Latin America and The Caribbean: Poverty, Inequality, Security and *the State of Citizenship*

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1. Recent trends: Growth

- In spite of the 2009 crisis LAC has experienced economic growth for the last eight years (over 4% on average)

**Annual GDP Growth Rate, 2003-2010**

*Percentage*

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>2.1%</td>
</tr>
<tr>
<td>2004</td>
<td>6.1%</td>
</tr>
<tr>
<td>2005</td>
<td>4.9%</td>
</tr>
<tr>
<td>2006</td>
<td>5.8%</td>
</tr>
<tr>
<td>2007</td>
<td>5.9%</td>
</tr>
<tr>
<td>2008</td>
<td>4.4%</td>
</tr>
<tr>
<td>2009</td>
<td>-1.8%</td>
</tr>
<tr>
<td>2010</td>
<td>6.2%</td>
</tr>
<tr>
<td>Promedio 2003-2010</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

*Source: Data from WDI, 2011*
2. Recent trends: Poverty

Poverty reduction was achieved partly due to economic growth. The crisis had a smaller impact than expected.

Poverty and Extreme Poverty in Latin America, 1980-2011

Percentage

Source: ECLAC. 2011 data an estimate.
3. Recent trends: Inequality

- Inequality decreased by 1% on average in 13 of the 18 countries analyzed.

Changes in Gini Index, circa 2000-2009

Annual Percent Change

Source: Lustig et al. (2011)
4. The highest inequality in the world among regions

Gini Index, circa 2009

Average Gini: 0.516

Source: Data from SEDLAC and UNU-WIDER.
5. Wide disparities within

- Inequality in Uruguay (lowest inequality in LAC) higher than in the USA (highest inequality among high income countries)

Gini coefficients in Uruguay and the USA, 2009

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE.UU.</td>
<td>40.1</td>
</tr>
<tr>
<td>Uruguay</td>
<td>44.4</td>
</tr>
</tbody>
</table>

Source: Data from SEDLAC and UNU-WIDER.
6. The inequality burden

- High inequality levels severely limit human development

Fuente: Con base en datos UNDP (2011)
7. What should be done?

• Wide quantitative and qualitative gaps in basic services persist.

• Still, poverty and inequality reductions do represent positive signs.

• Maintaining progress in poverty and inequality reduction will demand coordinated efforts in three broad areas:
  1. Designing strategies that effectively reach the poorest and the most vulnerable populations
  2. Improving effectiveness of universal access programs
  3. Making sure that positive growth rates in the region do translate into even greater social development achievements

• The role of the State is crucial, in these and other tasks.
8. Latin America: Trends in Social Public Expenditure and Total Public Expenditure (GDP %)

Source: Data from ECLAC's social expenditure database.
9. Social Public Expenditure Per Capita

Social Public Expenditure Per Capita
(US PPP 2000 Dollars)

Source: Data from ECLAC. Simple average. **República Bolivariana de, *Estado Bolivariano de
10. Social Citizenship Index

Social Citizenship Index (Euclid calculus***)

Uruguay
País Medio
Argentina
Chile
Brasil
Venezuela**
Costa Rica
Panamá
México
Perú
Colombia
Ecuador
R. Dominicana
El Salvador
Bolivia*
Nicaragua
Paraguay
Guatemala
Honduras

Source: Authors’ calculation based on data from ILO, ECLAC and UNDP HDR 2000 and 2010.

*Estado Plurinacional de (Plurinational State of), **Rep. Bolivariana de, (Bolivarian Republic of)
***Square Root of the sum of the squares of the difference to the value of the best case (benchmarking)
United Nations Development Programme

11. Social Citizenship Index

Source: Authors’ calculation based on data from ILO, ECLAC and UNDP HDR 2000 and 2010.
12. Citizen Insecurity

Rate of homicide per 100,000 inhabitants: the region has the highest rates in the world, and even higher in the cases of Central America and Mexico.

Source: Authors’ calculation based on data from UNOCD, *International Homicide Statistics*, 2004
13. The most important problems: crime and unemployment

Q: In your opinion: What is the most important problem in the country? Latin America Total 1995-2010 – Total by country 2010 only including “unemployment” and “crime”