2008	
						(millions of dollars, at 2008 prices)	(percentages)
Austria	1 681	0.42	0.51% in 2010	1 945	0.51	264	16
Belgium	2 381	0.47	0.7% in 2010	3 361	0.70	980	41
Denmark <sup>b</sup>	2 800	0.82	Minimum 0.8%	2 623	0.80	-177	-6
Finland	1 139	0.43	0.51% in 2010	1 300	0.51	161	14
France	10 957	0.39	0.51% in 2010 and 0.7% in 2015	13 909	0.51	2 952	27
Germany	13 910	0.38	0.51% in 2010	17 687	0.51	3 777	27
Greece <sup>c</sup>	693	0.20	0.35% in 2010	1 145	0.35	452	65
Ireland	1 325	0.58	0.6% in 2010 and 0.7% in 2012	1 307	0.60	-17	-1

<sup>30</sup> For 2010 and 2011, slight increases in flows of remittances to the region are expected, at 0.5% and 3.5%, respectively (World Bank, 2009).

<sup>31</sup> In some of the countries of the region, falling commodity prices were another factor in the reduction of fiscal revenue.



Table VIII.11 (concluded)

Country	2008 (preliminary)		Assumption (ratio of ODA to GNI)	2010			
	Net ODA (millions of dollars, at 2008 prices)	ODA/GNI		Net ODA (millions of dollars, at 2008 prices)	ODA/GNI	Real change in ODA compared with 2008	
						(millions of dollars, at 2008 prices)	(percentages)
Italy <sup>d</sup>	4 444	0.20	0.51% en 2010	10 866	0.51	6 423	145
Luxembourg	409	0.92	0.93% in 2010 and 1% in following years	395	0.93	-14	-3
Netherlands	6 993	0.80	Minimum 0.8%	6 647	0.80	-346	-5
Portugal	614	0.27	0.51% in 2010	1 119	0.51	505	82
Spain	6 686	0.43	0.56% in 2010 and 0.7% in 2012	8 271	0.56	1 585	24
Sweden	4 730	0.98	1%	4 625	1.00	-105	-2
United Kingdom <sup>e</sup>	11 409	0.43	0.56% in 2010-2011 y 0.7% in 2013	14 243	0.56	2 834	25
Members of the European Union (EU) and of the Development Assistance Committee (DAC), total	70 168	0.42		89 441	0.56	19 273	27
Australia <sup>f</sup>	3 166	0.34	See footnote f	3 266	0.37	100	3
Canada <sup>g</sup>	4 725	0.32	See footnote g	4 875	0.34	150	3
Japan <sup>h</sup>	9 362	0.18	See footnote h	13 310	0.28	3 948	42
New Zealand <sup>i</sup>	346	0.30	See footnote i	415	0.35	69	20
Norway	3 967	0.88	1% in 2006-2009	4 295	1.00	327	8
Switzerland <sup>j</sup>	2 016	0.41	See footnote j	1 862	0.40	-154	-8
United States <sup>k</sup>	2 6008	0.18	See footnote k	27 647	0.20	1 639	6
Members of the Development Assistance Committee (DAC), total	119 759	0.30		145 110	0.39	25 351	21

**Source:** Organisation for Economic Co-operation and Development (OECD).

- <sup>a</sup> Rather than ODA projections for 2010, the figures represent simulations based on ODA commitments made at Gleneagles in 2005. The Secretariat of OECD obtained these data on the basis of public announcements by the members of the Development Assistance Committee (DAC). The main figures from those announcements are presented as “assumptions”. Calculation of net ODA and its ratio to gross national income (GNI) requires GNI projections for 2010. For 2009 and 2010, projections of real growth were taken from the provisional projections of the Economics Department of OECD, dated 31 March 2009. For the G7 countries, projections of real growth were used. For most of the other countries, real growth projections were used, from the euro zone or the total of the OECD countries. Although calculations were discussed with national authorities at the technical level, the DAC secretariat is responsible for the methodology and the final results published.
- <sup>b</sup> In the coming years, the Government of Denmark will endeavour to increase ODA as a percentage of GDP from its current level of 0.8%.
- <sup>c</sup> Because of budgetary constraints, Greece has postponed to 2012 the European ODA objective of 0.51%. The country expects to achieve an ODA/GNI ratio of 0.35 in 2010.
- <sup>d</sup> The Italian authorities report that the country’s ODA trend will be affected by public-finance constraints.
- <sup>e</sup> In the ODA simulation for 2010 conducted by the OECD Secretariat, the previous estimate of the ODA/GNI ratio for 2010 (0.56%) is applied to current GNI projections for the United Kingdom for 2010, expressed in 2008 prices and exchange rate.
- <sup>f</sup> Australia expects to continue increasing its ODA, and has announced its intention of achieving an ODA/GNI ratio of 0.5% in 2015-2016. In 2008 the Government announced provisional goals of 0.35% for 2009-2010, 0.37% for 2010-2011 and 0.38% for 2011-2012. Figures adjusted for inflation.
- <sup>g</sup> Canada plans to double its international assistance for 2010 in nominal terms. The authorities estimate that such assistance (largely made up of ODA) will total 5.1 billion Canadian dollars in 2010. The ODA figure in this table is adjusted for inflation and converted into United States dollars according to the 2008 exchange rate.
- <sup>h</sup> Japan plans to increase its ODA by a total of US\$ 10 billion over the period 2005-2009, compared with 2004. According to OECD Secretariat estimates, the increase will be US\$ 4.39 billion in 2009 compared with 2004, and the same figure is used for 2010 on the assumption that there will be no variation in the 2009 figure for net ODA. Figures are not adjusted for inflation.
- <sup>i</sup> New Zealand has reported an intermediate goal of 600 million New Zealand dollars. The OECD Secretariat has estimated an ODA/GNI ratio of 0.35% in 2010.
- <sup>j</sup> The Swiss Parliament (the Council of States in September 2008 and the National Council in December 2008) decided to increase ODA to 0.5% of GNI by 2015. The provision of additional resources to fulfil this goal will be decided on following the adoption of the additional framework credit in 2009. According to the current financial plan, the ODA/GNI ratio of 0.4% will be maintained from 2009 onwards.
- <sup>k</sup> The United States neither announces nor adopts ODA projections. The figures in the table are estimates by the OECD Secretariat, based on the 2004 amount of ODA plus a nominal US\$ 5 billion per year designed to cover the commitments undertaken at the G8 summit in Gleneagles on increased assistance to sub-Saharan Africa, the Millennium Challenge Account and initiatives on HIV/AIDS and malaria and humanitarian aid.

An OECD survey on donor countries' future ODA spending plans (OECD, 2009b) shows that the increase in their spending will be significantly below the level needed. Strictly, the document does not cover total ODA spending plans, but only country programmable aid (CPA). CPA is only a portion of bilateral ODA, referring to the amount of aid which developing countries can plan for in their budgets; that is, total aid minus types of assistance such as emergency aid, debt relief and other aid which cannot be planned by the recipient countries. As an example, in 2005-2007 CPA was between 50% and 70% of donors' bilateral ODA (OECD, 2009c).

The OECD survey shows that the planned increase in CPA in real terms was only 4% per year in 2008-2010. If those plans are implemented, ODA targets for 2010 will not be met, since —as mentioned above— CPA is generally at least half of total bilateral ODA. The report is no more encouraging for 2011: CPA is planned to increase by 3% in real terms compared to the level planned for 2010. The latter implies very conservative planning, perhaps in response to the economic and financial crisis, and would mean that even after 2010, ODA will be well behind the targeted levels.

As for Latin America and the Caribbean as a recipient of ODA, an additional element arises in this context. The donor countries, in addition to being behind the overall target for 2010, have an even greater lag in terms of meeting their Gleneagles target for Africa. If it were to be assumed that the donors will increase their ODA sufficiently to meet the overall target for 2010 and that this increase were to go entirely to Africa, even so, it would be necessary to reallocate resources from other regions in order to fulfil the African target (OECD, 2009b, p.18). Thus, it is very possible that the share of Latin America and the Caribbean in total ODA will continue to fall, if resources are reallocated from the region to Africa.<sup>32</sup> The Latin American and Caribbean countries classified as upper-middle income countries will probably suffer the worst if donors set priorities in terms of average incomes in the countries and not of their specific needs.

Given the above facts, attainment of the Millennium Development Goals in the region by 2015 will require, first, that donor countries and the relevant multilateral bodies make greater efforts to mobilize financial resources for ODA. Donor countries will need to renew their commitment to increase ODA towards the target of 0.7% of their GNI so that increased assistance can benefit all regions where needs exist and so that increases in aid to some countries or regions do not take place at the expense of others.

Second, changes are needed in the criteria which currently govern the allocation of ODA. The priority given to low-income over middle-income countries has relegated many of the countries of the region to a second rank even when they had major unmet needs and sectors with high levels of economic and social vulnerability. The way in which resources are allocated should be guided by the specific needs of the countries and of the worst-affected sectors within each country. The donor countries and multilateral institutions must be aware that worsening social indicators in any of the developing economies not only are a problem for those who are currently suffering from unmet basic needs, but also can have consequences in the much longer term, and the damage caused can continue for generations. One such example is human capital, whose deterioration as a result of lack of food, health care and education is a long-term impact which will continue to affect countries' development capacity long after concrete indicators begin to show a recovery.

Third, the ways in which the available assistance flows are allocated must be improved, to ensure that they have the greatest possible multiplier effect. Resources should be allocated in accordance with a precise strategy defined jointly by the donor and recipient countries, which should give greater weight to sectors having the most capacity for job creation. ODA allocation strategy should aim to improve countries' capacities so that they can derive greater benefit from the available funds. Aid for Trade, as mentioned above, could be a concrete example of assistance allocated to that end.

Lastly, the developed and developing countries need to continue studying additional and innovative sources of financing, adding them to those already in use so that they will provide fresh resources in the face of today's overall picture of scarce financing. The Monterrey Consensus called on the United Nations and its Member States to explore innovative sources of financing, and United Nations (2005) reviews some mechanisms which were proposed as a result of that initiative (see box VIII.2).

<sup>32</sup> In fact, the OECD report estimates that if the Gleneagles targets for Africa are achieved, that region would receive a 45% share of total ODA by 2010 (OECD, 2009b, p. 17).

## Box VIII.2

**INNOVATIVE FINANCING MECHANISMS TO FIGHT HUNGER AND POVERTY<sup>a</sup>**

The Technical Group on Innovative Financing Mechanisms, consisting of representatives of Algeria, Brazil, Chile, France, Germany and Spain, proposed a series of mechanisms for mobilizing additional resources to finance efforts to attain the Millennium Development Goals. These mechanisms are as follows:

**1. Taxation of international financial transactions**

The volume of monetary and financial assets traded internationally is very large and constitutes one of the most dynamic aspects of globalization today. This means that a very low rate of taxation that does not cause market distortions or increase the risk of evasion could yield high revenues. A tax on foreign exchange transactions, which could be levied at the national level and coordinated internationally, appears to be the most technically feasible option.

**2. Taxation of the arms trade**

This tax would serve the dual purpose of discouraging the acquisition of arms and raising funds for social development. The tax would be levied on transactions involving heavy conventional weapons.

**3. Levy on air travel**

One of the fastest-growing activities in the current stage of globalization is air travel. A small surcharge could be added to the price of international airline tickets.

**4. Establishment of an international financial facility (IFF)**

This financial mechanism, proposed by the United Kingdom, is intended to mobilize additional resources up until 2015 on the basis of planned increases in future official development assistance (ODA) flows. It consists of a borrowing scheme in which donor States would securitize their future ODA flows for issuance on international bond markets. This would generate stable, predictable resource flows for recipient States in the years up to 2015.

**5. Issuance of Special Drawing Rights (SDRs)**

New issues of SDRs could help to make globalization more balanced, as they would help to reduce financial volatility and imbalances in developing countries and increase the scope for development and the resources available for combating hunger and poverty.

**6. Tax evasion and tax havens**

Reducing tax evasion and enhancing the transparency of financial operations is a global public good. Tax havens should be required to collect information on their customers and to share it with the authorities of national tax systems, as a means of discouraging tax evasion. This would channel more resources into national budgets and enhance global tax equity by reducing the regressive impact of tax evasion. Stronger international cooperation on tax matters is essential for the implementation of this proposal.

**7. Measures to increase the benefits of remittances**

Remittances from emigrants have increased significantly in the past few years. In Latin America and the Caribbean they already exceed foreign direct investment and constitute a stable source of financing for the region and for emigrants' families. The cost of sending remittances remains very high, however, and steps should be taken to reduce it by creating more competition among the current intermediaries, organizing senders and recipients of remittances and adding new operators, possibly by assigning this function to national postal services, given their broad coverage of the recipient countries' territories. At the same time, given the stability of remittance flows, financial mechanisms should be established to facilitate recipient families' access to microcredit for housing and productive activities from lenders in the local financial system, as this almost never reaches the majority of the population in developing countries.

**8. Voluntary contributions through socially responsible investing or ethical funds**

This mechanism would consist of redirecting the large volume of funds mobilized through private philanthropy on the part of both individuals and foundations. One way to do this would be to use stock exchange infrastructure to direct new private contributions towards action against poverty. This would be complemented by the establishment and coordination of government incentives in the form of tax measures or matching contributions that would promote the formation of socially responsible investment funds capable of mobilizing non-governmental organizations' reserves of altruism.

**9. Voluntary contributions through credit cards**

This mechanism is already being used for a variety of purposes. An affinity card identified with the implementation of the Millennium Development Goals would be issued, and the holders would agree to donate a small percentage of the value of their purchases to the worldwide campaign against hunger and poverty. Credit card issuers and banks could also donate part of the profits they earn from participating customers.

**Source:** United Nations, *The Millennium Development Goals: a Latin American and Caribbean Perspective* (LC/G.2331-P), J.L. Machinea, A. Bárcena and A. León (coords.), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC), 2005.

<sup>a</sup> See the letter dated 23 February 2005 from the Permanent Representatives of Brazil, Chile, France, Germany and Spain to the Secretary-General (A/59/719-E/2005/12). These countries make up the Technical Group on Innovative Financing Mechanisms established pursuant to the Geneva Declaration on Action against Hunger and Poverty. Algeria joined the Group in April 2005.

Some of the proposed mechanisms—for example, a levy on air fares— have already been implemented, whereas others—such as a tax on international financial transactions— have not been as well received. The latter, however, has recently been under discussion as a possible measure in the context of the current crisis. The reasons for the tax, if implemented, would be varied; on the one hand, it would seek to reduce international speculation; on the other, it would provide increased resources for reducing fiscal deficits in the developed countries. Development assistance has not been mentioned as a possible destination for the funds collected.

The measures proposed at that time have been joined recently by others, such as the “*Debt2Health*” initiative, officially launched in 2007, which basically involves applying the debt swap mechanism to the funding of health-care programmes. This initiative urges the creditors of certain selected beneficiary countries to forgive part of the debt on the condition that the governments concerned invest an agreed portion in health-care programmes connected to the campaign against HIV/AIDS, tuberculosis and malaria and previously approved by the Global Fund.<sup>33</sup> This conversion of debt into health-care spending enables the countries to dedicate more of their own resources to combating those diseases, by freeing up resources which would have been spent on debt servicing (Aidsalliance, 2007).

Beyond all these innovative financing mechanisms which have been put forward, and which may or may not be implemented, it is essential that efforts should continue in the search for novel ways to meet the needs of the developing countries. In the current situation, it is also necessary to promote mechanisms for South-South cooperation among developing countries, as well as triangular cooperation in cases where the developing countries do not have the necessary financing to engage in cooperation activities among themselves.<sup>34</sup> The developing countries have many capacities which are transferable to their peers. In a future world which, at least in the short term, will be characterized by stronger growth in the emerging economies compared with the developed countries, these two forms of cooperation appear as essential complements to the traditional type of official development assistance.

### C. SUSTAINABILITY AND DEBT RELIEF IN LATIN AMERICA AND THE CARIBBEAN

Goal	Target	Indicators
<b>Goal 8</b>  Develop a global partnership for development	<b>Target 8.D</b>  Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term	<b>8.10</b> Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)  <b>8.11</b> Debt relief committed under the Heavily Indebted Poor Countries (HIPC) and Multilateral Debt Relief (MDRI) initiatives  <b>8.12</b> Debt service as a percentage of exports of goods and services

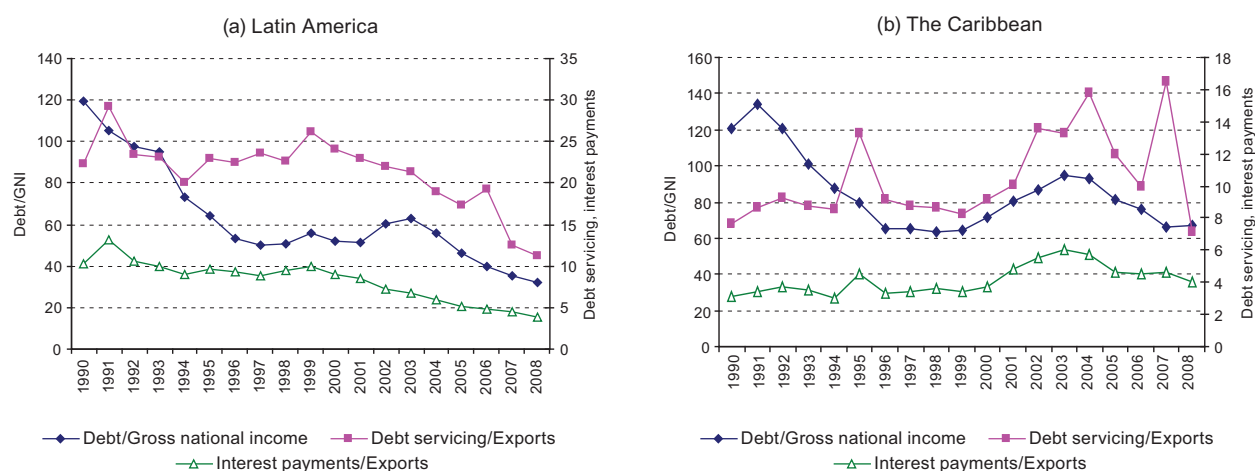
#### 1. The situation of debt in Latin America and the Caribbean

For the average of the Latin American countries, trends in external indebtedness have been positive since 2002, averaging around 32% of GNI by 2008, the lowest figure since 1990. Debt servicing and interest payments, each of them measured as a proportion of exports, also reached their lowest levels in 2008 (see figure VIII.22.a).

<sup>33</sup> Created in 2002, the Global Fund is a worldwide public-private partnership dedicated to attracting and disbursing additional resources to prevent and treat HIV/AIDS, tuberculosis and malaria. See [online] <http://www.theglobalfund.org/es/about/>.

<sup>34</sup> Triangular cooperation is a possible means of overcoming the obstacle of insufficient financing in South-South cooperation by incorporating a third actor, generally a traditional donor, who will partly or fully provide that financing (SEGIB, 2008).

Figure VIII.22  
**LATIN AMERICA AND THE CARIBBEAN: EXTERNAL DEBT INDICATORS, 1990-2008**



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, *World Development Indicators*, April 2010. The figures are simple averages for the region.

In the case of the Caribbean countries, total external debt also reached a turning point in the early 2000s, although the measurement of total debt as a proportion of GNI returned to levels similar to those of the second half of the 1990s, at around 67% (see figure VIII.22.b). The trend in debt servicing has been more irregular in recent years, averaging 12% of exports between 2000 and 2008, while interest payments were more stable, averaging 5% of exports during the same period.

## 2. Debt relief programmes for highly indebted low-income countries in Latin America and the Caribbean

Only five countries in the region (Guyana, Haiti, Honduras, Nicaragua and the Plurinational State of Bolivia) have benefited from the joint World Bank/IMF Heavily Indebted Poor Countries (HIPC) Debt Initiative. This initiative began in 1996 in response to the needs of many countries to deal with growing external public debt, and comprised two basic objectives: to achieve the long-term sustainability of debt and ensure poverty reduction in the countries that had the highest levels of indebtedness and poverty, on condition that they implemented major macroeconomic reform programmes and structural reforms. Participants in this initiative, part of a broader scheme of debt relief measures such as those of the Paris Club and the Brady Plan, include multilateral and bilateral creditors of public debt, both official and private.<sup>35</sup>

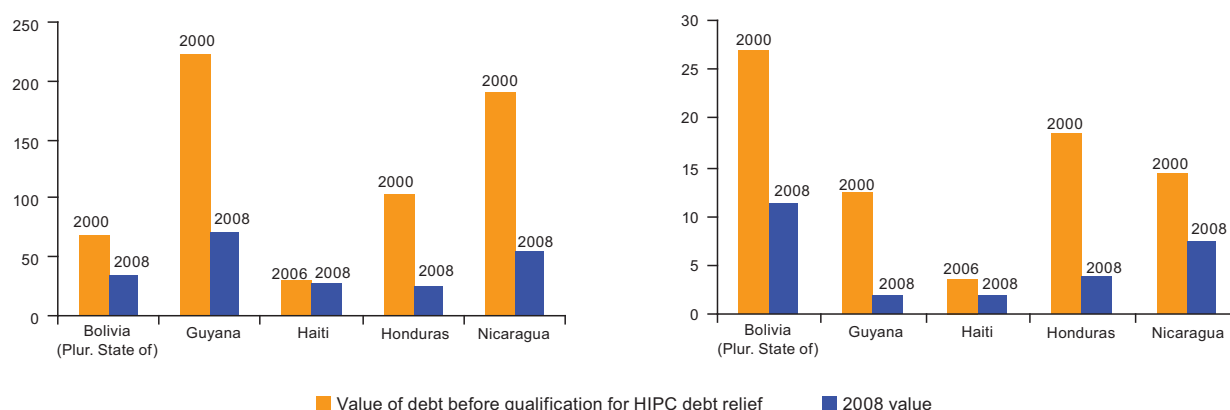
Apart from Haiti (which in 2006 achieved the conditions required for access to the benefits of the debt relief programmes), the other four countries reached the decision point in 2000. To examine these programmes'

<sup>35</sup> The eligibility process for the HIPC Initiative is in two parts. First, the country must be eligible for the programmes supported by IMF and the World Bank, and have developed a Poverty Reduction Strategy Paper. If this stage is completed, debt sustainability criteria are used to determine whether the country can receive assistance to bring its debt to sustainable levels (decision point). At the second stage, in order to receive the full debt reduction provided for under the Initiative, the country must maintain a record of good performance in adjustment programmes and must have implemented its Poverty Reduction Strategy. If this is the case, the process reaches its completion point, where the country receives the full debt relief committed at the decision point. In 2005 the Multilateral Debt Relief Initiative (MDRI) was created, to complement the HIPC Initiative. The MDRI allows for 100 percent relief on debts to three multilateral institutions —IMF, the World Bank and the African Development Fund (AfDF)— for countries completing the HIPC initiative process. In 2007, the Inter-American Development Bank (IDB) also decided to provide additional debt relief to the five Latin American countries involved in the HIPC Initiative.

effects on the beneficiary countries, it is important to distinguish impacts at the level of macroeconomic indicators from those which affect development financing needs.

These countries, like the rest of the region, also show positive trends in respect of the indicators of levels of debt. Aside from Haiti, total debt as a proportion of GNI has fallen substantially since the countries gained access to the programme, especially in the cases of Guyana and Honduras (see figure VIII.23). There is a similar trend in the ratio of debt servicing payments to exports. For 2008, the relief provided by the World Bank was close to 42% of the present value of external debt for those five countries as a group. In Honduras and the Plurinational State of Bolivia, that relief represented around 55%, and for Guyana and Haiti it was approximately 31%. In the case of Nicaragua, the relief was equal to 25% of the debt.

Figure VIII.23  
**HEAVILY INDEBTED POOR COUNTRIES (HIPC) IN LATIN AMERICA AND  
THE CARIBBEAN: EXTERNAL DEBT INDICATORS**  
(Percentages)



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, *World Development Indicators*, April 2010.

While the countries which have availed themselves of relief programmes have indeed seen their external debt positions improve, this is not the only factor that has played a part. In 2002-2008, the region as a whole enjoyed high growth rates and increasing reserves, accompanied by internal macroeconomic policies which improved the countries' situations regarding debt, both internal and external.

A drawback of debt relief programmes is the type of macroeconomic conditionality that must be satisfied for countries to be eligible. Conditionality criteria should be balanced with the needs of the lower-income countries. Debt relief programmes should be programmes of shared responsibility and should take into account credit providers' responsibility for countries' excessive borrowing.

Debt relief mechanisms should explicitly consider countries' capacity to cope with debt payments and their financing needs, together with recognizing a broader space for public policy so that they can deal with their development goals. This would ensure that the countries could not only fulfil their debt payment obligations but also tackle the economic and social targets involved in a sustainable development process over time. Progress is needed towards the establishment of an international framework to permit and facilitate the renegotiation of sovereign debt. This new framework should rethink sustainable debt, moving from criteria of sustainability to others based on the country's capacity to achieve the Millennium Development Goals. Thus, sustainable debt would not be linked to a particular ratio to GDP or exports; as proposed in the inter-agency report of 2005 (United Nations, 2005), the concept should be redefined as one which enables countries to attain the Goals and reach 2015 without an increase in its debt indicators. Thus, countries which make progress towards the Goals could be allowed higher levels of



indebtedness. Progress must be made towards internationally accepted criteria for a better definition of the responsibilities of both debtors and creditors. Among these criteria, the types and characteristics of loans should reflect the needs of the recipient countries and their growth strategies, and generate mechanisms for transparency and public dissemination of information on lending.

The central criteria of a new framework for solving debt restructuring problems should require it to be a comprehensive and integrating process, to be arbitrated by transparent and independent institutions, to reduce transaction costs and to explicitly defend achievements in the area of social progress to prevent these from becoming adjustment variables and to protect social advancements from being lost, which would significantly obstruct the achievement of the Millennium Development Goals.

Lastly, the financing of economic development and the fulfilment of the Goals require new financial resources and ODA. Aid flows must therefore truly be new financial resources and must not in practice be translated into a mixture of debt forgiveness with new resources.

#### D. ACCESS TO NEW INFORMATION AND COMMUNICATIONS TECHNOLOGY

Goal	Target	Indicators
<b>Goal 8</b>	<b>Target 8.F</b>	<b>8.14</b> Telephone lines per 100 population
Develop a global partnership for development	In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	<b>8.15</b> Mobile phone subscribers per 100 population <b>8.16</b> Internet users per 100 population

Despite progress with the coverage of information and communications technology (ICT) over the past two decades, Latin America and the Caribbean have not only fallen behind other regions of the world, but display large inequalities between countries. The region falls short of developed-country levels on the three indicators used to assess progress towards target 8.F, and while divides in fixed-line and mobile telephony have narrowed, largely thanks to rapid progress with mobile telephony, there is a large and growing gap between the region and the developed countries where numbers of Internet users are concerned.

Eight countries of Latin America and the Caribbean (out of a total of 45) are below the world average: Belize, Cuba, the Dominican Republic, Guyana, Haiti, Honduras, Nicaragua and the Plurinational State of Bolivia. Two are above the developed-country average: Antigua and Barbuda and the Cayman Islands. Of the other 35 countries, just 10 have coverage of over 50% (nine in the Caribbean plus Argentina). The five best-performing Latin American countries are Argentina, the Bolivarian Republic of Venezuela, Chile, Panama and Uruguay.

Where public policies relating to education, health and e-government are concerned, progress is still incipient. The main challenges for the region are to promote the use of ICT among teachers with an orientation towards learning processes rather than infrastructure provision, ensure that vulnerable sectors are guaranteed access to health care, which means developing an online presence for health centres, and foster interaction between municipalities and citizens by introducing a one-stop shop approach to procedures, accountability and transparency.

## 1. Making ICT transversal and universally accessible

Access to the benefits of ICT is another of the targets (target 8.F) of the eighth Millennium Development Goal. The idea is to evaluate the particular conditions under which countries make the transition to the information society, the advances, difficulties and challenges that arise as they acquire full membership of this society through the spread of the productive and social benefits associated with access to and use of the technologies characteristic of the “digital revolution” (ECLAC, 2007).

ICT is becoming more and more important to the activities of society in Latin America and the Caribbean, and indeed worldwide. It has spread into every area of life and into large sections of the community. The degree to which a country’s information and communications infrastructure is developed is a cross-cutting determinant of its ability to carry out all activities involving information sharing and management, from those oriented towards production to those of a social character that centre on improving human capital formation and quality of life. ICT has a strong impact on the industrial, education and health sectors, among others, which means that access to and use of these technologies can provide new opportunities not just for employment but also for social interaction and integration. In other words, ICT has a contribution to make to the economic and social development of the region’s countries and thus to the entire effort to attain the Millennium Development Goals and tackle poverty and inequality.

Promoting ICT access, in coordination with the private sector, is a fundamental pillar of development because it not only enhances countries’ ability to compete successfully on the international stage through innovation in production processes and greater efficiency in information handling, sharing and management, but also allows them to develop social inclusion strategies based on access to technological tools and the associated learning.

As ICT becomes more important in every area of society but does not become equally accessible to all, a new form of social exclusion known as the digital divide appears (ECLAC, 2010c). Lack of access to these technologies is often a matter not of preferences, interests or generational differences but of limitations deriving from socio-economic factors that constrain people’s ability to consume telecommunications services and ICT and the capabilities they need to use them.

The digital divide needs to be narrowed because access to ICT infrastructure is a basic prerequisite for using the information and innovation available in today’s society, so that heterogeneous and unequal access leads to inequalities within and between societies, limiting the scope for equitable development (ECLAC, 2005). In summary, the digital divide does not just reflect economic, geographical, social and cultural inequalities, but further exacerbates them.

Nonetheless, ensuring universal access is not a sufficient condition for creating equitable information societies, since effective capabilities are also required to make full use of the technology available and turn this access into knowledge and innovation. Accordingly, any diagnosis of progress towards goal 8.F in the countries of Latin America and the Caribbean needs to consider not only how far ICT access divides have been narrowed, but how much progress has been made on divides in access quality and use of the technologies available.<sup>36</sup>

## 2. The digital divide

As argued above, to ensure the effective spread of the economic and social benefits associated with ICT, it is necessary not only for people to have access to them (access divides) but for high-quality access to be available on equitable terms (quality divides) and for these technologies to be used efficiently by being incorporated into both production and social activities, for example, within a public policy management framework (usage divides).

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<sup>36</sup> Because ICT is a means of access to information and knowledge, ECLAC has recently argued that broadband Internet access ought to be regarded as a service of public interest requiring State action, and thus included on national development agendas.



It is important to emphasize this multifaceted character of the digital divide, not least because the continual emergence of new technologies creates a strong dynamic that turns them into a constantly moving target: those who already have access to a technology have the readiest access to the next innovation, so that the frontier of the divide is continually shifting forward (Peres and Hilbert, 2009).

This is particularly important for the countries of Latin America and the Caribbean. Whereas they have to some degree caught up with the developed countries over recent decades as regards access to telephone lines, mobile telephony and Internet connectivity, the gap has actually widened for new technologies with better transmission quality, such as broadband Internet.

Table VIII.12 shows recent progress with ICT access in Latin America and the Caribbean as measured by each of the official indicators established to monitor target 8.F (fixed-line and mobile telephony access and Internet usage), comparing it with developments in other regions and the world average.

Table VIII.12  
**LATIN AMERICA AND THE CARIBBEAN: ICT ACCESS COMPARED  
TO OTHER REGIONS OF THE WORLD**  
(Per 100 population)

	Telephone lines			Mobile telephones			Internet users		
	1990	2000	2007	1995	2000	2007	1995	2000	2007
World average	9.8	16.0	19.0	1.6	12.1	50.3	0.7	6.5	20.6
Developed regions	42.4	55.1	47.6	7.8	47.8	100	3.9	29.9	63.5
Latin America and the Caribbean	6.3	14.6	17.9	0.8	12.2	67.0	0.1	3.9	25.7
Sub-Saharan Africa	1.0	1.4	1.5	0.1	1.7	22.9	0.1	0.5	3.7
East Asia	2.4	13.7	28.5	0.5	9.9	43.8	0.1	3.6	18.7

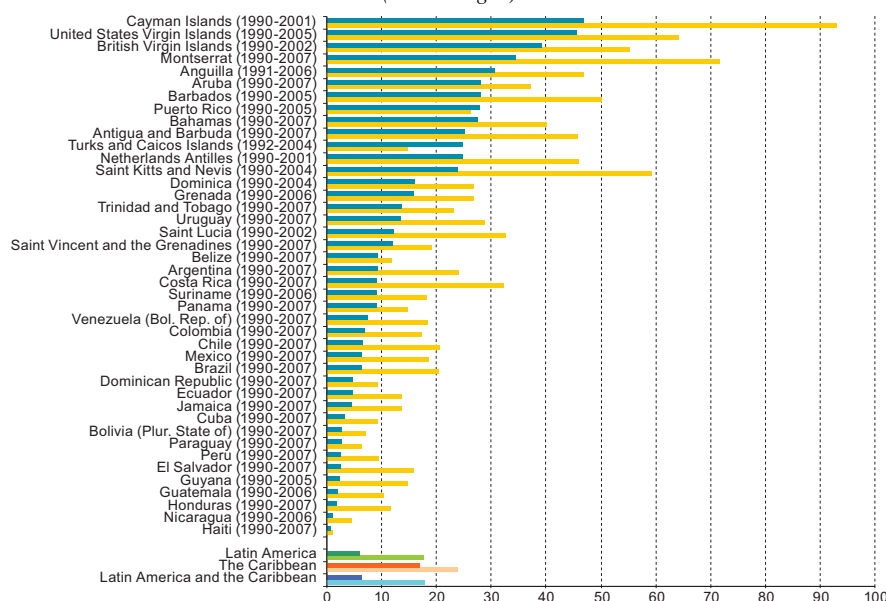
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

Where fixed-line telephony is concerned, the most highly developed countries had already attained penetration levels of over 50% of the population by the mid-1990s, and these levels remained stable or fell slightly after 2000. In Latin America and the Caribbean, the penetration rate had still not exceeded 10% by 1995, but grew steadily thereafter to reach some 18% of the population by 2007 (ECLAC, 2007). Even so, as can be seen, the fixed-line telephony penetration rate in the region is still below the world average.

Disparities in fixed-line telephony use in the region remain substantial. The Caribbean region has a particularly high but heterogeneous level of coverage, with an average of some 24% but a range running from 12% in Belize to 93% in the Cayman Islands. This situation contrasts with that in Latin America, where coverage is only 18%. The five countries with the lowest coverage in the region are Cuba, the Dominican Republic, Haiti, Nicaragua, Paraguay and the Plurinational State of Bolivia, where coverage does not exceed 10%, less than anywhere in the Caribbean (see figure VIII.24).

Mobile telephony, meanwhile, has expanded rapidly in developed regions, which have quickly outstripped the other regions of the world. Even so, the pace of mobile telephony penetration has increased since 2003 in the countries of Latin America and the Caribbean and they have managed to make up a little ground in relation to the developed countries, where growth tends to slacken once the penetration rate reaches 100% of the population. The region's countries had achieved 54% penetration by 2006, before going on to exceed the world average (67% in 2007).

Figure VIII.24  
**LATIN AMERICA AND THE CARIBBEAN (42 COUNTRIES AND TERRITORIES): FIXED  
 TELEPHONE LINES PER 100 INHABITANTS (MILLENNIUM  
 DEVELOPMENT GOAL INDICATOR 8.14)**  
*(Percentages)*



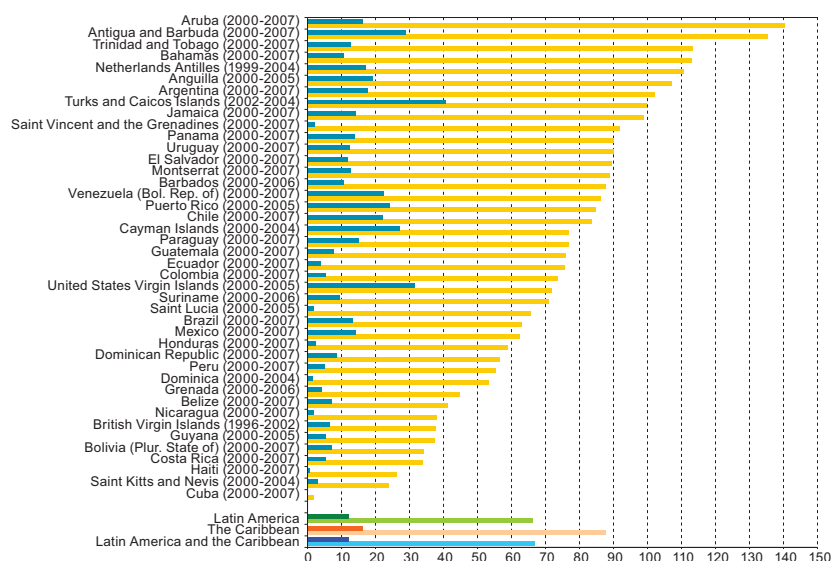
**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

Averaging just under 90 users per 100 population, the Caribbean is once again an outlier, with coverage far higher than the Latin American average of some 66%. Mobile telephony has achieved very strong penetration in the subregion: other than Cuba, all the countries and territories have coverage of over 20%, while 32 have exceeded 50% and 22 have passed the 75% mark. Seven countries and territories have values of over 100%, illustrating the great dynamism of the industry, the leader being Argentina with 102% coverage (see figure VIII.25).

Lastly, one of the fastest-expanding technologies after mobile telephony has been Internet access. When the growth rate in Latin America and the Caribbean is compared with that in the developed countries, however, it transpires that the digital divide has been widening. Whereas Internet penetration levels in the two groups of countries were not very far apart in the mid-1990s, by 2000 the level was about 30% in the developed countries but barely 4% in the region. Thus, while Internet access in Latin America and the Caribbean around 2007 was above the world average, it was still well below developed-country levels.

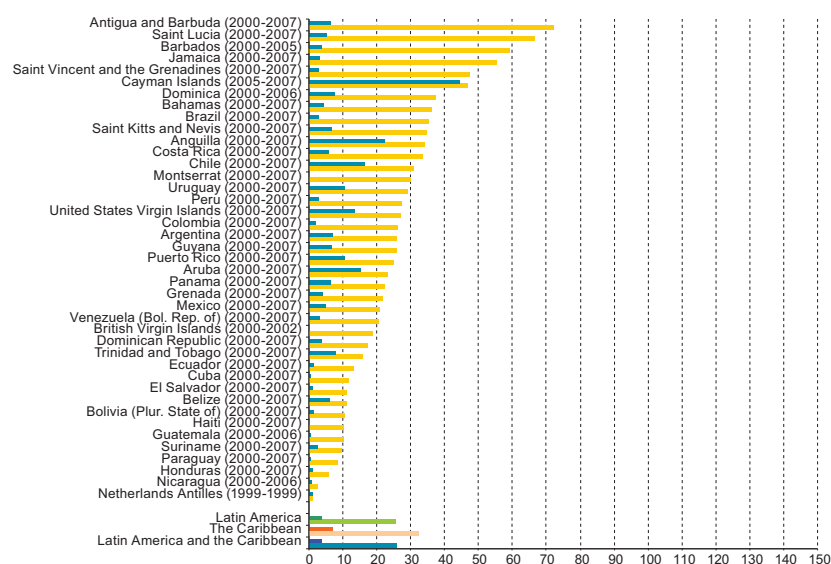
The situation with Internet access is once again very disparate within the region. Fifteen countries and territories are below the world average, the five with the lowest penetration rates being Honduras, the Netherlands Antilles, Nicaragua, Paraguay and Suriname. Meanwhile, just two Caribbean countries have exceeded the developed-country average: Antigua and Barbuda and Saint Lucia, with 72% and 67%, respectively. The other 24 countries have an average penetration rate of 32%, with just two (Barbados and Jamaica) exceeding 50% coverage. The five best-placed Latin American countries are Brazil, Chile, Costa Rica, Peru and Uruguay, averaging some 30 users per 100 population (see figure VIII.26).

Figure VIII.25  
**LATIN AMERICA AND THE CARIBBEAN (42 COUNTRIES AND TERRITORIES): MOBILE TELEPHONE SUBSCRIBERS PER 100 INHABITANTS (MILLENNIUM DEVELOPMENT GOAL INDICATOR 8.15)**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>.

Figure VIII.26  
**LATIN AMERICA AND THE CARIBBEAN (42 COUNTRIES AND TERRITORIES): INTERNET USERS PER 100 INHABITANTS (MILLENNIUM DEVELOPMENT GOAL INDICATOR 8.16)**  
*(Percentages)*



**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), Social Indicators and Statistics Database (CEPALSTAT) [online] <http://websie.eclac.cl/infest/ajax/cepalstat.asp?carpeta=estadisticas>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Data.aspx>. [en línea].

To clarify the type of divide that exists, it is interesting to compare levels of Internet penetration and computer usage in developed regions and Latin America and the Caribbean. Whereas Internet usage and computer access levels in developed regions are similar, Internet penetration in Latin America and the Caribbean exceeds the level of equipment availability, revealing a tendency in the region for this technology to be shared (ECLAC, 2007).

Lastly, as already mentioned, there is also a large ICT access quality divide. This is illustrated by the penetration trend of the most recently introduced information society access technology, namely broadband Internet access. There is a new divide here that sets the developed regions clearly apart: whereas high-speed Internet access has been expanding rapidly there, growth in Latin America and the Caribbean has been slow, with the penetration rate rising from 0.5% in 2003 to just 2% in 2005, less than an eighth of the level in the developed regions (ECLAC, 2007). Thus, while the growth trend looks encouraging, there is still an access quality divide that badly needs addressing.

In short, the very fast-moving frontier of the divide associated with the evolving digital paradigm means that the time frame for catching up needs to be shortened just as quickly. It is helpful to envisage the divide as one of both breadth (extent of access) and depth (access quality) (Peres and Hilbert, 2009).

### **3. Policies for the information society**

For more than five years, the countries of Latin America and the Caribbean have been implementing policies for the information society that have emphasized the contribution ICT can make to economic and social development and to the reduction of poverty and inequalities. In addition, in 2008 the region's governments agreed the San Salvador Commitment and the Plan of Action for the Information Society in Latin America and the Caribbean (eLAC2010), which sets targets and priorities for the development of the information society in Latin America and the Caribbean. Agreed by the 33 member countries, this plan is a step towards the long-term targets of the Millennium Development Goals and the World Summit on the Information Society.

Information society policies in the region's countries are at different stages of development. Most national agendas treat ICT as tools that can be used to achieve sectoral progress. These agendas also have a social and human approach that includes the reduction of poverty and inequalities, promotion of social rights, and inclusion.

Disparities in the pace of progress are accounted for by exogenous and endogenous factors that have affected the different phases of the policy formulation and implementation process. In Paraguay, for example, a number of attempts were made to define a digital strategy, but this never got off the ground because it was not accepted by decision-making authorities in the different sectors involved. Much the same happened in Nicaragua.

Efforts to develop a national ICT policy in Argentina and Brazil have been held up by other factors, including the administrative structure of these countries. The presence of a large number of agencies competing for partial leadership and the involvement of their federal governments are additional factors that have hindered the search for consensus on a national programme.

Five Latin American countries are still formulating their policies (Barbados, Brazil, Ecuador, El Salvador and the Plurinational State of Bolivia), nine are implementing them (Argentina, Bahamas, the Bolivarian Republic of Venezuela, Colombia, Cuba, the Dominican Republic, Guatemala, Peru and Trinidad and Tobago) and five are rolling out a second generation of digital agendas after completing the implementation and evaluation of the first (Chile, Grenada, Jamaica, Mexico and Uruguay).

## Box VIII.3

**THE eLAC 2010 REGIONAL ACTION PLAN: A STRATEGY FOR THE INFORMATION SOCIETY IN LATIN AMERICA AND THE CARIBBEAN**

The eLAC Plan provides one illustration of how important it has become to promote access to information and communication technologies (ICTs) in the interests of development in Latin America and the Caribbean. eLAC is a regionally coordinated strategy that treats ICTs as instruments of economic development and social inclusion. It is a long-term strategy (looking towards 2015) that is consistent with the Millennium Development Goals and the World Summit on the Information Society and is embodied in short-term action plans with quantitative and qualitative goals to be achieved in six areas of action: education, access and infrastructure, health, public-sector management, the production sector and policy instruments.

The general goals of this regional plan of action are to: (i) provide a “metaplatform” for public-private action in order to coordinate the efforts of various sectors, with a view to generating synergies, avoiding the duplication of efforts and strengthening regional projects by means of cooperation and the sharing of best practices at a regional level; (ii) forge national strategies and initiatives in specific areas, establishing lines of action and defining indicators that illustrate the state of progress in the development of the information society; (iii) deepen knowledge on critical issues in order to support the definition, design, implementation and evaluation of policies; and (iv) mediate between the needs of the region’s countries and the pace of global development, considering regional particularities within the context of the goals of the global community.

**Source:** Plan of Action for the Information Society in Latin America and the Caribbean (eLAC2010).

#### 4. The integration of ICT into public policies

Different studies have shown ICT access and quality divides to be strongly influenced by socio-economic variables such as the level and distribution of incomes and the degree of formal education attained by the population, as well as by geographical variables (urban or rural area of residence) and sociocultural ones (age, ethnicity) (ECLAC, 2008). However, ICT access and usage levels are also influenced by progress with the availability of digital applications in spheres such as commerce, government, health and education in the countries.

Benchmarks for the degree of ICT integration in the region’s countries are the extent to which digital applications are incorporated into public policy management in areas such as health and education and the use of e-government procedures in areas such as tax collection, public procurement and national security.

First, a variety of expectations have been generated regarding the incorporation of ICT into education (e-learning). This is seen as a priority for narrowing the digital divide, modernizing learning processes and developing students’ information processing skills and cognitive capabilities. It has also been stressed that ICTs allows for greater efficiency in the institutional and academic management of schools (Hilbert, Ferraz and Bustos, 2005).

In this perspective, it has been asserted that ICT use in the education sector is oriented by a threefold rationale: (i) an economic rationale (as ICT use in education allows students to develop the skills that will then be required in the world of work, something that should also help to improve the competitiveness of economies in the long run); (ii) a social rationale (as it is associated with the imperative of ensuring that all students, whatever their background, have access to the opportunities offered by the information society and the skills needed to participate fully in it); and (iii) an educational rationale (as ICT in schools can enhance teaching practices, particularly when it comes to the modernization of teaching and learning processes in the development of constructive pedagogies) (Peres and Hilbert, 2009).

E-learning has progressed greatly in recent years in several of the region’s countries, as many of them have implemented policies in this area involving the creation or enhancement of the relevant institutions and the expansion of resources. A number of programmes have been implemented in the region to improve computer provision for students. Despite these efforts, however, the number of students per computer is very high, even in countries that are relatively well provided such as Argentina, Chile, Colombia and Costa Rica, with fewer than 30 pupils per computer. In other countries the rate exceeds 50 pupils per computer, going as high as 137 in the case of basic education in Honduras.

Schools have been an important resource for narrowing ICT access and usage divides in Latin America. In most of the countries, it is mainly at school rather than in the home that young users from the poorest quintiles (I to III) have access to the Internet. This means that public educational policies often have a special role to play, and this should be built upon to improve structural conditions in education systems. Nonetheless, Internet access in schools is still limited, as is Internet usage in teaching and learning processes, a situation that is affected by factors external to the actual educational environment such as the still inadequate coverage of broadband networks in the region.

Progress has been made with the availability of digital education content, principally through the development of education portals, a measure that has made it easier to disseminate and share content of this type. Such progress does not guarantee that ICT will be used effectively in teaching and learning, however. Indeed, looking ahead, one of the main challenges for education is to promote ICT use among teachers. This is becoming clear as the approach to the incorporation of ICT into the education sector changes from one emphasizing infrastructure and equipment to one highlighting the importance of ICT in teaching and learning.

As ICT has been incorporated into health-care systems (e-health), expectations about the potential benefits have likewise been raised. The main positive effects associated with their use in the sector include more efficient medical care thanks to lower costs (of communication, for example), enhanced care and diagnostic quality and better education for professionals and patients owing to the wider dissemination and greater transparency of information (ECLAC, 2007). Progress with the integration of ICT in the field of health is still incipient, however, and lags behind achievements in education.

It should be pointed out that e-health is a new subject for public policy in the region's countries. With some exceptions, national or state-level public policies began to be designed only in the second half of the 2000s. eLAC2010 has set specific goals for the appropriate integration of ICT into the health-care sector. Where policies and strategies are concerned, some initiatives in Argentina, Colombia, Mexico and Uruguay have recently come to prominence. Current policy initiatives stem both from digital agendas (Argentina, Colombia and Uruguay) and from their incorporation into sectoral health-care policies (Colombia and Mexico).

The challenge for the health-care sector in Latin America and the Caribbean now is to ensure access to care, especially for the most vulnerable sections of society. The use of ICT to expand coverage and improve care is dependent on the existence of networks to connect health services. However, this requires infrastructure for the development of broadband with connection speeds far higher than those now existing in the region's countries.

Telemedicine, which has been gradually implemented in the region, is beginning to show the technology's potential to solve health-care access problems in communities that are isolated either geographically or by a lack of specialists. Electronic medical records are in their infancy, although there are a number of initiatives in the countries of the region.

Progress, even if inadequate, has been made in setting up websites for health authorities and services in the region. Whereas just 72% of health ministries had a website in 2006, by 2009 the figure was 100%. These sites still do not provide all the content citizens need to obtain information on health-care systems, diseases and treatments to facilitate and orient procedures. They concentrate more on the publication of ministry information, statistics and government links than on health promotion issues. While the region has ground to make up with the online publication of information, the online presence of health-care providers is still more limited.

Lastly, a third area is e-government. Here, the introduction of digital applications and services can help with matters such as tax collection, public-sector procurement and communication between institutions and citizens, fomenting wider information access, transparency and governance.

The use of electronic tools to modernize public administration has some substantial positive results to show in certain of the region's countries. The most recent listing of the Global E-Government Survey (United Nations, 2010), which ranks countries by the extent to which they have developed e-government, has five Latin American and Caribbean countries in the top 50: Argentina, Barbados, Chile, Colombia and Uruguay.

Nonetheless, the e-government situation in Latin America and the Caribbean is patchy. According to the United Nations e-Government Readiness Index, progress has been uneven across the countries of the region, with some closing in on the developed-country average but most a long way short of it.

In the Plan of Action for the Information Society in Latin America and the Caribbean (eLAC2010), the region's countries set themselves the goal of putting 70% of all national and local government agencies online on a one-stop shop basis for citizen transactions, or doubling the current figure, as applicable. The number of transactions that can be conducted wholly or partially online is still limited in most of the countries of the region. In almost all the countries, however, it does include the payment of taxes.

The region's governments have set out to increase public-sector procurement through their procurement portals as a way of increasing process transparency and husbanding scarce resources. All the governments now have procurement portals, although only half of them are actually equipped to carry out transactions. In countries where transactions can be carried out in this way, both the sums involved and the number of State suppliers participating in electronic tendering increased in 2007-2009.

One of the areas where most remains to be done is the interaction of local governments with citizens and with other parts of the public administration via the Internet. In only four countries of the region do more than 80% of municipalities have a website: the Bolivarian Republic of Venezuela, Chile, Colombia and Uruguay. However, there are countries where fewer than 20% of local governments have a website: the Plurinational State of Bolivia, El Salvador and Panama. Some countries possess municipal portals that have made it easier for municipalities to acquire a presence on the Web. Lack of connectivity in rural districts or remote areas is often the reason for the limited presence of municipalities on the Web.

## 5. Conclusions

The countries of Latin America and the Caribbean have made substantial progress recently in promoting access to three of the main technologies selected as indicators for goal 8.F and associated with membership of the information society: fixed-line telephony connections, mobile telephony coverage and Internet access. As already noted, the penetration of mobile telephony has been particularly rapid, allowing the region to close the digital divide with the developed regions somewhat and exceed the global average for coverage of this type. Internet access in the region has also expanded greatly over the last few years, even though growth has been slower there than in the developed economies.

An essential point to make is how important it is to close the ICT access divide in terms not just of breadth, but also of depth (access quality). Constant technological innovation makes the frontier of the digital divide a "moving target", and this means that efforts have to be redoubled and accelerated if the spread of the digital paradigm is not to be permanently accompanied by inequalities in the quality of the services available for different population groups.

Lastly, progress in the use of ICT in areas such as education and health care is still very inadequate in the region, despite their importance to development. While there has been encouraging progress with the introduction of e-government applications over recent years, it is important to be aware that overall progress masks very disparate levels of development between and within countries (municipalities with smaller populations have lower rates of e-mail penetration, for example).

In conclusion, considering what the recent evolution of ICT might mean for development, the governments of Latin America and the Caribbean need to develop an appropriate public policy agenda so that, in coordination with the private sector, they can stimulate the digitalization of information flows and communication and the dissemination of the benefits associated with the use of digital tools across different population groups. In short, the idea is to be able to use ICT as tools to enhance social cohesion and inclusion in Latin America and the Caribbean by increasing the transparency and efficiency of production systems and public institutions and by enhancing regional cooperation and integration.

## Annex 1

**LIST OF MEMBER COUNTRIES OF THE DEVELOPMENT ASSISTANCE COMMITTEE (DAC)**

**Australia** (member since 1966)  
**Austria** (member since 1965)  
**Belgium** (member since 1961)  
**Canada** (member since 1961)  
**Denmark** (member since 1963)  
**Finland** (member since 1975)  
**France** (member since 1961)  
**Germany** (member since 1961)  
**Greece** (member since 1999)  
**Ireland** (member since 1985)  
**Italy** (member since 1961)  
**Japan** (member since 1961)  
**Luxembourg** (member since 1992)  
**Netherlands** (member since 1961)  
**New Zealand** (member since 1973)  
**Norway** (member since 1962)  
**Portugal** (joined in 1961, left in 1974 and rejoined in 1991)  
**Republic of Korea** (member since 1 January 2010)  
**Spain** (member since 1991)  
**Sweden** (member since 1965)  
**Switzerland** (member since 1968)  
**United Kingdom** (member since 1961)  
**United States** (member since 1961)  
**Commission of the European Communities** (member since 1961)

**Source:** Organisation for Economic Co-operation and Development (OECD).

## Annex 2

**COUNTRIES AND TERRITORIES IN RECEIPT OF OFFICIAL DEVELOPMENT ASSISTANCE (ODA)  
 ACCORDING TO THE DEVELOPMENT ASSISTANCE COMMITTEE (DAC)**

Least developed countries	Other low-income countries (Per capita GNI below US\$ 935 in 2007)	Lower-middle income countries and territories (Per capita GNI between US\$ 936 and US\$ 3,705 in 2007)	Higher-middle income countries and territories (Per capita GNI between US\$ 3,706 and US\$ 11,455 in 2007)
Afghanistan	Côte d'Ivoire	Albania	Anguilla <sup>a</sup>
Angola	Ghana	Algeria	Antigua and Barbuda <sup>b</sup>
Bangladesh	Kenya	Armenia	Argentina
Benin	Republic of Korea	Azerbaijan	Barbados <sup>c</sup>
Bhutan	Kyrgyzstan	Bolivia (Plurinational State of)	Belarus
Burkina Faso	Nigeria	Bosnia and Herzegovina	Belize
Burundi	Pakistan	Cameroun	Botswana
Cambodia	Papua New Guinea	Cape Verde	Brazil
Central African Republic	Tajikistan	China	Chile
Chad	Uzbekistan	Colombia	Cook Islands
Comoros	Viet Nam	Congo	Costa Rica
Democratic Republic of the Congo	Zimbabwe	Dominican Republic	Croatia
Djibouti		Ecuador	Cuba
Equatorial Guinea		Egypt	Dominica
Eritrea		El Salvador	Fiji
Ethiopia		Georgia	Gabon
Gambia		Guatemala	Grenada
Guinea		Guyana	Jamaica
Guinea-Bissau		Honduras	Kazakhstan
Haiti		India	Lebanon
Kiribati		Indonesia	Libyan Arab Jamahiriya
Lao People's Democratic Republic		Iran (Islamic Republic of)	Malaysia
Lesotho		Iraq	Mauritius
Liberia		Jordan	Mayotte <sup>a</sup>
Madagascar		The former Yugoslav Republic of Macedonia	Mexico
Malawi		Marshall Islands	Montenegro



## Annex 2 (concluded)

Least developed countries	Other low-income countries (Per capita GNI below US\$ 935 in 2007)	Lower-middle income countries and territories (Per capita GNI between US\$ 936 and US\$ 3,705 in 2007)	Higher-middle income countries and territories (Per capita GNI between US\$ 3,706 and US\$ 11,455 in 2007)
Maldives		Micronesia (Federated States of)	Montserrat <sup>a</sup>
Mali		Moldova	Nauru
Mauritania		Mongolia	Oman <sup>b</sup>
Mozambique		Morocco	Palau
Myanmar		Namibia	Panama
Nepal		Nicaragua	Serbia <sup>d</sup>
Niger		Niue	Seychelles
Rwanda		Palestine	South Africa
Samoa		Paraguay	Saint Helena <sup>a</sup>
Sao Tome and Principe		Peru	Saint Kitts and Nevis
Senegal		Philippines	Saint Lucia
Sierra Leone		Sri Lanka	Saint Vincent and the Grenadines
Solomon Islands		Swaziland	Suriname
Somalia		Syrian Arab Republic	Trinidad and Tobago <sup>c</sup>
Sudan		Thailand	Turkey
United Republic of Tanzania		Tokelau <sup>a</sup>	Uruguay
Timor-Leste		Tonga	Venezuela (Bolivarian republic of)
Togo		Tunisia	
Tuvalu		Turkmenistan	
Uganda		Ukraine	
Vanuatu		Wallis and Futuna <sup>a</sup>	
Yemen			
Zambia			

**Source:** Organisation for Economic Co-operation and Development (OECD).

<sup>a</sup> Territory.

<sup>b</sup> Antigua and Barbuda and Oman passed the high-income threshold in 2007. Under the DAC review rules, both will be removed from the list in 2011 if they remain high-income countries until 2010.

<sup>c</sup> Barbados and Trinidad and Tobago passed the high-income threshold in 2006 and 2007. Under the DAC review rules, both will be removed from the list in 2011 if they remain high-income countries until 2010.

<sup>d</sup> Assistance to Kosovo is currently recorded as part of aid to Serbia. Kosovo will be listed separately if it is recognized as a State by the United Nations.

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## Chapter IX

**PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS.  
CHALLENGES AND POLICY DIRECTIONS FOR THE REGION**

**A. PROGRESS TOWARDS ACHIEVEMENT OF THE MILLENNIUM DEVELOPMENT GOALS IN  
LATIN AMERICA AND THE CARIBBEAN: SUCCESSES AND CHALLENGES**

Before discussing the main challenges that the region must face and the policy directions proposed for overcoming them, this first section provides a general overview of the progress made in Latin America and the Caribbean towards achieving the Millennium Development Goals. As will become apparent, this overall evaluation differs to some degree from the assessment contained in the latest global report, which compares conditions in Latin America and the Caribbean with those in other regions (United Nations, 2010a). The differences stem from the fact that this regional review is based on an adjustment of both the minimum thresholds to be met and the indicators used to evaluate progress in the countries of Latin America and the Caribbean.<sup>1</sup>

Unlike the evaluation presented in the United Nations' global progress reports —particularly the 2010 report— the following summary is based exclusively on a review of progress towards the quantitative targets established for the Millennium Development Goals.<sup>2</sup> Moreover, in the case of some targets, indicators that set a more demanding threshold or are based on a better adapted measure have been used, consistent with the approach of adjusting to regional realities. For the extreme poverty target, national lines were used that are comparable among the countries of Latin America but are higher than the official value of “income less than one dollar per day” and therefore indicate higher levels of extreme poverty for the region.<sup>3</sup> For the target related to completion of a full course of primary schooling (Goal 2), progress was assessed by measuring completion of primary education as reported on household surveys.<sup>4</sup>

Before presenting the findings of this evaluation, it should be noted that much of the progress towards the targets —particularly the poverty target— was achieved over the last decade, especially during the six years leading up to the global crisis that ended “the longest and most vigorous phase of economic growth seen in Latin America and the Caribbean since the 1970s” (ECLAC, 2010a). The global economic and financial crisis (preceded by the food and energy crises) raises a question as to whether the region's countries will be able to maintain the pace at which they had been advancing towards the targets since the early 1990s, especially the countries hit hardest by the crisis, such as Mexico and the Central American countries.

Although there is no conclusive evidence that the positive trends derived from the economic growth seen between 2003 and 2007-2008 have reversed as a result of the crisis,<sup>5</sup> the outlook for the region will undoubtedly be less favourable over the next five years, and a number of factors will very likely slow the pace of progress towards the targets. These factors include the decline in foreign remittances and the poor prospects for a return to pre-crisis levels, less international liquidity and fewer resources for official development assistance (ODA) and rising protectionist pressures in the developed countries, as well as falling demand in most of them. Accordingly, the pre-crisis pace of

<sup>1</sup> This adjustment, expressly stated in the Millennium Declaration, is intended to make review of the targets more relevant to the relative development of the individual countries comprising each region of the world.

<sup>2</sup> The global report assesses not only the quantitative targets, but also those indicating progress towards achievement of the respective Millennium Development Goal, but not as a percentage with respect to the level observed in the base year. For example, in its evaluation of progress towards target 1.B (achieve full and productive employment and decent work for all, including women and young people), the report indicates that the region has made insufficient progress towards meeting the target, characterizing the current situation as “moderate deficit in decent work.”

<sup>3</sup> See Chapter II.

<sup>4</sup> See Chapter III.

<sup>5</sup> In fact, the latest economic growth projections for 2010 indicate that regional GDP will grow at an annual average rate of 5.2%, higher than the 2003-2008 rate (4.9%), although some of this growth represents recovery from the 2009 slump.

progress towards the targets in Latin America and the Caribbean can be said to be a ceiling, rather than a floor, for what can be achieved under the current development model.

Given the above, the picture that emerges from the following table summarizing regional progress towards the targets cannot be extrapolated mechanically. Some of the countries whose progress up to 2008<sup>6</sup> indicated that they were on track to meet the 2015 target may well advance more slowly in the years to come, eventually failing to meet some targets that would have been easily achievable had it not been for the crisis. A situation in which a country that has met a target experiences some type of setback that reverses its achievement cannot be ruled out either. This could happen, for example, with the target to reduce extreme poverty, an achievement that, in order to be sustained over time, requires a relatively high economic growth rate, sufficient to create the quality jobs that will keep a growing populace permanently lifted out of poverty, as explained in Chapter II.

As in the global assessments of progress towards achieving the Millennium Development Goals that the United Nations has been preparing, the following assessment of the countries of Latin America and the Caribbean combines two measures: progress made since 1990, and the current level of the indicators used to quantify that progress. The first measure is coded in the table with different colours indicating the various levels of progress given the amount of time that has elapsed since the base year. The possible levels are as follows: the country has already met the target or is very close to meeting the target; the country is on track and will reach the target if prevailing trends persist; the country is not on track to reach the respective target; and lastly, the country has made no progress towards the target or there has been a setback during the period of observation (ideally from 1990 to the most recent year).<sup>7</sup> The procedure used for assigning the countries to each of these categories is described in the statistical annex. The second measure is the current level of the indicator, which documents the most recent situation for which there is information. Naturally, the average value for all Latin American and Caribbean countries was taken into consideration for measuring this indicator.<sup>8</sup> The assessment of both measures is what makes it possible to evaluate the countries according to their levels of relative development and the likelihood that they will be able to overcome their obstacles and meet the Millennium Development Goals.<sup>9</sup>

From a regional perspective, what kind of progress have the countries made toward the targets? Although Latin America is considered to be a middle-income region in the world, and without ignoring the important progress that has been made towards the Millennium Development Goals, the high level of inequality within and between the countries paints a not entirely auspicious picture. The reality is that progress is insufficient for four of the nine targets evaluated, which correspond to six of the eight Millennium Development Goals, inasmuch as the respective targets will not be met if prevailing trends persist (see table IX.1).<sup>10</sup> This includes the targets related to undernourishment (Goal 1), completion of primary education (Goal 2), gender parity in the national parliaments (Goal 3) as a principal indicator of gender equality and female empowerment, and maternal mortality (Goal 5). Latin America and the Caribbean is on track to reach the targets related to extreme poverty, underweight, child mortality and access to safe drinking water and basic sanitation services. However, consideration should be given to the fact that the poverty target is, so to speak, more heavily “weighted” than the others, because it encapsulates the progress made in all the other Millennium Development Goals and is also one of the causes of the problems addressed by most of the other targets. The synergies between the different targets also suggest that progress made towards the other targets will guarantee the sustainability of progress made towards the poverty target.

<sup>6</sup> As documented in the statistical annex to this report, the available information on which the table showing progress towards the targets is based is from 2008 at best, with the exception of the data on child mortality, which is from 2009.

<sup>7</sup> A different colour was used for countries for which there was insufficient or missing information to evaluate progress, a situation that occurs more frequently in countries and territories in the Caribbean.

<sup>8</sup> Because this is a regional evaluation, it would not be useful to consider the worldwide average for each indicator. If that average were used, the vast majority of Latin American and Caribbean countries would rank higher than average, which would make it hard to assess the relative situation of the countries within the region and appreciate the considerable heterogeneity that exists between them.

<sup>9</sup> The division of the Latin American countries into four groups was based on their rankings in the Human Development Index of the United Nations Development Programme (UNDP), as the information is presented in the statistical annex to this report.

<sup>10</sup> Consideration should be given to the strong gravitational force exerted by the region’s two most populous countries, Brazil and Mexico, on this aggregate evaluation, based on a weighted average of the value of the indicators corresponding to each country.

Table IX.1  
LATIN AMERICA AND THE CARIBBEAN: OVERVIEW OF PROGRESS TOWARDS THE MILLENNIUM DEVELOPMENT GOALS

Country or territory	Goal 1		Goal 2		Goal 3		Goal 4		Goal 5		Goal 7	
	Target 1.A	Target 1.C	Underweight	Undernourishment	Target 2.A	Women in national parliaments	Target 4.A	Target 5.A	Target 5.A	Target 7.C	Access to safe drinking water	Access to sanitation
Latin America and the Caribbean <sup>a</sup>	Extreme poverty				Completion of primary education		Child mortality	Maternal mortality				
	moderate	moderate	moderate	moderate	high	moderate	moderate	high	high	high	low	low
Latin America <sup>a</sup>	moderate	moderate	moderate	moderate	high	moderate	moderate	high	high	high	low	low
	moderate	moderate	moderate	moderate	high	moderate	moderate	high	high	high	low	low
Countries with low and medium-low levels of human development												
Haiti	very high	very high	very high	very high	...	very low	very high	...	...	very low	very low	very low
Nicaragua	very high	very high	high	very high	low	low	moderate	high	high	low	very low	very low
Guatemala	very high	high	very high	high	low	very low	high	...	...	high	moderate	moderate
Bolivia (Plurinational State of)	very high	very high	high	very high	very high	very low	very high	...	...	low	very low	very low
Honduras	very high	high	very high	high	low	moderate	high	...	...	low	low	low
Countries with medium levels of human development												
El Salvador	high	moderate	high	moderate	low	low	moderate	...	...	low	moderate	moderate
Paraguay	very high	high	moderate	high	very high	very low	high	very high	very high	low	low	low
Dominican Republic	high	very high	moderate	very high	moderate	low	high	high	high	high	low	low
Ecuador	moderate	high	high	high	very high	moderate	moderate	...	...	high	moderate	moderate
Countries with medium-high levels of human development												
Peru	moderate	high	high	high	high	moderate	moderate	...	...	low	low	low
Colombia	high	moderate	high	moderate	high	very low	moderate	high	high	high	low	low
Brazil	moderate	moderate	moderate	moderate	high	very low	moderate	high	high	high	low	low
Panama	moderate	high	high	high	high	very low	moderate	...	...	high	low	low
Venezuela (Bolivarian Republic of)	moderate	high	moderate	high	high	low	moderate	moderate	moderate	low	low	low
Countries with high levels of human development												
Costa Rica	low	very low	low	very low	high	high	very low	low	low	very high	very high	very high
Mexico	moderate	very low	moderate	very low	very high	moderate	moderate	moderate	moderate	high	moderate	moderate
Cuba	...	very low	...	very low	...	high	very low	moderate	moderate	high	very high	very high
Uruguay	low	very low	moderate	very low	very high	very low	low	...	...	very high	very high	very high
Argentina	low	very low	low	very low	very high	high	low	moderate	moderate	high	high	high
Chile	low	very low	low	very low	very high	very low	very low	low	low	high	high	high
The Caribbean <sup>a</sup>												
Anguilla	moderate	moderate	moderate	moderate	moderate	low	moderate	high	high	high	moderate	moderate
Antigua and Barbuda	...	...	...	...	high	...	...	...	...	very low	very high	very high
	...	very high	very low	very high	...	very low	...	high	high	high	high	high

Table IX.1 (concluded)

Country or territory	Goal 1			Goal 2		Goal 3		Goal 4		Goal 5		Goal 7	
	Target 1.A	Target 1.C		Target 2.A	Target 3.A	Target 4.A	Target 5.A	Target 7.C					
	Extreme poverty	Underweight	Undernourishment	Completion of primary education	Women in national parliaments	Child mortality	Maternal mortality	Access to safe drinking water	Access to sanitation				
Netherlands Antilles	...	...	low	low	...	low	...	...	...				
Aruba	...	...	...	moderate	...	moderate	...	very high	...				
Bahamas	...	...	moderate	low	very low	very low	...	high	very high				
Barbados	...	...	...	high	very low	very low	low	very high	very high				
Belize	...	moderate	...	moderate	very low	moderate	...	high	very low				
Dominica	...	...	...	moderate	low	...	...	high	moderate				
Grenada	...	...	very high	low	very low	low	low	high	very high				
Guadeloupe	...	...	...	...	...	very low	...	very high	low				
French Guyana	...	...	...	...	...	low	...	low	low				
Guyana	high	very high	moderate	low	moderate	very high	very high	high	moderate				
Cayman Islands	...	...	...	low	...	...	...	...	...				
Turks and Caicos Islands	...	...	...	...	...	...	...	very high	very high				
United States Virgin Islands	...	...	...	...	...	...	...	very high	very high				
British Virgin Islands	...	...	...	...	...	...	low	...	...				
Jamaica	low	low	low	moderate	very low	moderate	very high	high	moderate				
Martinique	...	...	...	...	...	very low	low	...	...				
Montserrat	...	...	...	...	...	...	...	very high	very high				
Puerto Rico	...	...	...	...	...	...	...	...	...				
Saint Kitts and Nevis	...	...	high	low	very low	...	...	very high	very high				
Saint Vincent and the Grenadines	...	...	moderate	low	low	moderate	...	very high	...				
Saint Lucia	...	...	moderate	very high	very low	low	...	very high	moderate				
Suriname	...	...	moderate	low	moderate	moderate	very high	high	moderate				
Trinidad and Tobago	...	moderate	moderate	low	moderate	high	...	high	high				

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of information from the statistical annex.

<sup>a</sup> Weighted average.

- The country has already met the target or is very close to meeting the target.
- The country is on track and will reach the target if prevailing trends persist.
- The country is not on track and will not reach the target if prevailing trends persist.
- The country has made no progress towards the target or there has been a setback.
- Missing or insufficient data.

In many countries, efforts to halve extreme poverty have been insufficient and progress in the area of total poverty has been slight, with the result that the region as a whole is not on track to halve it by 2015. Moreover, even if the extreme poverty target were met in the countries that are not track to do so, the rate would still be very high—this is the case in the countries with medium and low levels of development (see table IX.1). With respect to child mortality, despite the fact that the region is on track to reach the target—and indeed it is the region of the world with the most countries contributing to reduce it by two thirds—several of the region’s countries have a very high rate of mortality among children under one year of age, which indicates that ongoing efforts are needed to reduce the number of preventable deaths, which are mostly due to external causes.<sup>11</sup> Lastly, although coverage of basic services is high and the region as a whole is on track to reach the target of halving the percentage of the population that does not have access to safe drinking water and basic sanitation services, many countries have low or very low coverage of basic sanitation services, and achievement of this target will not ensure that the majority of the population in those countries gains access to these services, which have a decisive effect on the likelihood of reaching other targets, such as reducing child mortality.

The table very clearly shows the contrast between countries with lesser and greater per capita income and human development in the region. The countries in Latin America with lower levels of human development (Plurinational State of Bolivia, Guatemala, Haiti, Honduras, and Nicaragua) are not only the ones with the highest rates of extreme poverty, but also the ones that have failed to reduce those rates at a pace that would put them on track to reach the target, Colombia. El Salvador and Paraguay also have high rates of extreme poverty. Meanwhile, the countries with high levels of human development have made better progress towards the target (Chile, Costa Rica, and Mexico), and in the case of Uruguay and Argentina, where progress has been insufficient or nonexistent, extreme poverty rates are low. In the group of countries with medium-high levels of human development, Brazil and Chile are the only ones that have reached the target; Peru is very close to meeting it.

Lastly, the scarcity of data on extreme poverty in the Caribbean only allows for an assessment in this regard of Jamaica, which in addition to having reached the target, has a low rate of extreme poverty.<sup>12</sup> With respect to access to water and basic sanitation services in the Caribbean, the high rates of coverage that have been achieved could explain why little or no progress has been made in relation to target 7.C. This may reflect the more resource-intensive efforts that are required to deliver water, and particularly basic sanitation services, to relatively small percentages of the population, in order to reach the target. This is a very clear case in which progress towards the target cannot be assessed without also considering the indicator levels.

Another aspect highlighted by the evaluation of progress towards the targets for the Millennium Development Goals is that among the countries with high human development levels, not only did they make progress towards and even reach the targets, but also that progress built on already high indicator levels of access and satisfaction of needs for the various targets. This is cause for optimism inasmuch as it demonstrates that progress can be achieved by incorporating excluded or “hard cores” of the population that have not attained the minimum levels of well-being enjoyed by the majority. These are often indigenous communities or groups residing in areas segregated from the national territory, which require greater efforts at inclusion by the State, whether due to cultural barriers or the need for higher-cost investments to guarantee their access to goods and services.

This overall view spotlights the considerable heterogeneity that exists between the countries in terms of the principal obstacles that must be overcome to usher in more egalitarian and integrated societies. For one group of countries, the main task with respect to equality continues to be implementation of social inclusion policies that allow the entire population to reach minimum levels of well-being. As indicated, these are the very countries where exclusion is strongly linked to the marginalization of indigenous peoples and the inferior living conditions in remote areas. The problem is that also present in these countries with lower per capita income are the mechanisms for the

<sup>11</sup> In 2009, fifteen countries had child mortality rates of more than 20 deaths per 1,000 live births, and in four of those countries, the rate exceeded 30 deaths per 1,000 live births. Meanwhile, nine countries have succeeded in bringing down the rate to less than 10 deaths per 1,000 live births.

<sup>12</sup> The poverty data for Jamaica are based on household surveys and the estimates that ECLAC calculates for Latin American countries (see table II.2).



reproduction of socioeconomic inequality (unequal access to education and job skills training, gender inequality, insufficient productive employment, lack of social protections, and unequal access to social security).

Given the demographic transition that these countries are experiencing (which translates into a higher rate of economic dependency) and the urgency and magnitude of the primary gaps that must be reduced, public policy should place greater emphasis on closing the gaps that arise in the first stages of life. These are the countries in which child poverty rates are the highest.<sup>13</sup>

In another group of countries, even though there is still unequal access to well-being among different segments of the population and minimum levels of social protection and social security have not yet been universalized, real progress has been made in closing the principal gaps, particularly in the job market, the main forum in which these gaps are produced and also reproduced.

This heterogeneity between countries is mirrored in various ways in their profiles of progress towards the targets for the Millennium Development Goals. Guatemala, Brazil and Chile are countries that illustrate these different profiles. In the case of Guatemala, progress towards meeting the targets has been much slower than in the other two countries. The gains it has made in reducing the incidence of underweight (but not undernourishment) and child mortality rates and expanding access to safe drinking water and basic sanitation services at a pace consistent with meeting the corresponding targets would probably indicate that although it has achieved more in terms of access to the most basic conditions of well-being, this has been accompanied by insufficient progress in terms of completion of primary education and reduction of extreme poverty, areas in which inequalities continue to persist throughout the life cycle. Low economic growth and highly unequal income distribution<sup>14</sup> are the main barriers to development with equality. Resources, technical assistance and South-South cooperation are critical to advancing that agenda.

In the case of Brazil, progress towards the various targets has been more even. Unlike Guatemala, it has reached the extreme poverty target, made important gains with respect to total poverty (see figure II.9), and is on track to meet the other targets, with the exception of those in which most of the region's countries have not made sufficient progress (gender parity in national parliaments and reduction in maternal mortality).<sup>15</sup> Brazil has been making advances in terms of both closing gaps and giving the entire population access to minimum levels of well-being. Its ability to move forward in both of these aspects of inequality stems from its economic prowess, which is expressed in GDP growth as well as in greater availability of resources for social programmes and policies.<sup>16</sup> Notably, Brazil has the highest tax burden in the region (see table IX.2).

Like Brazil, Chile had made very even progress towards meeting the targets. Where Chile differs from Brazil is in the indicator levels it has achieved, which would suggest that in comparison with relatively less developed countries, it has managed to provide a very large portion of the population with access to minimum levels of well-being. Moreover, it is the only country that succeeded in halving total poverty in 2006.<sup>17</sup> Nonetheless, as in all other countries in the region, there are still groups in Chile that have not been given access to the minimum levels of well-being enjoyed by the majority. This third case illustrates the situation of Latin America's higher-income countries, in which inequality is mainly characterized by the persistence of gaps in real achievements. These gaps are clearly evident in the labour market in the form of income disparities, particularly in the very high wages paid to

<sup>13</sup> Higher relative poverty rates among children and adolescents is a widespread phenomenon that also occurs in countries with high per capita income. As extreme poverty rates have fallen in the region, children have become disproportionately affected owing to, among other factors, the persistence of fertility rate differences between upper and lower social strata.

<sup>14</sup> Guatemala is the country that experienced the largest increase in the Gini coefficient of concentration in the six-year period from 2003 to 2008. See table I.1.

<sup>15</sup> Progress at a pace inconsistent with meeting the basic sanitation target may reflect problems associated with providing these services in large countries in which significant percentages of the population live in remote areas.

<sup>16</sup> Brazil, along with Mexico, is the country that has the largest conditional cash transfer programme in Latin America, in terms of coverage and volume of resources as a percentage of GDP. See León (2008).

<sup>17</sup> The latest data on the magnitude of poverty in Chile are from 2009 and were only just released, so the poverty figures in this report are from 2006. The new poverty estimate for Chile indicates that there was a slight deterioration with respect to 2006, which partly reflects the adverse effects of the global crisis. According to the new data, the poverty rate is 15.4%, which would not reverse Chile's achievement of halving poverty, using 1990 as the base year.

skilled workers compared to unskilled workers, who receive very low wages that are insufficient to lift them out of poverty. In this same area of inequality, differences in health, education, employment and social protection tend to manifest less as a problem of access and more as a problem of clear discrepancies in quality. In this case, these are the differences that reproduce social inequalities. However, as discussed later, unlike in Brazil, Chile's potential tax burden provides a much wider margin for raising taxes and making them more progressive, in order to provide the State with more revenue for redistribution policies aimed at smoothing inequalities.

The variety of situations illustrated by the cases of Guatemala, Brazil, and Chile highlights the different ways in which inequality is expressed and reproduced in the region and provides the basis for making general statements on the different areas of emphasis of public policy directions, against the backdrop of a development agenda that pivots on equality and social inclusion while also taking into consideration the specific situation in each country. A key item on this agenda for equality is each country's capacity to generate and distribute the resources it needs to advance the agenda and fulfil the Millennium Development Goals, which depends on the possibility of building a fiscal covenant. At the end of this chapter, information is provided in this regard.

## B. MAIN CHALLENGES AND POLICY DIRECTIONS

This section discusses some of the main challenges and policy directions suggested by the assessment of trends outlined in this report, which are closely tied to the structural problems confronting Latin America and the Caribbean in creating more integrated and egalitarian societies. These challenges first entail full enforcement—that is, enforcement for all citizens—of the rights set out in the various Millennium Development Goals. Second, they suppose—as stated at the beginning of this report—progress towards bridging the main gaps and setbacks in order to achieve real equality between the different population strata and groups. And all of this falls within the scope of an agenda for development with equality for the region's countries, in which it is essential to promote a proactive State that seeks the support of key political and social actors to coordinate a social covenant for distributive equity, not only to even out opportunities, but also to “reduce inequality of outcomes over the life cycle of individuals as well as within and across generations” (ECLAC, 2010a).

Accordingly, six main pillars corresponding to these challenges and policy directions are proposed, which are closely inter-related **strategic areas** for meeting the Millennium Development Goals with equality in the region. The six pillars are:

- The region-specific considerations and challenges imposed by Goal 8, which proposes a global partnership for development and, according to the perspective adopted in this report, is a problem that affects and is of concern to all countries, not just the least developed ones. This is even more critical given the problems that have emerged since the start of the global crisis.
- The pressing challenges imposed today by the incorporation of sustainable development principles into the policies and new overall directions that development in the region should take.
- The principal well-being gaps and the factors that determine inequities, which not only prevent the full observance of rights, but also perpetuate the inter-generational transmission of inequality.
- The need to achieve full and productive employment and decent work for all, which is itself a core pillar given its close links to the other Millennium Development Goals, especially those associated with poverty reduction, the challenges associated with expanding and improving educational and health care systems, and the creation of social safety nets that guarantee minimum levels of security and protection for the populace.

- The policies and measures needed to expedite progress towards achieving the principal targets of the Millennium Development Goals over the next five years, which should be geared towards comprehensively addressing situations of extreme poverty and hunger.
- The minimum conditions required to establish a social covenant that provides the State with greater capacity to redistribute resources and play a more proactive role in advancing equality in the region, thus enabling the deployment of strategies and policies for overcoming the setbacks and gaps that impede fulfilment of the Millennium Development Goals with equality.

The **first pillar** suggests that the Millennium Development Goals can be achieved only if there is cooperation between the developed and less developed countries and, in the case of Latin America in particular, South-South cooperation. This requires rapid progress towards fulfilment of the ODA commitments assumed by the developed countries and towards an open trading system based on predictable and non-discriminatory rules through fair and balanced access to markets (Goal 8).

- The first challenge continues to be the necessary **diversification of production and exports in Latin American and Caribbean economies** to allow them to integrate into a world of global value chains—this process is referred to as the “decommodification” of exports. Although the region has seen great improvements in access to third markets, commodities and low-tech manufactured products still make up the bulk of its exports. Progress is essential in this area, particularly among small and open economies, not only to ensure higher export earnings but also to lessen volatility in earnings when there are abrupt cyclical fluctuations in prices or external demand. This presents a number of challenges: (i) increasing the intangible component in exports (patentability, traceability, corporate social responsibility, and so forth); (ii) raising the knowledge content of exports, including natural-resource exports, investing in research and the use of technological advances (e.g. in biotechnology); (iii) creating new niches in knowledge-intensive services; and (iv) improving infrastructure, connectivity and trade facilitation.
- Meeting the first challenge will be highly problematic unless **industrialized countries take decisive steps to reduce agricultural subsidies**. For this, utmost joint efforts are needed to promote and ensure the prompt **conclusion of the Doha Round**. This is even more important today because the crisis has caused protectionist pressures to re-emerge in developed countries. Concluding the Doha Round would bring important benefits to developing countries in the form of lower tariffs on farm, textile and clothing products and fewer trade-distorting agricultural subsidies, giving these countries fair and balanced access to the international markets (United Nations, 2010a).
- Trade integration in the region requires many countries to make greater efforts to build closer partnerships with **China, and Asia in general**, recognizing that over the next few years those countries will drive higher demand for exports. Although closer ties have been forged in recent years, some countries continue to maintain relatively weak trade relations with China—especially as a key export market—despite its undeniable importance as a trading partner. It should be noted that along with India, China was one of the few large economies that grew during the recent global crisis, and it could displace the European Union as the region’s second largest trading partner in the next decade. Accordingly, more comprehensive trade strategies must be pursued that maintain current import levels from Asian economies while also increasing and diversifying Latin American and Caribbean exports to Asia, in recognition of Asia’s vigorous growth and its strategic role on the world’s economic stage (ECLAC, 2010b).
- As far as resources are concerned, the region should aim to secure a greater share of those provided under the **Aid for Trade initiative** that began in 2005. This means enhancing capacity to submit attractive, and ideally plurinational, projects that have an impact on trade facilitation. The economic crisis must not impede fulfilment of the commitments made to substantially increase technical, financial, and political assistance for trade, as this is crucial to helping the developing countries to strengthen their trade and production capacities (United Nations, 2010a).

- Although the basic responsibility for financing for development lies with the developing countries themselves—in accordance with the principle of common but differentiated responsibilities—developed countries should also take concrete steps to **fulfil the agreements adopted at Monterrey** with respect to official assistance and achieve the target of 0.7% of gross national income. Efforts must be made to prevent the constraints that have emerged in the wake of the crisis from continuing to cause cuts in ODA. At the same time, the Latin American and Caribbean region should regain its previous share in ODA flows and even increase it on the basis of new criteria.
- It is also essential to **review the operational definition of middle-income countries as a criterion for allocating ODA**, since most of the region's high-middle-income and low-middle-income countries are excluded from ODA even though they have high levels of poverty and inequity. The Millennium Development Goals Gap Task Force has proposed that, in addition to fulfilling the agreements adopted concerning ODA levels, there is a need to evaluate what has been labeled the “needs gap,” that is, the gap between the actual delivery on global commitments and the “estimated needs for support” of developing countries. Thus, establishing new criteria for allocating ODA resources in a way that meaningfully addresses the various needs of the developing countries should be considered a crucial task to building a global partnership for development (United Nations, 2009).
- Efforts must also be made to shift the allocation of ODA resources so that they go not only to social assistance but also to properly evaluated economic projects. This would help to strengthen not only social sectors but also those sectors that have a greater multiplier effect, reducing the volume of resources needed over the medium and long term.
- With respect to external debt relief, the conditionality criteria must be balanced with the needs of low-income countries, and relief programmes must be built around shared responsibility, addressing the role of credit providers in the countries' debt overhang problem. In addition, debt relief mechanisms should explicitly take into account the ability to pay and the financing needs of the countries, while allowing more room for public policy so they can work towards their development objectives. Moreover, a new framework should be established to help the countries solve their debt restructuring problems. This should be a comprehensive, integrative process arbitrated by transparent, independent institutions to help lower transaction costs and explicitly protect social gains from becoming “adjustment variables” and turning into social losses, which would significantly impede fulfilment of the Millennium Development Goals.
- Lastly, some general recommendations made in the 2005 regional report continue to be valid, including the proposal that **innovative sources of additional financing for development should be identified**, such as taxes on financial transactions and on the inbound and outbound transactions of tax havens, corporate social responsibility contributions, and so forth. Given the present international drive to institute more effective regulation of the global financial system, the time is now ripe for bringing many of these initiatives to fruition.

**The second pillar** points up the need for the region to incorporate **sustainable development principles** in its national policies and programmes and stem the loss of environmental resources. This means taking steps that, ultimately, call for changes in production and consumption patterns so as to transition gradually to a green economy. Although the issue of climate change is extremely important in such policies, especially in Latin America and the Caribbean, the core factor in the environmental sustainability of development is the loss of biodiversity, as it underpins the region's major economic activities.

At least five elements that should contribute to the objective of guaranteeing environmental sustainability can clearly be identified:

- Acknowledgement by the State and civil society that this challenge is an urgent one and that its solution calls for far-reaching changes in **the region's production and consumption patterns**. This

cannot be achieved without reducing the pressure currently exerted on energy resources, water, forests, protected areas and endangered species, by imposing appropriate taxes and regulations that take into account the negative externalities of this pressure, especially on non-renewable resources.

- There can be no progress towards environmental sustainability unless efforts are made to internalize the costs of biodiversity loss, the destruction of ecosystems, deforestation, and emissions of carbon dioxide and ozone-depleting substances. Achieving this objective will require, ultimately, a State that is pro-active and is able to incorporate sustainable development principles into its legislation and its national policies and programmes so as to prevent the loss of environmental resources.
- This depends, in turn, on the awareness and determination of public and private actors, which requires social covenants that allow more resources —both human and financial— to be used to improve management practices and to guarantee unfettered compliance with the international commitments assumed by the countries.
- A central and necessary component in any positive changes towards environmental sustainability with the participation of civil society is **education**. Five years on from the declaration of the United Nations Decade of Education for Sustainable Development, most Latin American and some Caribbean countries have adopted national policies or strategies on environmental education. According to a recent study by the United Nations Educational, Scientific and Cultural Organization (UNESCO, 2009), the remaining challenges to the effectiveness of these policies include lack of sufficient and sustained economic support, deficiencies in teacher training, absence of evaluation mechanisms and the lack of programme continuity. These obstacles have generated institutional weaknesses and made it harder to achieve significant progress (PNUMA, 2003). As in other public-policy domains, the success of **environmental education** as a tool to consolidate the principles of sustainable development in society requires it to be integrated into education policy at all levels and all forms of schooling, in formal and informal education alike. It also requires the formulation and strengthening of regulatory frameworks, accompanied by procedures, tools of implementation and resources that encourage the emergence and consolidation of initiatives in organizations and among citizens. Lastly, access to new information and communication technologies, which are crucial for improving education overall, needs to be democratized to enable social networks and the media to fulfil their roles as strategic vehicles for raising public awareness on environmental and sustainable development issues (United Nations, 2010b).
- Lastly, better mechanisms are needed for monitoring and evaluating environmental management practices, and efforts to upgrade information systems are essential to guaranteeing environmental sustainability.

**The third pillar** alludes to the urgent need to **close the principal well-being gaps and to move towards more egalitarian societies** because rapid progress in achieving the Millennium Development Goals will provide the conditions for democracy with effective participation by citizens and economic and social development with equality. This can only be achieved through gender equality, integration based on respect for ethnic and racial diversity and public policies that are specifically aimed at guaranteeing rights and preventing the inter-generational transmission of socio-economic inequality. With this in mind, the Millennium Development Goals must be aligned with human rights by ensuring that the targets and indicators reflect economic, social, and cultural rights, that gender equality is incorporated into all activities and that efforts target marginalized and disadvantaged groups and provide for their meaningful participation.

This means that policies must be formulated in at least the following areas:

### **Education challenges**

- Expand access to pre-school education and reinforce early-years learning as a necessary condition for moving up to subsequent levels of education. The abundant evidence on the positive effect of school

readiness and pre-primary schooling points up the need to continue to expand the coverage and quality of early childhood education (ECLAC/UNICEF/SECIB, 2001).

- Review and adapt educational curriculums, content and approaches, ensuring better life-long learning. Primary education should be free, compulsory and high quality, as established in the applicable international human rights instruments.
- Enhance the teaching profession through ongoing training for teachers, raising the status of the profession and increasing pay subject to performance evaluations.
- Adapt education programmes to incorporate multicultural and intercultural aspects and introduce into the programmes essential components such as education for democracy and peace, education for active citizenship, education for responsible sexuality and healthy lifestyle habits, particularly with regard to nutrition.
- Introduce new information and communication technologies into schools so as rapidly to narrow the digital divide and reduce computer illiteracy, an aspect that plays an increasingly important role in inequalities between different social classes.
- Improve access to and completion of both levels of secondary education and ensure better linkages between secondary and higher education and the labour market, together with reinforcement of technical-vocational and university education.
- Strengthen conditional cash transfer programmes linked to school attendance among lower-income sectors.

### **Health challenges**

- In order to achieve Goal 4 and as part of an integrated care strategy, health and community action must lay greater emphasis on neonatal and child health, focusing more on promoting effective policies and programmes, on pursuing evidence-based interventions, and on improving monitoring systems that pay special attention to poor and marginalized sectors of the population.
- Expand the basic level of primary health care in accordance with equity criteria and by integrating vertical approaches, closer intersectoral collaboration and social participation in the area of health. These are not particularly complex, but as progress is made in health care the tasks become ever more challenging, for example, dealing with perinatal diseases or treating chronic AIDS sufferers.
- Ensure the availability of health care systems that function and are accessible to all population groups, fighting obstacles such as discrimination.
- Even though pneumonia is not one of the principal causes of child mortality in the region, initiatives such as the World Health Organization (WHO) and United Nations Children's Fund (UNICEF) vaccination programme against pneumococcal disease can prevent a large number of deaths. These are relatively inexpensive programmes, especially in countries where the majority of the population is covered by the vaccines prescribed during a baby's first year and for young children, and this is conducive to fulfilment of the right to life, reducing the number of deaths from preventable causes.
- Ensure that supplies of iodine, vitamin A and zinc are widely available, as they reduce infant mortality or widespread serious diseases, or both.
- Experience in recent years has shown that investment in infrastructure is needed to deal with the various risks caused by natural disasters.

- Reducing maternal mortality is a condition for progressing towards fulfilment of Goal 5 and is a priority challenge. The high rates of maternal mortality due to preventable causes in the region demand immediate action to guarantee three pillars: reproductive health, skilled professional care during delivery and emergency obstetric care, and addressing the issue of unsafe abortions is particularly important. All of these interventions must be culturally relevant. Properly documenting maternal morbi-mortality represents a special challenge.
- With respect to Goal 6, investment is needed to identify individuals who are infected with HIV and treat them with anti-retroviral drugs. This is particularly important in Caribbean countries because although there is evidence that the number of new infections has been falling, this region still has the second highest incidence of infection in the world, and the infection rate among women has been rising. Sexual and reproductive education may be an efficient way of preventing this disease, inasmuch as this new phase of the epidemic is increasingly affecting young people and women (ECLAC, 2010c).
- Access to HIV tests must be expanded, especially for young people at risk, through legislative changes that enable them to receive HIV counseling and testing independently. Interventions aimed at eliminating stigmas and discrimination based on sexual diversity, sex work, drug use, serostatus, etc. must be strengthened. Investments are critical for ensuring a mainstreamed response at the level of primary care, guaranteeing equal access, sustainable care and full treatment and support for people living with HIV/AIDS (ECLAC, 2010c).
- Regarding essential (generic) medicines, government policies need to be formulated on their distribution to low-income sectors of the population, and access to them has to be properly regulated. Sustainable financing of medicines at affordable prices should cover the regulation of procurement and distribution, the definition of patents policies and the enforcement of intellectual property rights in accordance with international rules.

### Gender equity challenges

- Gender-based inequity is a major dimension of inequality. Policies in this area should be aimed at moving towards women's effective economic and physical autonomy and their empowerment in decision-making.
- Regarding **economic autonomy**, legislation should ensure non-discrimination in employment, which means not only better legislation but also strengthening of those public bodies responsible for ensuring compliance (ministries and labour departments).
- One key factor is women's **physical autonomy**, and this is closely linked to progress towards the new target 5.B of the Millennium Development Goals. Relevant policies should focus on overcoming gaps in unmet family planning needs, paying special attention in the public sphere to access to modern contraceptives; making decisive improvements in the coverage of adequate prenatal and post-natal care in order to protect maternal and child health; drawing up a comprehensive policy to reverse rising adolescent fertility rates through education campaigns; providing access to contraceptives as noted above and ensuring that adolescent maternity does not interrupt education.
- Human rights encompass the **recognition of reproductive rights**. Respect for this right entails providing universal access to sexual and reproductive health care, a key component of the physical autonomy of women. Although the countries have recognized the importance of this target to continue moving forward, the implementation gap must be overcome. Specifically, this requires the following actions: (i) consolidating access to full sexual and reproductive health care services as part of the process of overhauling the health care systems; (ii) strengthening national strategies and stepping up international financing to provide essential inputs, such as contraceptives; (iii) guaranteeing equal

access to emergency obstetric and neonatal care; (iv) anticipating and taking action to prevent the effects of unsafe abortions in accordance with the Programme of Action of the International Conference on Population and Development and the recommendations of the organizations in charge of enforcing international human rights treaties; and (v) eliminating the obstacles that make it hard for adolescents and young people to gain access to sexual education and sexual and reproductive health care services.

- Given the rising pregnancy rates among young women, a key priority is to expand their life options. A number of key actions should be considered in order to prevent adolescent pregnancy: (i) increasing knowledge about the sociocultural determinants; (ii) promoting universal, high-quality education that includes comprehensive sexual education in schools and youth centres; (iii) promoting access for adolescents to sexual and reproductive health care information and services, as well as contraceptive and HIV prevention products for sexually active adolescents; and (iv) preventing all types of sexual pressure and abuse, in addition to exploitation. Special attention should be placed on young women under the age of 15, who are not counted in surveys and whose pregnancies are often the product of abusive, violent, or forced sexual relations. Preventing second pregnancies is an area that should continue to be strengthened. It is also essential to guarantee that pregnant adolescents and adolescent mothers can remain in school with no interruption in their education.
- Progress towards physical and economic autonomy depends on women's greater **empowerment**, and this means enhancing capacity for effective participation in decision-making spheres. Quota laws should continue to be enforced as one way of increasing women's participation in national parliaments. It is also important to open up channels for participation in intermediate levels of society (political parties, neighbourhood associations, etc.), where participation is often more effective.

The **fourth area** for fulfilment of the Millennium Development Goals is related to the creation of productive employment and decent work for all. Employment is where the gaps and inequities that accumulate throughout the different stages of the life cycle take hold and where inequalities are most clearly expressed and reproduced. Progress towards this target requires policies in the area of production and technology, in order to **close productivity gaps** between different sectors and strata of the economy, and in the area of **social protection**, in order to ensure adequate levels of security and well-being in the case of unemployment, to achieve sufficient income levels for retirement, and to ensure access to health care. In short, the idea is to ensure access to the basic components of social well-being through protection against sudden fluctuations in household income due to loss of employment and other eventualities. There is also a need to **strengthen institutions through the promotion of social dialogue** and guarantee respect for workers' rights, in order to ensure the effective fulfilment of agreements signed by the countries in this regard.

- Closing productivity gaps between sectors and companies of different sizes calls for productive development policies that will improve conditions for access to credit, new technologies, capacity-building mechanisms, market information, marketing channels, partnership arrangements, among others, all of which are indispensable for improving the productivity of these units of production and hence the climate for creating jobs and improving the quality of existing jobs. Increasing the average productivity of the economies of the region is a prerequisite for generating decent, productive employment. This calls for a development strategy based on the continuous and increasing incorporation of innovations and knowledge, as well as policies for the development of small and medium-sized enterprises, particularly policies for access to credit and human resources, so these enterprises "[can] join the supply chains of large companies and form enterprise networks, which will create synergies with industrial policy" (ECLAC, 2010a).
- Experience shows that own-account work does not always imply unfavourable working conditions. Indeed, the conditions are often superior to those obtained with wage employment, especially in micro-enterprises. Therefore, policies for the creation of enterprises, including fostering individual



independent employment may be a positive instrument for advancing towards fulfilment of target 1.B of the Millennium Development Goals.

- As regards labour income policies, tripartite agreements must be established for the application of minimum wage policies that set a wage floor that benefits the lowest-paid workers in both the formal and the informal sector without acting as a disincentive to job creation.
- Subsidizing the hiring of individuals belonging to population groups that have special difficulties in obtaining a job is another mechanism that can facilitate entry into the labour market. This mechanism not only has a positive distributional impact through job creation for persons who belong to low-income households, but also has beneficial effects when complemented by training programmes that improve worker productivity.
- The employability of young people can be enhanced by working out appropriate arrangements for combining work and study. These arrangements can be even more productive if the prospective employers actually take part in designing them.
- The inequalities that make it difficult for women with low levels of education to gain access to the labour market may be overcome by reinforcing the mechanisms that help to reconcile work and family life, compensating for inequalities through participation in networks that promote job access, and providing women with skills and knowledge training that may open up new employment opportunities and which effectively address cultural prejudices that are a barrier to the hiring of women for certain jobs.
- One of the prerequisites for reconciling work and family life is access to community, commercial or neighbourhood childcare facilities. Other measures include specific agreements on working hours, flexitime and distance working with the corresponding labour rights, emergency leave, the encouragement and facilitation of a larger role for men in care-giving and the inclusion of the issue in collective bargaining processes with a view to finding suitable solutions for particular sectors or businesses.
- Unemployment insurance and non-contributory systems of protection are forms of protection that are underdeveloped in the region and may be applied to national situations on the basis of the experience of other countries. Unemployment insurance must be linked with active labour-market policies and integrated with other protection mechanisms, such as compensation and non-contributory systems that provide support to low-income households. Labour-market income policies should include non-contributory protection systems (family allowances and basic household income schemes), which can have an impact on the labour market for various reasons. Apart from supplementing the income of the poorest households, such schemes can also facilitate more efficient job searches.
- Since the informal sector accounts for a high percentage of total employment, strategies are needed in order to improve the coverage of labour institutions. A policy should be developed so that small informal-sector enterprises can gradually be incorporated into the formal sector in order to improve institutional coverage and at the same time raise productivity and integrate these enterprises into broader production chains and systems, affording them access to financing, technologies and existing infrastructure for marketing their production abroad, where appropriate.
- Creating a forum for social dialogue among stakeholders in the working world is vital both from the perspective of worker protection and in terms of productivity gains. This may not be easy to achieve inasmuch as trust has to be developed gradually among the stakeholders as the basis for forging agreements that are sustainable over time and complying with international agreements concerning freedom to join a union and collective bargaining rights. Nevertheless, it is an effective mechanism for increasing labour-market efficiency without reducing social protection and, moreover, can generate benefits also for workers. In this respect, it is important for countries to adopt the basic guidelines of

the Global Jobs Pact of the International Labour Organization, which is geared to promoting an upturn in production in the post-crisis context centred on job creation, the expansion of social protection and respect for labour standards. Promoting social dialogue has a fundamental role to play in this scenario.

A **fifth pillar** points up the urgent need **to address the most extreme situations of poverty, hunger and lack of basic services as quickly as possible and in a comprehensive, effective and efficient manner**, building on successful programmatic and policy experiences. The cross-cutting nature of the goals and the synergies that exist between the targets must be a central element in the design of such policies. Moreover, in line with the **equality of rights** perspective adopted in this report, this is an unavoidable prerequisite for progressing towards more egalitarian and integrated societies.

## Poverty

- In order to address the most urgent needs of the poorest strata of society and speed up progress towards the achievement of Goal 1 of the Millennium Development Goals during the years leading up to 2015, the programmes currently applied in the countries that have gradually come to be referred to as conditional transfer programmes must be strengthened. These programmes are designed in the short term to relieve the poverty of families by providing material support (cash transfers) in order to protect basic consumption levels; and in the long term to build the human capital, assets and capacities of families in order to break the intergenerational cycle of poverty.
- Second, in the next few years, as the post-crisis unfolds, emphasis must be placed on the transfer of resources without overlooking the different types of conditionalities governing the delivery of these monetary benefits. The most successful experiments with the implementation of these programmes must be the basis for improving the programmes already existing in some countries and, possibly, for designing mechanisms for addressing the basic needs of the most underprivileged populations.
- In order for these programmes to contribute to achieving the target, the resources allocated to them must be raised significantly with the triple aim of augmenting their coverage, increasing the transfer amounts and strengthening the public institutions responsible for the implementation and on-going evaluation of these programmes.
- In order to achieve their objectives, the programmes must simultaneously cover the areas of education, health and nutrition (food). Thus, on the basis of these programmes, the following minimum goals must be attained: provide an additional source of resources to the poorest families and thereby help to reduce existing poverty levels; increase educational assistance for children in the most vulnerable sectors of the society; reduce child labour by fostering attendance during the school cycle; contribute to better control of the health of the populations with the most needs and thereby reduce their risks of disease; and serve as a social protection network to the community, so as to increase their degree of cooperation and their sense of cohesion.
- Lastly, in order to achieve **lasting reductions in poverty**, certain factors must be addressed including the type and pace of economic development, the functioning of the labour market, demographic shifts and changes in the family and public policies, particularly those related to social protection and promotion systems. With respect to the latter area, the lowest-income groups in the region currently lack a basic social safety net to protect them from external shocks, because access is based on formality, ability to pay or overly targeted programmes with low coverage. Accordingly, a **social safety net** must be built that includes at least three components: (i) a non-contributory income transfer system to supplement employment income and soften the impact of exogenous or biographical shocks; (ii) a health care system that does not depend on formality or ability to pay; and (iii) an expanded system of basic services for young children and the elderly (preschool, low-income housing for retirees and pensioners) that frees up women to participate in the workforce and guarantees basic benefits for dependants.

## Hunger

Achieving food security and eradication of child undernourishment requires specific policies that contemplate a series of short-, medium- and longer-term measures. In the short term, the following measures could help to speed up progress towards eradication of hunger:

- Promoting breastfeeding;
- Creating and/or improving emergency food protection systems;
- Boosting investment in drinking water and sanitation in marginal areas;
- Strengthening systems for evaluating and monitoring food programmes and food and nutrition security;
- Providing a food supplement to pregnant women, wet nurses, infants and preschool children;
- Strengthening health control systems to ensure food safety, and maintaining and improving programmes for strengthening these systems;
- Implementing school food programmes and expanding the coverage of existing programmes;
- Expanding the coverage of mass campaigns and educational programmes designed to promote healthy nutrition;
- Facilitating access of the most vulnerable families to productive assets such as land, equipment and financing.

In the medium and longer term, eradicating hunger in the region will entail significantly evening out income distribution in the countries. The reason for this is because the structural problem of persistent hunger and malnutrition in Latin America and the Caribbean is not caused by lack of overall availability of food, but rather by lack of access to available food among low-income households.

Lastly, **the sixth pillar** alludes to the need to establish a social covenant that leads to a fiscal covenant to support the strategy for achieving the Millennium Development Goals with equality. The challenge is to agree on an agenda for **development with equality** that provides ways to overcome situations in which certain groups are excluded or placed at a disadvantage and to close existing gaps in relation to the targets of the Millennium Development Goals, which are to be met by 2015. This requires revitalizing the State's role as architect of economic growth and social equality in the countries of Latin America and the Caribbean. The long-term strategic horizon—recently characterized by ECLAC in terms of “grow to equalize and equalize to grow”—assumes a **fiscal covenant for distributive equity** that, based on agreements between various public and private agents, will allow the State to play a more proactive role in development policies, paving the way for progress towards the complete fulfilment of the Millennium Development Goals with equality. This covenant must include at least the following components (ECLAC, 2010a):

- A commitment to gradually increase the tax burden, so as to balance improved fiscal policy with adequate incentives for productive investment;
- A clear intention by the State to improve revenue collection, through the gradual reduction and control of evasion and the progressive elimination of exemptions from direct taxes;
- A reform of the tax structure in agreed phases, chiefly increasing income taxes;
- A shared platform on which variations in the tax burden and structure are consistent with the larger role of fiscal policy within public policy;
- A clear and agreed public agenda for improving the transparency of public expenditure, the public institutions responsible for it and its efficiency and effectiveness;
- A programme of gradual reprogramming of social spending in which the reallocations within and between sectors will, according to available evidence, show a greater redistributive impact and greater externalities in terms of equity and productivity;
- A tax structure and spending policy that take into account territorial inequalities and actively attempt to eliminate them, e.g., territorial cohesion funds or mechanisms designed to introduce a progressive tax burden following a territorial approach.

This fiscal architecture for promoting equality is an indispensable condition for redefining the State's role and its public policies in the strategic areas mentioned here, which must be addressed if progress is to be made towards the Millennium Development Goals in the three aspects of equality that are now key: equality of rights, reduction of gaps in real achievements and environmental sustainability, which requires a long-term view of equality associated with solidarity with future generations.

Clearly, a covenant such as the one mentioned here should meet two basic conditions. First, the support of the key political and social stakeholders must be enlisted, particularly those who would have to contribute a larger percentage of resources if a covenant were negotiated, in order to advance towards a progressive, efficient tax structure that generates an increasing flow of public revenue, enhancing the redistributive capacity of the State (ECLAC, 2010a). Second, the right conditions must be in place for the fiscal covenant to actually generate the resources needed to implement the agenda for equality. These conditions depend on the development level of the countries, on their actual tax burden and especially on the potential for raising revenue. This potential tax burden<sup>18</sup> alludes to the "available space" for raising taxes in a specific period of time and provides an idea of the how much additional revenue the State could collect.

Given the development level of the countries and the magnitude of the challenges they face in achieving minimum well-being levels and closing the principal gaps within a reasonable time frame, it is worth looking at the second condition that would determine the viability of a fiscal covenant.

The data provided in table IX.2 help to establish the differences that exist between the Latin American countries in terms of their capacity to generate sufficient resources internally or the need to supplement them with ODA flows.

For the purpose of highlighting the very different situations in which the Latin American countries find themselves in terms of potential resources to meet the target, which is no longer just to halve extreme poverty (target 1.A of the Millennium Development Goals) but to eradicate it and to significantly reduce total poverty, the countries were divided into four groups based on the size of their poverty gap as a percentage of gross domestic product, that is, the volume of resources that would be needed per year for all poor households to have enough income to rise above that threshold. These groupings illustrate the very different opportunities available to the countries for providing the resources needed to advance the agenda for equality by increasing their actual tax burdens through a fiscal covenant.<sup>19</sup>

Within the first group of countries in table IX.2 (the countries with the lowest per capita income and highest percentage of extreme and total poverty), there are significant differences in the size of the actual tax burden. This very fact signifies a divergence with respect to the second condition for progressing towards a fiscal covenant. For example, Nicaragua has per capita income far below that of Paraguay but a tax burden that is similar to the average tax burden of the group of countries with the highest per capita income (21.9% of GDP). Meanwhile, in Paraguay, tax revenue as a percentage of GDP is just 13.2%, which is below the average for the group of poorest countries (16.9%).

Thus, Nicaragua, along with the Plurinational State of Bolivia, exemplifies the situation of countries that do not have any room to substantially raise taxes, which is a major obstacle to forging a fiscal covenant aimed at further increasing the revenue collected by the State in the form of taxes. This does not mean that there is no room for increasing revenue collection by making the tax structure more efficient or modifying it to make it more progressive (i.e., raising the level and progressiveness of direct taxes on individuals and companies or raising taxes on net worth). Even in this case, though, the additional resources would be insufficient to close the poverty gaps within a reasonable time frame due to their size relative to the country's tax burden (see last column in table IX.2).

<sup>18</sup> The potential tax burden is the difference between the actual burden as a percentage of GDP and the burden that the country would have based on its per capita income level (Gómez Sabaini, Jiménez and Podestá, 2010).

<sup>19</sup> Although the four groups of countries in table IX.2 are different from the groupings based on the human development index value used in table IX.1, the differences are slight and reflect a classification based on size of the extreme poverty gap, which is a better criterion for examining the various possibilities for moving in the direction of a fiscal covenant.

Table IX.2  
**LATIN AMERICA (19 COUNTRIES): POVERTY GAPS, ACTUAL TAX BURDEN,  
 AND PUBLIC SOCIAL EXPENDITURE<sup>a</sup>**

Countries	GDP per capita 2000 dollars (1)	Extreme poverty gap and rate (2)	Total poverty gap and rate (3)	Actual tax burden as a percentage of GDP (4)	Social spending as a percentage of GDP (5)	Extreme poverty gap/ Actual tax burden (6) = (2) / (4)
Haiti	391.00	...	...	...	...	...
Honduras	1 452.04	6.7 (47.1)	21.0 (68.8)	16.7	11.8	0.40
Nicaragua	896.67	3.8 (33.8)	17.4 (60.6)	21.9	10.3	0.17
Bolivia (Plurinational State of)	1 173.25	3.2 (32.4)	11.6 (52.6)	20.9	18.7	0.15
Guatemala	1 698.68	2.9 (29.3)	12.4 (53.3)	12.0	6.2	0.24
Paraguay	1 521.41	2.8 (30.8)	11.6 (58.2)	13.2	7.6	0.21
<b>Average<sup>b</sup></b>	<b>1 348.41</b>	<b>3.9 (34.7)</b>	<b>14.8 (58.7)</b>	<b>16.9</b>	<b>10.9</b>	<b>0.23</b>
Dominican Republic	3 688.12	1.3 (22.6)	5.4 (44.3)	15.5	6.0	0.08
El Salvador	2 676.89	1.2 (18.2)	6.7 (43.9)	14.8	5.4	0.08
Colombia	2 983.33	1.2 (22.9)	6.1 (42.8)	15.6	12.6	0.08
Ecuador	1 744.86	0.8 (14.2)	3.9 (39.0)	15.4	6.2	0.05
<b>Average<sup>b</sup></b>	<b>2 488.32</b>	<b>1.7 (19.5)</b>	<b>7.4 (42.5)</b>	<b>15.6</b>	<b>8.2</b>	<b>0.11</b>
Venezuela (Bolivarian Republic of)	5 883.81	0.5 (9.9)	2.6 (27.6)	15.6	11.8	0.03
Panama	5 687.87	0.4 (13.5)	1.6 (27.7)	16.5	17.1	0.02
Peru	2 923.55	0.4 (12.6)	2.6 (36.2)	17.3	9.0	0.02
<b>Average<sup>b</sup></b>	<b>3 745.68</b>	<b>0.8 (12.0)</b>	<b>3.6 (30.5)</b>	<b>16.1</b>	<b>10.5</b>	<b>0.05</b>
Brazil	4 448.04	0.3 (7.3)	2.1 (25.8)	35.1	22.0	0.01
Mexico	7 092.01	0.3 (11.2)	1.9 (34.8)	9.8	10.2	0.03
Costa Rica	5 188.52	0.2 (5.5)	1.0 (16.4)	22.8	17.8	0.01
Argentina	9 884.87	0.2 (5.8)	1.0 (17.2)	29.9	19.0	0.01
Uruguay	8 161.47	0.1 (3.5)	0.7 (14.0)	23.5	17.5	0.00
Chile	6 235.18	0.1 (3.7)	0.5 (13.7)	21.1	13.4	0.00
<b>Average<sup>b</sup></b>	<b>7 312.41</b>	<b>0.2 (6.2)</b>	<b>1.0 (20.3)</b>	<b>21.4</b>	<b>15.6</b>	<b>0.01</b>

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official information and Gómez Sabaini, J.C., Jiménez, J.P. and A. Podestá (2010).

<sup>a</sup> The tax burden corresponds to tax revenue of central government, including social security contributions. In Argentina, the Plurinational State of Bolivia, Brazil, Chile, Colombia and Costa Rica, tax revenue corresponds to the government as a whole.

<sup>b</sup> Simple average. The figures corresponding to the gap in extreme poverty and total poverty in columns (2) and (3) are expressed as a percentage of GDP, while the figures in parentheses indicate the percentage of the population living in extreme poverty and poverty.

The additional public resources generated by economic growth, while maintaining the present tax burden, are also insufficient to close the poverty gaps in a reasonable time frame. In fact, the estimates presented in figure II.10 show that the growth required to achieve the first target of the Millennium Development Goals would have to be close to twice Nicaragua's annual average growth between 1990 and 2008. Furthermore, it should be noted that during the six-year period that preceded the crisis, all the countries in the first group in table IX.2 (except Honduras) grew relatively slowly, at rates below the regional average of 4.9% per year<sup>20</sup> (see table I.1).

<sup>20</sup> These rates would be even less adequate to the task of reducing extreme poverty in the coming years due to the relatively high rates of population growth in those countries.

Unlike Nicaragua, Paraguay's revenue-raising potential is relatively strong because its actual tax burden is relatively low, as is the percentage of public expenditure allocated to the social agenda, Within the group of poorest countries in Latin America. Guatemala is in a similar position. Both countries have considerable room for a fiscal covenant that would increase public social expenditure and narrow the principal social gaps. Nevertheless, a social covenant could not be expected to exert enough tax pressure to close the gap between the actual and potential tax burden, even over a relatively lengthy period. Even if that could be achieved and if most of the new resources were allocated to the social agenda, social expenditure would still be extremely low in these countries and patently insufficient to overcome the deficits in access to minimum levels of well-being.<sup>21</sup>

In short, for the poorest group of countries in the region, although it is essential to work towards building fiscal covenants (which could, in any case, raise public revenue and contribute to more efficient and effective resource use), covenants would not produce in a reasonable time frame (especially over the next five years) the internal resources needed to give the entire population access to the minimum levels of well-being that would make it possible to give full effect to rights and would provide the conditions needed to move towards closing gaps. Thus, external resources, chiefly in the form of ODA, are vitally important for these countries, which will have to attract a much larger share of ODA flows, based on a change in the aid allocation criteria, as indicated in chapter VIII. Any fiscal covenant in this case should include an agreement on the priority areas of social investment, so the additional external resources are allocated not only to social assistance programmes but also to productive and social sectors that improve the countries' ability to progress towards the Millennium Development Goals (investments in infrastructure, education and job training, technology development and institutional strengthening).

Meanwhile, in several countries in the region, internal resources are the main source of financing for the agenda for growth with equality. Unlike the countries mentioned above, these countries have significant capacity to raise revenue through a fiscal covenant. However, not every country with high per capita income and a small extreme poverty gap has a relatively wide margin for increasing tax pressure. Indeed, Argentina, Brazil and Uruguay do not. The first two already have high tax burdens and not much room for additional increases. This is not to say that a fiscal covenant in these countries would not play an important role in promoting equality. In the case of these countries, the purpose of a social covenant would be, instead, to change the tax structure to achieve greater efficiency and especially to make it more progressive by increasing the proportion of direct taxes.<sup>22</sup>

Chile and Mexico, on the other hand, are in a somewhat different position inasmuch as both have a tax burden that is lower than would be expected based on their income levels. In Mexico, this is partly explained by the low macroeconomic priority placed on social spending, which was 11.2% in 2006/2007, whereas the average for countries with similar per capita income levels is on the order of 15% (see columns (4) and (5) of table IX.2). In Chile, social spending as a percentage of GDP, which was 12.2% in 2006/2007, is also lower than the average for countries in the region with high per capita income.<sup>23</sup>

In these two countries, a fiscal covenant would not substantially modify the tax structure, but it would increase the actual tax burden, significantly expanding the flow of public resources available for efforts to close gaps. Notably, an increase of two percentage points in Chile's actual tax burden would be equivalent to twice the total poverty gap. And in the case of Mexico, an increase of four percentage points in the actual tax burden would raise revenue by roughly double the amount needed to close the poverty gap.<sup>24</sup>

In short, for the group of countries with the highest income levels in the region, eradicating total poverty is clearly within the realm of possibility, and a social covenant that achieves greater vertical equity in the tax structure

<sup>21</sup> In Guatemala and Paraguay, extreme poverty is near 30% and annual per capita social spending by the central government in 2006/2007 (US\$ 124 and US\$ 162, respectively) was far below the regional average of US\$ 552.

<sup>22</sup> Actual initiatives to increase tax burdens in the region have tended to reproduce the composition of tax revenue, largely maintaining the proportion of direct taxes at one third of total tax revenues.

<sup>23</sup> In Chile and Mexico, the low tax burden can be attributed to the larger volume of revenue that comes from non-tax sources, namely non-renewable natural resources in both cases. However, compared to tax revenue, these other sources of public financing are more volatile, which, absent a countercyclical fiscal policy, makes social spending more vulnerable to budget shortfalls.

<sup>24</sup> This amount is approximately eight times greater than the resources that Mexico allocated to *Oportunidades*, its main poverty reduction programme.

is a viable way of advancing the equality agenda, with an emphasis on policies designed to permanently break poverty reproduction mechanisms and provide universal access to a social safety net that guarantees minimum levels of well-being, a necessary prerequisite for greater social integration.

The other groups of countries (the two intermediate groups in table IX.2) also meet the basic criteria for raising the tax burden. The feasibility of a fiscal covenant in these countries clearly depends—as it does in the other countries—on whether the social covenant that must precede a fiscal covenant can be established.

In summary, Latin America and the Caribbean has made real progress towards fulfilling the targets of the Millennium Development Goals. A few countries have even met targets well ahead of schedule. However, progress was uneven in several respects. The achievements were greater in the 2000s than in the decade beginning in 1990, the base year that was used to set the quantitative targets. This was largely due to the boom that most of the countries experienced in the six-year period from 2003 to 2008, prior to the global economic and financial crisis that began outside the region. Despite the significant economic recovery forecast for the region in 2010, the post-crisis outlook for the next five years is not auspicious, and it will be hard to continue to match the pace of progress set in recent years.

Progress to date has been uneven. In the case of some targets, fast headway has been made, whereas for others, it has been insufficient, and these targets will likely not be met by 2015. At the aggregate level, the progress made in numerous countries towards eradicating extreme poverty and the incidence of underweight children under five years of age, lowering child mortality, and expanding access to basic services (water and sanitation) has placed the region on track to meet the respective targets. However, insufficient progress was made towards reducing hunger, making completion of primary education universal, increasing the participation of women in national parliaments, and reducing maternal mortality rates, and Latin America and the Caribbean is not on track to meet these targets if the trends observed just prior to the effects of the global crisis persist.

At the disaggregated level (between and within countries), the report reveals very troubling disparities. As a general rule, less progress was made in the region's poorest countries, especially with respect to extreme poverty, which would continue to be very high even if the countries succeeded in halving it by 2015. This lays bare the structural problems that persist in these countries and the enormous challenges they will have to face over the next few years. Compounding the disparities between the countries are the persistent inequalities in income and wealth distribution within the countries, which make this the most unequal region in the world. These inequalities, which take the form of very large differences in well-being and access to basic goods between different groups, ultimately reflect the ethnic, gender, socioeconomic, and territorial inequalities that afflict most of the countries and present an obstacle to a more robust level of environmentally sustainable and socially inclusive growth. Accordingly, the analysis in this report has pivoted on the issue of inequality and its various dimensions.

In order for the countries to make progress towards real equality and ensure minimum levels of well-being for the entire population as a guarantee of basic rights, the State requires greater capacity and more resources. Thus, it is important to create the right social conditions for negotiating a fiscal covenant that, among other functions, translates into a reform of the tax structure in previously agreed upon stages, mostly by raising income taxes to make the tax structure more progressive. Several middle- and high-income countries in the region have room to increase the tax burden and all of them could make revenue collection more efficient. Meanwhile, in the poorest countries, there is less room to increase the tax burden, or an increase would not yield, in a reasonable time frame, the internal resources needed to give the population access to minimum levels of well-being, protection and social security. For these countries, ODA flows are vitally important. In order for these countries to gain more access to these flows, the aid allocation criteria would have to be changed to include middle-income countries and external resources would have to be used more intensively for social and economic development projects.

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## **STATISTICAL ANNEX**



Table 1  
**LATIN AMERICA AND THE CARIBBEAN: HUMAN DEVELOPMENT INDICATORS  
 AND RANKING IN THE HUMAN DEVELOPMENT INDEX FOR 2007**

Country or territory <sup>a</sup>	Life expectancy at birth (Years)	Literacy rate among the population aged 15 years and over (percentages)	Combined primary, secondary and tertiary gross enrolment rate (percentages)	Per capita GDP (PPP in dollars)	Simple average per HDI classification/ group, Ranking	HDI ranking <sup>b</sup> Group	Population (percentages)
	2007	1999-2007	2007	2007	2007	2007	2007
<b>Latin America and the Caribbean <sup>c</sup></b>	<b>73.1</b>	<b>90.9</b>	<b>79.6</b>	<b>10 053</b>	<b>77</b>		<b>100.0</b>
<b>Countries with low and medium-low levels of HD <sup>d</sup></b>	<b>68.2</b>	<b>77.5</b>	<b>75.9</b>	<b>3 258</b>	<b>124</b>		<b>8.0</b>
Haiti	61.0	62.1	..	1 155	149	Medium	
Nicaragua	72.7	78.0	72.1	2 570	124	Medium	
Guatemala	70.1	73.2	70.5	4 562	122	Medium	
Bolivia (Plurinational State of)	65.4	90.7	86.0	4 206	113	Medium	
Honduras	72.0	83.6	74.8	3 796	112	Medium	
<b>Countries with medium levels of HD <sup>d</sup></b>	<b>72.6</b>	<b>89.2</b>	<b>73.2</b>	<b>6 098</b>	<b>94</b>		<b>6.3</b>
El Salvador	71.3	82.0	74.0	5 804	106	Medium	
Paraguay	71.7	94.6	72.1	4 433	101	Medium	
Dominican Republic	72.4	89.1	73.5	6 706	90	Medium	
Ecuador	75.0	91.0	..	7 449	80	High	
<b>Countries with medium- high levels of HD <sup>d</sup></b>	<b>73.4</b>	<b>92.2</b>	<b>84.0</b>	<b>9 907</b>	<b>54</b>		<b>52.1</b>
Peru	73.0	89.6	88.1	7 836	78	High	
Colombia	72.7	92.7	79.0	8 587	77	High	
Brazil	72.2	90.0	87.2	9 567	75	High	
Panama	75.5	93.4	79.7	11 391	60	High	
Venezuela (Bolivarian Republic of)	73.6	95.2	85.9	12 156	58	High	
<b>Countries with high levels of HD <sup>d</sup></b>	<b>77.2</b>	<b>96.8</b>	<b>86.0</b>	<b>11 693</b>	<b>50</b>		<b>32.4</b>
Costa Rica	78.7	95.9	73.0	10 842	54	High	
Mexico	76.0	92.8	80.2	14 104	53	High	
Cuba	78.5	99.8	100.8	6 876	51	High	
Uruguay	76.1	97.9	90.9	11 216	50	High	
Argentina	75.2	97.6	88.6	13 238	49	High	
Chile	78.5	96.5	82.5	13 880	44	High	
<b>Caribbean countries <sup>c</sup></b>	<b>69.1</b>	<b>71.9</b>	<b>73.9</b>	<b>10 812</b>	<b>75</b>		<b>1.2</b>
Anguila							
Antigua and Barbuda	..	99.0	..	18 691	47	High	
Netherland Antilles							
Aruba							
Bahamas	73.2	..	71.8	20 253	52	High	
Barbados	77.0	..	92.9	17 956	37	Very high	
Belize	76.0	75.1	78.3	6 734	93	Medium	

Table 1 (concluded)

Country or territory <sup>a</sup>	Life expectancy at birth (Years)	Literacy rate among the population aged 15 years and over (percentages)	Combined primary, secondary and tertiary gross enrolment rate (percentages)	Per capita GDP (PPP in dollars)	Simple average per HDI classification/ group, Ranking	HDI ranking <sup>b</sup> Group	Population (percentages)
	2007	1999-2007	2007	2007	2007	2007	2007
Dominica	..	88.0	78.5	7 893	73	High	
Grenada	75.3	96.0	73.1	7 344	74	High	
Guadeloupe							
French Guiana							
Guyana	66.5	..	83.9	2 782	114	Medium	
Cayman Islands							
Turks and Caicos Islands							
United States Virgin Islands							
British Virgin Islands							
Jamaica	71.7	86.0	78.1	6 079	100	Medium	
Martinique							
Montserrat							
Puerto Rico							
Saint Kitts and Nevis	..	97.8	73.1	14 481	62	High	
Saint Vincent and the Grenadines	71.4	88.1	68.9	7 691	91	Medium	
Saint Lucia	73.6	94.8	77.2	9 786	69	High	
Suriname	68.8	90.4	74.3	7 813	97	Medium	
Trinidad and Tobago	69.2	98.7	61.1	23 507	64	High	

**Source:** United Nations Development Programme (UNDP), *Human Development Report 2009*, New York, 2009.

<sup>a</sup> The names used herein for the groups of countries are not the same as those used in the classification in *Human Development Report 2009*, but rather were drawn up by the authors.

<sup>b</sup> *Human Development Report 2009* groups the countries into four categories: those with a very high Human Development Index (HDI 0.900 or above), termed "developed countries"; and "developing countries", which are subdivided into three groups: high human development (HDI of 0.800-0.899); medium human development (HDI of 0.500-0.799); and low human development (HDI below 0.500).

<sup>c</sup> Weighted averages.

<sup>d</sup> Simple averages.

Table 2  
**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS  
 THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup>**

Country or territory	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 Proportion of population below \$1 (PPP) per day <sup>b</sup>			Indicator 1.2 Poverty gap ratio		Indicator 1.3 Share of poorest quintile in national consumption	
	Level 1990	Level 2008	Progress 2008	Level 1990	Level 2008	Level 1990	Level 2008
<b>Latin America and the Caribbean<sup>c</sup></b>	<b>22.5</b>	<b>12.9</b>	<b>85.3</b>	<b>8.6</b>	<b>4.4</b>	<b>3.2</b>	<b>3.5</b>
<b>Latin America<sup>c</sup></b>	<b>22.5</b>	<b>12.9</b>	<b>85.3</b>	<b>8.6</b>	<b>4.4</b>	<b>3.2</b>	<b>3.5</b>
<b>Countries with low and medium-low levels of HD<sup>d</sup></b>	<b>48.4</b>	<b>35.7</b>	<b>52.7</b>	<b>21.0</b>	<b>13.0</b>	<b>2.6</b>	<b>3.1</b>
Haiti			...				
Nicaragua	51.4	33.8	68.5	24.3	12.3	2.1	3.5
Guatemala	41.8	29.3	59.8	18.5	11.3	2.7	2.8
Bolivia (Plurinational State of)	39.5	32.4	35.9	9.7	4.5	3.2	4.3
Honduras	60.9	47.1	45.3	31.5	23.9	2.3	1.9
<b>Countries with medium levels of HD<sup>d</sup></b>	<b>29.6</b>	<b>21.1</b>	<b>57.8</b>	<b>7.7</b>	<b>6.8</b>	<b>4.1</b>	<b>3.9</b>
El Salvador	27.7	18.2	68.6	9.1	8.1	3.4	3.4
Paraguay	35.0	30.8	24.0	3.6	5.7	5.2	5.0
Dominican Republic		22.6	...	8.8	8.8	3.2	2.9
Ecuador <sup>e</sup>	26.2	14.2	91.6	9.2	4.7	4.8	4.4
<b>Countries with medium-high levels of HD<sup>d</sup></b>	<b>21.0</b>	<b>13.2</b>	<b>74.0</b>	<b>8.8</b>	<b>4.1</b>	<b>2.9</b>	<b>3.9</b>
Peru	25.0	12.6	99.2	10.1	4.0	3.0	4.0
Colombia	26.1	22.9	24.5	13.8	8.3	2.0	2.9
Brazil	23.4	7.3	137.6	9.7	3.3	2.1	2.6
Panama	16.2	13.5	33.3	5.2	1.6	3.2	4.6
Venezuela (Bolivarian Republic of)	14.4	9.9	62.5	5.0	3.5	4.3	5.2
<b>Countries with high levels of HD<sup>d</sup></b>	<b>10.7</b>	<b>5.9</b>	<b>88.8</b>	<b>3.5</b>	<b>2.0</b>	<b>4.1</b>	<b>4.2</b>
Costa Rica	10.1	5.5	91.1	4.8	2.2	4.3	4.4
Mexico	18.7	11.2	80.2	5.9	3.2	3.9	4.0
Cuba			...				
Uruguay <sup>e</sup>	3.4	3.5	-5.9	0.9	0.9	4.8	4.9
Argentina <sup>e</sup>	8.2	5.8	58.5	1.6	2.6	4.2	3.7
Chile	13.0	3.7	143.1	4.4	1.1	3.5	4.1
<b>Caribbean countries<sup>c</sup></b>			...				
Anguila			...				
Antigua and Barbuda			...				
Netherland Antilles			...				
Aruba			...				
Bahamas			...				
Barbados			...				

Table 2 (continued)

Country or territory	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 Proportion of population below \$1 (PPP) per day <sup>b</sup>			Indicator 1.2 Poverty gap ratio		Indicator 1.3 Share of poorest quintile in national consumption	
	Level 1990	Level 2008	Progress 2008	Level 1990	Level 2008	Level 1990	Level 2008
Belize <sup>f</sup>	13,4		...				
Dominica			...				
Grenada			...				
Guadeloupe			...				
French Guiana			...				
Guyana <sup>f</sup>	5,8	7,7	...				
Cayman Islands			...				
Turks and Caicos Islands			...				
British Virgin Islands			...				
United States Virgin Islands			...				
Jamaica <sup>f</sup>	2	2	...				
Martinique			...				
Montserrat			...				
Puerto Rico			...				
Saint Kitts and Nevis			...				
Saint Vincent and the Grenadines			...				
Saint Lucia <sup>f</sup>	20,9		...				
Suriname <sup>f</sup>	15,5		...				
Trinidad and Tobago <sup>f</sup>	4,2		...				

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included. Unless otherwise stated, the figures correspond to percentages.

<sup>b</sup> The Dominican Republic is not included because data for 1990 are not available.

<sup>c</sup> Weighted averages.

<sup>d</sup> Simple averages.

<sup>e</sup> The figures for indicators 1.1, 1.2 and 1.3 refer to urban areas.

<sup>f</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: See [on line] <http://mdgs.un.org/unsd/mdg/Default.aspx>.

Table 2  
**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS  
 THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup> (continued)**

Country or territory	Goal 1. Eradicate extreme poverty and hunger							
	Target 1B 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 below \$ 1 (PPP) per day		Indicator 1.7 Proportion of own-account and contributing family workers in total employment <sup>b</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>c</sup></b>	<b>0.3</b>	<b>2.2</b>	<b>54.3</b>	<b>59.5</b>	<b>17.8</b>	<b>11.3</b>	<b>32.0</b>	<b>31.1</b>
<b>Latin America<sup>c</sup></b>	<b>0.3</b>	<b>2.2</b>	<b>54.5</b>	<b>59.6</b>	<b>17.8</b>	<b>11.3</b>	<b>32.0</b>	<b>31.2</b>
<b>Countries with low and medium-low levels of HD<sup>d</sup></b>	<b>-0.3</b>	<b>0.4</b>	<b>53.9</b>	<b>60.5</b>	<b>38.1</b>	<b>27.2</b>	<b>47.0</b>	<b>43.6</b>
Haiti	-6.1	-1.7	56.0	55.9				
Nicaragua	0.8	-0.2	49.6	60.4	34.4	24.5	46.5	44.9
Guatemala	3.9	-1.1	56.5	64.9	30.4	20.2	48.0	44.5
Bolivia (Plurinational State of)	0.1	1.1	53.5	58.7		30.7	43.7	36.0
Honduras	-0.4	4.0	56.1	58.0	49.6	37	49.6	48.9
<b>Countries with medium levels of HD<sup>d</sup></b>	<b>0.6</b>	<b>1.9</b>	<b>56.8</b>	<b>58.7</b>	<b>13.4</b>	<b>11.9</b>	<b>34.1</b>	<b>35.4</b>
El Salvador	3.5	1.0	55.8	55.5	13.4	11.9	36.2	35.3
Paraguay	-1.2	0.3	61.4	63.8		22.5	22.9	26.4
Dominican Republic	1.4	4.1	52.9	54.5		10.7	41.7	43.8
Ecuador <sup>b</sup>	-1.4	2.3	57.1	61.1		12.1	35.6	36.2
<b>Countries with medium-high levels of HD<sup>d</sup></b>	<b>0.4</b>	<b>2.8</b>	<b>57.5</b>	<b>62.6</b>	<b>14.2</b>	<b>8.1</b>	<b>37.1</b>	<b>38.9</b>
Peru	2.4	4.0	67.9	71.3	19.5	10.8	52.4	51.4
Colombia	0.9	1.7	58.6	56.9	18.7	13.3	44.6	45.6
Brazil	-0.5	1.8	61.1	63.7	15.8	3.9	28.9	29.1
Panama	0.6	4.2	48.1	60.3	11.4	8	33.8	30.7
Venezuela (Bolivarian Republic of)	-1.2	2.5	51.6	60.8	5.4	4.3	25.7	37.5
<b>Countries with high levels of HD<sup>d</sup></b>	<b>2.7</b>	<b>4.0</b>	<b>51.9</b>	<b>57.2</b>	<b>8.0</b>	<b>3.4</b>	<b>24.8</b>	<b>21.5</b>
Costa Rica	1.8	3.0	54.7	57.9	4.5	1.9	24.3	19.5
Mexico	-0.6	1.5	52.1	59.4	12.9	7.1	29.4	22.6
Cuba			53.0	56.0				
Uruguay <sup>b</sup>	3.0	6.9	52.6	58.8		1.5	20.1	24.9
Argentina <sup>b</sup>	3.5	6.0	52.5	57.0			25.6	19.3
Chile	5.8	2.7	47.7	53.1	6.5	1.2	24.5	21.3
<b>Caribbean countries<sup>c</sup></b>	<b>0.9</b>	<b>2.0</b>	<b>47.3</b>	<b>51.2</b>			<b>32.2</b>	<b>27.1</b>
Anguila								
Antigua and Barbuda							14.6	
Netherlands Antilles			49.0	53.5			8.1	11.2
Aruba							3.9	
Bahamas	-0.6	0.0	63.0	66.6				
Barbados	-0.9	1.9	56.9	66.9			11.7	

Table 2 (continued)

Country or territory	Goal 1. Eradicate extreme poverty and hunger							
	Target 1B 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 below \$ 1 (PPP) per day		Indicator 1.7 Proportion of own-account and contributing family workers in total employment <sup>b</sup>	
	Level 1992-1997	Level 2003-2008	Level 1990	Level 2008	Level 1990	Level 2008	Level 1990	Level 2008
Belize	-1.2	0.9	47.6	56.8				23.5
Dominica							29.1	
Grenada								
Guadeloupe			44.5	43.1				
French Guiana								
Guyana	5.1	1.6	51.7	58.9				
Cayman Islands								
Turks and Caicos Islands								
British Virgin Islands								
United States Virgin Islands								
Jamaica	1.7	0.1	61.5	58.2			42.3	35.4
Martinique			46.2	42.5				
Montserrat							12.6	
Puerto Rico			38.1	42.4				
Saint Kitts and Nevis							12.1	
Saint Vincent and the Grenadines							20.2	
Saint Lucia							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

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included. Unless otherwise stated, the figures correspond to percentages.

<sup>b</sup> On the basis of household surveys, it is possible to calculate a more precise indicator of labour informality by estimating the proportion of the population who are own-account workers, excluding professionals and technicians.

<sup>c</sup> Weighted averages.

<sup>d</sup> Simple averages.



Table 2  
**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS  
 THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup> (continued)**

Country or territory	Goal 1. Eradicate extreme poverty and hunger					
	Target 1.C Halve, between 1990 and 2015, the proportion of people who suffer from hunger					
	Target 1.8 Prevalence of underweight children under five years of age			Target 1.9 Proportion of population below minimum level of dietary energy consumption		
	Level 1989/1999	Level 1996/2008	Relative progress	Level 1990-1992	Level 2004-2006	Progress 2004-2006
<b>Latin America and the Caribbean<sup>b</sup></b>	<b>8.6</b>	<b>6.3</b>	<b>118.7</b>	<b>10.7</b>	<b>7.3</b>	<b>55.1</b>
<b>Latin America<sup>b</sup></b>	<b>8.6</b>	<b>6.3</b>	<b>118.8</b>	<b>10.7</b>	<b>7.3</b>	<b>54.5</b>
<b>Countries with low and medium-low levels of HD<sup>c</sup></b>	<b>18.7</b>	<b>13.8</b>	<b>116.3</b>	<b>34.4</b>	<b>26.0</b>	<b>48.8</b>
Haiti	26.8	22.2	53.6	63	58	15.87
Nicaragua	11.0	6.9	151.3	52	21	119.2
Guatemala	26.6	22.7	130.9	14	16	-28.6
Bolivia (Plurinational State of)	11.2	5.9	119.5	24	23	8.3
Honduras	18.0	11.4	127.3	19	12	73.7
<b>Countries with medium levels of HD<sup>c</sup></b>	<b>10.0</b>	<b>6.4</b>	<b>157.5</b>	<b>19.0</b>	<b>14.0</b>	<b>52.6</b>
El Salvador	11.2	8.6	87.9	9	10	-22.2
Paraguay	3.7	4.2	-45.0	16	12	50.0
Dominican Republic	10.3	4.3	189.6	27	21	44.4
Ecuador <sup>d</sup>	14.6	8.6	377.7	24	13	91.7
<b>Countries with medium-high levels of HD<sup>c</sup></b>	<b>8.3</b>	<b>6.1</b>	<b>119.0</b>	<b>16.2</b>	<b>11.6</b>	<b>56.8</b>
Peru	10.8	7.6	123.9	28	13	107.1
Colombia	10.1	6.9	95.2	15	10	66.7
Brazil	7.0	4.6	117.7	10	6	80.0
Panama	6.1	6.8	-56.7	18	17	11.1
Venezuela (Bolivarian Republic of)	7.7	4.6	132.5	10	12	-40.0
<b>Countries with high levels of HD<sup>c</sup></b>	<b>3.5</b>	<b>3.9</b>	<b>-48.3</b>	<b>5.7</b>	<b>0.0</b>	<b>200.0</b>
Costa Rica	2.8	4.0	-357.1	<=5	<=5	...
Mexico	7.5	5.0	372.0	<=5	<=5	...
Cuba			...	5	<=5	100.0
Uruguay <sup>d</sup>	4.4	6.0	-187.8	5	<=5	100.0
Argentina <sup>d</sup>	1.9	3.8	-541.1	<=5	<=5	...
Chile	0.9	0.6	152.6	7	<=5	100.0
<b>Caribbean countries<sup>b</sup></b>	<b>7.6</b>	<b>5.9</b>	<b>101.1</b>	<b>11.9</b>	<b>7.2</b>	<b>88.4</b>
Anguila			...			...
Antigua and Barbuda		1.6	...		27	...
Netherlands Antilles			...	14	5	128.6
Aruba			...			...
Bahamas			...	9	6	66.7
Barbados			...			...
Belize	6.2	6.1	6.3	7		...
Dominica			...	4		...
Grenada			...	9	23	-311.1
Guadeloupe			...			...
French Guiana			...			...
Guyana	18.3	12.4	140.9	21	6	142.9
Cayman Islands			...			...
Turks and Caicos Islands			...			...
British Virgin Islands			...			...
United States Virgin Islands			...			...

Table 2 (continued)

Country or territory	Goal 1. Eradicate extreme poverty and hunger					
	Target 1.C Halve, between 1990 and 2015, the proportion of people who suffer from hunger					
	Target 1.8 Prevalence of underweight children under five years of age			Target 1.9 Proportion of population below minimum level of dietary energy consumption		
	Level 1989/1999	Level 1996/2008	Relative progress	Level 1990-1992	Level 2004-2006	Progress 2004-2006
Jamaica	4.6	4.0	52.3	11	5	109.1
Martinique			...			...
Montserrat			...			...
Puerto Rico			...			...
Saint Kitts and Nevis			...	13	15	-30.8
Saint Vincent and the Grenadines			...	22	6	145.5
Saint Lucia			...	8	8	0.0
Suriname			...	13	7	92.3
Trinidad and Tobago		5.9	...	11	10	18.2

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included. Unless otherwise stated, the figures correspond to percentages.

<sup>b</sup> Weighted averages.

<sup>c</sup> Simple averages.

<sup>d</sup> On the basis of household surveys, it is possible to calculate a more precise indicator of labour informality by estimating the proportion of the population who are own-account workers, excluding professionals and technicians.

Table 2  
**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS  
 THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup> (continued)**

Country or territory	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	Progress 2007	Level 1992	Level 2004/2008	Relative progress	Level 1991	Level 2007	Relative progress
<b>Latin America and the Caribbean<sup>b</sup></b>	<b>88.2</b>	<b>95.0</b>	<b>57.2</b>	<b>83.9</b>	<b>93.1</b>	<b>82.1</b>	<b>92.0</b>	<b>97.1</b>	<b>8.8</b>
<b>Latin America<sup>b</sup></b>	<b>88.2</b>	<b>95.0</b>	<b>58.0</b>	<b>83.9</b>	<b>93.1</b>	<b>82.1</b>	<b>90.9</b>	<b>95.9</b>	<b>8.6</b>
<b>Countries with low and medium-low levels of HD<sup>c</sup></b>	<b>78.3</b>	<b>95.3</b>	<b>78.4</b>	<b>60.3</b>	<b>77.2</b>	<b>61.3</b>	<b>74.5</b>	<b>89.5</b>	<b>31.7</b>
Haiti	22.0		...				54.8	81.7	72.2
Nicaragua	69.0	93.4	78.9	60.2	70.8	47.1	68.2	87.0	45.9
Guatemala		96.8	...	52.2	62.6	35.7	76.0	85.5	28.6
Bolivia (Plurinational State of)		95.0	...	67.1	96.4	136.6	93.9	99.4	10.6
Honduras	87.6	97.2	77.3	61.7	79.2	69.9	79.7	93.9	26.2
<b>Countries with medium levels of HD<sup>c</sup></b>	<b>82.2</b>	<b>89.4</b>	<b>40.4</b>	<b>78.4</b>	<b>88.9</b>	<b>70.0</b>	<b>91.1</b>	<b>96.0</b>	<b>8.5</b>
El Salvador		95.6	...	69.0	76.1	44.1	84.9	93.6	18.6
Paraguay	92.8	93.1	4.3	78.3	95.0	110.4	95.6	98.8	6.1
Dominican Republic	54.6	82.4	61.3	76.3	88.3	72.6	87.5	96.0	14.3
Ecuador	99.2	92.6	-820.0	89.8	96.2	90.2	96.2	95.4	-1.2
<b>Countries with medium-high levels of HD<sup>c</sup></b>	<b>81.3</b>	<b>93.0</b>	<b>62.8</b>	<b>86.2</b>	<b>94.1</b>	<b>82.1</b>	<b>93.6</b>	<b>97.6</b>	<b>6.6</b>
Peru		99.7	...	85.4	93.9	84.1	95.4	97.4	4.3
Colombia	69.5	93.5	78.8	85.6	93.6	80.3	90.5	98.0	16.8
Brazil	85.4	93.5	55.3	82.2	94.7	100.6	91.8	97.8	9.6
Panama		98.9	...	89.3	94.6	70.7	95.1	96.3	1.9
Venezuela (Bolivarian Republic of)	88.9	92.1	28.8	88.3	93.5	64.4	95.4	98.4	4.6
<b>Countries with high levels of HD<sup>c</sup></b>	<b>94.5</b>	<b>97.8</b>	<b>60.0</b>	<b>92.0</b>	<b>96.6</b>	<b>82.1</b>	<b>97.4</b>	<b>98.9</b>	<b>2.4</b>
Costa Rica	87.6		...	84.6	94.1	88.6	97.4	98.0	0.9
Mexico	98.6	99.4	52.8	86.7	95.7	97.2	95.4	98.2	4.3
Cuba	97.6	99.5	79.5				96.2	100.0	5.8
Uruguay	92.4	97.8	70.7	96.2	96.7	18.2	98.6	98.8	0.2
Argentina		99.1	...	97.1	97.8	36.8	98.3	99.1	1.3
Chile	89.4	94.5	48.4	95.5	98.7	116.5	98.4	99.1	1.3
<b>Caribbean countries<sup>b</sup></b>	<b>94.1</b>	<b>90.8</b>	<b>-54.6</b>				<b>94.0</b>	<b>97.2</b>	<b>5.3</b>
Anguila		95.3	...						...
Antigua and Barbuda		74.0	...						...
Netherlands Antilles			...				97.0	98.2	2.2
Aruba		99.2	...					99.3	...
Bahamas	90.3	90.8	5.6						...
Barbados	84.3		...				99.8	99.8	0.0
Belize	94.4	99.7	94.4				76.4	84.2	16.6
Dominica		73.3	...						...
Grenada		96.0	...						...
Guadeloupe			...					99.8	...
French Guiana			...						...
Guyana	95.4	98.5	67.4						...
Cayman Islands		95.6	...					98.9	...
Turks and Caicos Islands		80.7	...						...

Table 2 (continued)

Country or territory	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	Progress 2007	Level 1992	Level 2004/2008	Relative progress	Level 1991	Level 2007	Relative progress
British Virgin Islands		97.1	...						...
United States Virgin Islands			...						...
Jamaica	97.1	85.5	-399.0				91.2	94.3	5.0
Martinique			...					99.7	...
Montserrat		96.2	...						...
Puerto Rico			...				96.1	97.7	2.4
Saint Kitts and Nevis		90.4	...						...
Saint Vincent and the Grenadines		97.5	...						...
Saint Lucia	96.4	93.5	-79.8						...
Suriname	82.1	90.1	44.9					95.2	...
Trinidad and Tobago	91.1	96.9	64.8				99.3	99.5	0.3

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included. Unless otherwise stated, the figures correspond to percentages.

<sup>b</sup> Weighted averages.

<sup>c</sup> Simple averages.

Table 2  
**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS  
 THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup> (continued)**

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											
Country or territory	Indicator 3.1 Ratio of girls to boys in primary education		Indicator 3.1 Ratio of girls to boys, secondary education		Indicator 3.1 Ratio of girls to boys, 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 2007	Level 1991	Level 2007	Level 1991	Level 2007	Level 1990/2002	Level 1991/2007	Level 1990/1992	Level 2007	Progress 2007
<b>Latin America and the Caribbean<sup>b</sup></b>	<b>0.98</b>	<b>1.00</b>	<b>1.05</b>	<b>1.05</b>	<b>1.08</b>	<b>1.27</b>	<b>36.2</b>	<b>41.8</b>	<b>11.9</b>	<b>22.2</b>	<b>27.1</b>
<b>Latin America<sup>b</sup></b>	<b>0.98</b>	<b>1.00</b>	<b>1.05</b>	<b>1.05</b>	<b>1.08</b>	<b>1.27</b>	<b>36.3</b>	<b>41.7</b>	<b>12.0</b>	<b>22.8</b>	<b>28.4</b>
<b>Countries with low and medium-low levels of HD<sup>c</sup></b>	<b>0.97</b>	<b>1.00</b>	<b>1.20</b>	<b>1.15</b>			<b>36.2</b>	<b>38.4</b>	<b>9.0</b>	<b>15.0</b>	<b>14.7</b>
Haiti	0.95		0.94				44.2		3.6	4.1	1.1
Nicaragua	1.06	1.01	1.20	1.15	0.96			38.6	14.8	18.5	10.5
Guatemala	0.87	0.96				1.00	36.8	43.0	7.0	12.0	11.6
Bolivia (Plurinational State of)	0.92	1.01		0.99		0.84	35.2	38.6	9.2	16.9	18.9
Honduras	1.04	1.02	1.23		0.79		33.3	33.4	10.2	23.4	33.2
<b>Countries with medium levels of HD<sup>c</sup></b>	<b>1.00</b>	<b>1.01</b>	<b>1.22</b>	<b>1.03</b>			<b>37.9</b>	<b>41.1</b>	<b>7.3</b>	<b>19.7</b>	<b>29.0</b>
El Salvador	1.01	1.02	1.22	1.03		1.09	45.6	48.6	11.7	19.0	19.1
Paraguay	0.97		1.05				41.0	40.2	5.6	12.5	15.5
Dominican Republic	1.00	1.01		1.22			31.0	38.8	7.5	19.7	28.7
Ecuador	0.99	1.01		1.02		1.22	34.1	36.6	4.5	27.6	50.8
<b>Countries with medium- high levels of HD<sup>c</sup></b>	<b>1.01</b>	<b>1.00</b>	<b>1.17</b>	<b>1.09</b>	<b>1.09</b>	<b>1.19</b>	<b>38.9</b>	<b>43.5</b>	<b>6.6</b>	<b>16.4</b>	<b>22.6</b>
Peru	0.97	1.00	0.94	1.01			37.2	42.9	5.6	29.2	53.2
Colombia	1.02	1.00	1.19	1.11	1.07	1.09	41.8	48.5	4.5	8.4	8.6
Brazil		1.00		1.10	1.11	1.29	35.1	41.6	5.3	9.0	8.3
Panama		0.99				1.59	45.4	43.1	7.5	16.7	21.6
Venezuela (Bolivarian Republic of)	1.03	1.00	1.38	1.14			35.2	41.4	10.0	18.6	21.5
<b>Countries with high levels of HD<sup>c</sup></b>	<b>0.98</b>	<b>1.00</b>	<b>1.07</b>	<b>1.03</b>	<b>1.07</b>	<b>1.42</b>	<b>38.3</b>	<b>42.0</b>	<b>12.7</b>	<b>28.4</b>	<b>42.0</b>
Costa Rica	0.99		1.06				37.2	41.1	10.5	36.8	66.6
Mexico	0.97	1.00	0.99	1.03	0.74	0.98	36.5	39.4	12.0	23.2	29.5
Cuba	0.97	1.00	1.15	1.02	1.40	1.85	41.7	43.7	33.9	43.2	57.8
Uruguay	0.99	1.00		1.11		1.75	42.3	45.5	6.1	12.1	13.7
Argentina							37.1	45.0	6.3	40.0	77.1
Chile	0.98	0.99	1.07	1.03		1.01	34.7	37.4	7.5	15.0	17.6
<b>Caribbean countries<sup>b</sup></b>	<b>0.99</b>	<b>0.99</b>	<b>1.07</b>	<b>1.06</b>	<b>1.35</b>	<b>2.34</b>	<b>44.4</b>	<b>43.6</b>	<b>9.3</b>	<b>15.1</b>	<b>14.4</b>
Anguilla							42.8	48.8			...
Antigua and Barbuda		0.98						50.6	0.0	10.5	21.0
Netherlands Antilles			1.19				42.7	49.9			...
Aruba		0.99		1.04		1.41	43.9	45.9			...
Bahamas	1.03	1.03		1.06			49.6	48.8	4.1	12.2	17.6
Barbados	1.00				1.24		46.8	48.7	3.7	10.0	13.6
Belize	0.98	1.01	1.15	1.09			33.9	37.6	0.0	0.0	0.0
Dominica		1.06		1.02			39.7	43.8	10.0	18.8	22.0
Grenada	0.85	1.00	1.16	1.00			40.4	42.6	20.0	13.3	-22.3

Table 2 (continued)

Country or territory	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, secondary education		Indicator 3.1 Ratio of girls to boys, 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 2007	Level 1991	Level 2007	Level 1991	Level 2007	Level 1990/2002	Level 1991/2007	Level 1990/1992	Level 2007
									Progress 2007	
Guadeloupe							46.6	45.7		...
French Guiana							36.1	38.2		...
Guyana	0.99		1.06		2.12		38.5	34.7	36.9	30.0
Cayman Islands		1.05		1.26			50.0	49.3		...
Turks and Caicos Islands							43.1	40.7		...
British Virgin Islands		1.01		1.12			49.9	49.1		...
United States Virgin Islands										...
Jamaica	0.99	0.98	1.06	1.05	0.74		46.2	45.8	5.0	13.3
Martinique							45.4	48.1		...
Montserrat		1.08		1.01			43.4			...
Puerto Rico							46.5	41.5		...
Saint Kitts and Nevis	1.02	1.02	1.11	0.91					6.7	6.7
Saint Vincent and the Grenadines	0.98	0.97	1.24						9.5	18.2
Saint Lucia	0.94	0.95	1.45	1.15	1.35	2.34	51.8	47.5	0.0	11.1
Suriname	1.03	0.98	1.16				39.5	38.1	7.8	25.5
Trinidad and Tobago	1.00	0.99	1.04	1.07	0.78		35.6	43.9	16.7	26.8

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included. Unless otherwise stated, the figures correspond to percentages.

<sup>b</sup> Weighted averages.

<sup>c</sup> Simple averages.

Table 2  
**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS  
 THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup> (continued)**

Country or territory	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	
	Level 1991	Level 2009	Progress 2009	Level 1990	Level 2009	Progress 2009	Level 1990	Level 2007
<b>Latin America and the Caribbean<sup>b</sup></b>	<b>55.5</b>	<b>26.2</b>	<b>79.1</b>	<b>42.7</b>	<b>20.4</b>	<b>78.4</b>	<b>76.3</b>	<b>93.0</b>
<b>Latin America<sup>b</sup></b>	<b>55.9</b>	<b>26.3</b>	<b>79.5</b>	<b>43.0</b>	<b>20.4</b>	<b>78.8</b>	<b>76.4</b>	<b>93.4</b>
<b>Countries with low and medium-low levels of HD<sup>c</sup></b>	<b>96.8</b>	<b>45.2</b>	<b>80.0</b>	<b>68.2</b>	<b>32.8</b>	<b>77.8</b>	<b>64.8</b>	<b>84.0</b>
Haiti	137.3	68.2	75.4	92.7	46.6	75.0	31.0	58.0
Nicaragua	75.9	23.8	103.0	56.5	20.0	96.8	82.0	99.0
Guatemala	85.5	36.5	85.9	61.0	27.6	82.2	68.0	93.0
Bolivia (Plurinational State of)	114.6	57.1	75.2	82.6	42.6	72.6	53.0	81.0
Honduras	70.8	40.2	64.9	48.0	27.2	65.1	90.0	89.0
<b>Countries with medium levels of HD<sup>c</sup></b>	<b>63.1</b>	<b>29.3</b>	<b>80.2</b>	<b>49.3</b>	<b>24.7</b>	<b>74.7</b>	<b>80.8</b>	<b>93.3</b>
El Salvador	64.8	24.6	93.1	47.1	20.0	86.2	98.0	98.0
Paraguay	57.8	37.0	53.9	44.8	31.0	46.4	69.0	80.0
Dominican Republic	64.2	31.3	76.9	55.3	28.0	74.0	96.0	96.0
Ecuador	65.5	24.4	94.0	49.9	20.0	89.9	60.0	99.0
<b>Countries with medium-high levels of HD<sup>c</sup></b>	<b>51.0</b>	<b>25.5</b>	<b>75.0</b>	<b>38.0</b>	<b>18.7</b>	<b>76.1</b>	<b>71.6</b>	<b>87.4</b>
Peru	85.1	30.7	95.9	57.8	18.5	102.1	64.0	99.0
Colombia	42.5	25.3	60.7	31.5	18.7	60.9	82.0	95.0
Brazil	60.1	27.6	81.0	47.5	22.5	78.9	78.0	99.0
Panama	35.9	22.9	54.3	28.3	17.5	57.3	73.0	89.0
Venezuela (Bolivarian Republic of)	31.6	21.1	49.9	25.0	16.4	51.4	61.0	55.0
<b>Countries with high levels of HD<sup>c</sup></b>	<b>25.8</b>	<b>12.8</b>	<b>75.5</b>	<b>21.9</b>	<b>10.4</b>	<b>78.3</b>	<b>91.0</b>	<b>95.2</b>
Costa Rica	18.4	11.2	59.0	16.0	9.7	58.6	90.0	90.0
Mexico	44.2	18.9	86.0	36.3	15.6	85.7	75.0	96.0
Cuba	18.9	7.7	88.9	15.6	4.8	103.8	94.0	99.0
Uruguay	24.3	15.8	52.6	21.4	12.7	60.7	97.0	96.0
Argentina	30.1	14.9	75.6	25.8	12.9	74.7	93.0	99.0
Chile	19.1	8.5	82.8	16.3	7.0	85.8	97.0	91.0
<b>Caribbean countries<sup>b</sup></b>	<b>32.9</b>	<b>21.5</b>	<b>52.1</b>	<b>25.7</b>	<b>17.1</b>	<b>50.1</b>	<b>74.7</b>	<b>85.0</b>
Anguila			...			...		
Antigua and Barbuda			...			...	89.0	99.0
Netherlands Antilles		13.4	...	16.1	12.4	33.7		
Aruba	21.2	17.4	26.9	18.3	14.9	27.6		
Bahamas	24.7	11.2	81.9	16.6	8.0	77.9	86.0	96.0
Barbados	17.8	10.1	64.7	15.1	9.5	55.3	87.0	75.0
Belize	38.5	19.8	72.8	30.6	15.9	72.0	86.0	96.0
Dominica			...			...	88.0	96.0
Grenada	40.5	14.1	97.8	33.0	12.8	92.0	85.0	98.0
Guadeloupe	20.4	8.7	86.0	15.6	6.7	86.1		
French Guiana	26.3	14.4	67.7	22.5	13.0	63.3		
Guyana	90.2	52.4	62.8	64.9	40.3	56.9	73.0	96.0
Cayman Islands			...			...		
Turks and Caicos Islands			...			...		
British Virgin Islands			...			...		

Table 2 (continued)

Country or territory	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	
	Level 1991	Level 2009	Progress 2009	Level 1990	Level 2009	Progress 2009	Level 1990	Level 2007
United States Virgin Islands	18.3	9.7	70.5	15.8	8.8	65.9		
Jamaica	33.9	27.1	30.2	27.8	22.5	28.5	74.0	76.0
Martinique	12.4	7.7	56.5	9.8	6.5	50.3		
Montserrat			...			...		
Puerto Rico	14.9	8.7	62.2	12.7	6.9	68.1		
Saint Kitts and Nevis			...			...	99.0	99.0
Saint Vincent and the Grenadines	39.3	26.8	47.8	32.3	22.3	46.5	96.0	99.0
Saint Lucia	24.4	15.1	57.2	18.5	12.0	52.4	82.0	94.0
Suriname	49.4	30.4	57.7	36.5	21.7	60.6	65.0	85.0
Trinidad and Tobago	35.2	32.1	13.4	28.7	25.1	18.4	70.0	91.0

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included. Unless otherwise stated, the figures correspond to percentages.

<sup>b</sup> Weighted averages.

<sup>c</sup> Simple averages.



Table 2  
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS  
THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup> (continued)

Country or territory	Goal 5 Improve maternal health													
	Target 5.A Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio							Target 5.B Achieve, by 2015, universal access to reproductive health						
	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)		Indicator 5.5 Antenatal care coverage (at least four visits)		Indicator 5.6 Unmet need for family planning	
	Level	2002/2008	Relative progress	Level	2005	1999/2008	Level	2001	Level	1990/2001	Level	2006	Level	1995/2005
<b>Latin America and the Caribbean<sup>b</sup></b>	71.2	66.9	52.8	78.3	88.9	78.1	77.5	70.4	83.6	95.0	77.6	87.2	12.9	10.4
<b>Latin America<sup>b</sup></b>	71.2	66.9	52.8	78.1	88.8	78.1	77.5	70.7	83.4	95.0	77.6	87.2	12.9	10.4
<b>Countries with low and medium-low levels of HD<sup>c</sup></b>	87.0	76.5	106.1	39.5	54.8	39.5	117.7	93.0	66.4	85.5	71.6	77.8	20.8	19.0
Haiti			...	23.0	26.1	18.0	79.0	68.6	67.7	84.5	53.8		39.8	
Nicaragua	87.0	76.5	119.7	61.0	73.7	54.5	158.0	108.5	71.5	90.2	71.6	77.8	14.7	14.6
Guatemala			...	35.0	41.4	31.4	119.6	92.1	52.5	84.3	65.9		24.3	27.6
Bolivia (Plurinational State of)			...	37.8	65.8	45.3	96.0	88.0	52.5	77.0	72.1		26.1	22.7
Honduras			...	40.5	66.9	46.7	136.0	107.9	87.8	91.7	80.8		18.0	11.2
<b>Countries with medium levels of HD<sup>c</sup></b>	116.5	106.8	73.2	69.2	91.6	53.7	106.3	82.5	81.1	93.3	81.2	83.9	14.0	8.5
El Salvador			...	52.0	92.4	53.3	102.0	67.0	68.7	94.0	71.2	78.6	14.2	8.9
Paraguay	164.0	127.3	177.6	66.0	77.1	48.4	107.0	65.0	83.9	96.0	78.8	78.7	19.2	6.6
Dominican Republic	69.0	86.3	-213.2	92.4	97.8	56.4	115.0	98.0	96.9	99.0	93.5	94.5	12.5	10.9
Ecuador			...	66.3	99.1	56.8	101.0	100.0	74.7	84.2	66.5		10.0	7.4
<b>Countries with medium-high levels of HD<sup>c</sup></b>	79.4	69.9	105.8	81.7	90.1	61.0	81.2	77.5	77.4	94.0	81.5	89.3	9.9	7.3
Peru			...	52.5	71.0	59.0	68.0	59.0	63.9	91.0	87.0	91.6	12.1	8.8
Colombia	104.9	75.6	194.0	93.7	96.4	66.1	92.0	96.2	82.7	93.5	83.1	83.1	7.7	5.8
Brazil	73.3	77.2	-49.3	81.0	97.0	76.7	53.2	56.0	85.7	97.4	75.9	87.0		7.3
Panama			...	85.8	91.0		88.0	84.8		72.2				
Venezuela (Bolivarian Republic of)	60.1	56.8	46.7	95.3	95.0	58.0	104.6	91.3		94.1				
<b>Countries with high levels of HD<sup>c</sup></b>	40.5	36.9	77.3	95.9	98.4	68.0	77.7	59.8	96.0	97.0		86.0		14.2
Costa Rica	35.8	19.1	370.2	97.0	98.5	75.0	91.1	62.7	95.0	91.7				
Mexico	72.6	57.2	147.3	83.8	93.4	63.1	97.8	82.1		86.1				
Cuba	40.4	46.5	-128.4	99.8	99.9	73.3	72.6	79.7	100.0	100.0				
Uruguay			...	99.6	99.6		77.0	64.7	94.0	97.1				

Table 2 (continued)

Country or territory	Goal 5 Improve maternal health															
	Target 5.A Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio						Target 5.B Achieve, by 2015, universal access to reproductive health									
	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)		Indicator 5.5 Antenatal care coverage (at least four visits)		Indicator 5.6 Unmet need for family planning	
	Level 2000/2001	Level 2002/2008	Relative progress	Level 1984/2005	Level 1999/2008	Level 1990/2001	Level 1990/2008	Level 1990/1995	Level 1994/2006	Level 1990/2006	Level 1993/2008	Level 1996/2004	Level 1991/2008	Level 1995/1999	Level 1995/2005	
Argentina	35.0	43.7	-197.3	95.8	99.4	65.3	68.3	62.6	95.0	99.2	89.3					
Chile	18.7	18.2	21.2	99.4	99.8	60.7	64.2	64.8	48.8	95.0						
Caribbean countries <sup>b</sup>			...	88.3	95.2	62.8	67.1	79.2	57.1	94.6	92.1					
Anguila			...	100.0	100.0	43.0	43.4	40.1								
Antigua and Barbuda		0.0	...	100.0	99.9		82.5	66.8	82.0	100.0						
Netherlands Antilles			...				55.5	40.0								
Aruba			...				57.0	43.0								
Bahamas			...	99.0	99.0		67.6	44.2	98.0	98.0						
Barbados		0.0	...	100.0	100.0		55.1	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			
Dominica			...	99.9	99.0			105.5	51.0	90.0	100.0					
Grenada		0.0	...	99.0	100.0	54.3	54.3	99.4	52.9	100.0	100.0					
Guadeloupe			...													
French Guiana			...													
Guyana		112.5	...	95.0	83.3	38.2	34.2	94.8	90.0	80.9	81.4					
Cayman Islands			...					88.7	58.7							
Turks and Caicos Islands			...													
British Virgin Islands			...	100.0	100.0			28.3	43.2							
United States Virgin Islands			...													
Jamaica		0.0	...				78.4	73.6	53.9							
Martinique		95.0	...	79.0	96.7	62.0	69.0	93.6	58.2	99.0	90.5		87.2		12.7	
Montserrat		12.8	...													
Puerto Rico			...	100.0	100.0	77.7	84.1	53.6	33.7							
Saint Kitts and Nevis			...					75.4	60.0							
Saint Vincent and the Grenadines			...	99.4	100.0		82.1	68.1	100.0	100.0						
Saint Lucia			...	99.3	100.0			96.7	57.4	91.8	95.0					
Suriname			...	99.7	100.0			99.9	52.7	100.0	99.2					
			...	91.0	89.8	48.0	42.1	74.8	63.4	91.0	89.9					
Trinidad and Tobago		184.3	...	97.9	97.8	38.2	42.5	58.3	32.0	92.4	95.7					

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included. Unless otherwise stated, the figures correspond to percentages.

<sup>b</sup> Weighted averages.

<sup>c</sup> Simple averages.

Table 2

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												
Country or territory	Indicator 6.1 HIV prevalence among population aged 15-24 years (6a) (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)		Indicator 6.4 Ratio of school attendance of orphans to school attendance of non- orphans aged 10-14 years	
	Level 1990/2006	Level 2007	Level 1996/2000	Level 2001/2007	Level 1996/2000	Level 2003/2007	Level 2000/2006	Level 2000/2007	Level 1996/2000	Level 2003/2007	Level 1994/1998	Level 1996/2006
Latin America and the Caribbean <sup>b</sup>	0.3	0.5	18.6	29.2	19.9	22.2	27.4	38.1	25.3	36.8	0.9	0.8
Latin America <sup>b</sup>	0.3	0.5	18.6	29.2	19.9	22.6	25.9	37.6	25.3	36.8	0.9	0.8
Countries with low and medium-low levels of HD <sup>c</sup>	0.6	0.8	30.0	21.0	21.0	34.0	15.0	34.0	28.0	40.0	0.80	0.89
Haiti	1.2	2.2	30	21	21	34	15	34	28	40	0.76	0.86
Nicaragua	0.1	0.2		19				22			0.81	1.06
Guatemala	0.1	0.8										
Bolivia (Plurinational State of)	0.1	0.2										
Honduras	1.3	0.7		32		38		15		18	0.82	0.74
Countries with medium levels of HD <sup>c</sup>	0.2	0.7	19.0	33.0	9.0	42.0	36.0	41.0	23.0	34.0	0.96	0.77
El Salvador	0.1	0.8										
Paraguay	0.1	0.6										
Dominican Republic	0.6	1.1	19	33	9	42	36	41	23	34	0.96	0.77
Ecuador	0.1	0.3										
Countries with medium- high levels of HD <sup>c</sup>	0.3	0.7	15.0	31.0	22.0	31.0						
Peru	0.1	0.5	15	31				19				0.85
Colombia	0.1	0.6			22	31						0.85
Brazil	0.4	0.6										0.96
Panama	0.4	1										
Venezuela (Bolivarian Republic of)												
Countries with high levels of HD <sup>c</sup>	0.1	0.4										
Costa Rica	0.1	0.4		11		15						
Mexico	0.2	0.3				20						
Cuba	0.1	0.1		33		41		52				
Uruguay	0.1	0.6		65		69						
Argentina	0.2	0.5		44		48						
Chile	0.1	0.3		18		30						

Table 2 (continued)

Country or territory	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 6.1 HIV prevalence among population aged 15-24 years (6a) (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 1990-2006	Level 2007	Level 1996-2000	Level 2001-2007	Level 1996-2000	Level 2003-2007	Level 2000-2006	Level 2000-2007	Level 1996-2000	Level 2003-2007
<b>Caribbean countries<sup>b</sup></b>	<b>0.6</b>	<b>1.8</b>					<b>53.0</b>	<b>50.0</b>		
Anguilla										
Antigua and Barbuda										
Netherlands Antilles										
Aruba										
Bahamas	3.8	3								
Barbados	0.5	1.2								
Belize	0.1	2.1						40		
Dominica										
Grenada				52		68				
Guadeloupe										
French Guiana										
Guyana	1.3	2.5		56		53		50		47
Cayman Islands										
Turks and Caicos Islands										
British Virgin Islands										
United States Virgin Islands										
Jamaica	0.3	1.6		53		67		60		
Martinique										
Montserrat										
Puerto Rico										
Saint Kitts and Nevis										
Saint Vincent and the Grenadines				52		62				
Saint Lucia				39		48				
Suriname	0.1	2.4						41		
Trinidad and Tobago	0.2	1.5						54		

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included. Unless otherwise stated, the figures correspond to percentages.

<sup>b</sup> Weighted averages.

<sup>c</sup> Simple averages.

Table 2  
LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS  
THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup> (continued)

		Goal 7: Ensure environmental sustainability												Target 7.B Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss			
		Target 7.A Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources															
Country or territory	Indicator 7.1 Proportion of land area covered by forest	Indicator 7.2 CO <sub>2</sub> emissions (total, in thousands of metric tons of CO <sub>2</sub> )		Indicator 7.2 CO <sub>2</sub> emissions (in metric tons per capita)		Indicator 7.2 CO <sub>2</sub> emissions (in kg of CO <sub>2</sub> for each dollar of GDP, 2000-constant dollars)		Indicator 7.3 Consumption of substances ozone-depleting (in metric tons)		Indicator 7.5 Proportion of total water resources used		Indicator 7.6 Proportion of terrestrial and marine areas protected (disaggregated)		Indicator 7.7 Proportion of species threatened with extinction (animals)		Indicator 7.7 Proportion of species threatened with extinction (plants)	
		Level 1990	Level 2005	Level 1990	Level 2006	Level 1990	Level 2006	Level 1990	Level 2007	Level 1990/1995	Level 2000	Level 1990	Level 2008	Level 2008	Level 2008	Level 2008	Level 2008
<b>Latin America and the Caribbean<sup>b</sup></b>	49.1	45.6	1 078 371	1 513 117	2.5	3.3	0.4	0.3	77 139.9	7 445.9	3.1	5.2	9.5	21.1	0.93	0.7	0.7
<b>Latin America<sup>b</sup></b>	48.4	44.9	1 033 802	1 445 381	2.4	2.6	0.4	0.3	75 884.0	7 378.2	2.9	5.1	9.7	21.6	0.93	0.7	0.7
<b>Countries with low and medium-low levels of HD<sup>c</sup></b>	45.2	35.7	16 820	36 508	0.5	0.8	0.2	0.3	809.4	627.8	7.0	7.1	9.9	16.7	0.92	0.6	0.6
Haiti	4.21	3.81	994	1 811	0.14	0.19	0.09	0.18	170.5	9.4	7.0	7.1	0.1	0.1	0.84	0.53	0.53
Nicaragua	53.86	42.74	2 644	4 334	0.64	0.78	0.34	0.33	86.5	3.9		0.7	3.7	15.3	0.96	0.65	0.65
Guatemala	43.79	36.32	5 086	11 766	0.57	0.90	0.17	0.22	360.9	302.8		1.8	26.1	31	0.92	0.65	0.65
Bolivia (Plurinational State of)	57.91	54.17	5 504	11 403	0.83	1.22	0.27	0.32	76.7	6.6		0.2	8.9	21.2	0.97	0.68	0.68
Honduras	66.00	41.54	2 592	7 194	0.53	1.03	0.20	0.30	114.8	305.1		0.9	10.8	16.1	0.93	0.46	0.46
<b>Countries with medium levels of HD<sup>c</sup></b>	37.4	32.1	31 284	62 132	1.0	1.5	0.2	0.3	1 602.2	303.6	15.5	8.4	2.8	7.4	0.92	0.7	0.7
El Salvador	18.10	14.38	2 618	6 461	0.51	0.96	0.13	0.18	425.7	51.4	2.9	5.1	1	1	0.96	0.71	0.71
Paraguay	53.25	46.50	2 262	3 986	0.53	0.66	0.13	0.17	240.0	27.1		0.1	3.1	6	0.97	0.83	0.83
Dominican Republic	28.44	28.44	9 570	20 357	1.31	2.12	0.39	0.36	287.9	74.4	39.7	16.0			0.86	0.58	0.58
Ecuador	49.91	39.20	16 834	31 328	1.64	2.37	0.30	0.34	648.6	150.7	4.0	4.0	4.4	15.1	0.91	0.60	0.60
<b>Countries with medium-high levels of HD<sup>c</sup></b>	58.6	56.1	412 661	632 610	2.3	2.6	0.3	0.3	47 461.1	2 618.0	0.7	0.8	18.5	31.3	0.94	0.7	0.7
Peru	54.81	53.71	21 164	38 643	0.97	1.40	0.22	0.20	892.9	43.4	1.0	1.1	4.7	13.2	0.94	0.66	0.66
Colombia	59.15	58.47	57 336	63 422	1.64	1.39	0.29	0.19	2 152.7	469.9	0.4	0.5	24.5	30.3	0.92	0.61	0.61
Brazil	61.47	56.47	208 875	352 524	1.40	1.86	0.19	0.21	39 337.3	1 915.2	0.7	0.7	9	28.9	0.93	0.64	0.64
Panama	58.79	57.69	3 135	6 428	1.30	1.96	0.21	0.20	269.6	43.5		0.6	12.9	18.5	0.95	0.65	0.65
Venezuela (Bolivarian Republic of)	58.98	54.09	122 151	171 593	6.19	6.31	0.65	0.59	4 808.6	146.0		0.7	41.6	65.7	0.95	0.77	0.77
<b>Countries with high levels of HD<sup>c</sup></b>	23.9	24.6	573 037	714 131	2.7	3.1	0.3	0.3	26 011.3	3 828.8	7.4	9.2	8.5	11.3	0.91	0.7	0.7
Costa Rica	50.22	46.83	2 955	7 854	0.96	1.79	0.15	0.19	549.3	281.8	5.1	2.4	16.3	22.9	0.94	0.66	0.66
Mexico	36.16	33.66	384 659	436 150	4.58	4.14	0.46	0.32	21 488.9	1 917.9		17.0	2.6	8.8	0.86	0.65	0.65
Cuba	18.74	24.70	33 337	29 627	3.14	2.63			978.3	103.5	13.6	21.5	12.9	15.5	0.85	0.50	0.50
Uruguay	5.17	8.60	3 993	6 864	1.29	2.06	0.18	0.21	464.8	55.7		2.3	0.3	0.3	0.93	0.89	0.89

Table 2 (continued)

Country or territory	Goal 7. Ensure environmental sustainability																	
	Target 7.A Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources										Target 7.B Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss							
	Indicator 7.1 Proportion of land area covered by forest		Indicator 7.2 CO <sub>2</sub> emissions (total, in thousands of metric tons of CO <sub>2</sub> )		Indicator 7.2 CO <sub>2</sub> emissions (in metric tons of CO <sub>2</sub> per capita)		Indicator 7.2 CO <sub>2</sub> emissions (in kg of CO <sub>2</sub> for each dollar of GDP, 2000-constant dollars)		Indicator 7.3 Consumption of ozone-depleting substances (in metric tons)		Indicator 7.5 Proportion of total water resources used		Indicator 7.6 Proportion of terrestrial and marine areas protected (disaggregated)		Indicator 7.7 Proportion of species threatened with extinction (animals)		Indicator 7.7 Proportion of species threatened with extinction (plants)	
	Level 1990	Level 2005	Level 1990	Level 2006	Level 1990	Level 2006	Level 1990	Level 2006	Level 1990	Level 2007	Level 1990/1995	Level 2000	Level 1990	Level 2008	Level 1990	Level 2008	Level 1990	Level 2008
Argentina	12.89	12.07	112 607	173 536	3.46	4.43	0.46	0.38	1 514.5	1 199.7	3.5	3.6	5	6.2	0.93	0.74		
Chile	20.38	21.53	35 486	60 100	2.69	3.65	0.41	0.29	1 015.5	270.2		1.4	13.6	14	0.92	0.55		
Caribbean countries <sup>b</sup>	80.8	80.8	44 569	67 736	6.2	8.8	0.8	0.9	1 255.9	67.7	9.1	11.2	2.7	5.9	0.95	0.7		
Anguilla	71.40	71.40		51		4.12												
Antigua and Barbuda	20.46	20.46	301	425	4.86	5.06	0.38	0.28	425.5	0.9	3.3	0.0	0.7	1.2	0.94	0.45		
Netherlands Antilles	1.50	1.50	6 215	4 312	32.60	22.83												
Aruba	2.20	2.20	1 841	2 310	28.91	22.26												
Bahamas	51.45	51.45	1 951	2 138	7.64	6.53												
Barbados	4.65	4.65	1 074	1 338	3.96	4.57			65.8	5.8			0.4	1	0.93	0.73		
Belize	72.50	72.50	312	818	1.68	2.90	0.39	0.43	25.5	4.8		112.5	0.1	0.1	0.94	0.50		
Dominica	66.67	61.33	59	117	0.85	1.74	0.14	0.22	22.9	3.2	0.6	0.8	14.8	30.2	0.96	0.59		
Grenada	11.77	11.77	121	242	1.26	2.29	0.25	0.34	1.5	-			3.7	4.4	0.94	0.57		
Guadeloupe	49.40	47.20	1 294	2 141	3.31	4.85			4.1	0.2			0.1	0.1	0.92	0.47		
French Guiana	91.80	91.80	814	876	6.99	4.44												
Guyana	76.73	76.73	1 140	1 507	1.56	2.04	1.04	0.85	19.3	0.6	0.6	0.7	0.0	2.2	0.98	0.80		
Cayman Islands	48.40	48.40	253	517	9.62	11.13												
Turks and Caicos Islands	80.00	80.00																
British Virgin Islands	24.70	24.40	48	99	2.89	4.44												
United States Virgin Islands	35.00	27.90																
Jamaica	31.86	31.30	7 964	12 151	3.36	4.50	0.65	0.73	431.0	2.9	9.6	4.4	1.7	7.1	0.87	0.56		
Martinique	43.90	43.90	2 068	1 870	5.74	4.71												
Montserrat	35.00	35.00	33	70	3.07	12.03												
Puerto Rico	45.50	46.00									11.2	12.1						
Saint Kitts and Nevis	13.89	13.89	66	136	1.62	2.73	0.19	0.21	6.6	0.6			0.8	0.8	0.94	0.75		
Saint Vincent and the Grenadines	23.08	28.21	81	198	0.74	1.65	0.17	0.24	2.5	0.2			0.3	0.3	0.94	0.60		
Saint Lucia	27.87	27.87	165	381	1.20	2.34	0.18	0.25	11.5	-			2.2	2.4	0.93	0.65		
Suriname	94.72	94.72	1 811	2 438	4.50	5.36	0.85	0.76	43.1	2.7		0.5	3.9	13.2	0.98	0.75		
Trinidad and Tobago	45.81	44.06	16 958	33 601	13.86	25.29	1.36	1.20	196.6	45.8	7.7	8.1	8.4	8.5	0.96	0.86		

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included. Unless otherwise stated, the figures correspond to percentages.

<sup>b</sup> Weighted averages.

<sup>c</sup> Simple averages.

Table 2  
**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS  
 THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup> (continued)**

Country or territory	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 (national)			Indicator 7.9 Proportion of population using an improved sanitation facility (national)			Indicator 7.10 Proportion of urban population living in slums	
	Level 1990/1995	Level 2000/2006	Relative progress	Level 1990/1995	Level 2000/2006	Relative progress	Level 1990	Level 2001/2005
<b>Latin America and the Caribbean<sup>b</sup></b>	<b>84.2</b>	<b>91.0</b>	<b>167.8</b>	<b>68.0</b>	<b>77.8</b>	<b>118.4</b>	<b>37.1</b>	<b>25.5</b>
<b>Latin America<sup>b</sup></b>	<b>84.1</b>	<b>91.0</b>	<b>168.4</b>	<b>67.8</b>	<b>77.7</b>	<b>119.2</b>	<b>37.2</b>	<b>25.4</b>
<b>Countries with low and medium-low levels of HD<sup>c</sup></b>	<b>69.0</b>	<b>80.6</b>	<b>146.7</b>	<b>43.8</b>	<b>52.0</b>	<b>56.3</b>	<b>65.1</b>	<b>48.8</b>
Haiti	52.0	58.0	39.1	29.0	19.0	-44.0	84.9	70.1
Nicaragua	70.0	79.0	93.8	42.0	48.0	32.3	80.7	45.5
Guatemala	79.0	96.0	253.0	70.0	84.0	145.8	65.8	42.9
Bolivia (Plurinational State of)	72.0	86.0	156.3	33.0	43.0	46.6	70	50.4
Honduras	72.0	84.0	133.9	45.0	66.0	119.3	24	34.9
<b>Countries with medium levels of HD<sup>c</sup></b>	<b>69.5</b>	<b>87.8</b>	<b>234.5</b>	<b>68.0</b>	<b>79.8</b>	<b>141.6</b>	<b>41.5</b>	<b>21.4</b>
El Salvador	69.0	84.0	151.2	73.0	86.0	150.5	44.7	28.9
Paraguay	52.0	77.0	162.8	60.0	70.0	78.1	36.8	17.6
Dominican Republic	84.0	95.0	214.8	68.0	79.0	107.4	56.4	17.6
Ecuador	73.0	95.0	254.6	71.0	84.0	140.1	28.1	21.5
<b>Countries with medium-high levels of HD<sup>c</sup></b>	<b>85.2</b>	<b>88.6</b>	<b>117.1</b>	<b>69.8</b>	<b>73.8</b>	<b>51.1</b>	<b>40.6</b>	<b>27.6</b>
Peru	75.0	84.0	112.5	55.0	72.0	118.1	60.4	36.1
Colombia	89.0	93.0	113.6	68.0	78.0	97.7	26	17.9
Brazil	83.0	91.0	147.1	71.0	77.0	64.7	45	29
Panama	90.0	92.0	113.6	72.0	74.0	40.6	30.8	23
Venezuela (Bolivarian Republic of)	89.0	83.0	-194.8	83.0	68.0	-315.1	40.7	32
<b>Countries with high levels of HD<sup>c</sup></b>	<b>93.3</b>	<b>95.8</b>	<b>147.0</b>	<b>85.5</b>	<b>93.3</b>	<b>208.3</b>	<b>17.4</b>	<b>15.1</b>
Costa Rica	96.0	98.0	284.1	94.0	96.0	104.2	11.9	10.9
Mexico	88.0	95.0	182.3	56.0	81.0	177.6	23.1	14.4
Cuba	91.0	91.0	0.0	98.0	98.0	0.0		
Uruguay	100.0	100.0	0.0	100.0	100.0	0.0		
Argentina	94.0	96.0	104.2	81.0	91.0	164.5	30.5	26.2
Chile	91.0	95.0	138.9	84.0	94.0	195.3	4	9
<b>Caribbean countries<sup>b</sup></b>	<b>90.2</b>	<b>93.8</b>	<b>196.3</b>	<b>83.5</b>	<b>85.2</b>	<b>37.8</b>	<b>23.7</b>	<b>43.3</b>
Anguila	60.0	60.0	0.0	99.0	99.0	0.0	40.6	36.7
Antigua and Barbuda	91.0	91.0	0.0	96.0	95.0	-173.6	6.9	4.8
Netherlands Antilles			...			...		
Aruba	100.0	100.0	0.0			...		
Bahamas	96.0	97.0	173.6	100.0	100.0	0.0		
Barbados	100.0	100.0	0.0	100.0	99.0	-312.5		
Belize	91.0	91.0	0.0	47.0	47.0	0.0	54.2	47.3
Dominica	97.0	97.0	0.0	83.0	84.0	40.8	16.6	14
Grenada	95.0	95.0	0.0	97.0	97.0	0.0	6.9	6
Guadeloupe	98.0	98.0	0.0	64.0	64.0	0.0	6.9	5.4
French Guiana	84.0	84.0	0.0	78.0	78.0	0.0	12.9	10.5

Table 2 (continued)

Country or territory	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 (national)			Indicator 7.9 Proportion of population using an improved sanitation facility (national)			Indicator 7.10 Proportion of urban population living in slums	
	Level 1990/1995	Level 2000/2006	Relative progress	Level 1990/1995	Level 2000/2006	Relative progress	Level 1990	Level 2001/2005
Guyana	83.0	93.0	334.2	69.0	81.0	219.9	4.9	33.7
Cayman Islands			...			...		
Turks and Caicos Islands	100.0	100.0	0.0	96.0	96.0	0.0		
British Virgin Islands	98.0	98.0	0.0	100.0	100.0	0.0		
United States Virgin Islands			...			...		
Jamaica	92.0	93.0	39.1	83.0	83.0	0.0	29.2	60.5
Martinique			...			...	2	1.6
Montserrat	100.0	100.0	0.0	96.0	96.0	0.0		
Puerto Rico			...			...		
Saint Kitts and Nevis	99.0	99.0	0.0	96.0	96.0	0.0		
Saint Vincent and the Grenadines			...			...		
Saint Lucia	98.0	98.0	0.0	89.0	89.0	0.0	11.9	11.9
Suriname	91.0	92.0	63.1	92.0	82.0	-710.2	6.9	3.9
Trinidad and Tobago	88.0	94.0	156.3	93.0	92.0	-44.6	34.7	24.7

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included. Unless otherwise stated, the figures correspond to percentages.

<sup>b</sup> Weighted averages.

<sup>c</sup> Simple averages.



Table 2  
**LATIN AMERICA AND THE CARIBBEAN: PROGRESS TOWARDS  
 THE MILLENNIUM DEVELOPMENT GOALS<sup>a</sup> (continued)**

Country or territory	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 technologies					
	Indicator 8.14 Telephone lines per 100 population		Indicator 8.15 Cellular subscribers per 100 population		Indicator 8.16 Internet users per 100 population	
	Level 1990-1992	Level 2001-2007	Level 2000	Level 2002-2007	Level 2000	Level 2002-2007
<b>Latin America and the Caribbean<sup>b</sup></b>	<b>6.2</b>	<b>17.8</b>	<b>12.1</b>	<b>66.7</b>	<b>3.9</b>	<b>25.8</b>
<b>Latin America<sup>b</sup></b>	<b>6.0</b>	<b>17.7</b>	<b>12.1</b>	<b>66.3</b>	<b>3.8</b>	<b>25.6</b>
<b>Countries with low and medium-low levels of HD<sup>c</sup></b>	<b>1.7</b>	<b>7.0</b>	<b>3.9</b>	<b>46.6</b>	<b>0.9</b>	<b>8.0</b>
Haiti	0.66	1.13	0.69	26.05	0.25	10.42
Nicaragua	1.17	4.43	1.82	37.88	1.01	2.77
Guatemala	2.14	10.49	7.67	76.01	0.72	10.22
Bolivia (Plurinational State of)	2.74	7.12	7.01	34.17	1.44	10.50
Honduras	1.81	11.6	2.42	58.89	1.17	5.97
<b>Countries with medium levels of HD<sup>c</sup></b>	<b>3.7</b>	<b>11.3</b>	<b>9.8</b>	<b>74.6</b>	<b>1.8</b>	<b>12.5</b>
El Salvador	2.45	15.8	11.84	89.50	1.11	11.13
Paraguay	2.67	6.44	15.01	76.62	0.73	8.65
Dominican Republic	4.81	9.29	8.54	56.49	3.96	17.18
Ecuador	4.78	13.5	3.92	75.60	1.46	13.19
<b>Countries with medium-high levels of HD<sup>c</sup></b>	<b>6.5</b>	<b>16.1</b>	<b>12.0</b>	<b>73.6</b>	<b>3.6</b>	<b>26.4</b>
Peru	2.6	9.58	4.91	55.25	3.08	27.37
Colombia	6.91	17.2	5.36	73.54	2.08	26.22
Brazil	6.3	20.5	13.34	63.08	2.88	35.20
Panama	8.96	14.8	13.91	90.05	6.56	22.29
Venezuela (Bolivarian Republic of)	7.54	18.4	22.31	86.13	3.36	20.68
<b>Countries with high levels of HD<sup>c</sup></b>	<b>8.0</b>	<b>22.3</b>	<b>11.9</b>	<b>62.3</b>	<b>7.6</b>	<b>25.3</b>
Costa Rica	9.15	32.2	5.39	33.76	5.80	33.57
Mexico	6.35	18.5	14.07	62.48	5.05	20.75
Cuba	3.2	9.26	0.06	1.76	0.54	11.63
Uruguay	13.38	28.9	12.29	89.96	10.47	28.98
Argentina	9.29	24	17.58	102.20	7.05	25.92
Chile	6.56	20.7	22.07	83.66	16.46	30.95
<b>Caribbean countries<sup>b</sup></b>	<b>17.0</b>	<b>23.8</b>	<b>15.9</b>	<b>87.5</b>	<b>7.2</b>	<b>32.9</b>
Anguila	30.5	46.98	19.26	107.01	22.26	34.00
Antigua and Barbuda	25.24	45.7	28.76	135.40	6.54	72.29
Netherlands Antilles	24.66	46.08	...	110.58	1.13	
Aruba	28.18	37.2	16.29	140.40	15.20	23.10
Bahamas	27.42	40.1	10.46	112.90	4.36	36.22
Barbados	28.05	50.04	10.70	87.76	3.76	59.36
Belize	9.33	11.8	6.94	41.12	6.19	11.12
Dominica	16.15	26.69	1.54	53.27	7.71	37.22
Grenada	15.77	26.74	4.23	44.59	4.05	21.77
Guadeloupe						
French Guiana						
Guyana	2.19	14.66	5.36	37.45	6.72	25.75
Cayman Islands	46.88	92.87	26.95	76.64	44.43	46.60
Turks and Caicos Islands	24.77	14.77		99.64		
British Virgin Islands	39.25	55.26		37.77		18.89

Table 2 (concluded)

Country or territory	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 technologies					
	Indicator 8.14 Telephone lines per 100 population		Indicator 8.15 Cellular subscribers per 100 population		Indicator 8.16 Internet users per 100 population	
	Level 1990-1992	Level 2001-2007	Level 2000	Level 2002-2007	Level 2000	Level 2002-2007
United States Virgin Islands	45.57	64.12	31.56	71.81	13.53	26.92
Jamaica	4.44	13.6	14.20	98.91	3.10	55.27
Martinique						
Montserrat	34.49	71.7	12.54	88.95		30.00
Puerto Rico	27.84	26.24	24.16	84.81	10.43	25.06
Saint Kitts and Nevis	23.86	59.26	2.97	23.70	6.67	34.72
Saint Vincent and the Grenadines	12	19	2.04	91.77	3.02	47.34
Saint Lucia	12.35	32.58	1.62	65.72	5.18	66.70
Suriname	9.13	18.03	9.46	70.80	2.70	9.61
Trinidad and Tobago	13.57	23.1	12.60	113.20	7.78	15.96

**Source:** See the annex listing the sources at the end of this section.

<sup>a</sup> The indicators are presented in numerical order; those for which there is no information have not been included. Unless otherwise stated, the figures correspond to percentages.

<sup>b</sup> Weighted averages.

<sup>c</sup> Simple averages.

## A. CRITERIA USED FOR PRESENTING THE INFORMATION

### Grouping of countries

The countries of Latin America and the Caribbean were classified into five groups. The first four are Latin American countries classified according to their relative ranking on the Human Development Index (HDI) prepared by the United Nations Development Programme (UNDP). Most of the figures in that index are based on information from 2007 and were taken from the *Human Development Report 2009*.<sup>1</sup> The countries and territories of the Caribbean are treated as a single group, in this case, the fifth. This classification makes the information easier to read and highlights the inequalities between Latin American countries and their progress in achieving the targets set out in the Millennium Development Goals, in accordance with their relative levels of development (see table 1).<sup>2</sup>

The countries were grouped as follows:

- **Countries with low or medium-low levels of human development:** Guatemala, Haiti, Honduras, Nicaragua and the Plurinational State of Bolivia. This group comprises 8.0% of the region's population.
- **Countries with medium levels of human development:** Dominican Republic, Ecuador, El Salvador and Paraguay. This group comprises 6.3% of the region's population.
- **Countries with medium-high levels of human development:** Bolivarian Republic of Venezuela, Brazil, Colombia, Panama and Peru. This group comprises 52.1% of the region's population.
- **Countries with high levels of human development:** Argentina, Chile, Costa Rica, Cuba, Mexico and Uruguay. This group comprises 32.4% of the region's population.
- **Countries and territories of the Caribbean, with the exception of Cuba, the Dominican Republic and Haiti:** These countries and territories, on which considerably less information is available, were grouped into a single category, which includes: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, British Virgin Islands, Cayman Islands, Dominica, French Guiana, Grenada, Guadeloupe, Guyana, Jamaica, Martinique, Montserrat, Netherlands Antilles, Puerto Rico, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands and the United States Virgin Islands. This group contains 1.2% of the population of the region. On the basis of the HDI, Barbados is part of the group of countries with a high level of development; another seven countries belong to the group with high human development (Antigua and Barbuda, Bahamas, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia and Trinidad and Tobago); and five belong to the group with medium human development (Belize, Guyana, Jamaica, Saint Vincent and the Grenadines and Suriname). The remaining 12 countries and territories of the Caribbean are not classified in the UNDP *Human Development Report 2009*.

### Weighting criteria for obtaining average values for the indicators

The average values for Latin America and the Caribbean and the regional averages (Latin America and countries and territories of the Caribbean) in tables 1 and 2 of this statistical annex were calculated by weighting the values for each indicator by the size of the total population (or respective subpopulation) of each country. The figures are taken from the estimates made by the Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC for the year in which each indicator was available. By contrast, for the four subgroups of Latin American countries, simple averages were calculated so that the representative value for each subgroup would not be influenced by the size of the population of the countries in that subgroup, as was the case of the groups of countries with medium-high and high levels of human development, which include Brazil and Mexico, respectively, the two most populous countries in the region.

<sup>1</sup> United Nations Development Programme (UNDP), *Human Development Report 2009, New York, 2009*.

<sup>2</sup> This classification is not meant to question the validity of other international classifications, which are generally established for different purposes, such as international loan decisions or public debt cancellations, for example.

### Procedure for calculating progress towards achievement of the different targets

For the purpose of measuring progress towards the targets in each country and group of countries and in the region as a whole, those countries for which information was available for both the base year (1990 or a year close to it) and the end year (the most recent data) were included in the calculation of each given indicator. The general objective was to measure the progress towards the Millennium Development Goals using the official indicators established for each explicit quantitative target.<sup>3</sup>

Progress achieved between the base year and the end year was determined by comparing the improvement in each indicator and the improvement to be expected based on the time elapsed between these two years. Hence, countries' score in terms of the degree of progress assumes a linear progress in the indicators between the base year and 2015. This is the standard procedure used in official reports to evaluate and project progress towards fulfilment of the targets set out in the Millennium Development Goals.<sup>4</sup> Clearly, it should be borne in mind that certain phenomena, such as infant mortality, follow a less linear pattern, and that, above a certain threshold, the lower the rate, the slower the fall in the number of deaths per 1,000 live births. Nevertheless, the different trends over time that the indicators are intended to capture and the frequent lack of more empirical data make it advisable to proceed with the evaluations on the assumption that progress towards the targets will be linear and to draw conclusions on the chances of countries' fulfilling them by 2015 on that basis.

As noted above, the degree of progress towards the achievement of quantitative targets is evaluated by comparing the percentage decrease (increase) in the indicator in question with the percentage of time elapsed between the initial and the end observation. For example: for target 1.A of the first Millennium Development Goal—halving extreme poverty between 1990 and 2015—each country's percentage progress is calculated by dividing the decrease in the percentage points of extreme poverty in the period by half of the rate recorded in 1990. For Latin America, the estimate of extreme poverty for 1990 was 22.5%, and for the last year observed it was 12.9%. Hence, extreme poverty decreased by 9.6 percentage points (22.5% - 12.9%) between the two years. This figure was divided by 11.25 (half of 22.5%, in accordance with the target established for 2015). The quotient, expressed as a percentage, is 85.3%.

The progress is evaluated by comparing that figure (85.3%) with the time elapsed between the base year (1990) and the target year (2015) as a percentage of the total number of years in the period, that is, 18 of the 25 years, or 72% of the total time foreseen for the target to be achieved. On this basis, it is concluded that Latin American countries (as a whole) are on the path to meeting the target of halving extreme poverty. Clearly, the greater the reduction in poverty in the period in question in comparison with the amount of time elapsed, the greater the likelihood that the target will be met. This information was used to prepare a summary table of countries' progress. The table is included in chapter IX.

This procedure cannot be used in the same manner when the data for the indicator cover different periods. If, for example, the data for a given country cover the period from 1992 to 2008, and the available information for the country covers a shorter period (say, 1992 to 2004)—as is the case with the indicator for completion of primary schooling—the length of the period must be taken into account in order for the evaluation of the progress between the two countries to be comparable. The pace of increase or decrease of the indicator “adjusted” for the length of the period in question must be taken into account. In this case, progress is compared, then, not with regard to a fixed percentage of time elapsed but in accordance with the available data. The comparison is made with regard to 100% progress, which corresponds to cases in which the annual average rate of change for the indicator is equal to the rate expected for the target to be achieved, based on the assumption of linear progress. Only with regard to four

<sup>3</sup> Target 1.A (indicator 1.1 on extreme poverty); Target 1.C (indicators 1.8 and 1.9 on hunger); Target 3.A (indicator 3.1 on gender equity at three educational levels); Target 4.A (indicator 4.2 on infant mortality); Target 5.A (indicator 5.1 on the causes child mortality); Target 7.C (indicators 7.8 and 7.9 on access to drinking water and basic sanitation services).

<sup>4</sup> The same procedure was used in the regional inter-agency report 2005 coordinated by ECLAC: United Nations, *The Millennium Development Goals: A Latin American and Caribbean Perspective* (LC/G.2331-P), J.L. Machinea, A. Bárcena and A. León (coords.), Santiago, Chile, Economic Commission for Latin America and the Caribbean (ECLAC). United Nations publication, Sales No. E.05.II.G.107.

indicators (1.8, on the prevalence of underweight children; 2.2, on the completion of primary schooling; and 7.8 and 7.9, on access to safe drinking water and to sanitation services) was it necessary to use the latter procedure to evaluate progress towards the respective targets.

## **B. SOURCES OF INFORMATION FOR TABLE 2 OF THE STATISTICAL ANNEX**

The following sources of information were used for the official indicators of the Millennium Development Goals:<sup>5</sup>

### **Indicators 1.1, 1.2, 1.3, 1.5, 1.6, 1.7 and 2.2**

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>6</sup>

### **Indicators 1.4, 3.2, 3.3, 5.2, 5.3, 5.4, 6.3, 6.4, 6.5, 6.8, 7.2, 7.3, 7.6, 7.8, 7.9, 8.14, 8.15 and 8.16**

Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1>, on the basis of United Nations, Millennium Development Goals Indicators database [online] <http://mdgs.un.org/unsd/mdg/Default.aspx>

### **Indicators 2.1, 2.3 and 3.1**

UNESCO Institute for Statistics, United Nations Educational, Scientific and Cultural Organization.

### **Indicator 1.8**

Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Health Organization (WHO), “Global Database on Child growth and Malnutrition” [online] <http://www.who.int/nutgrowthdb/database/en/> [date of reference: April 2009], Measure DHS, “Statcompiler” [online] <http://www.statcompiler.com>, United Nations Children's Fund (UNICEF), “Multiple Indicator Cluster Survey (MICS)” [online] [http://www.unicef.org/statistics/index\\_24302.html](http://www.unicef.org/statistics/index_24302.html), and official country reports on surveys of living conditions, and demographic and health surveys.

### **Indicator 1.9**

Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Food and Agriculture Organization of the United Nations (FAO), *Panorama of Nutrition and Food Security in Latin America and the Caribbean 2009*, Santiago, Chile, FAO Regional Office for Latin America and the Caribbean, 2009.

### **Indicator 4.1**

Source for Latin America:

Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, population estimates and projections, 2008 revision.

Source for the Caribbean and the region overall:

United Nations, “World Population Prospects: the 2008 Revision”, Department of Economic and Social Affairs (DESA) [online database] <http://esa.un.org/unpp>.

<sup>5</sup> See the Official list of Millennium Development Goals indicators at: [on line] <http://mdgs.un.org/unsd/mdg/Host.aspx?Content=Indicators%2fOfficialList.htm>.

<sup>6</sup> At the end of the annex the listing of household surveys used is presented, with an indication of the years and their geographic coverage.

**Indicator 4.2**

Economic Commission for Latin America and the Caribbean (ECLAC), calculations by the Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, on the basis of data obtained by linear interpolation of estimates of the probability of dying before reaching one year of age for 1985-1990 and 1990-1995 (data from 1990), 2000-2005 and 2005-2010 (data from 2009).

**Indicator 4.3**

Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1>, on the basis of United Nations Children's Fund (UNICEF), *The State of the World's Children*, [online] <http://www.unicef.org/>.

**Indicator 5.1**

Pan American Health Organization (PAHO), Basic Indicator Data Base [online] <http://www.paho.org/english/dd/ais/coredata.htm>, 2010.

**Indicator 5.5**

Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1>, on the basis of United Nations Children's Fund (UNICEF), Statistics and monitoring of the situation of children and women [online] <http://www.unicef.org/statistics/index.html>.

**Indicator 5.6**

Economic Commission for Latin America and the Caribbean (ECLAC), estimates from the Latin American and Caribbean Demographic Centre (CELADE) - Population Division of ECLAC, on the basis of demographic and health surveys, and in the case of Mexico, National Institute of Statistics and Geography (INEGI), System of Indicators for Monitoring the Situation of Women in Mexico (SISESIM) [online] <http://dgcnesyp.inegi.org.mx/sisesim/sisesim.html?c=141>.

**Indicator 6.1 and 6.2**

Joint United Nations Programme on HIV/AIDS (UNAIDS), *Report on the global AIDS epidemic*, Geneva, 2008.

**Indicator 6.9**

Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1>, on the basis of World Health Organization (WHO), “Global Tuberculosis Database” [online] <http://apps.who.int/globalatlas/dataQuery/default.asp>.

**Indicator 6.10**

Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1>, on the basis of World Health Organization (WHO), “Global Tuberculosis Database” [online] <http://apps.who.int/globalatlas/dataQuery/default.asp>.

**Indicator 7.1**

Economic Commission for Latin America and the Caribbean (ECLAC), “CEPALSTAT” [online database] <http://websie.eclac.cl/sisgen/ConsultaIntegrada.asp?idAplicacion=1>, on the basis of Food and Agriculture

Organization of the United Nations (FAO), Global Forest Resources Assessment 2005 (FRA 2005), for national forest surface, and FAO Statistical Databases (FAOSTAT), for national land area.

### Indicator 7.7

Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Union for Conservation of Nature and Natural Resources (IUCN), “The IUCN Red List of Threatened Species” [online] <http://www.iucnredlist.org/>.

The denominations, years and geographic coverage of the surveys used are as follows:

**Argentina:** Permanent household survey 1990, 2002 and 2006, with coverage of the Buenos Aires metropolitan area for 1990 and of 32 other metropolitan areas for 2002 and 2006.

**Bolivia (Plurinational State of):** Comprehensive household survey 1990, 2002 and 2007, with coverage of the eight largest cities plus the city of El Alto in 1990 and with national coverage for 2002 and 2007.

**Brazil:** National household sample survey 1990, 2001 and 2008, with national coverage.

**Chile:** National socio-economic survey 1990, 2003 and 2006, with national coverage.

**Colombia:** National household surveys 1991, 2002 and 2005, with national coverage.

**Costa Rica:** Multi-purpose household survey 1990, 2002 and 2008, with national coverage.

**Ecuador:** Survey of employment, unemployment and underemployment in urban areas 1990, 2002 and 2008, with urban coverage for 1990 and 2002 and national coverage for 2008.

**El Salvador:** Multi-purpose household survey 1995, 2001 and 2004, with national coverage.

**Guatemala:** National socio-demographic survey 1989, 2002 and 2006, with national coverage.

**Honduras:** Permanent multi-purpose household survey 1990, 2002 and 2007, with national coverage.

**Mexico:** National household income and expenditure survey 1989, 2002 and 2008, with national coverage.

**Nicaragua:** National household survey on standards of living 1993, 2001 and 2005, with national coverage.

**Panama:** Household survey 1991, 2002 and 2008, with national coverage.

**Paraguay:** Household (labour force) survey 1990, 2001 and 2008 with coverage of the Asunción metropolitan area for 1990 and with national coverage for 2001 and 2008.

**Peru:** National household surveys 1997, 2001 and 2008, with national coverage.

**Dominican Republic:** National labour force survey 2002 and 2008, with national coverage.

**Uruguay:** Continuous household survey 1990, 2002 and 2008, with urban coverage for 1990 and 2002 and national coverage for 2008.

**Venezuela (Bolivarian Republic of):** Household sample survey 1990, 2002 and 2008, with national coverage.